U. S. Congress.

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE SEVENTY-SECOND CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 75—PART 7

MARCH 30, 1932, TO APRIL 13, 1932

(Pages 7061 to 8174)

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SEVENTY-SECOND CONGRESS, FIRST SESSION

SENATE

WEDNESDAY, MARCH 30, 1932

(Legislative day of Wednesday, March 23, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Several messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 3706) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Davis	Kendrick	Schall
Bankhead	Dickinson	Keyes	Sheppard
Barkley	Fess	King	Shipstead
Bingham	Fletcher	La Follette	Shortridge
Black	Frazier	Lewis	Smoot
Borah	George	Logan	Steiwer
Bratton	Glass	McGill	Thomas, Idaho
Brookhart	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Morrison	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Caraway	Hatfield	Norris	Walcott
Carey	Hayden	Nye	Walsh, Mass.
Connally	Hebert	Oddie	Walsh, Mont.
Coolidge	Howell	Patterson	Watson
Copeland	Hull	Pittman	Wheeler
Costigan	Johnson	Reed	

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. KEAN. I announce that my colleague the junior Senator from New Jersey [Mr. BARBOUR] is detained from the Senate by illness. I ask that the announcement may stand for the day.

Mr. FESS. I desire to announce that the Senator from Rhode Island [Mr. METCALF] is necessarily absent on account of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

EMERGENCY OFFICERS RETIRED WITH PAY

Mr. ASHURST. Mr. President, I present a list of the employees of the Veterans' Administration who have been placed on the emergency retired officers' list with pay; also a list of emergency officers with pay who are not employed in the Veterans' Administration, together with a letter from General Hines of recent date. I ask that the matter be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

VETERANS' ADMINISTRATION,
Washington, March 29, 1932.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR ASHURST: Further reference is made to your letter of March 5, 1932, requesting a revised list of emergency officers retired with pay who are employees of the Veterans' Administration and a list of those retired who are not employed by this administration.

There is attached a copy of the CONGRESSIONAL RECORD of March 4, 1931, containing an emergency officers' list as of February 20, 1931. This list has been revised and brought up to date as of March 1, 1932, and the supplemental lists which are attached for insertion as indicated contain the names of officers who have changed their residence and those who have been retired since the last list was compiled.

If this revision is not clear, a representative will be pleased to call at your office to explain the changes that have been made.

Very truly yours,

FRANK T. HINES, *Administrator.*

Employees of the Veterans' Bureau who have been placed on the list of emergency officers retired with pay March 1, 1932

Name	State	Bureau designation	Salary	Retirement pay
Adams, Roscoe Conklin, C-396379	Kentucky	Physician	$4,000.00	$262.50
Adams, Winthrop, C-1008996	Massachusetts	Medical officer in charge	7,500.00	150.00
Ale, John H., C-165794	Indiana	Regional manager	4,600.00	125.00
Allison, Jas. Richard, C-1333372	South Carolina	Physician (part time)	2,400.00	125.00
Ankenbrandt, Albert Andrew, C-653955	New York	Physician	4,000.00	150.00
Appling, Chas. Dowling, C-1335743	Arizona	Contact representative	2,200.00	106.25
Arnold, David Elmer, C-528532	California	Rating specialist (physician)	4,600.00	187.50
Arntzer, Julius, C-367945	Arizona	Physician	4,600.00	150.00
Arwine, James Tevis, C-1348848	California	....do	4,600.00	187.50
Aten, Everett Maxwell, C-1009817	New York	Disbursing officer	2,600.00	150.00
Babcock, Archer D., C-1055004	....do	Physician (part time)	2,570.00	218.75
Bacon, Harry P., C-1239077	Minnesota	Physician	4,600.00	150.00
Bailey, Frank James, C-161973	Arkansas	Chief, dental clinic	4,300.00	165.00
Baker, David Alfred, C-1235549	California	Physician	3,800.00	150.00
Baker, Erasmus Shanks, C-185242	Louisiana	....do	4,600.00	125.00
Ballou, James Larkin, C-476262	Oregon	....do	4,600.00	150.00
Barlow, Alfred M., C-364689	Ohio	Regional attorney	3,800.00	125.00
Barnhart, Harry Henry, C-315989	Pennsylvania	Senior contact representative	3,200.00	210.00
Barry, Howard Jerome, C-402259	Wisconsin	Rating specialist (physician)	3,800.00	125.05

Employees of the Veterans' Bureau who have been placed on the list of emergency officers retired with pay March 1, 1933—Continued

Name	State	Bureau designation	Salary	Retirement pay
Bays, John Ransom, C–107323	Kentucky	Rating specialist (legal)	$3,200.00	$106.25
Beatty, Jesse James, C–1340648	Arizona	Clinical director	5,600.00	125.00
Beckett, Clinton Geo., C–345823	Indiana	Physician	4,600.00	187.50
Beem, Levi A., C–365733	do	Rating specialist (occupational)	3,300.00	165.00
Bernard, Laurence Judah, C–500449	California	Physician	4,600.00	125.00
Birchfield, George Irving, C–1284508	Washington	do	4,000.00	150.00
Black, Dennis Leo, C–272182	Massachusetts	do	4,600.00	125.00
Blair, George Arnold, C–323892	Tennessee	Rating specialist (occupational)	3,300.00	165.00
Blake, William James, C–220788	Massachusetts	Regional manager	5,600.00	125.00
Bohn, Charles Reinhardt, C–210098	New Jersey	Rating specialist (occupational)	3,300.00	195.00
Bondurant, Alpheus John, C–524547	Colorado	Physician	4,600.00	125.00
Borden, Archibald David, C–1271890	California	Regional manager	4,800.00	225.00
Bowman, Lang Fulton, C–293768	Kansas	Physician (part time)		125.00
Boyd, Benjamin Day, C–411008	Alabama	Dentist	3,800.00	162.50
Brady, Henry Adrian, C–256905	Louisiana	Physician	3,800.00	150.00
Breedlove, Geo. Boles, C–821206	Indiana	Medical examiner (fee basis)		150.00
Brod, Benjamin, C–516030	New York	Physician	4,200.00	125.00
Brown, John Ryston, C–1219116	Minnesota	do	4,600.00	125.00
Buck, Samuel Cory, C–1392265	California	do	4,200.00	150.00
Burstien, Louis Launcelot, C–635146	California	Physician	4,000.00	125.00
Byrne, Joseph Vincent, C–356731	District of Columbia.	Chief of division	4,800.00	150.00
Caldarone, Alfred A., C–1407925	Rhode Island	Physician	4,000.00	150.00
Carling, John, C–479059	California	do	5,200.00	150.00
Casey, Timothy Joseph, C–1306573	do	Physician (part time)	2,400.00	125.00
Cassidy, Franklin Chester, C–1203276	Colorado	Physician	4,600.00	125.00
Chambers, Wilfred Ernest, C–1065035	Missouri	Medical officer in charge	6,500.00	206.25
Chance, Jenner Perry, C–1347324	California	Physician	4,600.00	206.25
Chase, Alpha Manley, C–412533	Colorado	do	4,600.00	195.00
Christiansen, James, C–495531	Wisconsin	do	4,600.00	165.00
Cochrell, Benj. A., C–1169128	Kentucky	do	4,400.00	150.00
Compton, Booten Stoves, C–351915	Louisiana	Chief, Medical Service	5,800.00	125.00
Cook, George Francis, C–692750	District of Columbia.	Adjudicator	2,800.00	165.00
Cooley, Beamon Sherley, C–1126030	Alabama	Physician	4,200.00	125.00
Copeland, Paul Richard, C–1437804	Florida	do	4,800.00	125.00
Crawford, Harry Struthers, C–1227726	Missouri	do	4,000.00	150.00
Cummings, John M., C–791014	New York	Contact representative	2,800.00	137.50
Daggett, Byron B., C–542904	do	Rating specialist (occupational)	3,300.00	165.00
Dallis, Park A., C–430465	Georgia	Architectural engineer	2,600.00	150.00
Dally, Wendell Phillips, C–1052453	Maryland	Physician	4,600.00	150.00
Darrah, Homer C., C–238536	North Dakota	Dentist	3,800.00	165.00
Davis, Eugene, C–1139337	Tennessee	Medical officer in charge	5,500.00	187.50
Decker, Ernest Raymond, C–400300	District of Columbia.	Junior legal member	3,800.00	106.25
Delaney, Jos. Peter, C–906412	Arkansas	Physician	3,800.00	125.00
Derdiger, Louis Belfair, C–1238853	Minnesota	do	3,800.00	150.00
Devine, Clark Bailey, C–507078	Arizona	do	4,600.00	150.00
Diodati, Vincent Maria, C–487651	Pennsylvania	do	4,600.00	150.00
Dodd, Thomas Franklin, C–583283	Virginia	Rating specialist (physician)	4,800.00	187.50
Doherty, Wm. T., C–1206394	Kansas	Physician	5,200.00	125.00
Donahue, John Leo, C–186199	Arizona	do	4,600.00	150.00
Donnelly, James Gordon, C–1393043	District of Columbia.	Medical supervisor	5,600.00	125.00
Donovan, Timothy Stephen, C–1024730	New York	Physician	4,000.00	125.00
Dorsey, Stanton, C–606851	District of Columbia.	Associate sanitary engineer	3,200.00	125.00
Douglas, Harrie Abraham, C–622575	Michigan	Superintendent of construction (engineers).	3,300.00	150.00
Duffy, Frank Thomas, C–392351	Illinois	Regional manager	5,600.00	125.00
Duncan, Ernest Allen, C–1296308	Texas	Physician	2,400.00	187.50
Duncan, Miles Jordan, C–113748	California	do	5,200.00	150.00
Edwards, Thomson, C–1076797	Pennsylvania	Regional medical officer	5,600.00	150.00
Ehlert, John Matthews, C–1303856	Alabama	Physician	4,400.00	125.00
Ellis, Luther E., C–327132	District of Columbia.	Regional manager	4,800.00	150.00
Ellis, Robert Alvine, C–1328543	Texas	Adjudicator	2,600.00	106.25
Endler, Joseph Charles, C–1024980	New Jersey	Regional dental officer	4,000.00	150.00
Ernest, F. James Mahon, C–1275983	Oregon	Physician	4,600.00	206.25
Engel, Richard D., C–357619	District of Columbia.	Rating specialist, claims	3,300.00	106.25
Essenson, Oscar Samuel, C–319963	California	Physician	4,600.00	150.00
Eyerly, Tema LeClerc, C–380823	Colorado	do	4,200.00	150.00
Fannin, Frank Arthur, C–221795	Oklahoma	do	4,600.00	150.00
Fauret, Glenn Cameron, C–410242	California	Rating specialist (occupational)	4,200.00	165.00
Felter, Charles T., C–316830	District of Columbia.	Contact representative	2,800.00	150.00
Feltham, Percy Marshall, C–389813	Georgia	Superintendent of construction	4,800.00	150.00
Ferguson, Jose Marvin, C–452345	Kentucky	Medical officer in charge	6,500.00	150.00
Field, Albert, C–252464	Illinois	Physician	4,200.00	150.00
Fitzgerald, William Thomas, C–567006	New York	Regional adjudication officer	4,800.00	131.25
Foster, Thomas, C–606198	District of Columbia.	Consultant in G. M.	5,400.00	150.00
Fouche, James Semple, C–906771	South Carolina	Physician	3,800.00	150.00
Foxwell, Raymond K., C–1085450	District of Columbia.	Physician (part time)	1,800.00	125.00
Fraine, John Henry, C–1242648	Minnesota	Regional attorney	4,600.00	312.50
Galbraith, John Robt., C–1287974	Maryland	Assistant chief of division	5,600.00	106.25
Gallagher, Michael Lee, C–470507	Illinois	Physician	5,400.00	150.00
Garlinghouse, Orestes Lucien, C–268944	Kansas	Physician (fee basis, $5 per examination).		187.50
George, John Cecil, C–460638	North Carolina	Physician	4,600.00	187.50
Gibson, William Clement, C–1134699	Missouri	Medical officer in charge	6,500.00	125.00
Gill, John L., C–1303457	Texas	Physician	4,600.00	150.00
Gilstrap, Harry Benson, C–361845	Oklahoma	Regional manager	4,800.00	206.25
Given, Ellis Edgar Willits, C–1360619	Pennsylvania	Physician (part time)	3,000.00	218.75
Gleason, Benj. Whitney, C–1016195	New Hampshire	Physician	4,600.00	150.00
Graf, John Edw., C–1207169	Illinois	do	3,800.00	125.00
Grant, Harold R., C–583944	Michigan	Field examiner	2,900.00	125.00
Grau, Adolph Eugene, C–1305871	Louisiana	Dentist	3,700.00	125.00
Greene, Fred Baxter, C–418634	Oregon	Assistant to disbursing officer	2,160.00	165.00
Gridley, Norman Brown, C–1035804	Connecticut	Member central board appeals	3,300.00	150.00
Haines, William Henry, C–1057336	New Jersey	Physician	2,400.00	150.00
Hall, Jesse Lee, C–287172	District of Columbia.	Rating specialist (medical)	5,400.00	150.00
Hanson, Henry Virgil, C–282325	Minnesota	Physician	4,600.00	150.00
Hasbrouck, Edwin Marble, C–303579	Virginia	do	4,000.00	150.00
Healey, Thomas Francis, C–209589	Connecticut	Physician (part time)	1,114.00	150.00
Hemp, Albert Bushnell, C–1240237	Minnesota	Adjudicator	2,900.00	106.25

Employees of the Veterans' Bureau who have been placed on the list of emergency officers retired with pay March 1, 1932—Continued

Name	State	Bureau designation	Salary	Retirement pay
Hinchcliff, John William, C–424112	Mississippi	Assistant to regional accountant	$1,860.00	$150.00
Hindman, Samuel, C–328104	Ohio	Physician	4,600.00	180.00
Hobby, Edwain Elmer, C–906074	California	do	4,600.00	206.25
Holland, Josiah Hutton, C–272569	Wyoming	Physician (fee basis)		165.00
Hooks, Hilary George, C–267547	West Virginia	Regional manager	4,400.00	150.00
Hopkins, Samuel Rice, C–1224859	Illinois	Rating specialist (physician)	3,800.00	187.50
Howard, John Frederick, C–603154	Colorado	Physician	4,600.00	180.00
Howe, John Bell, C–314928	Illinois	do	4,200.00	150.00
Howe, Theodore Gilman, C–907028	California	do	4,400.00	150.00
Huff, Scott Miller, C–906090	New Jersey	do	4,000.00	180.00
Hummel, Charles Edward, C–246755	Maryland	Contact representative	2,800.00	210.00
Ingalls, Henry Allison, C–328278	New Mexico	Physician (part time)	1,000.00	240.62
Irion, Edwin Clair, C–654777	New York	Assistant regional attorney	3,200.00	125.00
Jackson, Charles Tillman, C–515427	Illinois	Property custodian	2,900.00	106.25
Johnson, Benj. Priestley, C–1153952	Kentucky	Member central board appeals (occupational).	3,200.00	106.25
Johnson, Edwin Martin, C–1094334	District of Columbia.	Medical officer	4,400.00	180.00
Joiner, William Edwin, C–1280565	Washington	Physician	4,600.00	150.00
Jolley, William Albert, C–906309	Arkansas	do	5,000.00	202.50
Jones, Edward Barton, C–25281	District of Columbia.	do	4,600.00	168.00
Jones, Ralph Phillips, C–150474	Colorado	do	4,800.00	135.00
Kane, Francis Leo, C–118266	New Jersey	Regional adjudication officer	3,300.00	150.00
Kearney, Charles A., C–363614	Idaho	Physician	4,600.00	150.00
Keeler, Claude Charles, C–528515	Minnesota	do	5,400.00	150.00
Kendall, William Eugene, C–617221	Illinois	Charge of reception service	5,600.00	187.50
Kimbell, Isham, C–1139579	Louisiana	Physician	5,000.00	187.50
Kincaid, Herbert Clark, C–1378334	West Virginia	do	3,800.00	150.00
Kinney, Kenneth Wm., C–498219	District of Columbia.	do	1,800.00	150.00
Krohn, Arthur Smith, C–497246	Wisconsin	Messenger	1,260.00	150.00
Ladd, John, C–1095633	District of Columbia.	Rating specialist (physician)	5,000.00	180.00
Latham, Ernest Richard, C–1016166	Rhode Island	Regional dental officer	4,600.00	150.00
Lazenby, Earl Kilpatrick, C–1090136	North Carolina	Physician	3,800.00	150.00
Leahy, William Richard, C–1288453	California	Regional medical officer	4,600.00	150.00
Lewis, Benjamin Jefferson, C–406740	South Carolina	Physician	3,800.00	125.00
Liberty, Cyril Ambrose, C–627341	District of Columbia.	Field supervisor	3,800.00	103.25
Lightner, Homer Grayson, C–1240464	Kentucky	Physician	5,400.00	180.00
Lochte, Henry C., C–392350	Louisiana	do	4,400.00	125.00
Loewy, Ignatz David, C–318761	Arizona	Clinical director	6,000.00	206.25
Long, Henry Donald Foster, C–1089753	Ohio	Field examiner	2,600.00	165.00
Long, William Walker, C–1139497	Alabama	Physician (part time)	2,400.00	150.00
Longino, Dick R., C–1116085	Georgia	Physician	3,800.00	125.00
MacMilan, Marion Blaisdell, C–121904	Wisconsin	do	4,600.00	187.50
MacNeil, Barnard Chester, C–905647	District of Columbia.	do	5,200.00	125.00
Maher, Harry Ellsworth, C–1220898	North Dakota	Rating specialist (occupational)	3,200.00	125.00
Malone, Will Hale, jr., C–860177	Georgia	Physician	4,400.00	155.00
Maloney, James Edward, C–1033493	New York	do	3,800.00	206.25
Malonson, James Henry, C–1013338	Massachusetts	do	4,200.00	180.00
Manion, Wm. Orville, C–1400633	Oregon	do	4,800.00	150.00
Marcellus, Marius Breckenridge, C–354178	California	do	4,600.00	243.75
Martin, Albert, C–414896	do	do	4,600.00	150.00
Martin, John Foley, C–1393711	do	do	4,200.00	125.00
Matthews, Walter Monroe, C–1392120	Arkansas	do	4,400.00	125.00
McCaffrey, Hugh, C–541470	Virginia	Adjudicator	2,800.00	116.87
McCrillis, Wm. Wallace, C–1265980	California	Dentist	3,700.00	180.00
McCulloch, David Coyle, C–472152	do	Physician	4,400.00	180.00
McDermott, Bernard A., C–1378486	District of Columbia.	Medical officer	5,000.00	125.00
McDonald, John Thomas, C–1390965	Arizona	Physician	4,400.00	125.00
McDonald, Oral Holmes, C–240605	Kentucky	do	3,800.00	125.00
McEwen, William Wright, jr., C–1250223	Colorado	Field examiner	2,800.00	125.00
McFarland, Samuel B., C–1252082	California	Physician	5,000.00	150.00
McKnight, James L., C–445400	Arizona	do	4,600.00	125.00
McNulty, Herbert I., C–1060026	Pennsylvania	Chief engineer	5,200.00	125.00
Metcalf, Arthur B., C–422380	Maryland	Associate civil engineer	3,200.00	106.25
Meyst, Charles H., C–201115	Wisconsin	Physician	4,600.00	150.00
Mize, Harlan E., C–506825	Illinois	do	4,600.00	150.00
Monroe, Harry S., C–295524	Pennsylvania	Regional medical officer	4,600.00	125.00
Montgomery, Chas. G., C–1337556	North Carolina	Contact representative	2,800.00	150.00
Moore, Paul D., C–1396426	Washington	Physician	3,800.00	125.00
Moore, Roy D., C–393840	California	do	4,400.00	150.00
Neilon, John E., C–1348121	Minnesota	Dentist	4,200.00	125.00
Nelson, Edwin G., C–158275	do	Physician	4,600.00	125.00
Nevitt, Philip H., C–1169148	Kentucky	do	4,400.00	125.00
Newquist, Daniel C., C–364656	Iowa	Property custodian	2,900.00	165.00
Newsom, Erle T., C–398659	New York	Physician	3,800.00	150.00
Nichols, John H., C–611362	do	Personnel clerk	2,208.00	165.00
Nieweg, George A., C–150425	Missouri	Physician	4,600.00	125.00
North, Thomas J., C–1143067	Kentucky	Field examiner	2,600.00	106.25
Ochs, Leon M., C–1205779	Missouri	Physician	3,800.00	125.00
O'Ferrall, John T., C–430159	Louisiana	Physician (part time)	1,800.00	150.00
Owens, Wm. H., C–389939	Georgia	Physician	4,400.00	125.00
Park, Wm. E., C–393346	North Carolina	do	4,600.00	150.00
Parker, Edward M., C–905722	District of Columbia.	Medical member	5,000.00	187.50
Partington, Cyrus B., C–403973	Colorado	Physician	4,800.00	125.00
Patterson, Chas. H., C–198951	Minnesota	Rating specialist	3,800.00	125.00
Patterson, Clayton A., C–1272011	California	Regional dental officer	5,200.00	165.00
Patterson, Edward L., C–609776	Montana	Physician	3,800.00	150.00
Patton, John R., C–1405707	Massachusetts	do	4,200.00	180.00
Penrose, Thomas W., C–313793	Pennsylvania	do	3,800.00	243.75
Pfeiffer, George E., C–905370	Oregon	Chief, surgical service	5,600.00	125.00
Phares, Willard A., C–1225475	Kansas	Physician (part time)	1,500.00	187.50
Phillips, David B., C–1166391	Ohio	do	900.00	180.00
Pickett, Geo. Edward, C–411020	North Carolina	Adjudicator	2,600.00	103.25
Pippy, William, C–1351650	Montana	Chaplain	941.00	106.00
Prill, John H., C–1178006	Wisconsin	Physician	3,800.00	150.00
Ralph, Charles Edward, C–905852	District of Columbia.	do	4,400.00	187.50
Rea, Melvin Oscar, C–1326905	Texas	do	2,800.00	125.00
Reed, Carl Oliver, C–1246431	New Mexico	Regional medical officer	4,400.00	150.00
Richeson, Austin Bresnen, C–290969	Oregon	Assistant to regional manager	3,300.00	226.00
Riordan, John Kenneth, C–431050	Wisconsin	Contact representative	2,900.00	125.00

Employees of the Veterans' Bureau who have been placed on the list of emergency officers retired with pay March 1, 1933—Continued

Name	State	Bureau designation	Salary	Retirement pay
Rosch, Richard Aloysius, C-1392779	California	Physician	$4,200.00	$150.00
Robbins, Fredk. Carver, C-905946	Maryland	do	4,600.00	187.50
Roberts, Wm. J., C-548268	Texas	do	4,200.00	150.00
Robertson, Edd LaFayette, C-1375632	Maryland	Rating specialist physician	5,400.00	187.50
Robinson, Guy Frank, C-1393504	California	Physician	4,800.00	150.00
Rosenfield, Milton Synder, C-481505	do	Rating specialist	3,300.00	106.25
Ross, Cecil Hubert, C-1305679	Alabama	Physician (part time)	600.00	187.50
Rucker, Claude Nelson, C-289008	West Virginia	Regional medical officer	4,200.00	150.00
Ruff, Horace Ewing, C-1321668	Arkansas	Physician	3,800.00	243.75
Saubert, Walter John, C-906127	Louisiana	Regional dental officer	4,000.00	125.00
Saye, Wilburn Earle, C-1337370	South Carolina	Specialist neuropsychiatrist	4,600.00	125.00
Schaeffer, Chas. Edwin, C-1383279	District of Columbia.	Technical assistant	3,700.00	150.00
Scott, Harry Alex., C-313537	Nebraska	Physician	4,600.00	125.00
Sedgley, Frank Robert, C-1347438	Minnesota	Chief, Surg. and G. U. Serv	5,600.00	150.00
Sedwick, Wm. Alexander, C-315419	Colorado	Orthopedic specialist (fee basis)		150.00
Seibert, Alexander Wood, C-618208	Arizona	Physician	4,200.00	125.00
Siebert, David Allen, C-365002	Washington	do	4,000.00	125.00
Severe, Wm. Earle, C-309297	Maryland	Contact representative	2,700.00	106.25
Shamburger, Roland Lamar, C-23848	Mississippi	Attendant, hospital	1,260.00	106.25
Shankle, Henry DeWitt, C-630922	Montana	Physician	3,800.00	150.00
Shelly, Hargus Gerald, C-565849	Kansas	Regional medical officer	4,800.00	150.00
Sherer, Moses Eason, C-394062	Oregon	Physician	5,400.00	150.00
Sherry, Cameron Banning, C-528920	Texas	Rating specialist (occupational)	3,300.00	106.25
Shewmaker, Oscar Francis, C-339522	Kentucky	Physician	4,000.00	125.00
Simons, Willis Nelson, C-1036826	New York	do	4,200.00	125.00
Sisson, Howard Robert, C-282524	Pennsylvania	Assistant to regional manager	3,600.00	125.00
Skinner, George Coleman, C-162512	District of Columbia.	Chief medical officer	6,500.00	150.00
Small, John Joseph, C-467751	Pennsylvania	Dentist	3,800.00	150.00
Smith, Dallas Burton, C-223707	Louisiana	Representative of administrator	6,500.00	262.50
Smith, Frederick Jennings, C-1394241	California	Physician	4,600.00	187.50
Smith, Robert P., C-1283805	Montana	do	5,000.00	187.50
Smith, William Wolff, C-1379239	District of Columbia.	General counsel	9,000.00	187.50
Soper, John Elford, C-210272	Minnesota	Physician	4,200.00	150.00
Starnes, Chas. Emanuel, C-1392334	Arizona	do	4,600.00	125.00
Steindler, Leo Fleischer, C-312817	Maryland	do	4,200.00	150.00
Stephenson, William Oliver, C-1426083	Texas	do	4,600.00	150.00
Stookey, Paul Forrey, C-1224136	Missouri	Physician (part time)	600.00	125.00
Strong, Sneed, C-276981	Texas	Physician	3,800.00	150.00
Thomas, John Donoclift, C-1017997	Massachusetts	Dentist	3,800.00	125.00
Thompson, Harry John, C-613768	Indiana	Physician	4,000.00	150.00
Thornton, James William, C-1257560	California	do	4,800.00	187.50
Togus, Leopold Theodore, C-247588	New Hampshire	Physician (part time)	1,200.00	150.00
Towler, Gray Bowers, C-528481	New York	Field examiner	2,600.00	125.00
Travis, Robert Raymond, C-321555	Washington	Dental mechanic	2,300.00	106.25
Von Dahn, Howard C., C-1339479	Florida	Medical officer in charge	6,500.00	150.00
Wakefield, John Dillon, C-283048	Ohio	Physician	4,200.00	150.00
Walker, Allen Huddleston, C-298520	Kentucky	Regional medical officer	5,600.00	180.00
Walter, Emil, C-314638	District of Columbia.	Assistant approving officer	3,300.00	250.00
Wang, Charles William, C-1078030	Pennsylvania	Physician	3,800.00	125.00
Ward, E. Alson, C-1332840	Arizona	Secretary to rating board	1,620.00	125.00
Warren, Becil Augustine, C-854123	do	Physician	4,200.00	150.00
Wells, Robert Fletcher, C-319706	Georgia	Dental officer	4,000.00	125.00
Weltner, Fred Paul, C-274034	West Virginia	Physician (part time)	2,400.00	206.25
Wheate, Justus Marchal, C-317834	California	Physician	5,400.00	240.62
Wheeler, William Darr, C-322616	New York	Field examiner	2,600.00	150.00
Whitaker, Lee Wales, C-305340	Colorado	Chief, dental clinic	4,200.00	125.00
Whiting, Nathaniel Eugene, C-1243901	Kentucky	Regional adjudication officer	3,800.00	137.50
Whitledge, Herbert Edwin, C-405430	do	Medical officer in charge	6,500.00	150.00
Wilson, Gordon, C-1381902	Maryland	Physician	2,500.00	187.50
Winemiller, Lee Hanville, C-654089	Colorado	do	2,100.00	187.50
Woodall, Howard, C-825074	Texas	Clerk (B)	1,440.00	150.00
Woods, Phillips H., C-1005534	Pennsylvania	Regional dental officer	4,600.00	150.00
Woodson, Mortimer, C-1329223	Texas	Rating specialist (occupational)	3,300.00	125.00
Woodward, Roy B., C-1057188	New York	Regional medical officer	4,600.00	125.00
Worthen, Jesse Montgomery, C-320431	Washington	Physician	3,800.00	150.00
Wyatt, Frederick Leroy, C-349167	Alabama	Rating specialist (occupational)	3,400.00	165.00
Wyatt, Hamlette G., C-455837	Airzona	Chief, dental clinic	4,200.00	125.00

SUPPLEMENTAL LIST

Burns, Ellis Perre, C-1139564	Alabama	Physician	$4,400.00	$150.00
McFaul, Wm. D., C-1250070	California	do	3,800.00	165.00
Mallow, Otis Bush, C-906926	Illinois	Chief, diagnostic clinic	5,579.00	150.00
Shubert, Ernest Louis, C-1011118	Massachusetts	Business manager	4,600.00	150.00
Graebner, Herbert Henry, C-223667	New York	Physician	2,400.00	150.00
Pugh, Daniel Edgar, C-1036797	do	do	1,200.00	150.00
Rile, Walter Bright, C-906454	do	Consulting superintendent	4,000.00	187.50
Hatcher, Wm. Henry, C-905884	Ohio	Regional dental officer	4,400.00	150.00
Carrington, Thos. S., C-1267149	Oregon	Physician	4,800.00	150.00
McCabe, Albert Edward, C-906490	Washington	Rating specialist	3,300.00	150.00
McDill, John Rich, C-906991	Wisconsin	Medical officer in charge	6,500.00	187.50

EMERGENCY OFFICERS RETIRED WITH PAY WHO ARE NOT BUREAU EMPLOYEES

ALABAMA

Name, C number, and amount retirement pay

Andrews, Landoff Watson, C-905331	$125.00
Amos, Sidney Russell, C-701494	106.25
Armour, William S., C-1305523	125.00
Bates, Cecil F., C-188914	125.00
Bell, Harry Walton, C-1309615	150.00
Benners, Allen Cadwalader, C-223374	125.00
Bennett, Harvey E. (guardian, Mrs. Irma B. Bennett), C-1308576	125.00
Bond, Farrar W., C-192634	106.25
Bower, Orman, C-156692	23.75
Boyd, Austin Francis Jefferson (guardian, A. G. Boyd), C-453072	$150.00
Brown, Charles Hunt, C-285585	150.00
Brown, Henry Ben, C-158683	125.00
Brown, Raymond R., C-1137424	180.00
Brooks, Rezo, C-1308004	125.00
Burns, Robert Abraham, C-1307641	225.00
Campbell, Elmer Bernard, C-368982	150.00
Campbell, Hugh S., C-466076	106.25
Chafin, William Henry, C-159152	195.00
Clark, Oscar, C-607178	195.00
Coker, Lorenzo Dow, C-605663	165.00
Coleman, John C., C-601358	165.00
Davis, Harwell Goodwin, C-220610	187.50
Dew, Charles, C-326918	106.25

Dixon, Frank M., C–157132	$106.25
Dobbins, Robert A., C–1309521	165.00
Downing, Elisha, C–1306050	150.00
Fallaw, Thomas Howard, C–1303407	180.00
Dabney, Malcolm Grant, C–239131	150.00
Faris, William Elbert, C–1128611	150.00
Faulk, Wallace H., C–614054	165.00
Favors, George William, C–389215	180.00
Freeman, John Inzer, C–1331022	150.00
Gilchrist, John Porter, C–278240	125.00
Glenn, George Arrington, C–1305403	187.50
Green, William M., C–557047	162.50
Hagood, Middleton H., C–1311356	206.25
Harris, Charlton Sidney, C–1338989	125.00
Hartmann, Charles, C–427334	125.00
Henley, Courtney Scott, C–418534	150.00
Hildreth, Francis Marion, C–505228	195.00
Hooper, John William, C–14748	150.00
Hubbard, Graph John, C–1303722	250.00
Inge, Francis Marion, C–207759	150.00
James, Hudnall, C–166660	106.25
Jeffers, Lamar, C–462965	225.00
Jeffers, William H., C–1300663	106.25
Johnston, Ira Leonidas, C–379000	150.00
Jordan, Headley E., C–1303634	125.00
Kelly, Richard Bussey, jr., C–1128934	180.00
Kelly, Samuel Bledsoe, C–1309339	137.50
Langley, Orlando Velpeau, C–134528	125.00
Lawton, Walter Terrell, C–458926	125.00
Legare, Julien Keith, C–195047	150.00
Leopold, Elmer Edward, C–388718	106.25
Lewis, Thomas K., C–541832	150.00
Long, Francis M., C–1134598	125.00
Long, John P., C–1310169	206.25
Maura, Frank Rutledge, C–258002	187.50
May, Clarence H., C–596912	106.25
McCalla, William A., C–240606	218.75
McMeans, Heath L., C–1304436	180.00
Messer, Glenn E., C–564539	106.25
Moon, Hartley Allen, C–344047	225.00
Moore, Ernest Abram, C–329382	150.00
Munford, Louis Sinclair, C–256995	150.00
Muse, George Peary, C–1311397	106.25
Newell, James Kirk, C–1126995	125.00
Newsome, John Parks, C–543542	150.00
Northington, James Levi, C–8357	125.00
Osborne, Ollie F., C–522799	127.50
Pace, Fulton, C–1302041 (guardian, Mrs. Mary Zeph Pace)	125.00
Parker, Ralph E., C–1305900	106.25
Patterson, Albert Love, C–462714	125.00
Peabody, Frank, C–140686	206.25
Perry, Clarence Thomas, C–1303558	125.00
Peters, William Marcus, C–1302648	150.00
Phillips, James H., C–159449 (guardian, A. B. Phillips)	125.00
Phillips, George Wendell, C–385525	106.25
Pollard, Emmett Eugene, C–1135100	125.00
Rademacher, Fred M., C–230750	150.00
Rankin, Howard Payne, C–884491	165.00
Reid, Thomas Campbell, C–789510	150.00
Robbins, William Jesse, C–133736	125.00
Rowell, James Thomas, C–299966	125.00
Sanders, John Gillis, C–235405	150.00
Sauls, Charles E., C–1133058	125.00
Scales, John Perkins, C–282898	125.00
Shaffer, John P., C–1307649	106.25
Simpson, Robert Tennent, jr., C–1304013	150.00
Sisson, Charles Newton, C–160577	150.00
Smith, Emmett Preston, C–1300873	150.00
Speight, Oscar Cobb, C–1324139	165.00
Staggers, William Llewellyn, C–165752	125.00
Steiner, Robert Eugene, C–1311627	375.00
Summers, Edward Henry, C–464063	137.50
Sutcliffe, Charles William, C–276591	150.00
Teague, Albert G., C–1133359	106.25
Thompson, Herman Winkler, C–412114	180.00
Waller, Luther H., C–1301076	125.00
Walthall, Junius Leigh, C–350414	187.50
Walker, George Vincent, C–381541 (guardian, Mrs. Erin L. Walker)	125.00
Ward, William Taylor, C–445502	125.00
Weatherford, Zadoc Lorenzo, C–501799	125.00
Williams, John Henry, C–285352	125.00
Williamson, Thomas N., C–1307115	125.00
Winslett, Edmund J., C–1306533	125.00

Supplemental list

Brawner, John Gilchrist, C–735592	125.00
Edmundson, Lacey, C–906146	165.00
Greer, Charles West, C–585985	125.00
Hollis, Daniel Webster, C–813224	106.25
Ivey, James Edw., C–198382	106.25
Konold, Heischel Scott, C–1055383	150.00
McCary, William Nabers, C–1305806	116.87

ARIZONA

Andrews, Lloyd James, C–1272207	106.25
Blechacz, John William, C–235907	125.00
Brown, Wallace A., C–331720	106.25
Clarke, Everite M., C–893331	$106.25
Clohessy, Timothy T., C–123270	125.00
Cook, Charles Francis, C–1047164	106.25
Cogswell, Sterling C., C–1044635	125.00
Courtney, Gerald, C–1009370	125.00
Davidson, Henry C., C–1936918	127.50
Davis, John Paul, C–182399	106.25
Dittmar, Charles F., C–1042393	150.00
Dolman, Carroll George, C–1266791	150.00
Edwards, Bryant Benjamin, C–394711	137.50
Fairgrieve, Russell B., C–1415298	150.00
Filer, Burrit Boynton, C–905443	125.00
Gatterdam, Eugene Alfred, C–475596	125.00
Gignilliat, Thomas H., C–1059422	106.25
Greene, Belville Foble, C–512565	125.00
Greene, Paul Clinton, C–279418	125.00
Haefer, Oscar, C–136649	125.00
Hampshire, Claude Carlyle, C–266567	125.00
Hardy, Ernest M., C–522930	125.00
Harring, Nell Houten, C–1196517	165.00
Hobgood, Guy, C–392838	106.25
Hough, Henry A., C–1393548	125.00
Howard, Lewis H., C–1090340	150.00
Jurden, George Bantley, C–1197000	106.25
Kehn, Marvin A., C–1296433	125.00
Kibler, Charles S., C–1263791	150.00
King, Winfield Scott, C–740179	150.00
Kleinsmid, James Archibald, C–176436	150.00
Kryss, Edmund Andreas, C–412863	150.00
Lawhead, Simon Stiffler, C–1268766	125.00
Lawrence, James Jackson, C–290384	137.50
Lewis, Edward, C–280687	125.00
Mahoney, Dan Lawrence, C–463910	125.00
Mahoney, Vernon L., C–1134798	125.00
Marschall, John Hall, C–906201	106.25
McDowell, Coy Russell, C–905499	116.87
McGuire, James Alexander, C–320649	125.00
Monical, Grant Stafford, C–1261701	150.00
Moore, Claude Merrill, C–175305	150.00
Moreno, Joaquin Fermin, C–398092	125.00
Nash, Elmer C., C–1326933	106.25
Nelson, Rufus R., C–190799	165.00
Paquin, Albert J., C–454151	106.25
Pedersen, Inar Aubert, C–851279	165.00
Phillips, Charles Lawrence, C–1260543	106.25
Ramsey, John Thomas, C–1375141	125.00
Randle, Cole Theodore, C–244078	125.00
Riculfi, Robert Marion, C–523031	106.25
Riley, Eugene, C–537188	150.00
Scheerer, George William, C–1395790	125.00
Schneck, Maximilian R., C–347775	106.25
Sligh, Sidney Boughtnight, C–106312	106.25
Smith, Walter Clarence, C–587562	125.00
Sponagle, James Milton, C–1265302	125.00
Sprietsma, William Miles, C–479366	106.25
Swain, Yolland Francis, C–385647	125.00
Thompson, George, C–366463	106.25
Tyson, Alfred, C–347625	137.50
Van Horn, James Byron, C–300601	165.00
Walker, John Charles, C–384383	106.25
Warren, Harry Pratt, C–567214	150.00
Wilson, Marcus Earl, C–1325647	125.00
Wray, James Garrett, C–398553	106.25
Wright, Austin Charles, C–905886	125.00
Yellott, Richard E., C–441695	150.00

Supplemental list

Ballam, George A., C–528138	137.50
Cavanagh, John, C–905205	71.25
Fickle, Melvin Eugene, C–460753	106.25
Hess, Seymour Isaac, C–286523	150.00
Hunte, August Frederick, C–1350227	125.00
Kennedy, Marvin C., C–1402620	106.25
Kirkpatrick, Dixon Heckman, C–547167	150.00
Konold, Heischel Scott, C–1055383	150.00
Morrison, Cyrus Chadsey, C–1205971	150.00
Munroe, Thomas Brandon, C–458525	106.25
Olsen, Wilfred Franklin, C–415783	137.50
Richardson, Richard P., C–1159731	150.00
Smith, Paul Alden, C–455015	125.00
Steele, Raphael William, C–1425324	125.00
Trent, William Russell, C–432994	116.87
Van Meter, Benjamin F., C–1416371	206.25
Whitehead, James Lloyd, C–310606	106.25
Wilson, Thomas James, C–1221631	165.00
Wright, William A., C–1275253	106.25

ARKANSAS

Abington, William H., C–396365	243.75
Angus, Robert Morton, C–365693	243.75
Applegate, Timothy Page, C–158655	106.25
Baird, William Granville, C–1427776	187.50
Ballard, George Clinton, C–398995	150.00
Baker, William Pitt, C–905201	165.00
Barrier, Leonidas Forister, C–1288906	150.00
Bevans, Albert B., C–1293933	106.25
Booth, George Myers, C–445444	106.25
Boyce, Samuel G., C–153165	125.00

Brown, Hugh Torrence, C-1425739	$187.50
Browning, Eugene Rutledge, C-60401	125.00
Bruce, Walter Hugh, C-390676	240.52
Brunner, Frank Joseph, C-259930	106.25
Burk, Edmond F., C-314661	125.00
Burns, Coleman D., C-526731	180.00
Clark, Charles Buford, C-386318	125.00
Crandall, John Aston, C-1337779	150.00
Decker, Joseph Shelby, C-14908	106.25
Ellis, Jeff, C-1326560	195.00
Elkins, Lindsey Robert, C-614624	225.00
Elton, Albert Morten, C-206042	150.00
Felts, Wylie Robert, C-326961	125.00
Fly, Thomas Micajah, C-389911	125.00
Fox, William Spencer, C-248021	125.00
Fraser, Robert Lee, C-151581	125.00
Friberg, John Thompson, C-463651	106.25
Garrison, David Milton, C-1294981	162.50
Halbrook, John Franklin, C-1320068	125.00
Higgins, William Wellington, C-1433304	125.00
Hodges, Guy, C-386907	125.00
Howard, Thomas F., C-380266 (guardian, Mrs. Mamie Howard)	106.25
Humble, Terry A., C-1329489	206.25
Jarvis, Ben Charles, C-1291163	138.12
Jeffett, William F., C-198768	150.00
Jenkins, John S., C-240628	150.00
Jones, Isaac Jarrett, C-484094	150.00
Judd, Roland Dewitt, C-1286121	125.00
Kelly, Thad Robertson, C-792771	106.25
Kingsworthy, Burton Sutton, C-905239	187.50
Kory, Roscoe Conklin, C-180368	150.00
Kriesel, William August, C-232485	150.00
Leming, Sam Kellough, C-1322899	106.25
Little, Curtis Joseph, C-1430702	187.50
Mason, James Pat Dyer, C-504666	125.00
Mathis, Ross, C-202939	125.00
McKenzie, Ernest Monroe, C-1432014	125.00
McLean, Lucian Lamar, C-1426829	125.00
McWilliams, James L., C-269150	125.00
Mikles, Richard Crockett, C-247735	127.50
Mitchell, William F., C-8740	106.25
Moore, Newton A., C-431036	125.00
Morrison, Joseph F. W., C-577084	150.00
Murrey, James Thomas, C-1327907	125.00
Murrey, Joe H., C-224633	125.00
Palmer, John H. (guardian, Mrs. Anna Mae Palmer), C-1324930	150.00
Peel, David Walker, jr., C-261096	125.00
Pratt, William Ray, C-1324689	106.25
Pritchard, Allen Courtland, C-168250	125.00
Privitt, Corbett Otho, C-1427272 (Curo.) Bankers Trust Co	106.25
Prothro, Ernest Whitfield, C-1321878	150.00
Purvis, Walter Moody, C-1289049	150.00
Rhine, Thomas E., C-1325403	125.00
Roberts, David Carson, C-1321448	125.00
Robertson, Hugh, C-546369	106.25
Robbins, Oscar B., C-907026	125.00
Rohrer, Samuel Jesse, C-337368	137.50
Sanborn, Richard F., C-705454	106.25
Steele, Harry Senhouse, C-388278	125.00
Steele, John Douglas, C-1327825	137.50
Simpson, John Clifton, C-1431489	125.00
Smith, Erasmus Ross, C-1294530	240.62
Smith, Samuel Theodore, C-314019	125.00
Smith, Walter S., C-500246	127.50
Snodgrass, William Anderson, C-272563	187.50
Spillyards, Henry H., C-1323796	125.00
Tapscott, Samuel Thomas, jr., C-1433109	125.00
Thiolliere, Anthony Claudius, C-598904	150.00
Thorpe, Samuel B., C-1427108	150.00
Underhill, John S., C-1294683	180.00
Wallace, Eugene G., C-251967	125.00
Watlington, Abisha Slade, jr., C-1320459	106.25
Woods, Frederick Davis, C-404915	150.00
Supplemental list	
Earle, Edward Henry La Touche, C-132791	125.00
Haney, Arthur Ceberry, C-774781	150.00
Hollenberg, Frederick B., C-1432064	106.25
Myers, Jay Hamilton, C-289277	125.00
Short, William Griff, C-270335	125.00
Thompson, Robert Franklin, C-320137	137.50
Whittberry, Joe Storms, C-326854	106.25
Winn, Walter Edward, C-1327462	216.75
CALIFORNIA	
Ackley, George Clark, C-484693	175.00
Ackley, John Felix, C-477451	150.00
Adamson, Dova Wallace, C-211581	125.00
Alberga, Aurelious Pescia, C-400680	125.00
Alberty, Ernest Henry, C-380191	180.00
Ainsworth, Frank Harrison, C-1261300	187.50
Akin, Raymond Alva, C-1391639	187.50
Albert, Paul Brawshaw, C-479318	125.00
Alden, Harry Scott, C-1395890	150.00
Alden, Melvin Allison, C-1197188	106.25
Allen, Charles Bert, C-294356	106.25
Allen, Frank Elwell, C-297743	$106.25
Allen, Richard Earle, C-315942	127.50
Anderson, Bernhard, C-905394	210.00
Anderson, Joseph, C-1270293	106.25
Anderson, Oscar, C-490562	206.25
Andrist, James W., C-1348883	150.00
Andrews, Benjamin Theodore, C-121451	106.25
Anglin, John Franklin, C-659695	125.00
Arce, Louis, C-906787	125.00
Archer, Samuel David, C-325609	125.00
Armstrong, Charles Francis, C-1262045	225.00
Ary, Charles L., C-420468	137.50
Ascheim, Joseph, C-1395340	127.50
Askey, Harrison Lemley, C-310075	106.25
Aubrey, Albert J., C-1391508	187.50
Avey, John L., C-1273654	150.00
Bailey, Samuel T., C-243167	125.00
Bain, John S., C-1260974	106.25
Baker, Ernest, C-1271488	116.87
Baker, George Washington, C-288913	125.00
Ballam, George A., C-528138	137.50
Balsley, Horace Clyde, C-446498	150.00
Banks, Alfred E., C-1394285	187.50
Barbee, John T., C-160382	187.50
Barker, Clarence Nichols, C-4267	180.00
Barnes, Gerald Cowenhoven, C-338180	125.00
Barnum, Floyd Eita, C-354426	243.75
Barton, Charles, C-818974	187.50
Bayless, Claud Carson, C-203089	150.00
Beal, David Cannon, C-607307	106.25
Beaumont, George Davis, C-1397850	150.00
Backman, Frank Frederick, C-482644	137.50
Behr, Edmond Ellsworth, C-235539	106.25
Behre, John Rufus, C-317467	61.80
Belles, Harry Weston, C-505033	106.25
Bell, Joseph L., C-1283811	187.50
Bennett, Abram, C-495035	106.25
Benton, Culmer C., C-281148	125.00
Berlin, Roscoe Conklin, C-1395872	187.50
Biermann, Carl Frederick, C-232119	162.50
Binnie, John Fairbairn, C-1206148	218.75
Black, Grover Cleveland, C-478170	116.87
Black, Walter L., C-535552	106.25
Blackmer, Laurence M., C-1249750	106.25
Blanchard, Laurence Cleveland, C-256766	125.00
Bland, Raymond L., C-1047316	125.00
Blatherwick, Edwin Gordon, C-565234	125.00
Blodgett, Frederick Charles, C-1261202	165.00
Blomquist, Wallace Hess, C-377837	125.00
Blum, Edward H., C-299592	125.00
Blyth, Godfrey Waring, C-315507	106.25
Boatman, Leslye Martin, C-299026	106.25
Boddy, Elias Manchester, C-137760	106.25
Boley, Albert Leroy, C-415608	150.00
Borst, Fenton F., C-125465	125.00
Boud, Ernest Jemison, C-503101	125.00
Bouldin, Charles Foster, C-474306	165.00
Bowen, Fred Phelps, C-229092	150.00
Bowers, Yarnall L., C-905832	175.00
Boxmeyer, Roy Fred, C-276596	106.25
Boyd, Leonard Claud, C-601734	137.50
Brandon, Herbert Aubrey, C-1271169	187.50
Brewer, Frank Benton, C-1289830	150.00
Brenner, Charles Raymond, C-906123	125.00
Brindley, Reginald Walter, C-524657	138.12
Brittan, Arthur, C-1241027	125.00
Broderick, Eugene James, C-153564	150.00
Brown, Arthur Leon, C-1260353	150.00
Brown, Lawrence Palmer, C-123248	150.00
Brya, Francis E., C-1185464	106.25
Buckman, Guy Vincent, C-1395103	106.25
Buell, Ernest Eugene, C-856394	187.50
Burgard, John Clark, C-282827	125.00
Burgess, Fred, C-250521	116.87
Busch, William T., C-502902	150.00
Bushey, Franklin P., C-1028860	137.50
Butler, Lawrence Donald, C-477881	116.87
Butt, Kirk, C-229626	106.25
Byers, James Elliott, C-199639	125.00
Byrnes, Ralph Leonidas, C-272480	206.25
Caldwell, Lester J., C-319857	150.00
Capron, Albert J., C-414093	150.00
Cluen, Raymond John, C-1393218	125.00
Campbell, Daniel R., C-1391071	125.00
Campbell, Roscoe C., C-21098	125.00
Cantlon, Philip E., C-1394219	250.00
Cargill, John Herbert, C-210083	137.50
Carlin, William Hayes, C-337440	125.00
Carlisle, John Griffin, C-558767	125.00
Carlson, Leonard Henry, C-247053	180.00
Carmichael, Harry Graham, C-1273297	125.00
Carner, Harry Lee, C-255499	125.00
Carter, Allen Atwater, C-340498	106.25
Cartwright, James L., C-302968	106.25
Case, Clarence Arthur, C-1249729	106.25
Cashion, William A., C-1400972	150.00
Cawthorne, Carleton, C-1249957	125.00

Chambers, William James, C–489476	$206.25
Chenoweth, Charles Everett, C–420935	195.00
Chidester, Walter B., C–1392081	125.00
Christensen, George Andrew, C–546235	187.50
Christensen, Walter, C–905808	210.00
Christie, Clem Studebaker, C–595224	150.00
Christie, Ralph Conklin, C–325921	150.00
Chute, Parmer W., C–317609	165.00
Church, Percy Clarke, C–1260030	150.00
Cichy, Martin Joseph, C–395917	137.50
Clapper, Manford Marion, C–240187	150.00
Clark, John C., C–663501	106.25
Clark, Robert Burton, C–351747	106.25
Clark, Samuel Gilbert, C–344136	106.25
Clarke, George William, C–1391429	187.50
Clements, Alan Arthur, C–220769	165.00
Cline, Harry X., C–394287	225.00
Clower, Clifford, C–390899	125.00
Cobb, Vaughn M., Gdn. Citizens National Trust & Savings Bank, C–1390189	106.25
Coghlan, Charles Clement, C–200740	106.25
Cohn, Eugene Solis, C–263686	150.00
Cohen, Sydney N., C–206635	195.00
Cole, Okey Kenneth, C–356556	106.25
Colman, Nicholas I., C–328076	106.25
Collier, Leon B., C–271920	125.00
Collins, Lawrence Dennis, C–1394986	210.00
Commins, Charles Montgomery, C–901911	106.25
Compton, Paul, C–905329	71.25
Comstock, Earl, C–390824	150.00
Conaty, Charles Clement, C–176654	125.00
Conerty, James Matthew, C–899560	125.00
Conley, William, C–312729	116.87
Conrad, Frederick A., C–1395122	116.87
Conroy, Thomas Payne, C–292337	106.25
Cooper, Frederick Herbert, C–525589	137.50
Cooper, John E., C–1378967	187.50
Coppedge, James Frederick, C–710390	127.50
Cosby, Frederick Nugent, C–239455	187.50
Crawford, Harry Huston, C–315011	106.25
Crawford, Hilary Herbert, C–506754	125.00
Creighton, Christopher, C–1265048	125.00
Crouch, Lloyd H., C–436550	106.25
Crosby, Walter W., C–1393972	262.50
Cross, John F., C–1239584	150.00
Crossman, Edward Cathcart, C–706836	180.00
Cushing, Charles Farwell, C–1223078	125.00
Dailey, Gardner Acton, C–181635	106.25
Dale, George Lawrence Alfred, C–408782	187.50
Dalton, William Burns, C–239082	150.00
Daniels, Cecil Richard, C–905199	106.25
Dashiell, William Allaire, C–235791	125.00
Davis, Arthur Meader, C–138086	106.25
Davis, Brett, C–1390014	125.00
Davisson, William Henry, C–178783	106.25
Decker, Charles William, C–1397332	300.00
Deering, Prentiss Charles, C–265208	125.00
De Lancey, Clinton Charles, C–1271964	150.00
DeMuth, John Gilbert, C–691890	195.00
De Rose, Ralph Marston, C–145710	125.00
Desmond, Michael Ambrose, C–1275079	125.00
Dietrich, Edward, C–198501	125.00
Dillon, William T., C–1393627	195.00
Donahey, William J., C–906451	210.00
Donnell, James Byron, C–321153	125.00
Dow, Julian Neal, C–12230	150.00
Draper, Stuart Lull, C–1234328 (guardian, Charles F. Draper)	106.25
Drugg, Walter Chase, C–279462	116.87
Duby, Theron Samuel, C–206743	125.00
Ducket, John Henry, C–905298	23.75
Duddieson, William Jefferson, C–256706	125.00
Duhring, Frederick Stearns, C–1271719	125.00
Dustin, Cornelius Joseph, C–285624	106.25
Dyson, Henry Baldwin, C–415899	125.00
Eardley, Philip C., C–439463	127.50
Easton, Wilbur Weston, C–187124	106.25
Edwards, Richard, C–157327	106.25
Edwards, Samuel Hamilton, C–1397318	111.25
Eldridge, Arthur Clark, C–905310	36.25
Elkington, William Edward Chase, C–636697	30.00
Ellis, Russell Depuy, C–445560	165.00
Ellsworth, Charles H., C–1254365	150.00
Emerson, Joseph George, C–1173531	125.00
Emery, Nathaniel W., C–663745 (guardian, Citizens Loan & Trust Co.)	125.00
Enderle, Maurice Frank, C–450706	125.00
Ennis, Charles Melville, C–585156	125.00
Ericsson, Ralph Bernard, C–473604	150.00
Erickson, Edward T., C–1152437	180.00
Eshleman, John Martin, C–403694	150.00
Evans, David William, C–546069	125.00
Evans, John Benjamine, C–1270850	195.00
Eversen, Osmund, C–1392552	150.00
Eyre, Thomas Taylor, C–419905	150.00
Fahlberg, Ivar Theodore, C–655015	150.00
Fancher, Richard M., C–1428649	150.00
Farrage, James, C–905477	$125.00
Farris, James Gillespie B., C–232469	165.00
Faulk, Robert L., C–1325020	125.00
Faugsted, George Edward, C–419203	180.00
Felix, Ralph William, C–634134	150.00
Fensch, Francis Elmer, C–1270018	125.00
Ferguson, William Hastings, C–1393110	187.50
Fiechter, Walter, C–226365	150.00
Field, Harry Gooding, C–1394609	237.50
Fields, David B., C–1269106	150.00
Filler, Alfred, C–905882	56.25
Fitts, Buron Rogers, C–289465	106.25
Fitzpatrick, Charles B., C–1266501	150.00
Fitzsimmons, James Thomas, C–906373	56.25
Flamm, Roy Harrison, C–120277	116.87
Flanagan, Joseph M., C–361243	125.00
Flynn, Bernard Andrew, C–306272	125.00
Fogerty, Clement A., C–281302	150.00
Folkedahl, Joseph Benjamin, C–374514	116.87
Fosdick, Harold Esmond, C–1264465	195.00
Fowler, Frank Herbert, C–230199	281.25
Fox, Robert Myron, C–578242	150.00
Frary, Louis Alliston, C–1272498	125.00
Frederick, George Otto, C–279499	125.00
Freedman, Charles Stanton, C–342908	187.50
French, William F., C–531928	150.00
Frisbee, Edward Barton, C–489240	125.00
Frost, Charles McNaughton, C–364446	225.00
Furlong, Hartley, C–391487	106.25
Fysh, Kenneth H. P., C–581015	106.25
Gadeberg, Peter M., C–1269199	206.25
Gain, Clint Bon, C–1390674	180.00
Gallagher, George Lemon, C–1396760	218.75
Gantz, Solomon Joseph Z., C–497971	150.00
Garman, Ory W., C–460401	243.75
Garoutte, Earl P., C–268528	106.25
Garrette, Edwin Charles, C–350714	106.25
Garvey, Phil Francis, C–527933	106.25
Gerlack, Alvin, C–332474	106.25
Gerstenkorn, Max (guardian), E. G. Twogood, C–1265518	127.50
Gerstenkorn, Roy Edward, C–584710	125.00
Gibson, Florian Greenleaf, C–447824	106.25
Giddens, James Alfred, C–1394831	56.25
Gilbert, Roy Olson, C–353777	106.25
Gillen, Harry Samuel, C–475412	106.25
Gilliam, Rexie Emmett, C–313271	127.50
Gilliland, Eugene William, C–1392861	125.00
Gilmour, Frederick, C–1267443	180.00
Glassgow, Charles Franklin, C–216547	106.25
Geraghty, John Richard, C–38251	127.50
Godshall, Franklin Meyers, C–238490	116.87
Golden, Wesley B., C–460686	125.00
Goldman, Abraham Saul, C–431660	106.25
Grant, Louis Theodore, C–334318	187.50
Grant, William L., C–264837	187.50
Grason, Joseph Clarence, C–197469	150.00
Graupner, Adolphus Ehrhardt, C–388867	150.00
Green, Frank James, C–353527	165.00
Greenwood, Bert McD., C–372389	106.25
Griffin, Charles Francis, C–334300	150.00
Grocott, Albert, C–23541	165.00
Guilfoil, James Anthony, C–226927	125.00
Habegger, Jacob A., guardian (Maybelle P. Habegger), C–453688	187.50
Hacker, Homer H., C–270516	165.00
Hair, Arthur J., C–232857	125.00
Hall, Thayer Denton, C–255040	125.00
Hammett, Benjamin D., C–1272217	125.00
Hanbery, James Willis, C–26450	125.00
Hardy, Robert Samuel, C–1406075	187.50
Harman, Grover Bernard, C–630898	125.00
Harper, Benjamin F., C–1172940	125.00
Harrington, Charles Westcott, C–604199	106.25
Harris, Emory Lorenzo, C–216312	165.00
Harris, Roy D., C–1065362	125.00
Hart, Ralph Stacy, C–1390273	187.50
Hart, Trusten Mitchell, C–1274011	125.00
Hastings, John Le Roy, C–180651	125.00
Hatch, William Sherman, C–1269384	187.50
Havlin, Stewart Harry, C–598965	125.00
Hawks, Earl B., C–246387	187.50
Hayden, John Elsworth, C–432593	106.25
Hayes, Claude Frank, C–13850	125.00
Haysel, Arthur Richard, C–253262	180.00
Head, David Barnett, C–410362	106.25
Healy, Louis A., C–1345035	150.00
Health, Warren E., C–245582	150.00
Heatherly, Maynard, C–905583	46.80
Heckelman, Oren Fritz, C–328094	125.00
Heffelfinger, Miles Akin, C–345670	150.00
Hendricks, Hyda Holland, C–293518	125.00
Herrell, Arthur B., C–762565	125.00
Hershfield, Ben C., C–1392694	125.00
Herzog, George Kramer, C–237384	187.50
Hicker, Harry DeVere, C–372184	125.00
Hicks, Arthur W. T., C–234310	195.00
Hill, Charles Augustus, C–1035395	180.00

Hill, John Emmett, C–1393279	$150.00
Hoffeditz, William Lewis, C–327964	150.00
Holloway, Garrett Lafayette, C–494068	125.00
Holmes, Aubrey Foster, C–170044	106.25
Holmes, Glen C., C–1396678	116.87
Hoop, Albert F., C–1266076	175.00
Hopkins, Richard J., C–1003883	106.25
Hornaday, Francis Paul, C–391118	106.25
Hudson, William Julius, C–403811	125.00
Huff, Thomas Sterling, C–804224	165.00
Hughes, Donald Dudley, C–280876	125.00
Hughes, Lotus Graham, C–342750	106.25
Hughey, George Haring, C–283006	125.00
Hull, Ward Wesley, C–1272966	125.00
Hunter, Gilbert Marshall, C–1288282	125.00
Hunter, William, C–723133	137.50
Hurrie, Charles Glyde, C–1269283	106.25
Hurst, George William, C–1272020	225.00
Hurst, Gordon Hyslop, C–466832	106.25
Hussey, Samuel W., C–471787	225.00
Hutson, Edgar Sims, C–600111	150.00
Hyams, Joseph Brooks, C–1394354	67.50
Ingersoll, Robert LeRoy, C–849010	125.00
Insley, Harry E., C–1261542	180.00
Jacobus, Jesse Jay, C–350103	125.00
Jaeckle, William, C–805944	195.00
Janney, Nelson Wilson, C–1390128	150.00
Jaqua, John Bell, C–135841	125.00
Jarrett, Paul Harrison, C–275375	106.25
Jennings, Thomas Haven, C–1396183	262.50
Jessup, Carl J., C–313058 (Bank of Italy National Trust & Savings Association, guardian)	125.00
Jessup, Albert Hall, C–429352	150.00
Jewell, Howard William, C–142597	106.25
Johnson, Lester Andrew, C–836440	125.00
Johnson, Ainsley Q., C–325917	150.00
Jordan, Harry Fiquet, C–1269086	210.00
Johnson, Walter Conway, C–485128	150.00
Johnson, William E., C–434526	165.00
Jones, Alexander J., C–566300	150.00
Jones, Ames Randolph, C–476301	150.00
Jones, Ray Williams, C–478803	106.25
Jones, Robert Riley, C–356535	165.00
Jordan, David Jefferson, C–367250	125.00
Kane, J. Pearce, C–23391	150.00
Karigan, Stephen Edward, C–905360	111.25
Kay, Guy Leslie, C–134596	125.00
Keith, Glenn Russell, C–1266439	125.00
Kellar, Andrew Conley, C–870020	125.00
Kellar, Charles H., C–347798	116.87
Keller, Frank Morris, C–1265016	125.00
Kendall, Herbert Raymond, C–697775	106.25
Kerfoot, Ethelbert Gordon, C–309685	150.00
Kerns, Samuel Milton, C–460718	187.50
Keskey, Charles A., C–698347	125.00
Kieruiff, H. Newton, C–329886	150.00
Killoran, Andrew S., C–1272967	125.00
King, Ernest Harold, C–299647	150.00
King, Paul Arthur, C–358881	116.87
Knupp, Glen Harold, C–156209	106.25
Koerner, George H., C–1270699	125.00
Koffard, Edward Louis, C–180367	137.50
Koughan, John James Kirwan, C–1262463	187.50
Krons, George Marshall, C–352408	150.00
Kukuck, Frederick Coleman, C–1038555	106.25
Kunz, Charles Henry, C–905625	250.00
Kurschinski, Albert, C–282769	106.25
Kutch, Melcherd Helmer, C–1159732	150.00
Kutz, Forrest Eugene, C–665698	125.00
Lamb, Edward, C–395829	137.50
Lamb, George C., C–1256503	150.00
Lanagan, James, C–1268014	187.50
Lang, Louis Magnus, C–1393020	225.00
Langnecker, Harry Leslie, C–390694	150.00
Langtre, Leon Ferdinand, C–206998	150.00
Lawler, Victor Francis, C–550549	106.25
Lawrence, Golder Israel Riley, C–139436	125.00
Lee, Stephen McMillan, C–1271841	106.25
Levy, Reuben Martin, C–342546	106.25
Lewis, Floyd D., C–291524	187.50
Lewis, Floyd E., C–546676	125.00
Lewis, Richard P., C–1251704	125.00
Lewis, Victor C., C–466550	165.00
Libby, Frederick, C–318851	150.00
Liggett, Harry Bucher, C–229301	106.25
Lindberg, Albert William, C–282305	150.00
Linden, Robert Royal, C–905497	124.90
Lindsay, Roscoe Theodore, C–319381	150.00
Little, Frederick Eugene, C–299894	106.25
Long, David G., C–285491	116.87
Loudon, Thomas, C–637670	148.75
Lucas, Elmer Isiral, C–328891	210.00
Luck, Everett J., C–528687	137.50
Luden, John F., C–1270637	125.00
Lum, Burleigh A., C–1270802	106.25
Lundberg, Edwin Martin, C–195193	125.00
Luttrell, James Creed, C–380476	125.00
Lutz, Milton Charles, C–477756	$125.00
Mabry, William Cary, C–292454	150.00
Mace, Lloyd Russell, C–140672	125.00
Mackie, Julian James, C–1390580	106.25
Macklin, Robert Kirkpatrick, C–382405	125.00
MacLeod, George H., C–1395279	106.25
Malloway, Jesse Scharden, C–324207	125.00
Mann, Charles Henry, C–261900	187.50
March, Roy Fuller, C–576287	125.00
Marcus, Samuel Morris, C–325626	150.00
Marr, Elmer Thomas, C–1263346	137.50
Marshall, Henry Foster, C–344677	125.00
Martin, Thomas Johnson, C–1292590	125.00
Massey, Robert L., C–1273838	125.00
Masterson, John Richard, C–334432	125.00
Mastin, William A. N., C–417616	116.87
Mattair, Lewis Henry, jr., C–265502	125.00
Matthews, Alfred Ira, C–334393	150.00
Mayes, William Mayer, C–312396	106.25
Mayne, William, C–1396447	187.50
Mayne, William Hawthorne, C–1393106	150.00
Maul, Thomas, C–264547	106.25
Maxmiller, Harry George, C–224709	187.50
McBrady, William Joseph, C–307920	180.00
McCarthy, William Ellis, C–1263164	150.00
McCoy, Anderson E., C–905880	137.50
McCullough, William Andrew, C–1394943	130.00
McDermott, James H., C–622760	150.00
McDowell, John, C–377721	125.00
McGrath, James George, C–1270847	150.00
McKinnon, Harold R., C–546320	125.00
McLarney, John Francis, C–1264215	180.00
McMurdo, Percy F., C–1090314	180.00
McQuary, Arthur Garfield, C–905512	106.25
McRae, Donald Murdock, C–1393887	150.00
Meloy, Lawrence Vinton, C–157063	106.25
Mentzer, Francis Carol, C–145531	150.00
Meyer, Henry William, C–338082	125.00
Miles, John Adams C., C–1264058	125.00
Millard, Alfred, jr., C–170196	125.00
Miller, Earl George, C–623593	180.00
Miller, Jesse Chester, C–248905	106.25
Miller, William Hoffman, C–1145638	125.00
Milliken, Albert A., C–1396578	150.00
Mingins, Royal Wood, C–329271	116.87
Moir, Lawrence L., C–1263500	137.50
Montgomery, James Richard, C–549122	165.00
Moon, Elmer Louis, C–1274126	106.25
Moore, Clarence Conrad (guardian, Mrs. Kathryn A. Moore), C–1263342	150.00
Moore, Evert Leon, C–905692	71.25
Moore, John Randle, C–331605	106.25
Moore, Monta James, C–354804	137.50
Moreno, John G., C–809482	187.50
Morgan, Robert Ridley, C–1260642	187.50
Morgan, William John, C–341898	150.00
Morgenstern, Arthur H., C–331466	125.00
Morris, Charles L., C–1395324	150.00
Mosby, Ellsworth Charles, C–128433	137.50
Moss, Charles Abraham, C–230545	125.00
Moyer, Bruce Hamlin, C–1393272	125.00
Moyers, Eugene B., C–358911	150.00
Mueller, Carl Stanley, C–300809	106.25
Mulholland, Emmett Paul, C–486093	106.25
Muller, Frank Louis, C–1324902	187.50
Murphy, George Stewart, C–1273353	187.50
Murphy, Linus J. (guardian, Security First National Bank of Los Angeles, Calif.), C–182589	125.00
Murray, William K. (guardian, Mrs. Gertrude N. Murray), C–312343	187.50
Myers, Thomas Baxter, C–1272086	165.00
Neighbors, Sidney Webster, C–1263619	125.00
Neil, Matthew, C–54119	71.25
Newlon, Benjamin Franklin, C–342812	125.00
Nevius, John Wilson, C–267996	125.00
Newlove, John Wesley, C–340375	125.00
Nickerson, George Payne (guardian, George P. Anderson), C–263557	187.50
Nilsson, Nils, C–1267285	206.25
Nink, John Julius, C–1320272	106.25
Norman, Ransom Lee, C–1269580	137.50
Nugent, William Angus, C–407505	116.87
Null, Marion M., C–467970	187.50
O'Brien, Edward Lawrence, C–1195159	150.00
O'Connor, Cornelius, C–1270677	150.00
O'Dell, James M., C–1281623	125.00
Oesch, Edward Dee, C–1263931	125.00
Orr, Charles Lowry, C–513273	125.00
O'Hara, Charles Joseph, C–257378	106.25
Olson, Berto Alexander, C–612514	180.00
Park, Durward B., C–1396668	150.00
Parks, Ion Watson, C–777555	125.00
Parrish, Earl Thomas, C–248126	125.00
Pease, Tapley Harold, C–862147	150.00
Peebles, Dudley Colin, C–1217031	125.00
Pelton, Harold Phillips, C–605796	165.00
Pelton, Hazlitt Lee, C–1269150	125.00

Peretzky, Stephen, C-1390764	$71.25
Petch, Thomas Robert, C-317581	150.00
Peterson, Howard P., C-1037760	106.25
Phillips, John Jacob, C-786621	225.00
Pinder, Joseph William, C-1269540	165.00
Pinkerton, Benjamin G., C-1264316	150.00
Pittman, William P., C-1050385 (guardian, Harriette B. Pittman)	116.87
Poole, Richard Ernest, C-406473	125.00
Pope, Langdon Andrew, C-1165275	106.25
Portman, Andrew Nelson, C-315294	106.25
Postin, William Roland, C-1392324	150.00
Pracy, Joseph Idell, C-1394229	106.25
Praneuf, John, C-1323642	71.25
Price, Harold Willis, C-2322624	106.25
Price, Luther Glynne, C-622345	125.00
Prideaux, William Dowing, C-1093917	240.62
Prior, Roger Wellington, C-282592	106.25
Purcell, James Joseph, C-636904	36.25
Quint, Frederick Leland, C-283367	125.00
Quinn, John Robertson, C-1266060	150.00
Radke, William Lynn, C-277087	125.00
Radtke, Leonard B., C-174643	116.87
Randall, George Borand, C-1280628	150.00
Randle, Nelson, George, C-239936	187.50
Ratliff, Clinton Pierce, C-1394341	125.00
Rawls, Percy Scott, C-1394818	187.50
Rea, James Glen, C-247262	125.00
Read, Francis T., C-268169	125.00
Reagan, Aloysius Henry, C-190150	125.00
Reese, Neilson Walker, C-211231	106.25
Reeder, Harry Calvin, C-1390282	125.00
Rexroad, Charles A., C-226463	150.00
Rice, Harold Edwin, C-340020	106.25
Ricciardi, Attilio, C-413554	106.25
Richards, Alma W., C-376318	125.00
Richardson, Benjamin H., C-209156	125.00
Richardson, George Henry, C-1396338	150.00
Rickert, Charles B., C-905231	150.00
Riehl, Louis Arthur, C-1261054	106.25
Ritter, Clair A., C-1326121	106.25
Roberts, Jay Gilbert, C-171051	150.00
Roberts, Ralph Smith, C-348554	150.00
Robinson, Edward McCready, C-163017	195.00
Roemer, Albert John, C-458576	106.25
Rogers, Elmer Hanson, C-391696	187.50
Ronan, John P., C-1393790 (guardian Farmers & Merchants National Bank of Los Angeles, Calif.)	150.00
Ross, Frank Emory, C-906863	150.00
Royle, William Henry, C-823175	125.00
Rubin, Earl Victor, C-333290	125.00
Rucker, Julian Henry, C-417803	106.25
Rucker, Winfred Leeper, C-905418	150.00
Ruoff, William, C-244273	150.00
Ryan, Alexander, C-856296	187.50
Sanchez, Gilbert Joseph, C-385892	106.25
Sandow, Bruno Francis, C-905377	150.00
Sanford, James Robert, C-337159	125.00
Sanford, William James, C-1199192	106.25
Sattig, John Henri, C-463034	180.00
Saunders, Clark Edward, C-264963	150.00
Savage, Seth Hubbard, C-12930	125.00
Saxe, Louis Bernard, C-1345383	106.25
Schenk, Lawrence Peter, C-330038	125.00
Schmid, John, C-292062	165.00
Schmidt, John Hans Adam, C-152332 (guardian, Mrs. Helena M. Schmidt)	106.25
Schroeder, Otto Frithiof, C-1391611	187.50
Shupe, Norris J., C-1393009	187.50
Schwabland, William Tecumseh, C-1396107	125.00
Schwarz, Theodore Edward, C-338718	187.50
Scott, Thomas Winfield, C-274056	125.00
Scott, William Robert, C-265640	150.00
Sebree, Guy Ollis, C-755062	106.25
Selvage, Eugene S., C-288843	106.25
Shaler, Elmer Matthias, C-498455	106.25
Sharon, Walter Edmond, C-1278510	112.80
Shaw, jr., Arthur J., C-509006	125.00
Sheean, Joseph Raphael, C-1277327	125.00
Shelnutt, Zephenian, C-446038	125.00
Shiels, George Franklin, C-1260921	187.50
Shumaker, Ray, C-1271681	106.25
Slater, Francis Clyde, C-258573	106.25
Sloan, Orville Joseph, C-1214453	125.00
Simmons, Virgil, C-281949	106.25
Simon, Harold Kiel, C-311575	116.87
Simpson, Monroe Tilden, C-905253	250.00
Siprelle, Chester D., C-1391918 (guardian, Mrs. Anna R. Siprelle)	150.00
Slater, Elvin Wilson, C-1393527	125.00
Smith, Bashford, C-345419	125.00
Smith, Charles Edward Wingate, C-598783	106.25
Smith, Charles L., C-396995	106.25
Smith, Edgar W., C-313519	125.00
Smith, Edson S., C-166262	106.25
Smith, Jackson Harold, C-320986	150.00
Smith, James William, C-653755	125.00
Smith, Joseph Stanley, C-325339	106.25
Smith, Robert Lewis Irvine, C-239667	$187.50
Spears, Gayle Noa, C-1269759	126.25
Spigelmyre, Ford Ellsworth, C-384070	165.00
Spicer, Morgan V., C-886424	135.00
Stamm, Walter William, C-116957	135.00
Steffy, John Logan, C-1392013	135.00
Stanfield, Clarence Marshall, C-1245332	106.25
Stephenson, Lloyd Tevis, C-1272780	165.00
Stewart, Firman E., C-464350	106.25
Stewart, Luther Philip, C-347249	250.00
Stillwell, Richard C., C-1278580	116.87
Straus, Louis Freeman, C-1346402	197.50
Strayer, Elmer Clyde, C-526473	125.00
Stromee, Leo Albin, C-239660	180.00
Strong, Frank, C-124940	125.00
Stuart, Edward, C-1395838	187.50
Sullivan, Daniel Joseph, C-905290	71.25
Sullivan, Walter James, C-388968	150.00
Sutliff, Howard D., C-340008	106.25
Swank, Omer Edwin, C-332101	106.25
Swift, Percy Edward, C-204757	125.00
Swinney, Raymond Woodridge, C-1224725	125.00
Sunderland, Carl Francis, C-1396152	165.00
Symes, Clarence Donald, C-609673	180.00
Taggart, Gilbert League, C-182865	127.50
Tannehill, Charles Monroe, C-1268401	116.87
Taylor, Ben Bradley, C-364590	116.87
Terry, Vinal Smith, C-231317	150.00
Thayer, Wayne, C-206686	125.00
Thickstun, Dorsey Woodruff, C-389826	281.25
Thomas, Walter L., C-157696	165.00
Thompson, Herbert Lloyd, C-413030	180.00
Thornberry, Risher W., C-1272397	165.00
Tibbals, Carl L., C-1392259	135.00
Tillson, Frank Cephas, C-294651	106.25
Timme, Arthur R., C-1264652	135.00
Toft, Paul Lewis, C-905232	71.25
Topping, Moses Hawkins, C-310722	125.00
Touchstone, Grady Russell, C-337513	125.00
Tucker, Glenn Albert, C-905508	137.50
Turner, Ben E., C-264018	125.00
Turley, Jay, C-249643	150.00
Turner, Kenneth Beymer, C-411777	187.50
Underhill, Alvin J., C-1270014	106.25
Upton, Fort Jewett, C-166169	125.00
Usnay, Charles Haskell, C-242419	106.25
Van Burgh, Lisle R., C-205981	137.50
Vanderwert, Howard Witzel, C-391291	106.25
Van Deusen, Edward T., C-1016963	106.25
Van Gent, Conrad Eugene, C-410714	125.00
Van Gilder, Frank Ralston, C-298729	137.50
Vega, Frank A., C-1272007	187.50
Vickers, Edward William, C-234812	106.25
Vincent, James Attmore, C-290654	150.00
Voiles, William H., C-710169	165.00
Vollmer, William Steiner, C-413897	106.25
Vollenweider, William F., C-434503	116.87
Wahl, Edward W., C-372561	150.00
Waidelich, Arthur George, C-654847	125.00
Waldo, Herbert S., C-1263511	106.25
Walker, Revello Monroe, C-637147	36.25
Warnick, Arthur Gould, C-1200302	106.25
Washburne, A. Jay, C-1274924 (guardian, Mrs. Emma E. Washburne)	200.00
Wasson, James T., C-847122	125.00
Watner, David Isaac, C-446044	106.25
Watson, Joseph Twichell, C-320051	165.00
Watson, John C., C-209157	150.00
Waybur, Robert Rehn, C-906852	125.00
Weber, Adolph Gottig, C-1267954	150.00
Wedgwood, Dean Richard, C-1397663	125.00
Weirick, Arthur M., C-221037	125.00
Welsh, Rex Earl, C-282647	106.25
Wemple, Emmet Le Roy, C-1394499	187.50
Wessels, Arthur Lewis, C-1265687	125.00
Whaley, Harry Rex, C-1285311	106.25
Wheeler, Harry L., C-1274408	125.00
Whiffen, Roscoe Albert, C-163360	150.00
White, Albert Blakeslee, jr., C-428317	125.00
White, Charles F., C-1267775	125.00
White, Leslie Gordon, C-621103	125.00
White, John Roberts, C-702536	218.75
Whiteside, Robert Banning, C-291800	106.25
Whitmore, Frank Beach, C-221665	150.00
Whitthorne, Harry Sherman, C-493784	150.00
Wicoff, Weir Willis, C-502532	150.00
Widmann, Jesse Everett, C-78847	125.00
Wild, Carl, C-158976	125.00
Williams, Elbridge Thayer, C-377720	106.25
Williams, Levens Day, C-295693	165.00
Williams, Ray Terry, C-315726	137.50
Williams, Walter Albert, C-403652	125.00
Winchler, Ellsworth Milton, C-1056806	125.00
Winner, William Lane, C-415167	106.25
Winter, Hugo, C-905604	71.25
Wirths, Carl William, C-306781	125.00
Wiser, Frank Clayton, C-310062	240.62
Wishard, Harry Albert, C-1271673	125.00
Wojtkowski, Louis, C-27679	137.50

Wolcott, Lester Oren, C–203325	$125.00
Wolf, Lester M., C–464408 (guardian, Rose Foorman)	106.25
Wooldridge, Jesse Walton, C–476058	187.50
Woolley, Paul G., C–1393479	187.50
Worley, Earl Raymond, C–1228781	125.00
Wright, Francis McGonigle, C–1270066	106.25
Wright, Linn Clinton, C–621919	125.00
Wright, John Richard, C–689078	106.25
Wright, jr., Marcus Joseph, C–17796	148.75
Wuttke, Paul, C–558543	180.00
Wyckoff, Harry W., C–498178	106.25
Wygant, Robert Cecil, C–353683	150.00
Wyman, William McKee, C–199141	106.25
Younkin, Daniel G., C–1387	165.00
Young, Jesse E., C–1044404	137.50
Zacher, Vernon B., C–197454	125.00
Zellermayer, Louis, C–215176	165.00

Supplemental list

Alberty, Ernest Henry, C–380191	180.00
Anderson, Charles James, C–637095	218.75
Bacon, Knox, C–1391017	150.00
Barondes, Royal de Rohan, C–1261087	175.00
Barton, Edward Williams, C–287718	150.00
Bash, Henry Edwin, C–458082	125.00
Bateman, Sydney E., C–765615	150.00
Berggren, Tell John, C–1390668	150.00
Berglund, Clyde V., C–464961	150.00
Black, Grover Cleveland, C–478170	116.87
Boore, Nicholas Milton, C–1046582	125.00
Borden, Granville Spaulding, C–214862	125.00
Brown, Van Leonard, C–326678	150.00
Carney, James Joseph, C–537701	106.25
Cohen, Sidney Nathan, C–206635	195.00
Compton, Louis H., C–1393317	137.50
Crane, Bruce Alexander, C–1272227	116.87
Daly, John Francis, C–1035631	125.00
Davis, Charles L., C–253379	150.00
Davis, Joseph Allen, C–220695	106.25
Ervay, Ernest Calvin, C–1335997	195.00
Fish, Walter Harold, C–1392116	150.00
Foreman, Herbert S., C–579121	125.00
Fox, Emory E., C–344449	150.00
Frary, Lewis Seth, C–262606	106.25
Gardner, William R., C–282065	125.00
Graham, John Wirt, C–906374	125.00
Gilmer, John Parks, C–1392341	150.00
Green, Berryman, jr., C–526954	150.00
Hamilton, Waring, C–831950	125.00
Hendley, Charley, C–414385	125.00
Henning, Oswald F., C–20361	165.00
Herrold, Alexander E., C–184825	150.00
Hollowell, Thomas Robert, C–233260	150.00
Hopkins, Frank D., C–1396738	150.00
Hoyt, Benjamin Franklin, C–448030	150.00
Hull, Ward, C–1272966	125.00
Jameson, Earle Clifton, C–473969	125.00
Keyes, Henry Sheridan, C–717529	225.00
Leonard, Owen Woodfin, C–182227	116.87
Lotterhos, George, C–554634	125.00
Lotz, Truman LeRoy, C–338532	106.25
Low, Robeson Lea, C–1049261	195.00
Lucas, William C., C–550024	150.00
McAloney, Lorne Gilmore, C–316580	150.00
McClain, Robert J., C–393620	106.25
McDowell, William John, C–905545	105.00
McLean, John Thompson, C–449106	180.00
McMenomy, Robert Leo, C–1395616	106.25
Malik, Louis, C–1264214	106.25
Martin, George W. R., C–546626	162.50
Means, James Mathew, C–344525	106.25
Mihan, Patrick F., C–1268552	150.00
Miller, Jesse Chester, C–248905	106.25
Montgomery, Alexander, C–286607	125.00
Moore, James Wesley, C–443431	125.00
Murphy, Jesse James, C–202731	116.87
Nelsen, Francis C., C–1204205	125.00
O'Neill, James Henry, C–834602	125.00
O'Sullivan, George Timothy, C–278991	116.87
Parish, Henry Lincoln, C–160924	150.00
Parker, Leslie Fogge, C–557228	106.25
Phelps, Ernest Henry, C–526467	137.50
Potts, Albert Ranch, C–626096	106.25
Prenner, Isadore S., C–1365791	125.00
Ray, Carl L., C–1114735	150.00
Reedy, Ira D., C–7693	206.25
Richter, Ernest William, C–905695	71.25
Robbins, Urban Grant, C–217189	125.00
Robinson, Benjamin Craig, C–328335	162.50
Roemer, Fred A., C–243585	125.00
Sampson, George Harry, C–1039066	106.25
Schlietman, Walter F., C–1271168	106.25
Shaffer, Guy Oscar, C–38267	195.00
Shawe, Hamilton Bruce, C–294654	137.50
Smith, Bashford, C–345419	125.00
Stromee, Leo Albin, C–239660	180.00
Sturm, Joseph, C–1271048	125.00
Switzer, Lewis, C–1394120	106.25
Sybenhan, Henry H., C–1270412	$187.50
Thompson, Charles, C–378343	150.00
Tillson, Frank Cephas, C–294651	106.25
Tolley, Charles Stanley, jr., C–198116	125.00
Twitchell, Frederick Martin, C–346227	106.25
Van Wyck, Crittenden, C–277683	187.50
Verne, Victor Ernest, C–239943	150.00
Watson, Charles Percy, C–570919	187.50
Wheeler, Charles M., C–1396224	150.00
Wight, Thomas Henry, C–1391992	150.00
Wiley, John Hollas, C–1392985	106.25
Williamson, William C., C–1222627	243.75
Wilson, Richard Thomas, C–770155	125.00
Winslow, Charles Stanley, C–172545	106.25
Woodward, Harold C., C–284647	225.00
Wright, William A., C–1275253	106.25
Wylie, Ward L., C–122922	137.50

COLORADO

Barton, Charles Harry, C–559217	150.00
Begun, Hurley, C–1012512	125.00
Bennett, Clarence Wilson, C–1254539	106.25
Bennett, Walter Scott, C–200917	150.00
Brannaman, Ray Harold, C–494606	125.00
Bres, Edward W., C–1256367	125.00
Brown, Clement McCune, C–1256899	106.25
Brown, Morrow Duncan, C–252110	150.00
Brown, Thaddeus Claire, C–310913	125.00
Buckland, William E., C–583749	106.25
Buell, Temple Hayne, C–1251984	106.25
Bush, Bradford Stetson, C–272476	106.25
Callahan, Patrick Henry, C–465178	125.00
Carpenter, Clark Bailey, C–437805	125.00
Chase, John S., C–154280	137.50
Chisholm, Archibald Joseph, C–333460	150.00
Clancy, Richard Elmore, C–16546	125.00
Coffin, Roy Gregg, C–1255165	206.25
Coleman, Oscar E., C–556466	125.00
Conkling, Charles Edward, C–238751	150.00
Conner, Wayne Asbury, C–1113807	125.00
Cook, John F., C–1256664	125.00
Copsey, Fay Marion, C–369662	106.25
Coughlin, John Patrick, C–1186159	106.25
Cox, Casper Waldo, C–345161	125.00
Craven, Alexander Robert, C–461867	106.25
Deems, Irving, C–422930	111.25
Devereux, Louie, C–1296579	125.00
Doud, Ralph S., C–430618	150.00
Driggs, Adrian Agustus, C–394435	125.00
Dunn, Lloyd Carson, C–194277	165.00
Edwards, Will Elmer, C–281818	137.50
Eitzel, David Sylvester, C–1254024	150.00
Elliott, jr., John William, C–1246631	156.25
Finley, Harry McKiver, C–1215431	106.25
Forster, Alexius Mador, C–1257352	218.75
Frakes, Eugene N., C–119244	125.00
Fuller, John Andrade, C–634163	106.25
Galloway, Albert James, C–398233	106.25
Gardner, jr., Neil E., C–1255671	106.25
Goodman, jr., John Bartlett, C–279159	243.75
Goodspeed, Morton, C–1047813	106.25
Gorsuch, John Crittenden, C–285607	150.00
Griffin, Maurice Vaughan, C–382694	150.00
Grohman, Louis Joseph, C–1257055	125.00
Hackett, Wayne H., C–421452	150.00
Hall, Robert Keith, C–318727	106.25
Halle, Simon, C–1098106	106.25
Hallenbeck, Vernon Myers, C–1196654	106.25
Harl, Maple T., C–1252925	187.50
Harn, LeRoy Raymond, C–295643	116.87
Hart, Arthur LeRoy, C–390267	250.00
Haupert, Paul F., C–1383499	125.00
Haviland, Harold Colvin, C–1248896	125.00
Hawkins, Leon G., C–354120	125.00
Hawthorne, Edmund, C–1157117	180.00
Haynes, John M., C–218871	137.50
Hearn, Guilford C., C–761029	137.50
Hellman, Frank J., C–458337	106.25
Helman, Carl Henry, C–341199	150.00
Herrick, Myron Collins, C–429782	106.25
Higginbotham, Walter Burke, C–492272	106.25
Holland, Fred Y., C–359554	116.87
Holland, Lew Elmore, C–1254127	125.00
Horn, Wilbur F., C–1327354	162.50
Hunt, William Calhoun, C–375483	116.87
Huntington, Glen Herbert, C–447121	125.00
Irish, Joseph Elder, C–462450	125.00
Jaques, Lawrence, C–707034	125.00
John, Edward Leslie, C–834005	106.25
Johnson, Allison Gaines, C–1253288	137.50
Jones, Charles Arthur, C–1256083	106.25
Jones, Fred Andrew, C–368078	106.25
Jones, James D., C–370351	106.25
Jones, Ralph Cleek, C–187937	106.25
Jory, Herbert W., C–1196174	106.25
Keim, Thurman E., C–303229	150.00
Keithley, Alfred E., C–17938	106.25
Lacewell, Alexander, C–526797	127.50

Laughren, Charles Aloysius, C–1256032	$106.25
Lee, James Augustine, C–420688	165.00
Little, Lowell, C–144870	150.00
Lilly, Eugene Joseph, C–1255999	150.00
Livingston, John Lambert, C–657909	165.00
Lunstead, Eugene, C–432609	106.25
Marical, James Edward, C–430748	137.50
Masserini, Maurice J., C–598733	106.25
Mann, Earl Washington, C–299203	125.00
Maxwell, William Hurd, C–624633	150.00
McCoy, Earl Warner, C–1332359	125.00
McCrossin, jr., William P., C–624546	150.00
McKie, William Henry, C–1249854	150.00
Meadows, Turner F., C–488200	138.12
Morehart, Lee R., C–1218716	106.25
Morrison, Lewis Richard, C–256997	106.25
Mouser, Merrill Kenton, C–670312	125.00
Moylan, Edward Raleigh, C–498175	106.25
Mulcahy, Raymond Francis, C–503751	150.00
Murray, Edgar Claude, C–542192	125.00
Murphy, Edward Sheridan, C–1252557	150.00
Myer, Erskine Reed, C–236137	125.00
Nelson, Charles Ernest, C–230016	125.00
Neuhauser, John Paul, C–308149	125.00
Nimmo, William Thomas, C–517369	106.25
Ohmart, Walter A., C–216195	125.00
O'Kelley, Lawrence LeRoy, C–252820	106.25
Ostrum, Harry Theodore, C–1257060	125.00
Owen, Harry, C–458131	162.50
Owens, Robert Lee, C–390141	150.00
Oyler, David Walter, C–506963	137.50
Parks, Ernest Courtland, C–347792	250.00
Parson, Charles Lyman, C–247618	125.00
Pate, Clarence Lee, C–597284	116.87
Peck, Allen Steele, C–272131	218.75
Pennington, Elgar John, C–493416	106.25
Peterson, Evan Emery, C–1396457	106.25
Pettee, Burnell Greene, C–905365	106.25
Philbin, Paul Albert, C–830736	106.25
Pierson, James C., C–1246636	150.00
Potter, William Jerome, C–378645	206.25
Pratt, Harold Clifton, C–464829	106.25
Proudfit, Lucas, C–1102219	125.00
Quarles, Robert E., C–1246086	125.00
Quenstedt, Henry Emile, C–1334706	225.00
Raffety, Charles Edward, C–405768	106.25
Rearden, Charles Percy, C–436597	162.50
Reilly, Joseph John, C–509111	150.00
Reynolds, William Houston, C–347806	125.00
Rhea, Robert, C–533510	106.25
Savage, James Allen, C–446041	106.25
Scott, jr., Francis Marion, C–421188	106.25
Sevier, Charles Edwin, C–560735	150.00
Seymour, Charles Edward, C–217226	137.50
Shackelford, Goddard, C–1255512	187.50
Shafer, Harry Summers, C–1257017	125.00
Shankland, Ralph Graham, C–325909	125.00
Shay, Raymond Arthur, C–444655	116.87
Shepherd, Garnette A., C–1250710	125.00
Sherwood, George Wesley, C–1171273	106.25
Shipp, Tom Lee, C–1258658	165.00
Smead, Burton Armstrong, C–519830	218.75
Smith, Clarence Ray, C–374725	125.00
Smith, Wm. Harry, C–617318	106.25
Smith, William Dudley, C–905799	165.00
Snyder, Floyd, C–239676	106.25
Stockman, George Dryden, C–390398	150.00
Strickler, Glen Wood, C–548434	106.25
Stoker, John Russell, C–1257558	125.00
Stroud, Ira Lee, C–516112	195.00
Swerdfeger, Elbert Byron, C–203611	150.00
Sughrue, Thomas Joseph, C–1191480	106.25
Sutherland, Jim Wilson, C–435888	116.87
Talcott, Carleton H., C–1257054	106.25
Taylor, Joseph Christopher, C–1256355	262.50
Tilly, Cecil Hall, C–1253087	125.00
Thomas, James Rodefer, C–1248649	150.00
Tompkins, Howard Richard K., C–305747	180.00
Troute, Foye R., C–512217	125.00
Utley, Tabor E., C–566850	180.00
Van Sams, Louis, C–1249280	150.00
Wagner, Harry Cecil, C–191906	125.00
Wagner, John Albert, C–386121	106.25
Westfall, Albert Frank, C–1234113	125.00
Wheeler, Bert Lee, C–353327	106.25
Wilcox, Roy D., C–1253583	106.25
Williams, Patrick Henry, C–1226384	106.25
Wilson, Chauncey Groman, C–509094	106.25
Wilson, George Washington, C–434514	106.25
Wolfgang, George Edward, C–730747	106.25

Supplemental list

Abernathy, James Thomas, C–1305061	106.25
Bennett, Bertram William, C–1257330	206.25
Dickenson, Bertram B., C–368874	243.75
Dozois, George A., C–524593	125.00
Froemke, Fayette Lawrence, C–785057	106.25
Gile, Harold Hatch, C–1062426	125.00
Gjellum, Arthur Blaine, C–158692	$150.00
Howell, Henry Amasa, C–1430589	125.00
King, William Travers, C–598747	71.25
Miller, David Baker, C–175167	125.00
Mock, Robert Leroy, C–1390069	150.00
Myers, John W., C–1182283	106.25
Null, Charles Elgy, C–338044	125.00
Orsborn, George Earl, C–284012	225.00
Sams, Louis Van, C–1249280	150.00
Shipman, James W., C–1254694	116.87
Stone, Henry Chase, C–1254421	125.00
Telford, Robert Eugene, C–1344528	125.00
Wallace, Blaine Bee, C–1256845	125.00
Whittaker, John Henry, C–1438830	125.00
Woodward, Brannin Smith, C–320430	125.00
Wright, William Raymond, C–1254720	125.00

CONNECTICUT

Bennett, Arthur Carleton, C–1021905	210.00
Bruenn, John Joseph, C–473305	106.25
Burke, William Patrick, C–1038716	150.00
Cafferty, Edmund John, C–1028589	137.50
Chase, Frank Sanborne, C–571510	106.25
Choate, Donald Hutchinson, C–1049518	106.25
Dennehy, William J., C–1045763	150.00
Devine, Joseph James, C–304904	106.25
Dooley, Frank Martin, jr., C–301715	106.25
Farrington, Edward Chipman, C–348184	180.00
Feegel, John Richard, C–210539	150.00
Fitzpatrick, Edward Earl, C–476957	125.00
Garlick, Edward E., C–326682	125.00
Geer, Clarence William, C–368161	165.00
Gettings, James A., C–1046675	150.00
Grant, James Levi, C–141019	106.25
Gray, John Luther, jr., C–239494	180.00
Jenkins, Charles A., C–454914	125.00
Kane, Thomas Robert, C–1037235	125.00
Keefe, Robert Edwin, C–208438	106.25
Kelly, Patrick J., C–267244	116.87
King, Malcolm L., C–14427	106.25
Lawrence, Clinton C., C–1058083	106.25
Ledford, John, C–182153	162.50
Le Houllier, Emerson John, C–330891	125.00
Lewis, Irving F., C–369412 (consignee) Irvin F. Lewis	106.25
Loader, Victor H., C–1038918	106.25
Marshall, William Crosby, C–1056063	150.00
McCarthy, John Thomas, C–1048167	106.25
McGuire, Gerald Charles, C–317722	106.25
Morgan, Gerald Michael, C–1022817	150.00
Morriss, William H., C–506289	150.00
Murphy, Allen Bean Mac, C–240068	106.25
O'Brien, William James, C–1045356	36.25
O'Neill, Edward Gerald, C–806419	106.25
Raymond, Henry Jarvis, C–1043453	125.00
Raymond, Landon Thomas, C–274677	125.00
Richards, Earle Franklin, C–1057889	125.00
Reiman, Conrad Frederick, C–1062459	150.00
Roberts, Allan Kirk, C–1203339	150.00
Scarborough, Clarence Colton, C–256903	125.00
Seigall, Harry Arthur, C–338820	125.00
Smith, Harley Wright, C–1051157	125.00
Smith, Samuel, C–580414	187.50
Spencer, Herbert, C–534000	125.00
Stevens, George Ralsey, jr., C–314421	125.00
Strickland, Daniel Walter, jr., C–1035520	165.00
Sullivan, Jeremiah B., C–1046727	150.00
Ward, James Joseph, C–563622	116.87
Weed, Arthur R., C–446507	150.00
Yaeger, Robert E., C–1029898	106.25

Supplemental list

Dimond, Harry Alfred, C–150095	125.00
MacMurphy, Allen B., C–240068	106.25
McKay, Arthur James, C–289816	106.25
Orr, Gordon Dickson, C–1409610	125.00
Purcell, John Leo, C–400855	187.50
Windsor, King Olaf, C–246069	150.00

DELAWARE

Bean, Herbert Souder, C–520181	116.87
Darneille, James Franklin, C–1071829	210.00
Gabriel, Harry S., C–786525	125.00
McCarthy, Robert Patrick, C–289813	150.00
MacNutt, Cecil Crane, C–211900	106.25
Phelps, William Elliott, C–327657	106.25
Porter, Howard Elwood, C–320561	137.50

Supplemental list

McKelvey, William John, C–322800	125.00
Fisher, Octavius A., C–1039985	125.00
McKelvey, William John, C–322,800	125.00

DISTRICT OF COLUMBIA

Adams, Robert, C–1094020	206.25
Anderson, Cecil Henry, C–486285	195.00
Awl, Francis Asbury, C–1091590	180.00
Baker, Richard Boyall, C–400933	106.25
Barr, Albert T., C–1095036	150.00
Bartram, Alfred James, C–365110	137.50

Bell, Elmer T., C–1380294	$106.25
Black, Ernest W., C–906013	125.00
Bischoff, Marvin Franklin, C–306266	150.00
Boal, Frank Kiskadden, C–1382132	125.00
Boernstein, Sigismond George, C–615885	125.00
Botsford, Norman Lippincott, C–273362	125.00
Bowman, Ripley, C–444463	106.25
Boyd, Robert, C–561814	180.00
Brink, Harrison Steck, C–427846	150.00
Brooks, John Ernest, C–1094110	210.00
Browne, Philip, C–393006	187.50
Browning, John Wells, C–392051	150.00
Burch, Albert S., C–160335	125.00
Burnham, Charles H., jr., C–1094036	125.00
Byers, Jason David, C–905216	111.25
Callahan, Francis Xavier, C–612849	125.00
Campbell, Charles Cleveland, C–1087656	125.00
Carll, Joseph L., C–1087426	125.00
Carroll, John Henry, C–285635	137.50
Carroll, Mitchell Benedict, C–300762	106.25
Carter, Leonard Joshua, C–398018	106.25
Cash, David Pintus, C–1053134	125.00
Childs, Clarence Chester, C–303365	243.75
Coe, Henry Clarke, C–1053784	250.00
Cogswell, Theodore Lawrence, C–278957	125.00
Coleman, James Johnston, C–703898	106.25
Coles, Malcolm Argyle, C–522405	187.50
Costello, John Thomas, C–554263	180.00
Coumbe, Arthur Garner, C–470804	187.50
Crosby, George Joseph, C–445924	243.75
Cullen, Frederick J., C–297784	187.50
Davidson, Carlton H., C–231899	150.00
Dinger, Jean T., C–360478	125.00
Donnally, John Cotton, C–511461	125.00
Donnelly, Richard J., C–126220	206.25
Donogh, Robert Park, C–654986	125.00
Dougherty, James Lawrence, C–101314	125.00
Dyche, Harry Bernard, C–311373	125.00
Eddington, Walter John, jr., C–606684	165.00
Egense, John N. C., C–1085433	137.50
Eller, Robert L., C–1378074	125.00
Engel, Richard Drum, C–357519	106.25
Everett, Melville Clarence, C–1173673	106.25
Faulkner, Ralph Howard, C–356769	150.00
Fenton, Willard Joshua, C–1226578	125.00
Flood, Peter H. A., C–404718	150.00
Flynn, Frank S., C–1085744	150.00
Finn, John Francis, C–1091456	125.00
Fortescue, Granville Roland, C–1045017	206.25
Ford, William George, C–375393	127.50
Foy, Bernard Joseph, C–1086249	125.00
Fraser, Donald William, C–239093	116.87
Furberahaw, Arthur William, C–297945	125.00
Gardner, Michael Edward, C–191611	150.00
Godfrey, Michael Francis, C–315357	175.00
Gookin, Edward Richard, C–569805	131.25
Gose, John H., C–322553	125.00
Gallagher, George Dominic, C–1087023	106.25
Gaylord, Charles Henry, C–1090117	150.00
Gilbert, Prentiss Bailey, C–313059	150.00
Giovannoni, Joseph A., C–1085016	180.00
Given, Harvey, C–315225	150.00
Graham, Edgar, C–333979	106.25
Gregory, Joseph P., C–702840	165.00
Grobstein, Albert, C–1377389	106.25
Guthrie, Frederick P., C–1089128	150.00
Hagans, Marcellus H. P., C–824920	150.00
Hall, Arthur Joseph, C–364511	150.00
Hampton, Edward M., C–1099594	106.25
Hartig, Frank Harold, C–381683	106.25
Healey, Martin, C–318644	71.25
Hermes, Theron Bernard, C–549999	125.00
Hewey, George Austin, C–906533	187.50
Higgins, Francis Lucius, C–1381752	106.25
Hill, Edward David, C–431610	165.00
Himes, William Daniel, C–313440	106.25
Hooe, Abram Barnes, C–1099065	187.50
Horton, Harry M., C–456960	150.00
Howard, James Tunis, C–319950	137.50
Howley, William Timothy, C–571773	131.25
Hoyle, Harry Thomas Lee, C–1247142	125.00
Hunt, John Stuart, C–905426	187.50
Hutchinson, Lester Bowser, C–1265674	150.00
Inman, Edward Keyser, C–364905	125.00
Inge, Berkley, C–256534	180.00
Jacobs, John Martin, C–415154	106.25
Jervey, Frank J., C–303381	150.00
Kelly, Frances K., C–352746	106.25
Kennedy, Harold S., C–1093159	125.00
King, Harry Clifton, C–354038	150.00
King, Nathaniel Sylvan, C–116720	106.25
King, William Albert, C–1379462	150.00
Kingsley, Joseph Theodore, C–371760	187.50
Kochli, Fred, C–305124	165.00
Kyle, William H., C–420912	180.00
Lansdale, George LeRoy, C–568138	150.00
Layne, John H., C–494091	106.25
Lee, Lawrence Augustus, C–409545	106.25
LeFevre, George Richard, C–164709	$150.00
Lewis, Harry Turner, C–640498	180.00
Lockwood, Schee Merritt, C–201014	106.25
Loveland, John Winthrop, C–1097322	250.00
Manning, William J., C–325601	150.00
Marquette, John J., C–537194	165.00
Marsh, Walter Roberts, C–1054346	106.25
Matthews, Alfred Watts, C–1376759	106.25
May, Elmer N., C–393752	106.25
Means, Rice W., C–1258444	240.62
Merrill, John Houston, C–1098609	281.25
Miner, Ross Halford, C–1015467	150.00
Mitchell, Iverson Othello, C–1098048	125.00
Moffitt, H. Watson, C–1380425	125.00
Montfort, Louis B., C–1375285	180.00
Montgomery, Outerbridge H., C–1089633 (guardians, Mrs. Elia Montgomery, Warwick E. Montgomery)	106.25
Mudd, Kostka, C–326998	125.00
Murdock, James O., C–318097	150.00
Murphy, John, C–311442	165.00
Norfleet, Robert Edward, jr., C–213690	106.25
Norman, Frank Lawrence, C–1097807	150.00
Odum, Burllie M., C–308176	125.00
Owens, Frank M., C–535512	116.87
Parrish, John Edward, C–1376681	125.00
Perkins, Boyd Wilkinson, C–1381056	195.00
Phillips, George Washington, C–1085418	106.25
Picchione, Alfred A., C–502309	106.25
Pillow, Noel Abner, C–354869	106.25
Pinto, Rene Wentworth, C–187801	106.25
Powell, James C., C–460733	125.00
Pritchard, Frank Arnold, C–400948	106.25
Renshawe, Clarence Winslow, C–324781	125.00
Richardson, Harry Dee, C–322351	162.50
Richardson, Harry F., C–170132	180.00
Riley, Herbert Frank, C–453058	106.25
Riordan, David L., C–401904	106.25
Roberts, Thomas Kent, C–472649	116.87
Robinson, Christopher C., C–369392	116.87
Roddy, Norman Leo, C–362321	106.25
Ross, Waldo Alexander, C–358878	150.00
Schaeffer, Lloyd Diehl, C–188960	106.25
Scott, John Reed, C–1378484	218.75
Sewell, Shermont Ralph, C–381189	137.50
Sheehy, John Q., C–565514	150.00
Sheridan, William Franklin, C–905413	34.17
Simmons, Maynard James, C–272108	187.50
Slaughter, Thomas Foster, C–1380932	125.00
Smith, Taylor Bivens, C–297630 (guardian, Miss Robin Smith)	125.00
Stockman, Otto J., C–535381	116.87
Swackhamer, Walter B., C–1397517	150.00
Tall, Otis Jackson, jr., C–1379551	106.25
Thorne, Wilcox George, C–1296489	150.00
Thralls, Francis, C–400518	180.00
Tilghman, George D., C–563306	137.50
Trammell, Harvey Eric, C–347824	137.50
Vane, Patrick Percy, C–905228	71.25
Van Fleet, Joseph Suydam, C–505148	180.00
Van Strum, Henry W., C–1149180	106.25
Wall, Benjamin, C–10500	150.00
Walsh, Joseph Aloysius, C–1090788	125.00
Walsh, Thomas David, C–296222	125.00
Watson, William Ulysses, C–489435	165.00
White, Joseph Byron, C–1381195	125.00
Wiggins, William Fall, C–567003	125.00
Whitman, John B., C–1087210	106.25
Whitson, William Essex, C–1095300	125.00
Williams, Ashby, C–546678	218.75
Williams, Nathan, C–332269	147.30
Williams, Russell H., C–1088686	137.50
Wilson, Harry Linden, C–429805	165.00
Wise, Charles Edward, C–253228	150.00
Withers, Guy, C–276841	187.50
Wyeth, Nathan Corwith, C–222194	187.50
Yowell, Alexander W., C–225478	106.25

Supplemental list

Aldag, Harry Walter, C–213944	127.50
Anderson, Charles L. G., C–276953	240.62
Bailey, Oscar Hiram, C–297746	165.00
Cheever, Silas W. V., C–265485	106.25
Donaldson, Robert F., C–905803	40.00
Donogh, Robert Park, C–654986	125.00
Duggan, Patrick Fergus, C–906119	111.25
Emerson, George, C–1390859	106.25
Gaylord, Charles Henry, C–1090117	150.00
Harris, Andrew William, C–524998	116.87
Hawley, Wallace Earle, C–400964	137.50
Hempstone, Frank Waldo, C–1363462	125.00
Huff, Elkanah Wynn, C–477354	150.00
Jones, Clarence Maupin, C–572211	137.50
Kelly, Leo Patrick, C–364390	125.00
Knibiehly, Allen Ford, C–311949	125.00
Lee, Lawrence A., C–409545	106.25
McCune, Murray Mars, C–124768	106.25
McGrath, William Henry, C–1377698	106.25
Mitchell, Ezra Getchell, C–1095093	150.00

Ray, Lecil Stanley, C–563320	$137.50
Rice, German William, C–905807	180.00
Stehman, Cameron, C–284864 (Godfrey L. Hunter, Comm.)	162.50
Waring, James D., C–1381631	106.25
Whittaker, Burton Edw., C–1378756	106.25
FLORIDA	
Abernathy, Charles Vance, C–306279	106.25
Allen, Langhorne, C–618965	180.00
Alley, William Linwood, C–165793	125.00
Andrews, Chadbourne Avery, C–300761	125.00
Barcroft, John Dawson, C–317289	106.25
Beale, Charles Lincoln, C–557733	106.25
Bond, Andrew Robeson, C–1336821	150.00
Boyd, John Elliott, C–905359	218.75
Bradley, J. Luther, C–905999	243.75
Brown, Oliver Clinton, C–572163	125.00
Burnley, Edwin Ratcliffe, C–443836	106.25
Burns, John M., C–530413	150.00
Byrd, Charles Brown, C–1336092 (guardian, Mrs. Ethel Byrd)	106.25
Cain, William Quiggin, C–1284829	106.25
Carmack, John F., C–362153	206.25
Chambers, Joseph Russell, C–373376	165.00
Childs, Arthur Scott, C–325807	150.00
Church, Albert Dean, C–1090050	106.25
Coleman, Arthur W., C–205920	165.00
Cortina, Frederick Joseph, C–320841	106.25
Crank, Paul, C–530633	250.00
Crutchfield, Inman Payne, C–460273	106.25
Dempsey, James Samuel, C–1104967	162.50
Dew, James Albert, C–1110348	106.25
Dodge, Percy Loraine, C–820637	150.00
Duggan, James Reynolds, C–560580	116.87
Duncan, George M., C–906211	187.50
Echols, Thomas Jefferson, C–1099221	206.25
Edmunds, Henry Reed, C–161927	106.25
Ferris, Thomas Hampton, C–201732	106.25
Fowler, Byron Calhoun, C–304029	150.00
Freeman, Albert Howard, C–147204	150.00
Frey, Newt, C–451650	137.50
Fulton, Dennis Theodore, C–1343511	125.00
Gassner, Walter Scott, C–1049585	125.00
Gee, Frank Wilson, C–792515	125.00
Gill, Charles Robert, C–571234	165.00
Glaze, John W., C–370386	106.25
Grant, Vincent James, C–350442	106.25
Grayson, Laurence Ayres, C–414917	106.25
Green, George Benjamin Lent, C–1117328	125.00
Greenwell, Barry Tyler, C–1337507	125.00
Hall, John E., C–1336416	150.00
Hammons, Robert Walter, C–1027285	150.00
Harwood, Manton E., C–167818	125.00
Hatton, Rondo, C–746153	106.25
Heck, Maurice Eby, C–392616	150.00
Hooks, Don Melville, C–544234	243.75
Hosey, John Thomas, C–496743	150.00
Huau, Joseph Hipolito, C–275527	150.00
Hubbard, Roscoe C., C–1113730	187.50
Ives, William Childs, C–210741	116.87
Jaudon, Eugene Keene, C–329458	150.00
Jenkins, Frederick Elmer, C–389273	206.25
Keebler, Alfred V., C–291551	125.00
Kemp, Austin James, C–457628	125.00
Kennon, Charles L., C–157068	125.00
Lambertson, Francis William, C–421989	180.00
Lansing, Charles, C–269519	150.00
Latham, Charles Otis, C–621882	150.00
Leach, John Warren, C–366842	125.00
Leffers, Richard, C–436298	125.00
Lefler, Nelson N., C–338518	125.00
Lough, Charles Melvin, C–150832	106.25
Luce, Earle Parsons, C–316918	125.00
Lynch, Junius Francis, C–906652	281.25
MacMichael, Earle Haggett, C–463064	125.00
Mahoney, John Lewis, C–313454	187.50
Martin, William Gaston, C–483034	106.25
McCrum, Douglas Stuart, C–694828	125.00
McKenzie, Francis C., C–248901	106.25
Metcalf, Ben Hicks, C–1009550	218.75
Moeller, Maximillian, C–39939	125.00
Morrison, Hal T., C–1117725	195.00
Noel, Henry Leland, M. D., C–32768	150.00
Osteen, Harry Atwater, C–1340914	125.00
Parramore, James Buchanan, C–134125	150.00
Peterson, Walter Severin, C–207856	106.25
Porter, Bernice M., C–556978	106.25
Powe, Victor Thrashley, C–1305422	125.00
Powell, Garland Wheeler, C–1380998	150.00
Powers, Harvey C., C–276046	180.00
Putney, Wesley Reid, C–164278	125.00
Ramage, Raymond Brock, C–1304221	150.00
Riddel, Herbert Ewing, C–1121673	150.00
Riddler, George, jr., C–1175284	106.25
Rohrer, Ralph McGregor, C–905634	106.25
Shivers, Olin G., C–317321	225.00
Smith, George W., C–1043709	137.50
Smith, Simon Stewart, C–1027892	$210.00
Spaulding, Irah Dudley, C–1120349	150.00
Stelling, Sidney Jacob, C–209371	125.00
Stinson, William Miller, C–498668	150.00
Stockton, James Roosevelt, C–589354	150.00
Sturkie, Robert Bartow, C–905867	187.50
Stutts, Baldwin S., C–560463	150.00
Travers, William Alexander, C–215096	106.25
Tucker, Allen B., C–280114	150.00
Turck, Raymond Custer, C–381876	300.00
Twitchell, Ralph Spencer, C–311150	125.00
Vaughn, Richard Owen, C–338584	106.25
Vines, Edward H., C–259001	187.50
Virgin, Roscoe S., C–510711	180.00
Walker, George Keith, C–241566	125.00
Walton, William Norfleet, C–115153	106.25
Webster, John Adams, C–905300	106.25
Weldon, George Rainsford, C–233472	150.00
Wentworth, Daniel Webster, C–280784	180.00
Wight, Samuel Kaspar, C–193363	125.00
Williams, Clarence Jefferson, C–235970	106.25
Williams, John R., C–515208	127.50
Williams, William B., C–1106958	125.00
Wilson, William, C–258236	375.00
Worrell, Magnus Leon, C–845389	195.00
Wyatt, Thomas Hall, C–510049	125.00
Supplemental list	
Adams, John Jackson, C–220595	125.00
Bennett, Everett Nathaniel, C–1145715	125.00
Burgin, Van Hampton, C–160134	106.25
Burkhalter, De Nise, C–196916	150.00
Butcher, Roger Elmer, C–1150048	125.00
Camp, Earl Franklin, C–299780	106.25
Daniels, Irving Lewis, C–495827	150.00
Dulin, Charles Lutin, C–1305182	300.00
Fairty, Harry Christian, C–1051740	106.25
Freeman, Grover Cleveland, C–1161298	150.00
Gallishaw, John, C–109030	106.25
Gardner, William Jenning, C–309822	150.00
Haddix, Peter E., C–657908	180.00
Haisten, Claude, C–385807	137.50
Harrigan, Cornelius C., C–1038732	125.00
Hood, Paul Emerson, C–201010	106.25
Hopes, Charles William, C–333090	106.25
Lambertson, Francis William, C–421989	180.00
Leister, Fred Everett, C–347827	165.00
Leonard, John Lawson, C–376395	106.25
Main, Daniel Carr, C–905347	150.00
Mitchell, Merlin, C–1286758	150.00
Myers, Louis Benjamin, C–475159	195.00
Oyler, Frank Lee, C–17278	175.00
Register, David Wells, C–1120273	150.00
Rowell, S. T., C–905305	106.25
Royalty, Hubert E., C–583970	187.50
Scales, James Berry, C–906622	125.00
Stanton, Christopher M., C–289655	162.50
Stanton, Samuel Cecil, C–495182	250.00
Stewart, Howard Barker, C–496430	116.87
Webb, Samuel, C–409965	106.25
GEORGIA	
Abrams, Victor R., C–1123598	106.25
Adams, Edwin G., C–1337493	150.00
Alexander, Henry Aaron, C–285523	125.00
Allen, Ernest Grady, C–326210	125.00
Allison, James Howard, C–346032	125.00
Anderson, James Weldon, C–257190	106.25
Anderson, Lee Jackson, C–101662	125.00
Angier, jr., Clarence, C–299579	125.00
Anthony, jr., Edwin Raphael, C–1111755	125.00
Avery, John Elwyn, C–1115335	150.00
Aycocy, Mell, C–515492	150.00
Aycock, Thomas Rufus, C–1121793	150.00
Baker, George Lathrope, C–506978	106.25
Baldwin, Thomas Beverly, C–1344296	106.25
Ballard, Isaac Newton, C–527984	137.50
Barfield, Harry Marion, C–327904	125.00
Barker, Homer Lumpkin, C–528844	125.00
Bartlett, Willie Evans, C–1108063	106.25
Bassett, Ralph P., C–302586	150.00
Battey, Hugh Inman, C–21[illegible]387	125.00
Beaman, Henry A., C–1069420	150.00
Beauchamp, Walter Lee, C–361408	125.00
Binion, Richard, C–1117196	125.00
Blackburn, John Davies, C–317876	137.50
Blackburn, Thomas E., C–1115168	125.00
Blair, Leslie L., C–1336861	150.00
Blount, Frederick J., C–1343629	125.00
Bond, Benjamin F., C–31288	125.00
Boone, William L., C–156455	106.25
Bouzigues, Paul Richard, C–533297	125.00
Boyd, Willis Morgan, C–326194	125.00
Brawner, Leon Edward, C–663722	125.00
Brewer, Dr. Walpole Cheek, C–245277	150.00
Brown, James Everett, C–1332735 (guardian, John L. Brown, sr.)	106.25
Bruce, Alden, C–509280	127.50

Busey, Thomas Jesse, C–195706	$125.00
Cooper, James Roy, C–143725	150.00
Cabaniss, Emmet O., C–248742	125.00
Calloway, James Taylor, C–553775	150.00
Cann, William Grammell, C–906497	125.00
Carroll, Edward Grady, C–1117360	106.25
Carthron, Glenn Thomas, C–519847	137.50
Cheek, Aldine Lawrence, C–582991	165.00
Cheek, Ovid Hugh, C–188468	125.00
Cole, William Edgar, C–1339647	150.00
Corbitt, Henry T., C–1118183	187.50
Cornog, William Wallace, C–1122416	150.00
Crenshaw, Wendel Paine, C–1112555	125.00
Crough, Alsey C., C–1117580	137.50
Crowe, Arthur Lyons, C–370099	150.00
Cunningham, George A., C–560570	106.25
Daly, Richard Randolph, C–1344679	187.50
Davis, Alton Walker, C–1111178	125.00
Dean, William Kiser, C–1337846	137.50
DeLoach, John Keller, C–1332101	165.00
Dillard, Robert Bascome, C–567125	150.00
Dorsey, Arthur Roy, C–406926	106.25
Downey, Carroll William, C–1334861	125.00
Dunagin, George Alexander, C–531336	125.00
Duncan, Charles Gilbert, C–1339542	150.00
Eden, Charles Theophilus, C–1335533	116.87
Emory, Walter, C–343479	150.00
Etheridge, Robert Loy, C–455523	106.25
Fanning, Odom Olin, C–322426	150.00
Farmer, Myron Hall, C–556141	150.00
Foreman, Evan Howell, C–1340342	150.00
Fryckberg, Harry Anthony, C–322858	150.00
Furlong, Thomas A., C–228600	125.00
Galt, William M., C–283106 (guardian, Miss Malinda Galt)	116.87
Gertman, William M., C–418866	150.00
Giles, Ben Stuart, C–239416	125.00
Grealish, Samuel Pomeroy, C–1336443	180.00
Green, Thomas E., C–1335086	106.25
Greenwood, Albert E., C–322551	106.25
Guice, John Inman, C–239497	125.00
Harris, Ernest R., C–1335337	150.00
Harrison, George L., C–567011	165.00
Harris, Rufus Carrollton, C–265889	125.00
Haynes, Brantley, C–501011	106.25
Head, Marvin Monroe, C–1333658	150.00
Hendricks, Willie Hartridge, C–547951	150.00
Henry, Clarence Alexander, C–458028	106.25
Henry, jr., Thomas J., C–249729	125.00
Hill, Hines L., C–382833	106.25
Hits, Alex Mayer, C–572699	125.00
Hodges, Charles A., C–590795	150.00
Hodgson, Ralph Reginald, C–1057569	125.00
Hogue, Benjamin C., C–719636	165.00
Holland, William Tate, C–1333287	137.50
Hook, James Preston, C–500156	125.00
Horning, Albert Wesley, C–205696	116.87
Howell, Henry Gordon, C–1331476	125.00
Isbell, Jesse Epps Dean, C–1333552	125.00
Jackson, Wendell G. W., C–1117320	150.00
Jenkins, William Franklin, C–265575	125.00
Joerg, Thomas Franklin, C–179527	165.00
Jowitt, Thaddeus Clarence, C–1111104	243.75
Kaliska, William G., C–905532	165.00
Kelly, Alonzo Morris, C–134597	106.25
Kelley, James E., C–1123037	195.00
Kennedy, Harvey John, C–299716	106.25
Lawson, Edwin L., C–277078	125.00
LeHardy, Julius C., C–702161	22.50
Leman, DeManville Abraham, C–1339473	150.00
Lester, Henry Frank, C–1331555	180.00
Lewis, F. Courtney, C–1104578	125.00
Little, Young Allen, C–166662	150.00
Malone, Benjamin Floyd, C–594678	106.25
Manning, Arthur John, C–1342166	165.00
Martin, James Jackson, C–1340197	125.00
May, William A., C–764050	150.00
McBride, James Napier, C–201676	125.00
McCarthy, Thomas Leo, C–1124255 (guardian, M. C. McCarthy)	180.00
McClure, James Henry, C–660746	150.00
McCoy, Walter R., C–529264	150.00
McCurry, William Edgar, C–1103325	150.00
McDonald, Frederick Honour, C–579189	125.00
McDonald, George Tennell, C–285086	125.00
McKibben, John D., C–1106963	137.50
McLemore, Whitney C., C–1250951 (guardian, Ira C. McLemore)	106.25
Meeks, Jesse Littleton, C–251416	125.00
Middlebrooks, John Harvey, C–1340708	106.25
Miller, Boyce Etheridge, C–133342	165.00
Moody, Wilkie Osgood, C–303535	106.25
Moon, Fred Tapley, C–360162	137.50
Morris, Mace Andrew, C–337589	106.25
Nall, C. Copeland, C–518865	106.25
Nash, Homer Edwin, C–550960	125.00
O'Neill, John Charles, C–317453	125.00
Palmer, Millwood Jonah, C–497481	116.87
Parr, Lemuel W., C–446575	106.25
Peacock, Eli Julian, jr., C–1110738	$206.25
Pierson, Fred, C–476841	71.25
Pitman, James Fling, C–463805	150.00
Powell, Alfred Turner, C–492424	150.00
Pourron, Edward Justine, C–279879	150.00
Pullen, Herbert T., C–525758	106.25
Pumpelly, William Collins, C–1335437	150.00
Purse, Ben Snider, C–223917	125.00
Puryear, Edward A., C–394592	106.25
Randle, Morris Dewey, C–312106	106.25
Ransom, Elmer Ingleshy, C–252038	125.00
Rathborne, St. George F., C–1337127	206.25
Ray, O'Glen, C–1334255	125.00
Redd, Homer Lewis, C–1331378	125.00
Richardson, Marion S., C–1112159	125.00
Richards, Walter Alan, C–296983	125.00
Roberts, George Arthur, C–1342568	116.87
Roberts, Vivian Hill, C–577943	187.50
Rock, Edward, C–1408957	125.00
Rose, Frederick Preston, C–1116862	106.25
Russell, Alonzo Deveaux, C–175125	127.50
Sabiston, Harry Alexander, C–234458	165.00
Sanford, Henry Edwin, jr., C–530861	137.50
Scheuer, Leopold Moses, C–1378398 (guardian Max Scheuer)	106.25
Sellers, William LeRoy, C–480995 (guardian J. F. Sellers)	137.50
Seward, Charles Mitchell, C–264005	106.25
Shaddix, Walter Louis, C–1335089	125.00
Shanks, Edgar DeWitt, C–355417	150.00
Sheridan, Leo Daniel, C–261562	106.25
Shinkel, Jacob M., C–1076129	125.00
Sigman, John Monroe, C–905476	187.50
Sipple, Julius Ward, C–415738	125.00
Sitton, Joseph Benjamin, C–1111742	106.25
Slaton, William Franklin, jr., C–1342764 (guardian J. A. Slaton)	206.25
Smith, Ernest Oren, C–1450076	125.00
Smith, James Herbert, C–239670	150.00
Smith, James Robert, C–214149	125.00
Spahr, Herman L., C–1334844	125.00
Stapleton, Frank Davenport, C–1337511	150.00
Stegall, Benjamin F., C–693220	125.00
Stone, Guy Orlando, C–1115063	125.00
Stowe, Belvy Greene, C–242130	125.00
Swann, William K., C–1337205	150.00
Taylor, Money L., C–1332348	106.25
Thompson, Hugh Smith, C–169370	125.00
Thompson, John Homer, C–382014	150.00
Thrasher, Roy, C–776038	165.00
Tidwell, Frank Boynton, C–255776	150.00
Tinley, Joshua Eli, C–241067	127.50
Travis, Ernest Fears, C–166070	195.00
Van Henry, Arthur, C–475022	150.00
Wallace, George Lamar, C–280478	125.00
Waller, Robert T., jr., C–1342524 (guardian, George T. Heyward, jr.)	150.00
Walker, Newton Wright, C–175133	116.87
Walker, Sidney, C–702538	187.50
Ward, Sylvester Creighton, C–906236	187.50
Weaver, Homer Jesse, C–1331625 (guardian, Mrs. Clara M. Weaver)	210.00
Wellborn, Carlton Juan, S–535050	125.00
Wellborn, James Madison, C–554235	150.00
West, Edward Shippen, C–1095839	165.00
Williams, Adrian Dallas, C–531551	150.00
Wood, Evans Beauchamp, C–151697	125.00
Wood, Raiford James, C–1100239	106.25
Woodruff, Benjamin H., C–232410	150.00
Yarbrough, Roy E., C–1325735	138.12

Supplemental list

Brown, Jefferson Edward, C–905974	125.00
Burkett, Andrew Carroll, C–373657	137.50
Chandron, Percy Octave, C–299787	218.75
Cheatham, Clement A., C–319422	125.00
Comer, Travis Latiner, C–283954	150.00
Harris, Rufus Carrollton, C–265889	125.00
Hull, Richard McLeod, C–135644	125.00
Lemon, William Lane, C–590891	106.25
Lynch, Joseph Arthur, C–359075	125.00
McCann, George, C–354570	106.25
Sams, Parral Aubrey, C–392659	150.00
Sutton, James Henderson, C–1341737	116.87
Wood, Jay Gould, C–1343625	150.00

IDAHO

Albert, Lester Freeman, C–220647	137.50
Allen, Arthur Henly, C–1402152	180.00
Cole, Fern Morton, C–1401554	150.00
Duval, Claude H., C–449584	243.75
Fitch, Scott Mathewes, C–527559	150.00
Fowles, Joseph Dell, C–314727	106.25
Hamilton, Oliver Prescott, C–1277227	150.00
Lewis, Harry Tait, C–380491	250.00
Moore, Charles Otto, C–457645	187.50
Patch, Leroy V., C–905878	281.25
Quane, Oliver J., C–1348860	225.00
Spilman, Burt B., C–509026	165.00
Thompson, John B., C–614859	106.25



Supplemental list

Cupp, Walter Robert, C-423203	$165.00
Fite, Jerome Victor, C-213139	127.50
Henderson, Henry, C-1207730	125.00
Simpson, William Henry, C-905749	165.00

ILLINOIS

Adams, Frank Ulyses, C-439057	210.00
Aird, Andrew John, C-905752	125.00
Albee, Erwin, C-226357	106.25
Albers, Edgar Harvey, C-1218287	125.00
Allyn, Paul R., C-292360	150.00
Amet, Herbert Poidevin, C-292372	125.00
Andrews, Lawrence G., C-220600	106.25
Armbrust, George W., C-1197772 (consignee, Forest Park, State Bank)	180.00
Armstrong, James Noah, C-494112	125.00
Bailey, Charles B., C-617514	125.00
Barnes, Ralph Edward, C-323115	125.00
Barnes, Ray Arthur, C-555006	125.00
Barnfield, William H., C-579519	125.00
Beatty, James Phillip, C-163922	195.00
Beckhelm, William E., C-604126	162.50
Bellinger, James Edward, C-1178240	125.00
Bisson, Walter Clinton, C-281760	165.00
Bierly, James Roy, C-1186387	125.00
Bilderback, Byron, C-1172768	125.00
Blueitt, Napoleon Porter, C-259305	106.25
Boice, Frank B., C-297113	125.00
Bortz, John Alexander, C-1179882	150.00
Boston, John R., C-347519	106.25
Boyd, Theodore Elliott, C-216630	106.25
Bradbury, William Ethelbert, C-236230	106.25
Bray, Willis Jennings, C-358729	125.00
Brenner, Samuel L., C-282425	106.25
Broche, Arthur Thomas, C-231477	150.00
Brooks, Charles Wayland, C-237236	125.00
Brown, William Simon, C-906814	150.00
Buff, Byrl Byron, C-1297927	127.50
Burchfield, David Lanning, C-291248	125.00
Burkhardt, Charles F., C-133638	150.00
Burns, John Leo, C-1347435	106.25
Butner, Andrew Jackson, C-429312	125.00
Calkins, Arthur Alfred, C-444747	125.00
Canfield, Harry Eugene, C-300080	125.00
Carmody, Thomas James, C-170079	125.00
Carr, Hal Leroy, C-512791	195.00
Carter, Justin Edward, C-198576	137.50
Center, Charles Dewey, C-100554	300.00
Chapman, Daniel Ward, C-523959	106.25
Chapman, Ralph Dwyer Clinton, C-333886	125.00
Christensen, William Charles, C-475784	137.50
Claridge, Loyal T., C-246564	106.25
Clarke, Homer Hay, C-275853	137.50
Cleland, James Samuel, C-346382	125.00
Coates, Arthur E., C-210747	106.25
Coffey, Frederick Douglas, C-604083	106.25
Cook, Ellis Sumner, C-463445	206.25
Conway, Bernard Philip, C-477427	150.00
Cooley, Everett Monroe, C-346180	150.00
Copeland, Norman, C-905502	125.00
Courtney, Clarence Hayes, C-314541	150.00
Crane, Edgar Arthur, C-471967	106.25
Crippen, Philip Rose, C-528003	150.00
Cross, Roland Roberts, C-212585	125.00
Crowe, Dorsey Ryan, C-403553	106.25
Cruzen, Roy Ellis, C-1196048 (consignee, Foreman Trust & Savings Bank)	150.00
Danewit, Otto Gustave, C-204905	106.25
Daniels, Charles Lyle, C-127047	150.00
Danner, John Simon, C-905897	89.00
Darby, Earl Meade, C-202074	125.00
Davidson, Samuel E., C-424436	106.25
Davis, Charles Summer, C-625300	150.00
Dean, Harry Carpenter, C-247093	106.25
DeBolt, Clyde E., C-522639	106.25
DeGaris, William H., C-334153	137.50
Denison, Franklin A., C-447019	312.50
Dugan, Richard Deyo, C-191608	125.00
Dull, Charles W., C-1189644	106.25
Dunn, John William, C-1162762	150.00
Durnion, Richard Erwin, C-1202899	106.25
Dusenbury, Roy Francis, C-337606	150.00
Eardley, Fred Ernest, C-253483	210.00
Edison, Samuel Martin, C-162584	150.00
Edwards, Francis Main, C-1190975	150.00
Ellis, Edward Kent, C-1435168	150.00
English, Lee M., C-223234	150.00
Ethell, Mark Ray, C-172673	125.00
Etherton, Monroe, C-1441671	125.00
Farrar, Benjamin David, C-264338	106.25
Faught, George Maynard, C-292313	206.25
Fawver, J. Roy, C-486613	125.00
Feldott, Edwin A., C-1200833	106.25
Fitzsimmons, Frank Nathaniel, C-246699 (consignee, Northern Trust Co.)	125.00
Flynn, John J., C-1091293	150.00
Fox, Charles Moses, C-339945	150.00
Fox, Kenneth Lawrence, C-390889	$106.25
Frankenstein, Herbert Adolph, C-1245782	125.00
Franzen, Frank Clarence, C-239094	125.00
Fuller, Edward Reino, C-371799	106.25
Fullerton, Charles Bushnell, C-467548	150.00
Gano, Henry Augustus, C-468926	180.00
Gardner, J. Francis, C-1202937	106.25
Gesell, Walter B., C-252915	106.25
Gift, Lyle Henry, C-379420	150.00
Gillespie, Edwin Simpson, C-1174144	150.00
Gooder, William Verner, C-365093	150.00
Goodison, Harry Bowman, C-388449	250.00
Goodspeed, Earl Ladd, C-492786	125.00
Goodwin, Alexander Willard, C-367983	165.00
Gore, Forrest B., C-672108	150.00
Gough, William E., C-316070	127.50
Greene, Merton William, C-1051632 (consignee, Evanston Trust & Savings Bank)	106.25
Greer, Mark, C-1189908	150.00
Guilfoyle, Thomas S., C-191294	106.25
Gumm, Albert Gottlieb, C-1176455	150.00
Hall, Damon Irl, C-199755	106.25
Hall, George B., C-239593	125.00
Hall, Kenneth Canright, C-345724	106.25
Hannan, David Edward, C-424102	150.00
Hanmore, Frederick C., C-1197939	125.00
Hansen, Oscar Lee, C-115109	150.00
Hardesty, Tully O., C-249535	150.00
Hartman, John A., C-839660	180.00
Hartnett, David Louis, C-316081	106.25
Hartwell, Dausa Dow, C-346025	150.00
Hassfeld, Adolph F., C-1203478	150.00
Hays, Verne, C-333776	125.00
Heath, Clifford Jackson, C-162062	165.00
Hefner, Harry Edward, C-292004	106.25
Helmick, Homer H., C-447627	106.25
Hiatt, Homer Sam, C-291450	125.00
Hikes, Waldo E., C-780563	150.00
Hildum, La Rue, C-1186267 (consignee, Central Trust Co. of Illinois)	125.00
Hogg, William Bennett, C-1324255	125.00
Holland, James A., C-277872	150.00
Holm, George S., C-518395	125.00
Holt, Burton P., C-282096	125.00
Hoover, Charles Franklin, C-282095	150.00
Hopps, Edwin Samuel, C-765711	210.00
Houchin, Ervin William, C-348352	106.25
Howard, William Harrison, C-471626	150.00
Hubbell, Joseph Albert, C-1193389	125.00
Hughes, Charles E., C-179619	125.00
Hunter, David, jr., C-201667	150.00
Ince, Edward Gratton, C-138082	150.00
Isensee, Frank Paul, C-559964 (consignee, Peoples Trust & Savings Bank)	106.25
James, Allen Murray, C-315662	106.25
Jaycox, Frank, C-106098	175.00
Johnson, John Arthur, C-1199724	125.00
Johnson, Frank Alan, C-458997	116.87
Jones, Cloyd E., C-294882 (consignees, Elsie K. Jones, David J. Jones)	125.00
Jones, Edward Paul, C-514572	106.25
Katz, Joseph Maurice, C-317560	106.25
Kauffman, Harlan B., C-1185695	125.00
Keith, Lawrence P., C-317268	106.25
Keller, Charles C., C-235948	106.25
Kempski, Felix Anthony, C-743174	137.50
Kerrick, Charles La Fayette, C-379235	125.00
Kesler, Gerald Lea, C-435798	106.25
Kestubaum, Meyer, C-292836	106.25
Killoran, Thomas Christopher, C-1192947	180.00
King, Ralph, C-350244	150.00
Knotts, Howard C., C-530431	106.25
Krichel, Joseph, Henry, C-485159	125.00
Kuehne, Albert William, C-254239	125.00
La Bach, Paul Mayer, C-281591	187.50
Lakin, Ralph Owen, C-264693	125.00
Lamond, John T., C-1253106	116.87
Lane, Elisha Cromwell, C-158096	125.00
Lang, Edward J., C-225211	281.25
Lanigan, Leo Anthony, C-1441315	180.00
Leisner, Paul Winge, C-264185	106.25
LeSaulnier, Herman L., C-1196032	125.00
Lewis, Charles S., jr., C-389690	125.00
Lewis, Raymond P., C-299370	106.25
Lippert, Frederick J., C-378345	150.00
Logan, John Arthur, C-248488	125.00
Longwell, Chester A., C-193640	137.50
Loudin, Forrest Allen, C-387316	106.25
Lovell, John Herbert, C-264414	116.87
Lundgren, DeWayne C. E., C-1196192	106.25
Lutyens, Henry Edward, C-189985	125.00
Lynn, Percy, C-437260	106.25
Machamer, Elmer Edward, C-324946	106.25
Malone, Frank Joseph, C-439837	125.00
Mangum, William Robert, C-477812	187.50
Marland, Joseph Andrew, C-100155	106.25
Marshall, Ralph William, C-475256	150.00

Marshall, Thomas Holland, C–286108	$106.25
Mathis, Allen W., C–159477	125.00
May, Charles N., C–1078151	106.25
May, Lewis Renwick, C–247740	125.00
Mayer, Peter C., C–1204530	125.00
McCann, James S., C–257358	125.00
McCoy, Dwight Wesley, C–1230734	106.25
McDonald, Archie J., C–455606	137.50
McDavid, Carroll M., C–654250	125.00
McDavid, Jesse T., C–1193870	187.50
McKinney, Clarence D., C–1202395	125.00
McNamara, Joseph, C–1162442	137.50
McNulta, Scott, C–439137	125.00
McQuillan, Albert B., C–433425	150.00
Meyering, William David, C–203370	150.00
Miller, Hubert Frederick, C–275561	218.75
Milum, Vern G., C–223890	106.25
Mitchell, Forster Isaac, C–1171057	106.25
Moeller, Frederick William, C–906670	187.50
Montgomery, Albert H., C–299872	187.50
Mooney, Raymond, C–573266	131.25
Moore, George Henry, C–210651	150.00
Moore, Joseph, C–583556	250.00
Morgan, James Woods, C–1213006	106.25
Morgan, Lynn J., C–905186	150.00
Morian, Frederick H., C–598732	150.00
Morton, Harry Thomas, C–905223	187.50
Moynihan, Allan James, C–285402	125.00
Munhall, Maurice H., C–167670	137.50
Murphy, James Orvil, C–1221319	125.00
Myers, Joseph George, C–159494	116.87
Myriand, Eiel Harmon, C–375838	125.00
Nagel, Frank Emil, C–229604	150.00
Newton, Roy Chester, C–172665	106.25
Nolan, Charles Lincoln Vincent, C–611647	106.25
Novak, Joseph, C–244523	150.00
O'Brien, Thos. Jas., C–1195818 (consignee, Chicago Title & Trust Co.)	106.25
Ofner, Spencer Everett, C–1203867	125.00
O'Hara, Fred Summa, C–239518	206.25
Olds, Milford Hixon, C–179077	106.25
Palmer, Robert Carrel, C–1435521	106.25
Patton, Harry T., C–1179851	106.25
Paul, Edward Reichard, C–521185	125.00
Percival, Andrew Jackson, C–406242	137.50
Pfeiffer, Reuben Roland, C–140442	125.00
Phillips, Francis A., C–519260	125.00
Phillips, Wendell John, C–1095588	137.50
Pierzynski, Thaddeus Stanley, C–283061	125.00
Pinkstaff, James Tilden, C–174959	116.87
Pliska, Joseph Stanley, C–1190698	175.00
Poole, Charles Judson, C–257735	187.50
Powell, Charles, C–1200004 (consignee, Marie L. Powell)	106.25
Pratley, Fred C., C–1208672	137.50
Ready, John Francis, C–445905	250.00
Reed, John Emory, C–1435266	125.00
Rennie, Thomas Wesley, C–1184131	125.00
Richmond, Jacob Joseph, C–474168	116.87
Rideout, George Rawleigh, C–298014	106.25
Riley, John Lee, C–247700	150.00
Riordan, John W. J., C–1204200	106.25
Rockwell, Reuben L., C–1046791	150.00
Rogers, Buell Sumner, C–1437031	243.75
Rogers, Percy Earl, C–239684	125.00
Ronayne, Frank Joseph, C–580420	150.00
Ronayne, Robert D., C–250351	150.00
Rondthaler, Harold, C–389779	106.25
Sayre, Sydney L., C–1196789 (consignee, The Northern Trust Co.)	125.00
Scanlan, Walter Raymond, C–184640	125.00
Schuh, Carl Alexander, C–347666	125.00
Scott, Byron Robert, C–593777	106.25
Shaver, Maitland Victor, C–314580	125.00
Shay, Wellington Herbert, C–512376	150.00
Sheedy, David, C–246282	210.00
Simms, Austin, C–378425 (consignee, The Northern Trust Co.)	106.25
Slusser, Carl W., C–1426311	150.00
Slyh, Donald Macey, C–479395	125.00
Smith, Albert, C–194250	218.75
Smith, Frank P., C–435690	125.00
Smith, Howard Calbrath, C–388645	125.00
Smith, Thomas B. F., C–1199752	150.00
Smith, Warren B., C–612091	106.25
Southard, Earl, C–306711	137.50
Southwick, Marshall W., C–1198265 (guardian, Annette W. Southwick)	106.25
Spauling, Oliver R., C–238713 (consignee, Ella M. Spaulding)	125.00
Speed, Kellogg, C–196730	187.50
Sprinkel, Roscoe, C–237178	106.25
Steen, William Aloysieous, C–316554	106.25
Stewart, Edward Paul, C–279105 (consignee, Peoples Trust & Savings Bank	106.25
Stiggleman, James W., C–275656	125.00
Stocker, Alfred, C–709093	150.00
Summers, Anthony, C–1170249	125.00
Suthers, William Glen, C–346806	$106.25
Swaim, David Ross, C–1193281	281.25
Sweinhart, Victor Culp, C–295164	180.00
Teague, Mark Hanna, C–351232	106.25
Templeton, Charles Kickham, C–436481	106.25
Tew, Tracy Lewis, C–509790	106.25
Thomas, Harry A., C–575798	106.25
Thornton, Earle Clark, C–257233	243.75
Thorp, John Notman, jr., C–239903	165.00
Tileston, Perley Dominic, C–384015	210.00
Traband, Philip Joseph, C–686079	150.00
Trapp, Albert Rubly, C–239710	150.00
Trueblood, Ralph R., C–216656	150.00
Vail, William Henry Heegaard, C–319238	125.00
Van Order, Paul Ingham, C–202050	195.00
Wall, Whitney, jr., C–321623	150.00
Weaver, Harry G., C–1251905	206.25
Webb, Byford Hodgen, C–1202180	125.00
Webster, Laban Eiza, C–618883	106.25
Welsh, Gerald Eugene, C–280423	125.00
Westermann, Lawrence, C–277686	125.00
Wheatley, Edward J., C–239600	150.00
Wier, Joseph Lamar, C–705922	206.25
Williams, Arthur, C–281821	210.00
Williams, Avon Hugo, C–188106	106.25
Williamson, James Holland, C–905685	150.00
Wilson, William McDonald, C–579752	165.00
Wingerter, Ernest Louis, C–1297205	180.00
Wirtz, Adolph W., C–228113	125.00
Wise, Earl Gronlund, C–27977	125.00
Wolcott, Oliver Seymour, C–277636	106.25
Woodnick, George William, C–1181300	187.50
Woodruff, Ernest Walker, C–263204	125.00
Wright, Eugene Peirson, C–1200025	187.50

Supplemental list

Allen, James LaVern, C–565649	125.00
Allison, Hugh Quitman, C–471030	125.00
Barnett, Arthur Rex, C–1265471	106.25
Black, William Martin, C–247066	125.00
Brady, Robert Newton, C–1165618	187.50
Burtis, Edwin Samuel, C–1394976	106.25
Dale, Philip Marshal, C–364797	150.00
Field, Albert Conely, C–460406	125.00
Flaugher, Richard Greer, C–1436063	125.00
Garvey, William Martin, C–279601	106.25
Gibbons, Harry Daniel, C–1436862	150.00
Glossinger, Lewis William, C–522650	165.00
Grant, James Homer, C–7138	125.00
Gwynne, Samuel Roy, C–392627	150.00
Henry, Robert Henry, C–262377	106.25
Keating, Charles Thomas, C–276211	137.50
Lancaster, Grady, C–393943	106.25
Magee, Frank Ogden, C–1186983	106.25
Mix, Walter S., C–528268	125.00
Reynolds, Charles W., C–1203304	106.25
Schroeder, William Frederick, C–370919	150.00
Sparks, Denton H., C–201215	106.25
Steinhoff, Carroll Fitzhugh, C–533432	150.00
Timm, William Charles, C–521983	162.50
Trager, John Williams, C–445547	106.25
Wright, Harold Hannon, C–1032683	106.25

INDIANA

Anderson, Hanson Hale, C–1417984	125.00
Austin, Fred, C–282421	116.87
Beck, Flavius Jasper, C–608142	150.00
Beem, David Joslin, C–495931	225.00
Belcher, Oliver Lee, C–821063	125.00
Benham, James W., C–334343	150.00
Benham, Raleigh F., C–163519	125.00
Bergman, Alfred Henry, C–1196086	150.00
Boner, George Washington, C–329708	150.00
Boyd, Clarence Elbert, C–473348	125.00
Branch, Emmett Forest, C–378760	312.50
Brand, George F., C–1155303	150.00
Brickley, Harry Dwight, C–378169	125.00
Bridwell, Harry, C–304517	127.50
Brooks, Emery Wilbur, C–254696	150.00
Brophy, John W., C–1390245	106.25
Brown, Karl Trueblood, C–366584	187.50
Burlington, J. Roy, C–1153649	150.00
Burns, William Edwin, C–310288	150.00
Carpenter, Emil Claybourne, C–618348	137.50
Childs, Leslie, C–13419	125.00
Clauser, Albert Charles, C–298742	125.00
Cleland, Samuel Clayton, C–334315	106.25
Coleman, Henry Fitch, C–263690	187.50
Cooper, Ross A., C–1163664	125.00
Cope, Harry H., C–111778	125.00
Costlow, Glenn Charles, C–261235	125.00
Cottingham, Henry Patterson, C–436861	125.00
Cox, Bruce G., C–501438	125.00
Crane, Millard, C–279625	125.00
Cray, Arthur Boyden, C–1157138	165.00
Crook, David Henry, C–903129	165.00
Davis, Charles Guy, C–419388	180.00
Derner, Rufus Joel, C–282029	150.00
Davis, James Edgar, C–396856	150.00

Driscoll, James Edgar, C-363470	$106.25
Doeppers, William August, C-317684	125.00
Donlin, Anthony Byrnes, C-350406	106.25
Eby, Allen Dale, C-605716	106.25
Elrod, Stephen Benton, C-181697	150.00
Espy, Murry G., C-268104	106.25
Faris, Frank B., C-241415	125.00
Fattic, John Bartow, C-362578	187.50
Foust, William Edward, C-524228	125.00
France, Walker, C-527003	125.00
Frisz, Joseph Adolph, C-1141368	150.00
Fruth, Virgil Jaye, C-445338	125.00
Garver, Irwin Leonard, C-1150075	106.25
Gibbons, George Lee, C-1144507	125.00
Gilpin, John Henry, C-132729	150.00
Glover, John James, C-1216936	106.25
Green, Earle Stanley, C-368977	225.00
Greene, Frederick William, C-419962	106.25
Greene, Willis Harold, C-1147931	116.87
Grimes, Ray Dryden, C-292691	106.25
Gutelius, Charles Bradford, C-380219	225.00
Hadley, Walter Gresham, C-802107	125.00
Hamilton, George William, C-1155374	125.00
Hansen, John Cornelius, C-905721	195.00
Hardin, Newton, C-8721	150.00
Harley, Wilbur Herbert, C-1288233	106.25
Harris, Walter William, C-327266	150.00
Hegewald, Charles Spence, C-1423371	125.00
Heller, Daniel Clarence, C-1186425	156.25
Hendryx, Aylmer Everett, C-282208	150.00
Henshaw, Frederick R., jr., C-1167230	106.25
Hoover, Albert Clinton, C-366003	125.00
Huber, John George, C-412352	125.00
Humphreys, Frank Blair, C-906661	225.00
Hursey, Virgil Garfield, C-172012	125.00
Inman, Gilbert Perry, C-482449	125.00
Johnson, Taylor Hadley, C-504608	125.00
Kast, Harry L., C-1017314	106.25
Keller, Carl Clyde, C-1422052	106.25
Knapp, Arthur Le Roy, C-437658	150.00
Latshaw, Ross, C-577930	10.00
Lindstrom, Walfred, C-1150268	125.00
Lord, James Austen, C-487515	125.00
Loy, Forrest A., C-450082	125.00
Mace, Elmer Ellsworth, C-1163725	125.00
Manson, James Byron, C-349425	106.25
Martin, Harvey Heber, C-1200959	187.50
Melson, Garth B., C-905891	125.00
McClary, William H., C-219542	106.25
McClelland, Frank Allen, C-287953	125.00
McKahan, Don M., C-373857	150.00
Miner, Erwin, C-1168948 (guardian, Grant Trust & Savings Co.)	150.00
Minturn, Joseph Allen, C-341033	150.00
Misener, Walter Leroy, C-429849	150.00
Mitchell, William L., C-1164178	150.00
Moore, John H., C-344714	137.50
Moser, Elmer Bramble, C-83321	125.00
Mowers, Bert Soule, C-16828	150.00
Murphy, Lewis James, C-293504	106.25
O'Neil, John James, C-197072	125.00
Parkison, William, C-1160589	150.00
Peterson, Archa Lee, C-456111	125.00
Pickett, Roy W., C-214337	106.25
Pinney, Norman William, C-672940	127.50
Potts, Clifford Joseph, C-405111	125.00
Power, Herman, C-334613	150.00
Robinson, Frank C., C-268682	225.00
Rogers, Robert Campbell, C-508490	150.00
Ross, Warner Anthony, C-1146793	187.50
Rowland, Calvin L., C-468785	150.00
Royer, Elmo Ray, C-290421	187.50
Shacklett, Henry Blant, C-457351	150.00
Scheffer, Ferdinand Herman, C-215262	116.87
Schreiber, Adam William, C-274655	150.00
Shields, Scott Wilkerson, C-344365	125.00
Scott, John W., C-316547	106.25
Sherk, Wendell, C-293331	125.00
Sims, Leland McKinley, C-303479	106.25
Small, George W., C-281938	125.00
Smith, Joseph Parker, C-227945	150.00
Snider, George F., C-181113	116.87
Stephan, Joseph Edward, C-1158098	125.00
Stephenson, Hugh McCleery, C-1143545	125.00
Stout, Lester J., C-197588	125.00
Strother, Carl B., C-318577	150.00
Summers, Franklin Lyle, C-120506	125.00
Swank, Paul Jennings, C-470729	106.25
Tabor, Frank A., C-1158995	150.00
Tharp, Floyd Oscar, C-10076	137.50
Thompson, Walter Scott, C-1155287	116.87
Timmons, Charles Clyde, C-603726	125.00
Tucker, Carroll J., C-802288	150.00
Vandament, Walter Thomas, C-472142	125.00
Voll, Bernard John, C-87279	125.00
Wallace, Joseph M., C-1196234	106.25
Weeks, George Erie, C-406886	106.25
Welchons, Alvie McGregor, C-1416114	125.00
Welsh, Edgar, C-117867	$125.00
White, John Anderson, C-390543	150.00
Wilmeth, Delbert Olen, C-338706	150.00
Wise, Dale O., C-178259	206.25
Wright, Walter Waldo, C-276993	150.00
Young, Edward Milton, C-222772	150.00

Supplemental list

Everman, Ord, C-654870	150.00
Grisemer, Walter, C-87988 (guardian, I. H. Grisemer)	106.25
Holcombe, Thomas Hull, C-905592	125.00
James, Carl Merton, C-169106	116.87
Liggett, David Carl, C-446854	106.25
McGinty, Michael J., C-846931	106.25
Phillips, Charles Clarence, C-1163413	187.50
Ricketts, Joseph Warren, C-206974	150.00
Sanders, James Leroy, C-191130	106.25
Van Sweringen, Budd, C-328932	187.50

IOWA

Bare, Elmer Anderson, C-216503	150.00
Bloom, Ray C., C-1227984	106.25
Brock, Raymond O., C-301407	116.87
Bryant, Fred Spindler, C-227140	165.00
Carlson, Amel A., C-439494	125.00
Carson, Dean Herring, C-381853	125.00
Clary, William Henry, C-240185	125.00
Eveleth, John McDonald, C-265222	218.75
Fraser, Walter, C-194816	125.00
Gier, Philip Elmore, C-54581	106.25
Hakes, Legard B., C-275881	106.25
Hartman, Chester James, C-199878	137.50
Jepson, William Roscoe, C-343184	125.00
Kelley, William Arthur, C-240589	195.00
Kellogg, Orson Arza, C-1223681	125.00
Kofmehl, William Henry, C-550718	137.50
Lesan, Cassius True, C-277935	150.00
Loehwing, Walter Ferdinand, C-363422	106.25
Malony, John Henry, C-497651	150.00
Meredith, Edward Roy, C-287704	150.00
Negus, Alvah, C-1350488	150.00
Nelson, Audley Emmet, C-536302	150.00
O'Brien, Daniel James, C-1439412	125.00
Peckham, Howard Dewayne, C-312669	180.00
Peters, Ernest Eugene, C-356271	106.25
Petty, Wallace Sidney, C-382508	150.00
Phillip, Ralph Earl, C-271905	106.25
Rowe, Donald Murray, C-484018	106.25
Schide, Clarence C., C-270359	106.25
Sweeney, Orland Russel, C-256224	187.50
Walker, John Milton, C-321643	150.00
Weiser, Victor Albert, C-1349049 (guardian, Mary Weiser)	106.25
Wilson, Edmund Willoughby, C-1211772	150.00
Wright, Howard Jesse, C-312563	150.00

Supplemental list

Adams, William Frank, C-390909	106.25
Jones, Charles H., C-1267602	106.25
Knudsen, Ernest Paul, C-1097228 (consignee, Commercial National Bank)	106.25
Low, Harold William, C-157226	125.00
McCreight, Glenn Harris, C-1229465	150.00
Morgan, John E., C-287747	187.50
Royal, Thomas Everette, C-266111	125.00
Tribby, Dwight, C-436252 (guardian, Herman E. Elgar)	106.25

KANSAS

Adams, Charles Samuel, C-1274758	125.00
Barnes, Walter Burton, C-17437	162.50
Bates, Vernon Elwell, C-88178	125.00
Bentley, Bruce Morton, C-457141	125.00
Bermant, Lester Clifford, C-299585	106.25
Billings, Earl Kay, C-1210002	106.25
Buckley, Martin B., C-166177	150.00
Burnett, Clanrold A., C-89219	125.00
Butler, James Clyde, C-438046	150.00
Butler, William Lucas, C-438047	125.00
Brewster, Roger Bernard, C-239070	150.00
Claeren, Edward L., C-906125	250.00
Clark, Earl Finley, C-413616	125.00
Clarke, Cecil Alexander, C-437811	125.00
Cludas, Arthur Louis, C-310537	150.00
Cooper, Harry Allen, C-509680	137.50
Cummings, Lester A., C-1185492 (guardian, Gertrude Cummings)	125.00
Dillingham, William Roy, C-1221403	150.00
Divine, Duke Girdner, C-177002	125.00
Eagan, Robert Emmette, C-561761	125.00
Edwards, Charles Evan, C-14302	162.50
Fast, John Clarence, C-350038	125.00
Fitzpatrick, Fred R., C-240988	312.50
Fox, Burton Edward, C-1227539	137.50
Germain, Everett Earl, C-1219677	106.25
Gray, Louis Wilbur, C-311690 (guardian, Mrs. Alma L. Gray)	150.00
Haerle, Edward Jacob, C-279939	125.00
Hamilton, Walter, C-499350	125.00
Harris, Lawrence T., C-579277	137.50
Hawk, Benjamin Franklin, C-210973	187.50

Henderson, Ralph C., C–1220955	$150.00
Hood, Tarlton A., C–143897	150.00
Hooper, Edward Waddell, C–1228847	150.00
Huey, Frank G., C–224059	106.25
Humphrey, George Ferguson, C–213023	180.00
Hyde, John Jackson, C–1227051	150.00
Kelly, Carroll B., C–610404	131.28
Klock, Helmer Alfred, C–1217244	106.25
Johnson, Paul Brent, C–1222383	150.00
Lyon, Charles Walter, C–458406	150.00
McManigal, John Wesley, C–217713	187.50
McDonnall, Zara Harman, C–308603	106.25
McClain, Alvah Smith, C–905448	187.50
Mendenhall, Homer, C–764029	243.75
Mielke, Charles Harry, C–193544	187.50
Mills, Arthur McPherson, C–1219515	195.00
Mundell, Walter Newton, C–85350	150.00
Nease, Stephen Gilbert, C–217926	137.50
Nienstedt, William Frederick, C–239513	150.00
Page, Willifred, C–210857	125.00
Preston, Richard Otis, C–426257	125.00
Reed, Charles Sidney, C–1229235	106.25
Root, Frank Pletcher, C–384209	150.00
Ross, Richard Still, C–536425	125.00
Russell, William Leonard, C–1439630	106.25
Schrader, Lewis Milward, C–1211355	125.00
Scott, John Rutherford, C–435719	187.50
Stryker, William Lester, C–249805	165.00
Sutton, John Magruder, C–255095	150.00
Taggart, Henry Hutchinson, C–1209721	125.00
Toomey, Ernest, C–320263	106.25
Trueheart, Marion, C–298191	150.00
Tucker, Claude C., C–425209	125.00
Walker, Frank J., C–484406	150.00
Warner, Albert Rowland, C–255080	150.00
Wasson, Clyde Hamilton, C–219334	125.00
Whitson, Clyde P., C–721353	106.25
Wilson, Frank Wendel, C–1223877	106.25
Withers, George A., C–516414	206.25
Young, Richard Claude, C–117890	150.00

Supplemental list

Ingels, Roland Theodore, C–259939	125.00
Miller, James Burney, C–1229630	106.25
Rudbeck, John, C–411150	125.00
Shriver, Roy Otto, C–104694	125.00
Steers, Philip John, C–300987	150.00
Warren, Chas. Isaiah, C–1252638	137.50

KENTUCKY

Allen, Rudolph, Commander Hiram H. Allen, C–305389	116.87
Austin, James A., C–407698	125.00
Bach, Luther, C–216989	125.00
Baker, Horace, C–250097	165.00
Barlow, Edward Callistus, C–413894	150.00
Banks, David Paul, C–1420863 (guardian, Mrs. Belle Banks)	187.50
Bizzell, Matthew Andrew, C–819092	125.00
Blount, Henry Clay, C–1141707	125.00
Bogan, Henry Smith, C–393187	106.25
Brewer, Frank Giltner, C–317887	187.50
Brock, George Simeon, C–489318	150.00
Brown, William Henry, jr., C–172870	137.50
Bryant, Ura M., C–618094	137.50
Buckner, John Dawson, C–387020	106.25
Bushong, Perry W., C–1154645	150.00
Caldwell, James Guthrie, C–299789	125.00
Coleman, Robert M., C–187136	150.00
Collier, Thomas Reed, C–184406	125.00
Coulson, Wallace Magnus, C–293474	150.00
Cox, William Moss, C–307829	150.00
Craig, Henry Harrison, C–1099339 (guardian, Mrs. Katherine Craig)	165.00
Curd, Joyes, C–384441	125.00
Curtis, William Earl, C–245778	106.25
Dade, Randolph, C–1423022	125.00
De Weese, Clarence, C–141804	187.50
Dillion, James Knox, C–1142541	165.00
Dowdall, William Turpin, C–301297	150.00
Doyle, George F., C–597266	150.00
Duncan, Richard Finley, C–165578	150.00
Eckman, William Guy, C–90761	125.00
Eubank, Albia Linnea, C–694664	106.25
Eversole, James Garfield, C–1416106	165.00
Frazier, Emery Lee, C–826506	125.00
Fuss, John Carroll, C–475701	150.00
Gabbert, Roy Dennis, C–1161762	150.00
Gaines, Noel, C–1149277	243.75
Hacker, David Lyttle, C–440596	125.00
Hall, Edmond Parker, C–1153106	138.12
Hamilton, Finley, C–408566	165.00
Hancock, Jethro, C–1161749	150.00
Happy, Frank Feland, C–1421114	150.00
Havely, Theo Ward, C–1337918	106.25
Henry, Jouett, C–481892	312.50
Heuschling, Allen John, C–1421196	127.50
Hobson, Charles Nourse, C–906664	125.00
Howard, Joseph, C–346778	125.00
Hyatt, Meredith Woodson, C–1154705	150.00
Jackson, David Thomas, C–80092	180.00
Jones, Henry Bascom, C–197509	$150.00
Keffer, Smithfield, C–357759	125.00
Kelley, James, C–197240	116.87
Kessinger, Benjamin Lee, C–1153965	106.25
Kibbey, Delbert Valley, C–484168	106.25
Longmire, Charles William, C–391719	250.00
Lyon, Howard, C–620131	125.00
Lyons, Thomas Barkley, C–1377628 (commissioner, Peoples Bank of Fleming County)	125.00
Mason, James Boyd, C–360178	187.50
Matlack, Leonard Freeman, C–905597	56.25
McCoy, Stephen Clifford, C–645603	150.00
McGraw, Joseph F., C–323507	116.87
McKinley, David Howard, C–594499	150.00
McLean, Charles E., C–304218	125.00
McWilliams, Wiley E., C–279957	125.00
Menefee, John Newell, jr., C–1416104	150.00
Millis, John M., C–195038	106.25
Morris, James M., C–1163958	150.00
Moss, Morton McTyeire, C–1415844	150.00
Moss, Robert Carlisle, C–433038	150.00
Murphy, Robert E., C–1154395	106.25
Nickell, Homer Lee, C–165977	125.00
Nisbet, Wm. Kemp, C–448814	225.00
Nolan, Joseph Wynne, C–350488	150.00
Ogden, Paul Jonathan, C–657508	125.00
Osborn, Henry Chilton, C–1416508	150.00
Owen, Evan Ellis, C–1418821	125.00
Owsley, Grant Alexander, C–627255	106.25
Page, Marion W., C–614786	150.00
Parrigin, Oliver H. P., C–311362	150.00
Pindar, Leon Otley, C–1142471	125.00
Pipes, Mastin Lee, C–100497	150.00
Porter, Robert William, C–432263	150.00
Price, John Thomas, C–1152894	150.00
Rau, Ernest, C–298285	150.00
Reed, Washington, C–1160623	125.00
Richardson, John B., jr., C–351975	150.00
Ridley, James Urey, C–1417771	150.00
Riley, Augustus B., C–292606	150.00
Scrivner, Samuel Tudor, C–598093	125.00
Seale, Charles L., C–419264	106.25
Showalter, Daniel E., C–435926	150.00
Simpson, George C., C–510704	116.87
Smith, John I., C–1142868	150.00
Smith, Samuel Clemens, C–1141714	150.00
Snowden, Frank Beatty, C–436256	125.00
Sory, James Dunn, sr., C–421053	187.50
Spencer, John G. Carlisle, C–253214	106.25
Stoddard, James Kent, C–263983	125.00
Strong, Elbert, C–168588	125.00
Thompson, Geo. L., C–1416234	125.00
Thompson, Paul Erwin, C–87264	106.25
Treleaven, William, C–905781	150.00
Turner, Edmond Daniel, C–500643	125.00
Veal, Marvin Speed, C–520532	150.00
Vinson, Charlie E., jr., C–1113124	106.25
Williams, Ralph O'Neal, C–178286	106.25
Woodson, Hylan Hale, C–417757	125.00
Wright, Oscar Catlette, C–359955	106.25
Young, Albert De Forest, C–290437	150.00

Supplemental list

Ash, Harry Lee, C–158643	106.25
Bittner, Earl Robb, C–293953	116.87
Combs, John Wesley, C–319457	150.00
Dennis, Green William, C–307406	150.00
Eversole, Earl J., C–149797	125.00
Lusse, Frank Henry, C–421483	180.00
Smith, Claude Everett, C–813566	150.00

LOUISIANA

Allen, Kotz, C–181896	150.00
Baker, John Saunders, C–409643	165.00
Billings, Samuel A., C–516163	187.50
Black, Bryan, C–263158	281.25
Brown, Emmett Wilson, C–1103933	150.00
Burnham, George Harmon, C–411816	150.00
Chatham, Robert C., C–1135494	106.25
Christian, Early Bickham, C–169693	106.25
Coe, Albert Miles, C–205923	150.00
Cook, Claude Thomas, C–800013	116.87
Cook, Paul Darwin, C–179755	187.50
Crow, James J., C–1301936	106.25
Devron, John Alexander, C–1139412	206.25
Evans, Niles P., C–252597	125.00
Ewing, Joseph Luther, C–434147	125.00
Ferguson, Elijah Pleasant, C–1131015	125.00
Ferrill, Frank B., C–1089611	150.00
Floyd, Winfield N., C–1127995	125.00
Ford, Herbert S., C–1303010	150.00
Foster, Marion H., C–273166	125.00
Foster, Robert Balch, C–1126476	106.25
Freden, Gustaf E. N., C–237182	106.25
Genella, Louis Julian, C–213889	150.00
Green, Andrew Arthur, C–243850	180.00
Gregory, Edward Manhardt, C–1256461	125.00
Grevemberg, Francis B., jr., C–386456	150.00
Haynes, Walter A., C–1103187	106.25

Holmgren, Carl Martin N., C–1091227	$106.25
Kelly, John L., C–1125223	187.50
Kibbe, Pressley A., C–1305514	150.00
Kopfer, Joseph Starns, C–905252 (curator, Ponchatula Bank & Trust Co.)	150.00
Kopfer, William P., C–1301607	125.00
La Coste, Warren J., C–528242	106.25
Lyon, George Clyde, C–392091	125.00
MacArthur, James Harper, C–1437432	125.00
Malsby, John D., C–1337506	137.50
Mestayer, Otto Joseph, C–653540	106.25
Miller, Benjamin Wentworth, C–563315	125.00
Mittendorf, Bradley C, C–429185	106.25
Moody, Magnus Martin, C–378283	106.25
Morrow, Bishop Levi, C–479076	165.00
Nowlin, J. C., jr., C–263282	125.00
Padgett, William Alexander, C–518980	225.00
Pafford, Jefferson W., C–1113073	125.00
Parker, George Alexander, C–680704	162.50
Pittman, John L., C–541243	150.00
Primrose, Joseph H., C–1267462	137.50
Reams, Paul E., C–503659	106.25
Robert, James J., C–156241	187.50
Sartor, James Clarence, C–558895	150.00
Schwam, Walter M., C–1307734 (curator, Oscar Manassick)	106.25
Seemann, William Henry, C–123289	150.00
Sevier, Henry C., C–151780	106.25
Sherwood, William F., C–1137968	106.25
Smith, Herbert B., C–17681	150.00
Thiele, Richard, C–1097953	150.00
Thomson, John Herndon, C–195492	125.00
Tooley, Josiah O., C–667644	106.25
VanZelfden, Cornelius, C–1301629	125.00
Walet, Perry Henry, C–555657	125.00
Wiener, Earl Loeb, C–1096120	106.25
Witbeck, Albert Tyler, C–253423	150.00
Wood, Lewis Hilliard, C–165109	125.00
Wooten, Chancellor F., C–185302	150.00
Supplemental list	
Carter, Philips John, C–165327	125.00
Ferrol, Walter, C–905782	165.00
Fleming, Branch, C–1270990	125.00
Henderson, Walter Ford, C–1128935	125.00
Henry, William Floyd, C–423960	106.25
Keys, George G., C–355897	150.00
McFarlane, Frederick C., C–277582	150.00
Sutton, James R., C–514781	125.00
Walton, Clarence Leon, C–1289227	106.25
MAINE	
Benoit, Romeo Eugene, C–1406252	106.25
Carroll, James Henry, C–420739	150.00
Cousins, William L., C–1019895	187.50
Crosby, Clarence H., C–1008640	125.00
Dickey, Walter, C–1005621	106.25
Downes, Joseph Watson, C–1382700	106.25
Eastman, James Walker, C–905457	150.00
Garney, John A., C–304021	137.50
Gould, Willis Elden, C–436353	125.00
Griffin, Francis Augustus, C–340281	106.25
Haskell, William Langdon, C–430766	225.00
Hasty, Percy Albert, C–505687	150.00
Hermann, Solomon Andrew, C–1003719	243.75
Hewitt, John Everett, C–1251697	187.50
Hobbs, Henry C., C–569811	180.00
Love, James A., C–1001244	106.25
McNeil, Harry Daniel, C–193681	125.00
O'Leary, Edwin Dolan, C–291565	106.25
Pelletier, Joseph John, C–353385	150.00
Slocum, Paul Frederick, C–447875	125.00
Southard, William Edward, C–214183	281.25
Swett, Guy L., C–229235	180.00
Supplemental list	
Decker, George Spencer, C–1010517	150.00
Garnache, William Joseph, C–356429	165.00
Ham, John C., C–501522	150.00
MARYLAND	
Adams, John Myron, C–352675	150.00
Balland, Eugene Caesar, C–370339	125.00
Barnes, Harry Oliver, C–1085895	106.25
Berger, Clyde Dolson, C–505373	106.25
Beziat, Frederick Hamilton, C–303849	125.00
Blades, Webster S., C–686411	125.00
Bledsoe, Edwin Page, C–1115834	150.00
Boyle, James Brooks, C–420672	150.00
Brown, William Arthur, C–414605	106.25
Burke, Edmund, C–906101	128.60
Casey, Arthur, C–487179	243.75
Cawley, William Dennis, C–139812	150.00
Charles, Frederick Henry, C–905481	125.00
Clary, John Henry, C–404793	106.25
Cochran, Harry Berch, C–1377564	150.00
Colley, Thomas Milton, C–483075	137.50
Coney, Edgar Heath, C–404418	116.87
Costinett, Joseph Rocca, C–203291	125.00
Council, Wilford A., C–1094005	125.00
Creecy, Donald B., C–1123662 (guardian, Anne B. Creecy)	$150.00
Cross, George G., C–311041	125.00
Daily, John Walter, C–1093969	150.00
Donegan, Daniel Albert, C–1097919	106.25
Elphinstone, Douglas Cassel, C–480346	150.00
Evans, Alexander Mason, C–1094773	125.00
Fay, Daniel Edgar, C–1380677	150.00
Ferrandini, Edmond V., C–1099500	150.00
Gaddess, Harry Wilfrid, C–204516	150.00
Gillis, Alexander James, C–177789	150.00
Gordon, Philip, C–418639	225.00
Grammes, Robert Asa, C–1091922	218.75
Grevemberg, Carlos Ernest, C–1380464	150.00
Gross, Harry, C–636584	237.50
Grubb, James Obdeyer, C–195760	150.00
Guistwhite, Bruce H., C–485240	125.00
Hall, Elmer G., C–1098801	125.00
Haslup, Charles Leroy, C–363774	106.25
Hatch, Carl Tilden, C–412125	106.25
Hopper, Pearl D., C–573253	187.50
Huebner, Albert Frederick, C–224052	150.00
Johannes, William Ashton, C–905212	116.87
Johnson, Robert William, C–256577	150.00
Jones, Harold Curtis, C–202019	106.25
Jones, Joseph Hall, C–1417308	125.00
Kaiss, Edward Windon, C–865803	116.87
Kane, Clinton Austin, C–705212	150.00
Kennedy, Robert Eugene, C–418546	165.00
Kirby, Thomas, C–240518	150.00
Kolls, Alfred C., C–1092091 (guardian, Baltimore Trust Co.)	150.00
Krumm, Harry William, C–1095962	106.25
Lewis, jr., William Penn, C–563102	125.00
Linville, James Z., C–1380661	180.00
Lutz, jr., James Augustus, C–240156	125.00
Marcus, Lawrence, C–1043037	125.00
Matthai, Joseph Fleming, C–253277	125.00
Matthews, Charles Newton, C–349442	125.00
McCluer, Edwin Alexander, C–248234	125.00
McShane, Arthur J., C–1094668	180.00
Mess, George B., C–557886	106.25
Moore, John Carroll, C–418642	125.00
Myers, Charles Eugene, C–906745	187.50
Newgirg, Michael Henry, C–362567	125.00
O'Connell, James Henry, C–1086491	106.25
Oliver, Fred Nash, C–563309	187.50
O'Neill, Henry H., C–684927	150.00
Phelps, Joseph Spence, C–238740	137.50
Pitcher, Edwin Hoffman, C–428428	125.00
Reuter, Francis J. G., C–906229	125.00
Roberts, Ernest, C–1377907	187.50
Roberts, Robert Orson, C–905397	106.25
Robey, Charles Francis, C–223963	106.25
Rothman, Arthur Gordon, C–146067	162.50
Sands, Richard Elbert, C–357956	150.00
Sappington, Purnell F., C–171262	150.00
Semmes, Harry Hodges, C–180873	106.25
Sheets, William Stokes, C–1144051	187.50
Shields, Thomas, C–420354	125.00
Sneeringer, Michael Reily, C–509463	106.25
Starr, Edward James, C–565560	106.25
Sterling, Gordon Cornelius, C–186017	106.25
Stow, James Russell, C–32075	116.87
Tobey, Paul Titus, C–1181039	106.25
Traut, Fred Grandon, C–221329	125.00
Turner, Harry C., C–1087484	150.00
Tyndall, Ira Clinton, C–1382464	150.00
Van Hollen, Donald B., C–193354	106.25
Vey, Edgar Alan, C–502204	150.00
Vinup, Frederick Henry, C–245875	206.25
Vipond, Benjamin Leslie, C–209153	150.00
Walls, William Ralph, C–358368	106.25
Williams, jr., Frank Edwin, C–221733	125.00
Williamson, Philip Hearn, C–106868	125.00
Wilson, Alfred Curtis, C–1098578	106.25
Wilson, William Valentine, C–249880	125.00
Worthington, Leland Griffith, C–590366	137.50
Supplemental list	
Ballentine, Wm. Ernest, C–511760	125.00
Cavenaugh, Michajah B., C–255601	165.00
Corcoran, Matthew John, C–324519	150.00
Courtright, Benjamin Franklin, C–318619	187.50
Crook, Charles Samuel, C–326357	125.00
Fitts, jr., Robert Henry, C–411671	116.87
Gould, James Ross, C–381434	125.00
Jennings, Frank Leslie, C–492431	125.00
McCullough, Leo Joseph, C–526265	125.00
O'Donovan, John H., C–157368	106.25
McGough, Edw. A., C–1082564	106.25
Richards, Granville Hampton, C–146035	150.00
Webster, Ben, C–381880	187.50
MASSACHUSETTS	
Ahern, Joseph A., C–522827	150.00
Allen, Woodward, C–309837	187.50
Ames, Shirley Lesquereux, C–400639	150.00
Andrews, George Wilson, C–298201	150.00

Austin, Walter W., C-224962	$180.00
Bachelder, Frank E., C-563800	125.00
Bacon, Henry Stuart, C-272543	106.25
Balch, William H., C-1405009	187.50
Bampton, Sidney W., C-375482	125.00
Barr, Harry Hillman, C-664552	106.25
Behringer, Theodore F., C-1407759	106.25
Bell, Hollis Westcott, C-1015919	106.25
Benoit, Samuel Joseph, C-267094	150.00
Berren, William M., C-307411	180.00
Berman, Louis, C-1027959	137.50
Bernard, Andrew James, C-612763	137.50
Berndes, Walter O., C-286217	106.25
Berry, Bernard Monroe, C-117461	150.00
Blanchard, William Bradford, C-303847	137.50
Blanchard, William Herbert, C-444980	206.25
Bobst, Frank T., C-1014519	125.00
Boldridge, Chauncey H., C-200988	150.00
Brannon, Francis Annis, C-1015934	187.50
Breen, Frederick, C-235780	125.00
Breen, Vincent Charles, C-393317	180.00
Bridges, Thomas Austin, C-347980	106.25
Brockmann, Arthur, C-520192	210.00
Brown, Fred Parsons, C-509533	150.00
Brown, Harry Dunlap, C-906273	150.00
Buffington, Ernest Richmond, C-165772	106.25
Bumps, Charles Hadley, C-265315	180.00
Burger, Ernest Rudolph, C-533262	195.00
Burr, Ernest Rollins, C-9253	106.25
Butler, David Mathew, C-266364	125.00
Butler, Joseph Francis, C-1003958	106.25
Butler, Patrick William, C-420311	150.00
Campbell, Paul James, C-1008742	106.25
Carlson, John Rudolph, C-83309	125.00
Carr, Andrew J., C-592921	210.00
Carr, Barton, C-1004579	125.00
Carroll, Bernard Francis, C-1009271	125.00
Casey, James Bernard, C-307216	106.25
Cavanaugh, Frank W., C-295214	187.50
Charron, Wilbur Arthur, C-826401	150.00
Chase, Porter B., C-1406709	281.25
Chesbro, Phillip Gordon, C-484710	125.00
Cheste, Joseph B., C-239259	150.00
Cleary, John James, C-467414	106.25
Cogan, James E., C-1408611	106.25
Collins, Joseph John, C-247215	106.25
Comerford, Charles A., C-532305	106.25
Comerford, John Thomas, C-177477	150.00
Connell, William A., C-486124	106.25
Cooper, Edwin H., C-1007208	150.00
Cooper, Frank Cyril, C-502297	106.25
Corbin, James William, C-326707	106.25
Corbett, Edward Francis, C-405674	137.50
Cormerais, Henry Dana, C-306850	210.00
Cosgrove, John, C-1011008	150.00
Crafts, Addison F., C-1406542	225.00
Crane, Charles Allen, C-341389	106.25
Cross, Lawrence J., C-1019513	106.25
Cummings, Howard James, C-252137	116.87
Curley, Clarence P., C-1017792	150.00
Daly, Arthur J., C-474210	150.00
Dalzell, Arthur Herbert, C-346835	125.00
Damon, John Warren, C-397790	106.25
Day, Wallace Clesson, C-295627	125.00
Dearborn, Walter Scott, C-1407329	106.25
Dee, Michael James, C-1405057	180.00
Doane, Harry Leslie, C-830518	250.00
Dobbins, William Everett, C-1081439	206.25
Dobbs, George Francis, C-165153	106.25
Dolan, James Joseph, C-1018922	125.00
Donovan, Arthur Patrick, C-397517	106.25
Donovan, Frank Leo, C-1003570	250.00
Doten, Max Vincent, C-258263	106.25
Drake, Harry Floyd, C-484428	106.25
Duane, James Thomas, C-210494	165.00
Dunn, John H., C-1407699	281.25
Dunn, Joseph Henry, C-1407577	150.00
Dwyer, William Joseph, C-534314	125.00
Earl, John Joseph, C-266934	106.25
Eastman, Harry N., C-559411	195.00
Edwards, Frank Pierce, C-906269	210.00
Elkins, Samuel T., C-1010153	106.25
Ellinwood, Waldo Sherman, C-488827	127.50
Estes, Frederick Anson, C-239266	206.25
Ewen, Arthur, C-279613	106.25
Farrell, William Joseph, C-1011506	125.00
Faulkner, Ralph Lindsay, C-1009956	150.00
Fay, William M., C-289454	125.00
Finnerty, Charles William, C-304041	125.00
Fitchet, Seth Marshall, C-164328	165.00
Fitzgibbon, Edward J., C-340432	137.50
Flaherty, William A., C-210547	106.25
Fleischner, Herbert Edmund, C-457394	187.50
Fleming, John Aloysius, C-224529	125.00
Foley, Thomas Francis, C-1016512	243.75
Foote, Alfred Franklin, C-1405315	281.25
Fowler, Edward Clinton, C-1012003	137.50
Fyfe, Andrew, C-1009381	$125.00
Gallagher, Thomas J., C-1001200	125.00
Gates, Ernest A., C-276897	250.00
Gibbs, Warmoth Thomas, C-546445	106.25
Gillis, Frederick James, C-457213	125.00
Gillis, John Angus, C-530993	116.87
Gillon, Edward Francis, C-1005085	125.00
Ginivan, Robert A., C-537808	106.25
Gish, Daniel Brailey, C-369989	125.00
Glidden, Arthur Boynton, C-105289	165.00
Grant, Walter B., C-326454	106.25
Greeley, Julian Francis, C-1019705	106.25
Griffin, William Henry, C-1015291	150.00
Grimes, Eustis Bernard, C-409678	106.25
Grosh, Edward Herbert, C-296240	162.50
Hagan, Thomas Joseph, C-328866	250.00
Hall, Herbert William, C-279358	150.00
Hallberg, Carl John, C-387618	137.50
Hansen, Arthur Alexander, C-201042	206.25
Harding, Arthur Ellsworth, C-1000894	187.50
Harding, Robert Francis, C-316593	125.00
Harrington, Francis P., C-1018867	150.00
Harrington, Frederick, jr., C-134173	106.25
Hartwell, Herbert Francis, C-383615	165.00
Harwood, Franklin Andrews, C-28318	125.00
Hawks, Horace G., C-1409762	106.25
Healey, Patrick F., C-209592	150.00
Healy, Jeremiah Joseph, C-239529	195.00
Healy, John J., C-501999 (guardian, Anna Du Moulin)	137.50
Hickey, Charles F., C-1014717	106.25
Hickey, James F., C-1005941	250.00
Hickox, Edward Junge, C-315081	187.50
Hodgkins, William F., C-756644	125.00
Holland, Edward L., C-1062824	106.25
Holmes, Joseph Gardner, C-538854	175.00
Hopkins, Lawrence F., C-1006667	125.00
Horton, George Elmer, C-905705	210.00
Houston, Clarence Preston, C-214947	150.00
Howe, Edward J., C-1405686 (conservator, William F. Howe)	106.25
Hoyle, Henry R., C-1012912	150.00
Hughes, Joseph Vincent, C-1407083	106.25
Hunting, Arthur Israel, C-456953	150.00
Ingraham, Elmer C., C-212070	106.25
Ireland, Orville Friend, C-288226	125.00
James, William Edgar, C-1018200	165.00
Jenkins, Thomas Lincoln, C-905353	281.25
Johnson, Philip L., C-1406355	125.00
Jones, Albert E. B., C-392239	116.87
Jones, Daniel A., C-298048	116.87
Jones, Frederick Ellis, C-498289	262.50
Jones, Robert L., C-197157	150.00
Kearns, Thomas Wilfred, C-400721	125.00
Keating, Thomas F., C-1007685	125.00
Keenan, Barry, C-1017824	150.00
Keller, Paul, C-322089	137.50
Kelley, James Richard, C-412299	116.87
Kelley, Thomas U., C-477306	106.25
Kelly, Eugene Edmund, C-537807	106.25
Kennedy, William Edward, C-240089	116.87
Kennerly, Edgar Oliver, C-392070	125.00
Kerr, James, C-1011361	138.12
King, Mark Aloysius, C-446680	150.00
Ladd, Walter Alexander, C-1408422	150.00
Lahey, Jeremiah J., C-611997	106.25
Lally, Francis H., C-741507	125.00
Lally, Michael Joseph, C-376475	106.25
Lane, Philip Thomas, C-1000388	162.50
Lawson, Henry George, C-554056	150.00
Leontine, Gaspar E., C-1019195	187.50
Letzing, John Laurence, C-388821	137.50
Lydon, John J., C-1016916	165.00
MacCarthy, Eugene Richard, C-1407740	106.25
MacDonald, Calin Campbell, C-905829	106.25
Mack, David Gibson, C-543069 (guardian, Mrs. Gertrude D. Mack)	125.00
MacNeil, Angus Joseph, C-907065	125.00
Mahoney, Augustine Francis, C-498098	106.25
Mahoney, John W., C-1012257	180.00
Maloney, Arthur Michael, C-119557	106.25
Maloon, Ralph I., C-236880	116.87
McAvey, Thomas L., C-1405842 (guardian, Margaret M. Sawyer)	187.50
McCann, William Fenton, C-1410195	150.00
McCarthy, Thomas, C-1000908	210.00
McCormick, William A., C-1015694	150.00
McClure, Samuel, jr., C-1391203	150.00
McDonnell, Henry Grattan, C-359870	106.25
McGay, Walter Howard, C-1016104	125.00
McGlone, Joseph Carlton, C-288505	106.25
McIntyre, Donald Roy, C-378558	106.25
McKenney, Harry, C-169117	106.25
McLean, Obadiah Ritchey, C-569279	125.00
McNellis, Bernard Joseph, C-569822	125.00
McPhail, John Gunn, C-1410266	150.00
Menard, Henry George, C-424823	116.87
Merrill, Henry Mudgett, C-299729	106.25
Millward, Arthur Henry, C-694231	106.25

Mix, Donald Guernsey, C-428920	$106.25
Morris, Robert Edmund, C-286604	106.25
Moulton, Paul, C-1409540	150.00
Moyse, George Crendon, C-473071	195.00
Mulcahy, George Francis Arthur, C-1014012	106.25
Mullaney, James J., C-264423	106.25
Murphy, Arthur W., C-1405795	106.25
Murphy, Thomas F., C-338711	225.00
Nabers, Bruce Quigley, C-487045	150.00
Nagel, Frederick F., C-393108	106.25
Nelson, John Alfred, C-492901	106.25
Newell, Joseph, C-1266135	240.62
Nicholls, Melvin Henry, C-308145	116.87
Norton, William Michael, C-1000577	106.25
Noxon, John Franklin, jr., C-188135	106.25
Noyes, Edwin Miles, C-1405436	106.25
Oates, Walter Alexander, C-312346	106.25
O'Brian, Patrick Francis, C-390795	162.50
O'Brien, John, C-1006178	150.00
O'Connell, Fabian V., C-743126 (guardian, Loretta G. McCormack)	125.00
O'Connor, Michael J., C-1009196	165.00
Ogden, Joseph T., C-1408101	125.00
Packard, Thomas Dudley, C-1018051	125.00
Paglia, Jeremiah James, C-625682 (consignee, Mrs. Eleonore E. Paglia)	125.00
Parker, John E., C-297694	210.00
Parlow, George Gibson, C-1011340	150.00
Patrick, Howard, C-1405639 (consignee, Merchants National Bank of Boston)	106.25
Penney, George S., C-214273	210.00
Perry, Harold Clinton, C-1126230	106.25
Phillips, Charles Elmer, C-1016870	106.25
Pierce, Reuel Alfred, C-203214	150.00
Pond, William Gilbert, C-410113	210.00
Power, Thomas Edward, C-185405	150.00
Pratt, George W., C-758001	106.25
Pringle, James Robert, C-1405614	106.25
Putnam, Eben, C-435549	150.00
Ramsay, William W., C-1010590	240.62
Ranlett, Louis Felix, C-166339	106.25
Ratigan, William Andrew, C-1016160 (guardian, Mrs. Elizabeth A. Ratigan)	172.50
Reardon, Cornelius Leo, C-1006806	125.00
Reardon, Frank J., C-1405437	180.00
Reardon, Timothy James, C-178059	106.25
Reed, George Roland, C-703880	106.25
Reed, Leslie Stevens, C-1409830	106.25
Regan, William Francis, C-449988	150.00
Richardson, Francis Allen, C-333602	150.00
Ricker, Maurice Stanley, C-419764	125.00
Riley, Henry Irving, C-1263317	125.00
Riley, John Joseph, C-426625	125.00
Robart, Ralph Whitley, C-293811	125.00
Roberts, George Albert, C-491942	187.50
Robinson, Arthur, C-399408	106.25
Rose, James Patrick, C-459744	137.50
Ryan, Edward Francis, C-555744	125.00
Saftel, Harry R., C-1039127	125.00
Sanford, Alfred Osro, C-1018436	106.25
Sargent, Lester F., C-1409318	180.00
Sawhill, John McKnight, C-434524	125.00
Scarles, Herbert L., C-273107	150.00
Scheller, Louis, C-388861	125.00
Schuyler, Philip Lansing, C-309475	281.25
Schwartz, George Harvey, C-906707	125.00
Selden, James Kirkland, C-127187	106.25
Shaughnessy, Paul Francis, C-403550	150.00
Shea, Thomas Pancratius, C-396607	125.00
Sheehan, Edward Bernard, C-203991	150.00
Sheehy, Edmund F., C-432639	106.25
Sherry, James P., C-1083054	125.00
Sirois, Edward Devlin, C-409103	106.25
Smith, Charles Warren Henry, C-255283	162.50
Smith, Chellis Vielle, C-1410228	125.00
Smith, Clarendon W., C-1407000 (conservator, Robert I. Smith)	106.25
Snow, Simon Charles, C-671277	125.00
Spalding, George Edward, C-523534	106.25
Spellman, Martin Henry, C-482865	125.00
Spencer, Harry Lovering, C-905853	137.50
Stanchfield, Charles C., C-1006648	195.00
Stanley, Gilbert, C-309640	125.00
Stearns, William Brackett, C-1050427	150.00
Stewart, George William, C-1410414	150.00
Stinehart, Elmer Charles, C-1007922	125.00
Stirzaker, Ernest Joseph, C-1406383	106.25
Sutton, Daniel F., C-611950	125.00
Swindler, Harold Frank, C-1016011	137.50
Talbot, Robert Adams, C-1017909	106.25
Taylor, Ira Chase, C-280466	137.50
Tenney, Gerald E., C-1022239	150.00
Tierney, Thomas F., C-1013186	165.00
Trask, Charles Albert, C-1000271	125.00
Trotman, Frank Paul, C-1013449	106.25
Upton, Charles Louis, C-134794	150.00
Ulrich, Francis Paul, C-609891	116.87
Vera, Frank Jerry, C-1006954	$125.00
Vigeant, Napoleon Joseph, C-1019341	106.25
Walsh, George W., C-1016278	150.00
Walsh, James Francis, C-439866	137.50
Walsh, John Leo, C-250400	106.25
Warner, George Vernon, C-380498	106.25
Warner, Hunt, C-234038	106.25
Waterhouse, Charles N., C-1018184	106.25
Weir, James Duncan, C-616383	210.00
Weise, Leo, C-427094	137.50
Wellman, Harold Orne, C-1410083	125.00
Welsh, Peter James, C-1014771	125.00
White, Harry D., C-1038241	125.00
White, Arthur Francis, C-185324	106.25
Williams, Haskell, C-18563	125.00
Wilson, Andrew Thomas, C-98485	137.50
Wilson, Harvey William, C-176740	106.25
Winquist, Lennart, C-1006979	
Winslow, Edmund John, C-587978	116.87
Winston, John Francis, C-1016023	150.00

Supplemental list

Callahan, Edwin Bernard, C-281796	180.00
Davis, Frederick Wm., C-1001101	125.00
Douglass, Stephen, C-464039	116.87
Downes, George Manuel, C-199630	150.00
Doyle, James, C-1016053	125.00
Eagleton, John Thomas, C-316753	106.25
Eck, Gustave Elmer, C-372738	150.00
Flagg, John Andrew, C-370000	106.25
Fournier, Emile Francis, C-309471	106.25
Gray, Albert Crowell, C-1016309	250.00
Greene, William Henry, C-905439	150.00
Haley, Bartholomew J., C-631963	125.00
Harrington, Frederick Charles, C-347753	150.00
Holmes, Joseph Gardner, C-538854	175.00
Hoyt, Howard Chester, C-1409746	125.00
Newhall, Richard Ager, C-234213	106.25
Sayles, Arthur Updike, C-346698	127.50
Schlotterbeck, Lewis, C-172897	106.25
Stevenson, Maurice Sexton, C-535931	137.50
Stiles, Winthrop Alan, C-238116	125.00
Webster, Edward E., C-1009485 (guardian, Henry L. Burnham)	106.25
Wilder, Philip E., C-1409763	116.87

MICHIGAN

Alexander, John, C-1029972	125.00
Anglemire, Raymond Lee, C-303259	150.00
Ashmun, Louis Henry, C-1155299	125.00
Ballard, Freeman A., C-601523	106.25
Barnwell, John B., C-1056321	106.25
Baskerville, Robert J., C-294740	150.00
Beuker, Bernard Johan, C-1175595	137.50
Bohstedt, William, C-252439	150.00
Boldon, Harry, C-303798	116.87
Bradley, Kenneth C., C-1187339	116.87
Breakey, James F., C-333377	187.50
Brittian, William Sebastian, C-658717	125.00
Brown, Howard, C-1191100	150.00
Bullock, Earl Sprague, C-396157	187.50
Bush, Daniel Tilden, C-416715	187.50
Casper, Franklin S., C-229390 (guardian, National Bank of Ionia)	106.25
Cooley, Randall Marvin, C-522056	206.25
Conrick, John P., C-522819	150.00
Crabbe, George Simmons, C-238864	180.00
Dudley, Ethelbert L., C-305257	165.00
Dumas, Victor Morley, C-1437528	250.00
Dunham, William Herbert, C-619348	150.00
Etu, Walter J., C-1198924 (guardian, Louise Etu)	125.00
Flick, Fred S., C-433004	106.25
Gambs, Ernest Rudolph, C-618504	125.00
Gansser, Augustus H., C-232462	281.25
Gilmore, Harry F., C-288658	150.00
Hartman, Ernest Valentine, C-124340	150.00
Houser, Frederick Ferris, C-33030	106.25
Hulliberger, Milo R., C-179369	106.25
Irvin, Harry Clay, C-367247	150.00
Irving, Ira Lloyd, C-542535	210.00
Jameson, H. Burton, C-146189	106.25
Johnson, Henry T., C-1179307	137.50
Kelly, Harry Francis, C-90210	106.25
King, Louis A., C-1437527	150.00
Kowalski, Charles J., C-1171487	137.50
Krohn, Albert Henry, C-339521	125.00
Kunze, Lewis W., C-342850	137.50
Lahmann, Charles Fred, C-127134	162.50
Lamb, Franklin, C-1202930	137.50
Lawrence, Frank A., C-1174505	175.00
Leneweaver, Charles Frederick, C-360948	106.25
Lewis, Raymond McKinley, C-1193795	150.00
Loye, Harry August, C-280030	106.25
Lyons, Roy T., C-325393	125.00
Malejan, Harry M., C-1441436	218.75
Markey, Raymond Alfred, C-150495	125.00
Martindale, Edsell Herbert, C-1204370	125.00
McCullough, Jay Charles, C-228126	250.00
McIntosh, William Fraser, C-539875	125.00

McSwain, Fletcher, C–1035287	$125.00
Minier, Edward William, C–435851	210.00
Millberry, Mark Andrew, C–463352	180.00
Millen, Victor A., C–489380	116.87
Miller, Edwin Evans, C–205936	150.00
Murphy, Joseph Patrick, C–187413	137.50
Nelson, Frank Justin, C–811362	106.25
O'Brien, James Francis, C–558312	106.25
O'Hora, Bernard Anthony, C–407237	125.00
Oill, George Vernon, C–360641	150.00
O'Neil, John N., C–573260 (guardian, Union Trust Co.)	125.00
Owen, Edward Kirkpatrick, C–136177	125.00
Peart, George Wesley, C–284692	150.00
Peck, Ward Harrison, C–162243	125.00
Perry, Donald Antonio, C–447127	125.00
Phillips, David D., C–539870	210.00
Portmess, Robert Chester, C–822649	125.00
Potter, Clark B., C–360456	137.50
Pyle, Wynand Van K., C–194068	150.00
Rainwater, Joseph B., C–162543	116.87
Sergeant, Floyd Almer, C–87928	106.25
Spawr, Clarence Valentine, C–1194149	195.00
Sobie, Joseph James, C–427335	127.50
Steinberger, Otto Charles, C–185602	165.00
Steinhilber, Cloyd Wilmot, C–83154	125.00
Stirling, Robert Bateman, C–405240	106.25
Sullivan, Gordon Bostwick, C–1436491	125.00
Sullivan, John Lawrence, C–412641	106.25
Thacker, Edward Cassy, C–172041	106.25
Thompson, William Darius, C–291955	150.00
Tinder, John William, C–307730	150.00
Torrey, William Burrell, C–87268	180.00
Tuck, Raymond George, C–363968	125.00
Wacker, Benjamin Gottlieb, C–625726	106.25
Waters, George, C–236824	187.50
Webb, Hardie Black, C–482131	116.87
Weine, Richard Henry, C–285296	106.25
Westrate, William, C–245373	125.00
Whipple, Charles Joseph, C–707801	125.00
White, Edmond Gordon, C–157096	106.25
White, Harold Kirk, C–124983	106.25
Wilson, James M., C–232437	150.00
Wilson, Merritt Baxter, C–219709	180.00
Wise, Andrew Boyd, C–326092	106.25
Wright, Royale Alfred, C–299975	125.00
Yeager, Harry Gilmer, C–172428	125.00
Zacharias, John A., C–473479	180.00

Supplemental list

Oliver, John V., C–706832	127.50
O'Neil, Frank Patrick, C–295019	150.00
Smith, James LeRoy, C–610835	125.00

MINNESOTA

Allen, Raymond Lawrence, C–1232869	150.00
Anderson, Edward Thomas, C–479321	150.00
Anderson, James Kerr, C–566152	125.00
Ashby, Bert, C–677614	150.00
Baker, William F., C–349077	125.00
Balch, Robert M., jr., C–244866	106.25
Barnett, Joseph Henry, jr., C–440950	150.00
Berg, Elmer William, C–221477	137.50
Bjorneby, Peter C., C–1349313	125.00
Bissonnette, Arthur Thomas, C–412937	125.00
Bonfoey, Donald Russell, C–444464	187.50
Bush, Walter Lewis, C–561079	125.00
Clint-McVety, Edwin Robert, C–1174193 (guardian, Anna Packard McVety)	106.25
Coalter, William D., C–1238240	116.87
Darling, Walter Henry, C–322966	187.50
Davy, Jesse John, C–254935	150.00
DeLaine, Charles Edouard, C–255492	148.75
DeMalignon, Francis Edwin, C–170628	127.50
Dolan, James Henry, C–1349614	125.00
Dwyer, William Dalton, jr., C–700345	106.25
Ernst, Henry William, C–906573	125.00
Fiksdal, Mads J., C–292314	150.00
Flanagan, Arthur James, C–278191 (Mary T. Flanagan, guardian)	106.25
Ganfield, Roy William, C–1349773	125.00
Gleason, William Thomas, C–1242741	106.25
Gonnella, Joseph Carl, C–402224	106.25
Goodman, Allen Laird, C–539327	125.00
Graham, Fred David, C–1233671	150.00
Graham, William Edward, C–216583	106.25
Gram, Clarence Nelson, C–1345726	106.25
Gunderson, Sophus Daniel, C–207321	106.25
Hagerman, William F., C–161685	150.00
Haney, Claude Leonard, C–12355333	150.00
Helmick, Alexander, C–1243273	106.25
Hemenway, William P., C–1347417	150.00
Hill, Ernest Sylvester, C–332102	150.00
Hinck, Harry James (guardian, Mrs. Helen Bartlett Hinck), C–379747	165.00
Hockridge, Richard Earl, C–270059	125.00
Jensen, Joseph Arthur, C–1276835	125.00
Kaldunski, Theodore Anton, C–210046	127.50
Keefe, Andrew Percy, C–1241549	150.00
Kelly, Giles O., C–362312	$137.50
Kennedy, Arthur Todd, C–1242033	200.00
Kingsley, Burton Lewis, C–1237450	150.00
Knapp, Frank Norris, C–1346096	125.00
Kneebone, John Henry, C–1232241	106.25
Lamb, Harold Ladd, C–716577	225.00
Lindsay, George Elliot (guardian, James E. Carr), C–1189767	106.25
Lindsay, William Vardeman, C–1347432	187.50
Loughin, Charles A., jr., C–477757	106.25
Luce, Erle David, C–314564	312.50
Lund, Eli Reuben, C–480919	125.00
Mallon, George Henry, C–1234679	165.00
Markus, N. W., C–191155	106.25
Marshall, Robert G., C–343870	150.00
McCauley, Philip Joseph, C–263154	165.00
McCrea, Herman Stanley, C–1232380	106.25
McDonough, James Paul, C–387250	125.00
McLeod, Howard Leigh, C–1350028	125.00
McKenzie, Cedric Francis, C–319673	125.00
Metzroth, Carl Frank, C–603873	125.00
Mollison, William Theodore, C–1242952	312.50
Morriss, Herbert A., C–1243738	187.50
Moynihan, Andrew Francis, C–430026	150.00
Mulcahey, Edward Patrick, C–331939	106.25
Nannestad, Jonas R., C–1346257	125.00
O'Boyle, Michael Dilliam, C–197071	106.25
Olson, Van Cleave A., C–712882 (guardian, John G. Olson)	106.25
Olson, Reinhardt G., C–283016	150.00
Pederson, Reuben M., C–1242863	240.62
Perry, Oliver S., C–1237643	240.62
Peterson, Elmer Otto, C–268385	125.00
Peterson, Percy Thomas, C–690403	106.25
Powell, Herbert J., C–479084	125.00
Prentice, James Del, C–1351979	162.50
Preston, Paul James, C–1234362	150.00
Quilling, Milton A., C–230929	116.87
Reed, Ray Elmer, C–453535	127.50
Robbins, Douglas Ford, C–707000	125.00
Robertson, Henry William, C–1348116	106.25
Robertson, John Banks, C–215768	150.00
Ronning, Alvin Norman Heidor, C–865674	106.25
Routhier, Raymond L., C–1242304	106.25
Ryan, Thomas A., C–1350945	150.00
Safro, Louis Labe, C–1243555	106.25
Sanborn, Courtland Rockwell, C–266783	125.00
Sargeant, Howard Lee, C–1351645	125.00
Saxton, Robert Henry, C–489061	125.00
Scott, William, C–1346662	106.25
Scott, William E., C–462803	125.00
Scott, William F., C–352247	137.50
Skinner, Cleveland, C–1346738	243.75
Simonet, Joseph S., C–380054	125.00
Southwick, Mariano B., C–1178840	187.50
Staley, John C., C–1350265 (guardian, Alexander R. Hall)	218.75
Stevens, John, C–204755	125.00
St. Clair, Gordon Griffith, C–1351625	150.00
Stock, William John, C–1240545	150.00
Street, Frank Willis, C–515832	125.00
Stuart, Edwin Marvin, C–283341	116.87
Sullivan, Lester Eugene, C–679261	106.25
Swedenburg, Axel Wilhelm, C–500698	125.00
Thompson, Charles Elliott, C–376392	225.00
Thompson, Richard Charles, C–472603	125.00
Wahlquist, Harold Ferdinand, C–1231221	125.00
Warren, Edward Richard, C–250399	125.00
Wheeler, Merritt W., C–1347455	150.00
Winter, Clarence B., C–1346187	206.25
Wolfangle, George H., C–1347019	106.25
Young, Henry Gottfritz, C–510898	125.00
Zobel, Carl Julius, C–1238372	125.00

Supplemental list

Maguire, Leo Martin, C–558705	150.00
Mullowney, Francis C., C–174831	106.25
Schreiner, Norbert Henry, C–1351712	106.25
Scott, Thomas W., C–1351145	106.25
Warner, Elmer, C–333436	116.87

MISSISSIPPI

Adams, Winfred Cooper, C–137706	150.00
Alexander, Cassius Dent, C–1303949	150.00
Aycock, William Jasper, C–430512	125.00
Barkley, Claud D., C–270452	150.00
Barnwell, Frank Hayne, C–189071	106.25
Baylis, George Warren, C–155379	125.00
Beams, Douglas E., C–1302777	165.00
Blank, Guy B., C–305360	106.25
Britt, Wallace Leslie, C–1310354	187.50
Buckingham, Henry G., C–1335244	125.00
Calquhoun, Walter N., C–1137226	106.25
Clarke, Cyrus Augustus, C–1131377	106.25
Coker, Perry Ander, C–243018	125.00
Crawley, David Ephraim, C–1135821	150.00
Daniel, Sam Hardeman, C–251062	127.50
Gray, Robert Ellington, C–1128858	125.00
Grayson, Thomas Jackson, C–309674	125.00
Green, Curtis Taylor, C–1309382	150.00

Griffin, Garnett William, C–304061	$159.00
Guy, Thomas Jesse, C–364173	106.25
Henson, Edward Newell, C–470560	125.00
Hill, Marion L., C–1138859 (guardian, Mrs. Antoinette Hill)	106.25
Houtz, Bumond Clyde, C–412178	106.25
Huggins, Cleveland Paul, C–1311462	150.00
Kellis, John Howard, C–1301726	125.00
Kent, Henry C., C–1133376	150.00
Lofton, Albert Columbus, C–334994	125.00
McCalmont, John A., C–1306853	225.00
McHenry, Wiley Earskine, C–344023	138.12
McVey, Eric A., C–149825	150.00
Middleton, Caleb Scattergood, C–906303	150.00
Miller, Francis Loren, C–474140	106.25
Moore, William Milous, C–334506	195.00
Morgan, Lewis Riley, C–236946	180.00
Murphy, James B., C–1085233 (guardian, Mrs. Lela B. Murphy)	106.25
Oberschmidt, Leon P., C–1130909	106.25
Owens, William R., C–312616	125.00
Peery, Arnold Liddell, C–1270596	150.00
Phyfer, Lamar F., C–306707	106.25
Polk, Phil Russell, C–1135309	150.00
Powell, Henry Bradford, C–342541	150.00
Price, Frank Ray, C–564574	106.25
Reedy, John Dennis, C–796300 (guardian, Miss Nora Reedy)	125.00
Riley, Franklin Gail, C–216458	150.00
Russell, Presley B., C–1135782	125.00
Rye, Burnie W., C–1308689 (guardian, Mrs. Sallie Peck Rye)	125.00
See, Mart, C–905262	243.75
Schwartz, Grover Cleveland, C–1213891	125.00
Walker, Charles Emmitt, C–240815	125.00
Ware, Robert Lowery, C–1126642	106.25
Watson, Henry Willis, C–299494	106.25
Wayman, Herbert Lee, C–233819	165.00
Williams, Neal M., C–741606	106.25

Supplemental list

Ballard, James Clinton, C–1431002	206.25
Campbell, Thomas W., C–394960	187.50
Hughes, Wm. Orville, C–1299069	125.00
Hunter, Ernest Dorroh, C–1131805	106.25
Kemp, Emmett Dempsey, C–1309272	125.60
Meade, Ray, C–261509	125.00
Morris, Harold Roscoe, C–563773	106.25
Richards, Chas. O., C–351968	125.00
Roberts, Curb Ellis, C–1308193	106.25
Yates, Riley B., C–498594	150.00

MISSOURI

Adkins, Eugene Monroe, C–858179	125.00
Albers, Edward August, C–1438154	125.00
Allard, Dean Conrad, C–170841	106.25
Allen, Jacob Wood, C–146633	125.00
Amfahr, Will Penn, C–144488	106.25
Ball, Logan Marshall, C–258509	106.25
Barngrove, James Longmoor, C–317629	206.25
Barr, Robert William, C–74125	206.25
Bennett, Albert O., C–292846	106.25
Boland, Philip Pierre, C–294370	106.25
Bolin, Frank E., C–1210974	150.00
Bradley, Glade T., C–252963	150.00
Breckinridge, Archie, C–626635	137.50
Brockmeyer, Edwin J., C–113345	106.25
Brooks, Louis Joshua, jr., C–294729	150.00
Broyles, Watkins Andrew, C–87706	106.25
Bruce, John Rufus, C–233423	125.00
Burton, William Grover, C–1221329	125.00
Cavaness, Ernest Worth, C–1221454	150.00
Constable, John Ferdinand, C–276643	243.75
Cook, Scott, C–1215290	125.00
Cox, Harvey Bernard, C–241002	125.00
Cushing, John Branch, C–341428	125.00
Davis, Phillips Norton, C–653595	150.00
Donaldson, Clyde Owen, C–1224514	150.00
Duncan, Floyd Reed, C–1206389	106.25
Edens, Louis M., C–703032	125.00
Elam, William Tecumseh, C–1217371	150.00
Esserman, Eli Losos, C–179806	106.25
Fisher, Neville Charles, C–421754	150.00
Foster, Forest Field, C–221478	125.00
Frame, George David, C–424826	106.25
Gambs, James Jacob, C–1078686	156.25
Gardner, George W., C–257912	125.00
Gilbert, Frank, C–1096737	187.50
Glenn, Joseph Earl, C–505144	125.00
Goessling, Augustus Michael, C–303862	125.00
Goldman, Jay M., C–1329433 (guardian, Leon H. Goldman)	125.00
Grey, William Andrew, C–905526	250.00
Gross, Elmer Theodore, C–1418208	125.00
Hallar, Forrest, C–524595	125.00
Hamm, George Walter, C–354058	125.00
Harrison, Edmund Lee, C–609646	125.00
Heiple, Edward Eli, C–353032	125.00
Heithaus, Joseph John, C–315043	125.00
Henderson, James Alexander, C–293892	106.25
Hendrick, Thomas Franklin, C–246457	$210.00
Henske, Godfrey W., C–375083	125.00
Higbee, Matt Lyman, C–1156049	250.00
Hobart, Carl Albert, C–410494	150.00
Hodge, Russell Lowe, C–1221095	150.00
Hogan, William George, C–122046	125.00
Hughston, James Buchanan, C–1206598	116.87
Hume, John Robert, C–258760	150.00
Imes, Terrance William, C–278280	106.25
Jaco, Estill Luther, C–1152601	187.50
Johnson, Archie Nelson, C–391083	206.25
Johnston, William Wylie, C–277886	206.25
Jones, Oliver Guy, C–230004	226.60
Jordan, Ira Wesley, C–171650	106.25
Keath, Howard Bascomb, C–174894	106.25
Keith, jr., Alonzo Fred, C–1430345 (guardian, Jennie S. Keith)	150.00
Kelley, Ralph Rackett, C–905646	125.00
Kelly, Joseph Patrick, C–1228862	150.00
Kimberlin, Joseph Wesley, C–1228180	150.00
King, Joseph E., C–476820	125.00
Kinsella, James Aloysius, C–1225481	150.00
Lederman, Harold Plant, C–1229385	106.25
Lee, jr., Elbert J., C–1050033	150.00
Levey, Simon Ashe, C–301596	150.00
Locker, George Everett, C–501206	150.00
Love, Frank Wellington, C–482978	195.00
Maguire, John Thomas, C–310793	125.00
Malley, John Albert, C–1217465	125.00
Martin, James Hardy, C–166674	125.00
Maynard, Frank, C–1012747	138.12
McCarty, William Herbert, C–300842	106.25
McCullough, Robert Henry, C–237638	150.00
McGinnis, Elzie V., C–246096	137.50
McGuire, Bernard Francis, C–905191	195.00
McGuire, Clarence A., C–248552	187.50
McKee, Joseph Wallace, jr., C–1221419	125.00
McKinney, John V., C–306187	150.00
McKinney, Joseph Lee, C–1222483	180.00
McQueen, Joe Welch, C–217904	150.00
McTaggart, Ernest D., C–1326557	125.00
McWilliams, William Harmon, C–1210673	180.00
Meier, Gunther, C–245545	210.00
Meyers, Montague M., C–345097 (guardian, Harry C. Meyers)	125.00
Miller, Dan Tucker, C–1152249	125.00
Miller, Clarence Louis, C–309589	125.00
Moore, Richard, jr., C–1225715	150.00
Narrley, George Raymond, C–460756	125.00
Naslund, Elmer, C–303531	106.25
Nathan, Winfrey Gatewood, C–315193	125.00
Nelson, William L., C–199565	150.00
Nettle, Harry, C–15782	106.25
Norman, Joseph D., C–379128	125.00
Peatross, James L., C–625082	218.75
Peistrup, Edward C., C–294702	125.00
Perry, John Morris, C–364018	150.00
Pierce, Walter, C–255239	137.50
Platter, Abram Edson, C–362755	125.00
Poindexter, Francis, C–99805	106.25
Postelthwaite, Frank M., C–318554	125.00
Ralls, William Earl, C–341671	106.25
Rauschkolb, George Henry W., C–113232	165.00
Ray, Norman Paul, C–552009	125.00
Richards, Thomas Carter, C–121884	150.00
Robinson, Edward Everette, C–379213	125.00
Sale, Irwin, C–1225362	106.25
Schumacher, Clark P., C–577742	137.50
Schuster, George Arthur R., C–156828	106.25
Scrafton, Wallace Todd, C–509147	137.50
Sharp, William Lowery, C–539547	165.00
Skinker, Thomas Julian, C–282529	125.00
Slaughter, Stephen Olin, C–547344	137.50
Smith, William Irving, C–1218562	150.00
Snell, Harold Vaughn, C–516904	106.25
Springer, Mark Dooley, C–202582	150.00
Stack, Aloysius Justin, C–1225460	125.00
Stansbury, Otis Percival, C–309786	116.87
Stout, Francis Rogers, C–151988	106.25
Stumberg, Bernhardt K., C–13233	150.00
Taylor, Norman Bates, C–604115	150.00
Terrall, Ralph Eliot, C–221115	125.00
Thompson, William Givens, C–209643	125.00
Tittman, Eugene Charles, C–217499	125.00
Titterington, Richard M., C–291347	125.00
Van Horn, Eustus E., C–516712	137.50
Vessells, Francis Meredith, C–501236	187.50
Waldron, Jay Clark, C–1213305	106.25
Warren, Henri Laurens, C–475245	125.00
Westphal, Frederick August, C–182326	106.25
Williams, Douglas Kyril, C–1213869	106.25
Wilson, Verne Reynolds, C–263799	125.00
Wornall, Francis, C–416774	106.25
Yazel, Herman Eugene, C–906411	150.00
Young, Clare F., C–548822	125.00

Supplemental list

Ashe, Roger, C–484383	150.00
Crist, Hunter, C–304952	180.00

Griffith, Edgar McDonell, C–1438961	$150.00
Jackson, Dana Oran, C–1229820	150.00
Johnson, Walter Thomas, C–622190	127.50
King, William Gibbon, C–376390	106.25
Knechtel, Edward Alfred, jr., C–347185	106.25
Lewis, Henry Clay, C–412458	106.25
Palmer, Louis Marsh, C–905245	150.00
Smuts, Harold Turk, C–136625	106.25
Tureck, John Charles, C–905386	71.25

MONTANA

Bivins, Horace W., C–278890	210.00
Britell, Oley Alphonso, C–347350	150.00
Carroll, Daniel Brendan, C–313885	125.00
Cowley, Stephen James, C–1348569	187.50
Cummins, William Edward, C–239469	125.00
Farris, John M., C–1346276	106.25
Flachsenhar, Walter R., C–433449	106.25
Foot, Paul, C–561807	150.00
Fulkerson, Clarence D. C–286246	150.00
Galen, Albert John, C–1346746	218.75
Hoskyn, Wilber John, C–196562	125.00
Janes, Arthur DeWitt, C–1255732 (guardian, G. A. Janes)	106.25
Johnson, Harry Maurice, C–1350886	150.00
Johnson, Howard A. C–402607	106.25
Josephson, Joseph Theodore, C–1235723	125.00
Laney, Arthur Francis, C–1345628	125.00
Little, William Starling, C–412903	180.00
Lord, Bertram Eckford, C–1239927	125.00
McDaniel, Winfred Porter, C–317059	150.00
Mortell, Frank Clyde, C–390744	106.25
Near, Harold Keith, C–298893	106.25
Perry, Owen H., C–212209	125.00
Rader, Ralph Dennis, C–1352137	187.50
Sharp, Louis P., C–264010	106.25
Sheridan, Charles Leondis, C–328532	225.00
Sickenger, Clifford C., C–1238436	106.25
Smith, Charles James, C–412260	150.00
Smith, Will Remeses, C–1347094	125.00
Taylor, Verne Lee, C–1284010 (guardian, William E. Taylor)	106.25
Valentine, Charles P., C–1346485	106.25
Wiedeman, George John, jr., C–258231	106.25

Supplemental list

Lowthian, George Henry, C–146908	150.00

NEBRASKA

Anderson, Ralph Earl, C–594574	106.25
Andresen, Ezra, C–845201	106.25
Brown, Gilbert Silas, C–1215291	150.00
Cretsinger, Clyde Franklin, C–1223085	106.25
Gildersleeve, Harry Dale, C–1213647 (guardian, L. C. Gildersleeve)	106.25
Haynie, Otis William, C–490919	56.25
Hlava, Albert V., C–506281	106.25
Hupp, Allen Thurman, C–313458	180.00
Johnston, George Washington, C–1228273	150.00
Jonaitis, George F., C–443699	125.00
Kidder, Clarence Eugene, C–1228158	125.00
Kline, Orval L., C–1226763	116.87
Kokjer, Thomas Edgar, C–703264	131.25
Limburg, John Irwin, C–109624	125.00
Major, Francis Davison, C–497649	125.00
Munger, Irvia Clarence, C–1207702	125.00
Pirsch, Gregor B., C–275617	106.25
Racely, George Andrew, C–1217937	150.00
Range, Wilber N., C–490855	195.00
Ritchie, William, jr., C–135614	150.00
Sellery, Alfred John, C–441670	106.25
Taylor, Vantrese LaFayette, C–1212140	106.25
Vassell, Fred Walter, C–156751	125.00
Webster, Calvin, C–295556	106.25
Yoder, Charles Albert, C–264164	150.00
Young, Harry Raymond, C–287386	116.87

Supplemental list

Reddy, Daniel P., C–168232	106.25

NEVADA

Aldrich, Alexander Hamilton, C–341381	165.00
Burns, James J., C–399762	125.00
Hezzelwood, George Wellington, C–123252	106.25
Hunter, William Gordon, C–287245	150.00
Rains, Hugh E., C–1264690	106.25
Smith, Thomas A., C–215351	106.25

Supplemental list

Anglin, John F., C–659695	125.00
Dieringer, Benedict John, C–389962	106.25
Grover, Walter Lester, C–1400959	150.00
Harper, Edgar Ollie, C–279348	106.25
McCampbell, Basil Dair, C–850968	106.25

NEW HAMPSHIRE

Abbott, Frank James, C–446973	250.00
Ballor, Edwin Maurice, C–1069966	106.25
Brokenshire, John R., C–480446	106.25
Coulter, Arden Frank, C–1018060	180.00
Deming, Reginald C., C–1019062	106.25
Estabrook, Clarence Ware, C–368073	$125.00
Fiske, George Varnum, C–1011771	240.62
Fuller, Enoch Doble, C–1018619	106.25
Hay, John R., C–311312	150.00
Hultzen, Lee Sisson, C–444567	137.50
Kennard, Reginald Parry, C–1016633	150.00
Knowlton, John Greenleaf W., C–176993	187.50
Lee, Joseph P., C–1013398	165.00
Maguire, Daniel Lawrence, C–1405196	125.00
Main, Matthew William, C–517595	150.00
McDonough, Hubert B., C–306730	106.25
Quirk, Thomas Joseph, C–343025	150.00
Sayers, William Joseph, C–497391	160.00
Wing, Persons Walton, C–539819	150.00

Supplemental list

Deem, Benjamin Franklin, C–1143870	137.50
McCarthy, William Gonzaga, C–533059	125.00
Shook, Harry Franklin, C–428918	125.00

NEW JERSEY

Aikens, John Joseph, C–331387	150.00
Alberto, Joseph, C–530182	127.50
Apgar, George Leland, C–419422	162.50
Atwater, Benjamin Leonard, C–438274	137.50
Baird, Thompson McDonald, C–1033253	187.50
Baker, Franklin Hanway, C–905514	187.50
Becke, Edward, C–1042257	125.00
Becker, Charles Frederick, C–905930	125.00
Beery, Otto Russell, C–174673	106.25
Bissell, Leonard A., C–1042036	125.00
Bonnell, Harry Morton, C–220785	106.25
Brock, Arthur Edgar, C–1049101	165.00
Bryant, Donald Reid, C–192588	106.25
Buffington, Malcolm R., C–178768	106.25
Caccavajo, Joseph, C–1028949	187.50
Campbell, Horace Sydney, C–153931	137.50
Carter, John Francis Joseph, C–298907	106.25
Chambliss, William Henry, C–1050878	165.00
Childers, George Ellis, C–160312	106.25
Childers, Robert Jefferson, C–1056864	150.00
Clark, William Alexander, C–1059429	187.50
Cochran, Fred, C–1246476	125.00
Condon, William Joseph, C–400967	165.00
Conlin, Alan Bruce, C–298546	106.25
Conlogue, John Augustine, C–296850	106.25
Conover, Alfred P., C–26446	175.00
Corning, Benjamin Harry, C–1063101	125.00
Coyle, George, C–282469	116.87
Crans, Joseph M., C–1048920	106.25
Crocheron, Hal Hamilton, C–415740	106.25
Crosby, Gaston Erskine, C–346014	116.87
Dam, Andrew Colton, C–319201	165.00
Daniel, Richard Curd, C–598506	150.00
Day, Benjamin F., C–243173	210.00
DeLong, Oscar Anderson, C–1047952	150.00
Dennett, Harold Odell, C–321563	137.50
Desmond, Charles, C–1062926	187.50
Doyle, William A., C–392116	195.00
Drever, Richard Julius, C–465943	187.50
Eager, Daniel J., C–265237 (guardian, Philip J. Eager)	125.00
Felderman, Leon, C–574369	150.00
Fischer, Adolf Karl, C–341187	106.25
Fryer, Loren M., C–1028530	150.00
Gaw, Scott Neill, C–1378730	125.00
Gerard, Fred Lewis, C–905639	125.00
Gracy, Leonard Rider, C–385382	187.50
Griesemer, Zadoc Lawrence, C–313991	187.50
Hackett, James Morris, C–1043190	150.00
Harley, Halvor Larson, C–384561	150.00
Harris, Richard F., C–313420	137.50
Haste, Joseph Patrick, C–365905	106.25
Hauser, Simeon Floyd, C–293503	106.25
Higgins, Lucius Cornelius, C–905222	165.00
Jersek, Walter, C–305304	127.50
Josephson, Maurice, C–530955	125.00
Kearns, John Ralph, C–514346	125.00
Keller, Henry, jr., C–215222	125.00
Kloidt, Ferdinand Herman, C–266610	125.00
Knight, Isaac Warner, C–905920	150.00
Kulp, Samuel Chestnut, C–905761	137.50
Legg, Henry Frederick, C–223874	125.00
LeHardy, Frank Miller, C–1306315	106.25
Loomis, Stanley D., C–286573	137.50
Lowe, John E., C–412887	106.25
Lundblad, Walter E., C–232725	150.00
MacGuffie, Robert N., C–332591	125.00
MacLeod, Everett Herbert, C–457060	125.00
MacMurrough, Francis Kean, C–108432	150.00
Manheimer, Louis B., C–1045163	150.00
Marion, Vincent S., C–1084766	125.00
McCluskey, Edward P., C–298323	197.50
McIntyre, Howard Hoke, C–509416	106.25
McKelway, George Irvine, C–475910	187.50
McNally, Robert C., C–1052448	150.00
Meddaugh, Samuel A., C–1057869	150.00
Middleton, Ulysses G., C–117828	150.00
Millar, Louis Lesser, C–377959	125.00

Miller, Haydock Harvey, C-402789	$137.50
Miller, Warren James, C-301481	106.25
Morrow, David W., C-1379065	125.00
Muehlberg, Clarence Elmer, C-334794	106.25
Mueller, Edward Charles, C-203364	125.00
Muzzy, Charles Ashton, C-519358	150.00
Myers, William Edward, C-179503	106.25
Naismith, Robert, C-348384	125.00
O'Toole, James Arthur, C-571751	116.87
Paletz, Harry Julius, C-316160	125.00
Pannaci, Charles Emonual, C-326115	150.00
Perlberg, Harry James, C-261324	125.00
Pullis, Stephen Fowler, C-313802	165.00
Ralph, Kendrick James, C-289400	125.00
Randolph, George David, C-1053739	106.25
Reddan, Martin William, C-218469	187.50
Reddan, William Joseph, C-430002	180.00
Redfield, John Jordan, C-563302	125.00
Remsen, John Leon, C-288961	150.00
Riecke, Henry August, C-315638	150.00
Rogers, William N., C-239691	150.00
Ryan, James F., C-492397	125.00
Sabol, Stephen Alexander, C-256900	125.00
Salmon, Walter, C-164706	116.87
Schlecht, William Martin, C-607508	106.25
Schumacher, John F., C-352132	125.00
Scott, Cornelius Chapman, C-906181	106.25
Shanahan, Francis Joseph, C-583167	106.25
Smith, Edward Percy, C-390553	106.25
Steinmetz, George H., C-1051216	106.25
Stern, Kenneth Gibson, C-1052094 (guardian, the Hackensack Trust Co.)	125.00
Sutphin, William Halstead, C-380066	150.00
Sutton, Sherwood, C-239666	106.25
Thornburg, John Alexander, C-306014	180.00
Truscott, Dale, C-539025	106.25
Van Buren, Henry Mandell, C-1045542	106.25
Van Mason, Charles Emmett, C-1166013	106.25
Varley, Herbert Paul, C-333905	106.25
Walters, John Cuthbert, C-477931	137.50
Watkins, Walter Edward, jr., C-1043845	106.25
Wenk, John Frederick, C-225011	106.25
Wesson, Major Frederick, C-496441	125.00
Wild, Charles Andrew, C-393633	195.00
Williams, Chester Arthur, C-350034	180.00
Williams, Roberts, C-291352	125.00
Wilson, Gill R., C-535959	125.00
Wise, John Bernard, C-521852	150.00

Supplemental list

Beers, William Leroy, C-1045469	150.00
Bierach, Jules Lewis, C-906398	150.00
Blumberg, Jacob, C-265203	187.50
Brian, Edward Hipsley, C-432256	210.00
Kent, George Archibald, C-400317	125.00
Knauth, Felix W., C-238202	125.00
McDowell, Addie, C-473752	180.00
Martin, Jesse Penney, C-605445	180.00
Neville, Maurice Patrick, C-1002178	106.25
Parker, Partis F., C-238428	150.00
Supplee, Clarence George, C-516192	106.25
Van Horn, Frank A., C-239941	125.00
Wood, Cyrus Gardner, C-505295	150.00

NEW MEXICO

Allan, Hugh Waldon, C-1256608	125.00
Angle, George Keyser, C-1257927	150.00
Atherton, Alney L., C-257551	150.00
Bujac, Etienne De P., C-7790	243.75
Cochrane. Walter Clifton, C-485784	125.00
Cunningham, Peter Richard, C-326355	116.87
Douthirt, Cranford Haywood, C-273866	150.00
Drewry, Walter L., C-223223	125.00
Duffin, James Vincent, C-1376989	106.25
Flint, Warren A., C-1256042	106.25
Gatling, Henry Gilliam, C-467923	106.25
Guild, James Russell, C-583679	125.00
Hay, George W., C-187004	125.00
Herring, Finis A., C-610497	106.25
Herring, Harry Telemach, C-599958	262.50
Johnston, Lewis Stuart, C-1287790	150.00
Judkins, Walker D., C-906903	150.00
Kinsinger, John Wesley, C-1392205	150.00
Lembke, Charles Henry, C-85901	125.00
Lieberman, Joseph, C-402572	180.00
Lutz, Charles Henry, C-276785	106.25
Matthews, William C., C-1254376	125.00
McCullough, William H., C-1250204	137.50
McHughes, James Herbert, C-1251628	150.00
Melendy, Ralph Peter, C-1222376	165.00
Oglesby, Richard Arnold, C-1258801	125.00
Paine, John Howard, C-1210054	106.25
Patton, Frank H., C-589914	125.00
Powell, William H., jr., C-1252810	125.00
Sanford, John Holibaugh, C-505352	150.00
Shelton, Deane O., C-374842	175.00
Shuster, William Howard, jr., C-393742	125.00
Sisk, Arthur H., C-1253457	150.00
Spotts, Milton Arthur, C-1263683	150.00
Starts, Oscar Francis, C-1254334	$125.00
Stevenson, Philip Edward, C-344667	106.25
Stewart, John Barker, C-880094	116.87
Sumner, Gordon, C-471492	125.00
Sweeney, James L., C-408414	106.25
Turner, Elmer Page, C-1193340	106.25
Valentine, Leon Clare, C-224960	106.25
Vogt, Albert Herbert, C-199482	125.00
Weil, Gustave Menderson, C-269534	106.25
West, William E., C-279795	106.25
Westhafer, Edison Kerl, C-427241	225.00
Williamson, George Morrison, C-321306	125.00
Woolford, Austin Withers, C-208028	106.25
Woolston, William H., C-1177592	125.00

Supplemental list

Allison, Dwight, C-716692	150.00
Atkins, Clyde C., C-211574	125.00
Conlee, Charles R., C-1253421	125.00
Richards, Granville H., C-146035	150.00
Sutton, Robert Spashe, C-484581	150.00

NEW YORK

Adae, Charles Flamen, C-492165	106.25
Adams, Purser Elder, C-339707	106.25
Adsit, Henry, C-196770	165.00
Allen, Alfred D., C-312045	106.25
Allen, Charles S., C-132529	125.00
Allen, George Smith, C-14536	150.00
Allen, Ira Alphonso, C-905295	187.50
Ammermann, John, C-1052767	125.00
Andronaco, Gaetarso, C-348685	150.00
Archer, James J., C-289408	180.00
Ashe, George Gregory, C-109853	125.00
Babcock, Harry Allen, C-313967	106.25
Bailey, George Thomas, C-149183	106.25
Barnum, Frederic Lee, C-238785	125.00
Battin, John Adkins, C-239480 (guardian, Battin, Charlotte C.)	187.50
Beare, Clifford Livingston, C-565641	187.50
Bence, Mathew Francis, C-189879	127.50
Benson, Charles Emile, C-433531	125.00
Bentley, Charles Raymond, C-1046223	150.00
Bernhard, James Michael, C-318294	125.00
Bermingham, Franklin Andrews, C-477984	106.25
Bill, Roswell Herbert, C-565196	106.25
Birkman, Frederick William, C-190719	106.25
Birmingham, Ferdinand H. D., jr., C-1095146	106.25
Block, Edgar Norman, C-223426	150.00
Boag, Joseph John, C-309021	125.00
Bolles, Ralph, C-168203 (guardian, Kane, Ralph F.)	106.25
Booth, Burton S., C-1039991	150.00
Boullee, William H., C-415163	116.87
Brennan, Lennox Clark, C-188461	150.00
Briggs, Robert Trueman, C-519844	165.00
Brill, Edward, C-1026793	106.25
Brock, Wilbur A., C-1302029	125.00
Broughton, Averell Matthew, C-168601	125.00
Browning, Robert F., C-182709	106.25
Bryant, Emmons, C-1057421	187.50
Burdick, Earle Leslie, C-206739	125.00
Burleigh, Charles Earl, C-1267709	106.25
Burnett, Arthur Curtis, C-310026	125.00
Burns, Grant, C-1048213 (guardian, Kane, Ralph F.)	150.00
Busck, Julius Gunni, C-317216	150.00
Byrans, Robert Ainsworth, C-420208	175.00
Cahill, Francis Joseph, C-379257	150.00
Campbell, Duncan, C-289050	125.00
Carstens, Henry A., C-334277	106.25
Cary, Harry Ellsworth, C-374412	106.25
Case, Edgar Rapelye, C-482902	125.00
Cassedy, J. Townsend, C-290985	125.00
Castle, Harvard DeHart, C-498244	125.00
Cattus, Charles B., C-1042021 (guardian, Cattus, John V. A.)	116.87
Chambers, John Earl, C-579284	116.87
Cleworth, Clarence William, C-231352	106.25
Clifford, John James, C-230489	165.00
Clifton, Clarence Anthony, C-573275	180.00
Colligan, Arthur P., C-316039	106.25
Cone, Herbert A., C-183598	106.25
Constable, William, C-261237	150.00
Cook, Millard Fillmore, C-8678	175.00
Cooper, Leslie Eugene, C-320762	106.25
Cooper, Norman Scott, C-1043775	125.00
Corey, Thomas Vincent, C-1035616	106.25
Cormier, Joseph Anthony, C-498903	116.87
Costigan, Leo Hubert, C-484683	150.00
Cotter, John, C-25683	106.25
Coursey, Thomas Joseph, C-583385	162.50
Court, William Stanley, C-472765	150.00
Courtney, John, C-576293	195.00
Cowan, Herman, C-1050267	125.00
Coyle, Thomas Aloysius, C-368158	106.25
Craig, Edward Marshall, jr., C-201267	106.25
Crane, Edward Fulmer, C-524994	131.25
Crockett, William Francis, C-239472	206.25
Cronan, George Daniel, C-1024464	125.00

Crossman, James Edgar, C-98449	$150.00
Curtin, John J., C-277455	125.00
Curtin, Thomas Emmet, C-1036553	106.25
Daly, Daniel Joseph, C-235848	125.00
Dare, Gilbert DeWitt, C-683307	150.00
Davenport, Ralph Martin, C-317861	150.00
Dayton, Edwin W., C-1059533	250.00
DeBerri, Edmond Moffott, C-418760	125.00
Demong, Charles W., C-767160 (guardian, Clara Demong)	125.00
Devine, Norman Broughton, C-1039601	106.25
Diedling, Rudolph F., C-234153 (consignee, Mrs. Anna De Vine)	150.00
Dober, Siegmund Alexander, C-907852	150.00
Dodds, Hiram E., C-397403	106.25
Donnelly, George, C-371344 (guardian, Mary Donnelly)	125.00
Dorn, Ralph Waldo, C-376877	165.00
Douglas, Richard, C-561816	180.00
Doyle, Stanley B., C-464096	125.00
Doyle, Thomas Stephen, C-452945	125.00
Duke, Haydn Olin, C-436340	125.00
Durell, Anthony W., jr., C-1041312	125.00
Dufloco, John Milton, C-308789	106.25
Duryea, Wright, C-332995	125.00
Ebert, George Walter, C-426737	150.00
Eddy, Harold Morton, C-220980	106.25
Eller, Louis Henry, C-1042234	250.00
Ellis, Thomas F., C-1028015	150.00
Estill, Joe Garner, jr., C-483931	125.00
Evans, Leland Gray, C-593097	127.50
Everett, Oscar Vincent, C-905180	71.25
Fairchild, Hoxie Neale, C-353924	106.25
Felsen, Joseph, C-448765	150.00
Felt, Clement George, C-213547	106.25
Ferrier, William Henry, C-364690	150.00
Fesselmeyer, William Thomas, C-213133	106.25
Fiedelbaum, Benjamin, C-1044299	150.00
Finn, James Gregory, C-567007	180.00
Finn, John Joseph, C-228599	125.00
Fisher, Tunis Haroid, C-181909	106.25
Fitzhugh, Edward Judson, C-306905	106.25
Flood, John Vincent, C-203723	106.25
Ford, Fred Harry, C-625048	125.00
Fox, William Alexander, C-299015	125.00
Fraser, Charles E. K., C-1039632	150.00
Gagnon, Alfred, C-279664	127.00
Gallagher, Thomas John, C-122955	106.25
Gardner, Kenneth, C-433442	281.25
Garry, James Joseph, C-347273	106.25
Gellerstedt, Robert Strickland, C-234497	125.00
Georgi, Edwin Albert, C-376639	125.00
Gifford, Charles Conyngham, C-350410	106.25
Gildersleeve, Donald M., C-456691 (guardian, Gildersleeve, Susanna K.)	125.00
Gillett, Ransom Hooker, C-223472	243.75
Gilliam, Henry Leigh, C-306553	106.25
Gillick, Owen Phillip, C-402629	125.00
Gilligan, Edward, C-308010	150.00
Gilmore, Samuel James, C-306808	116.87
Golding, Joseph Edward, C-224334	150.00
Goldstein, Jacob, C-361881	106.25
Goodwin, Wilder, C-306573	165.00
Gordon, John Hamlin, C-318069	125.00
Grabenstein, Joseph, C-1034236	125.00
Graham, William B., C-492228	187.50
Granger, William S., C-604656	137.50
Graves, Leonard Knight, C-351905	206.25
Gray, George Edward, C-278834	150.00
Grenfell, Frederick A., C-553723	137.50
Griffiths, Albert Farnsworth, C-563611	150.00
Grimes, Frank Edward, C-1033298	106.25
Groesbeck, Elwood, C-306074	150.00
Grosner, Joel, C-609713 (guardian, Grosner, Antoinette)	150.00
Hahn, Albert Gaither, C-445421	150.00
Hall, Edward Flemmon, C-368742	106.25
Hall, George McKenzie, C-1281217	150.00
Hall, Robert Anderson, C-312512	125.00
Hallahan, Henry T., C-521007	137.50
Halley, James M., C-216200	106.25
Halliday, Herbert Richard, C-392718	106.25
Halvorson, Alfred Olai, C-1243485	106.25
Hart, George Clark, C-341376	210.00
Harvey, Olin Frisbie, C-391496	212.50
Hatch, Roscoe Conkling, C-490559	125.00
Hastings, Thomas Wood, C-295739	187.50
Hay, Paul Franklin, C-176114	125.00
Heatherington, Walter Alfred, C-1039253	106.25
Hegeman, Harry Hall, C-470982	125.00
Helms, Birch, C-1043254	187.50
Henly, Henry F., C-686180	125.00
Hepburn, William, C-293495	150.00
Hepper, Edward W., C-1037169	148.75
Herron, Ashley M., C-559953	215.00
Hicks, Jacob Lawrence, C-1041406	165.00
Hodder, William Lord, C-405296	180.00
Hogan, John Thomas Hopkins, C-252892	150.00
Hoyle, Alonso T., C-1008861	150.00
Huber, John Joseph, C-906580	150.00
Ingalls, Paul Vernon, C-419418	106.25
Ireland, Walter Matthews, C-353897	$125.00
Jackson, Stephen Ferris, C-452013 (guardian, Josephine Jackson)	165.00
James, Herbert Thomas, C-1028347	106.25
Jensen, William C., C-841371	125.00
Johns, Edward Robert, C-436992	125.00
Johnson, Cortland A., C-158512	106.25
Johnson, Harry Franklin, C-518356	150.00
Jones, Fred Goodwin, C-502747	150.00
Jones, George Russell, C-322244	150.00
Judd, Herman, C-276800	150.00
Keene, Charles H., C-390146	225.00
Kelley, Henry Edward, C-298134	125.00
Kelly, Columban Francis, C-289204	125.00
Kemman, Hugo August, C-520193	106.25
Kenny, John J., C-1054049 (guardian, Agnes Kenny)	106.25
Kent, Robert Craig, jr., C-1050626	165.00
Kenyon, Harold Edward, C-305539	195.00
Kerr, Edward C., C-1035184	150.00
Kerr, Mathew, C-1052729	150.00
Keyes, Frederick William, C-240590	125.00
Kiely, William Francis, C-425817	125.00
Kiessling, Emil Otto, C-361965	125.00
Kimball, George Pryce, C-401418	125.00
Kimbell, Ira Charles, C-905805	162.50
King, Chester Harding, C-410341	243.75
Kinlock, Osman Franklin, C-519093	150.00
Kinney, Alfred E., C-1091720	125.00
Kirches, Harry J., C-226201	125.00
Kivlin, Charles Franklin, C-905243	150.00
Klingamith, Frederick Charles, C-403972	106.25
Knight, Chandler S., C-309428	125.00
Kobbe, William Hoffman, C-307460	187.50
Koenne, Edward A., C-224681	106.25
Kraner, Joseph, C-171145	125.00
Kupfer, Charles, C-291516	125.00
Lamb, Orin R., C-603564	125.00
Langer, Jerome Francis, C-395828	210.00
Lansing, William, jr., C-189598	150.00
Laraway, Frank J., C-509669	243.75
Lasher, Herbert, C-241827	106.25
Lashua, Isaac, C-366737	138.12
Laughlin, Douglas E. S., C-506512	106.25
Laughlin, Harry Matthews, C-1059173	125.00
Leahy, Sylvester Richard, C-319467	150.00
Lee, Thomas Henry, C-141669	125.00
LeMay, Arthur Aloysius, C-328320	125.00
Lemon, Andrew MacMillan, C-431616	106.25
Lent, Charles Valentine, C-348162	106.25
Leonhardt, Heinrich C., C-381917	125.00
Lerner, Macy Levy, C-240177	150.00
Lersch, Joseph Ferdinand, C-139724	106.25
Lesser, Dr. Leon Edward, C-1043469	125.00
Lipes, Harry Judson, C-161519	225.00
Lipsky, Joseph, C-1002037	106.25
Litchult, Andrew Slover, C-905809	106.25
Lockwood, Willard George, C-820865	125.00
Lohr, Floyd D., C-774541	125.00
Long, George Stevenson, C-1364093	125.00
Lopes, Enrique, C-142711	106.25
Loomis, Walter Otis, C-377741	116.87
Lowe, Arthur, C-1022089	125.00
Mabry, Gregory, C-1045728	150.00
MacDougall, Daniel Robert, C-315460	106.25
Mack, William Jacob, C-404544	187.50
MacNaugher, Joseph, C-249156 (guardian, Holmes, Richard S.)	106.25
MacRossie, Thomas Donald, C-294868	150.00
Mahan, Leonard Daniel, C-516561	137.50
Mahoney, Justin Thomas, C-1026723	106.25
Maloney, Edward R., C-241899	262.50
Maloney, John P., C-386569	106.25
Manners, Cecil C., C-1055524	150.00
Maslin, Henry, C-492677	210.00
Mason, Arthur Vincent, C-1057548	106.25
Marino, James S., C-367999	125.00
Matthews, Charles S., C-364686	125.00
McAnerney, John, C-180803	106.25
McBride, William Ambler, C-164350	106.25
McClellan, George Birton, C-155355	127.50
McClure, Donald Armstrong, C-143852	106.25
McEvesty, Charles L., C-219788	125.00
McGuigan, Lewis Granville, C-1067196	150.00
McGuirk, Alexander Halleran, C-461563	125.00
McIntosh, John Francis, C-300843	106.25
McKeogh, Arthur Francis, C-1080755	125.00
McLean, Guy Marshall, C-1031679	150.00
McPhail, Donald Thomas, C-387265	150.00
Mead, Benjamin Charles, C-277873	195.00
Meehan, James Joseph, C-1035418	127.50
Meeker, Herman E., C-538910	150.00
Metcalfe, George Thomas, C-332431	106.25
Miller, Charles Ross, C-356975	125.00
Miller, Franklin Letcher, C-361645	187.50
Miller, Harold Ames, C-174800	125.00
Mitchell, Frank Mebane, C-413402	125.00
Mitchell, Nicholas, C-410590	106.25

Mitchell, Sidney, C-423131	$150.00
Moffatt, Nelson, C-442370	125.00
Mollere, Joseph Francis, C-252485	165.00
Moloney, Herbert William, C-340383	125.00
Montgomery, Howard Leychester, C-426646	125.00
Moon, Basil G., C-1036440	225.00
Moore, Floyd Hazerd, C-37371	125.00
Morgan, George Haslam, C-321801	106.25
Morris, Henry H., C-1050095	137.50
Morse, John Dennis, C-348170	138.12
Mulrean, Leo James, C-267589	106.25
Murphy, John Michael, C-1026111	106.25
Murphy, Peter James, C-277846	106.25
Murtha, William Henry, C-433069	106.25
Nash, Joseph Edward, C-305308	116.87
Neary, Edward Joseph, C-313466	106.25
Neelands, Ralph W., C-373646	106.25
Nemser, Abraham, C-616485	125.00
Nesbitt, Clarence Clark, C-385580	125.00
Nettleton, Albert Everett, C-217704	116.87
Newell, William Albert, C-1045425	206.25
Newman, Jerome Scofield, C-699584	125.00
Nial, Thomas Matthew, C-346864	125.00
Niebling, George P., jr., C-1055746	125.00
Nichols, George Pardee, C-176842	195.00
Nietz, Adolph H., C-1053022	125.00
Nixon, Albert Benjamin, C-303201	106.25
O'Connell, Francis Aloysius, C-434508	106.25
O'Connor, Richard B., C-330102	125.00
O'Donnell, Joseph, C-535949	127.50
Olmsted, Bruce C., C-1029647	137.50
O'Neill, Harry L., C-591339	106.25
Orrell, Eugene Dallas, C-320377	137.50
Osborn, Charles Whytlaw, C-428632	150.00
Osburn, Charles Y., C-480311	106.25
Page, Frank A., C-370246	106.25
Parker, Emerson Fitch, C-381939	106.25
Parks, Paul Blaine, C-331835	106.25
Perrin, Norman Suydam, C-1057074	125.00
Peterson, Fred Andrew, C-1050441	206.25
Petross, Robert, C-1044549	106.25
Pfohl, Harold F. L., C-1028694	125.00
Phelps, Stanley Smith, C-1349563	106.25
Philbin, Joseph Aloysius, C-519262	125.00
Philips, Carlin, C-456605	187.50
Post, Frederick Ralph, C-67824	210.00
Puffer, Charles Edwin, C-606066	150.00
Quinn, William J., C-1037534	106.25
Quirk, John H., C-1051697	106.25
Rathbun, Walter L., C-1058710	150.00
Read, William S., C-286007	106.25
Reed, Linn Vander Hyden, C-1020210 (guardian, Loomis, Lynn A.)	125.00
Reese, Ernest Eugene, C-388035	125.00
Reid, Henry J., C-557439	137.50
Reid, William Bradley, C-905419	218.75
Reimann, Benjamin C., C-591101	106.25
Reynolds, William Graham, C-411001	150.00
Ridgway, John J., C-191111	125.00
Rikeman, Thomas W., C-221565	137.50
Riordan, Thomas Jerome, C-1041060	106.25
Rodgers, James Linn, C-486457	262.50
Rowan, Walter F., C-400392	106.25
Rutherford, James Kenneth, C-247277	125.00
Rutledge, Thomas F., jr., C-1039858	106.25
Ryan, Benedict Mack, C-344886	125.00
Ryan, Edward Leo, C-268677	125.00
Ryan, Paul Arthur, C-1051340	125.00
Ryan, Richard J., C-259181	180.00
Saladino, William Lambert, C-1061274	106.25
Sanches, James Andrew, C-442016	106.25
Sandburg, Charles A., C-1036529	250.00
Saunders, William Hennessy, C-156845	106.25
Schelter, Louis John, C-446037	150.00
Schermerhorn, Charles E., C-362314	116.87
Schlesinger, Louis, C-175525	106.25
Schoenberg, Louis, C-385692	127.50
Scott, Samuel Hubbard, C-321469	137.50
Senecal, Alphonse Leo, C-412634	187.50
Shea, William, C-486321	106.25
Sheehan, Walter Burt, C-563308	131.25
Sheeran, David Joseph, C-338608	150.00
Shelley, William Risley, C-1020114 (guardian, Shelley, Della)	150.00
Sheridan, Thomas William, C-360621	106.25
Shindell, Samuel Harvey, C-133719	106.25
Smeallie, James Donald, C-348603	125.00
Smith, Charles, C-569308	175.00
Smith, Harold Francis, C-283762	125.00
Smith, Holmes Scudder, C-404737	116.87
Smith, Lee Roy, C-1037632	116.87
Smith, Raymond Goodale, C-1260698	106.25
Spence, Albert Harley, C-1050754	137.50
Spencer, Lorillard, C-311343	243.75
Spitzer, Eugene Reynolds, C-295570	125.00
Spony, Albert, C-331157	125.00
Stafford, Bart Lanier, C-544942	106.25
Stapleton, Felix, C-363403	$106.25
Stephany, Alfred Rudolph, C-1051345	125.00
Stevens, Glenn Ridgeway, C-851018	106.25
Stowbridge, Robert Walter, jr., C-622717	150.00
Straley, John Alonzo, C-218374	106.25
Stratton, John McKee, C-333937	125.00
Street, Harold Horton, C-353307	137.50
Stromeyer, Walter Herman, C-905996	
Strong, Samuel Meredith, C-1032024	187.50
Sullivan, Daniel Arthur, C-436062	127.50
Sullivan, Jeremiah Mark, C-579302	106.25
Sullivan, Willis Edmund, C-1018137	125.00
Taylor, Arthur John, C-365776	206.25
Taylor, George Townsend, C-348171	150.00
Teepell, Frank A., C-1022809	150.00
Thomas, Charles A., C-488995	150.00
Thomas, John Wesley Morgan, C-850980	106.25
Thompson, Clarence M., C-1025841	206.25
Thompson, Willard Cornelius, C-294599	125.00
Timmons, Peter Mathias, C-304484	195.00
Tracy, Joseph Paul, C-906310	106.25
Travis, Joseph John, C-1009131	206.25
Treadway, Lucien, C-273392	125.00
Tuck, John Bennett, C-113244	281.25
Tynan, Lancelot James, C-1042218	137.50
Twomey, Thomas Andrew, C-1061619	125.00
Uhrstrom, Charles, C-1045334	106.25
Van Nostrand, Hobart Sanford, C-491484	125.00
Valeur, Marius Torkildsen, C-905877	150.00
Vincent, George S., C-1397303	125.00
Vincent, Harry Lansing, C-143123	125.00
Walker, George, C-325191	180.00
Walsh, Francis William, C-271842	125.00
Walsh, James Joseph, C-414534	210.00
Walsh, James Henry, C-1058180	150.00
Walsh, Malcolm, C-489605	125.00
Webb, Harold George, C-430361	125.00
Webber, John Daniel, C-312965	195.00
Weir, William John, C-1047093	187.50
Weller, John Cyrus, C-1430217	187.50
Wells, Leroy T., C-407462	106.25
Wende, John Anthony, C-194799	125.00
Wertz, Harold Brentana, C-391284	125.00
Werzinger, John F., C-1050132	125.00
Whinihan, Sylvester M., C-315432	106.25
Williams, James Frederick, C-557441	116.87
Williams, Thomas Charles, C-253610	127.50
Williams, Thomas E., C-1043478	106.25
Wilson, Fred DeGrande, C-201648	187.50
Witthack, Henry Fred, C-289294	116.87
Woarms, Edwin H., C-326328	106.25
Wolcott, Bernard C., C-460751	125.00
Wolf, Bernard Jacob, C-1038698	125.00
Wood, Harry Gardner, C-1049374	165.00
Woodell, Charles Edward, C-614490	150.00
Woolfe, Irving King, C-434515	106.25
Woolshlager, John Felix, C-419410	150.00
Wolcott, Charles Clements, C-1130832	150.00
Yancey, Stirling R., C-1056407	225.00
Young, Harry J., C-1058237	138.12
Zuckerman, Samuel, C-323471	125.00
Supplemental list	
Anson, Joseph, C-1044657 (guardian, John F. Milliken)	125.00
Brodie, Benjamin, C-406944	125.00
Bryan, Samuel Smith, C-400536	125.00
Casey, jr., William Francis, C-414103	106.25
Chamberlin, Edwin Crosby, C-654341	150.00
Clark, Le Roy Fisher, C-557793	150.00
Dempsey, Walter A., C-504680	187.50
Denman, Francis Eugene, C-483718	125.00
Diedling, Rudolph Francis, C-234153	150.00
Dobie, Frank, C-1056156	150.00
Dunham, Franklin William, C-405706	125.00
Fornason, Charles F., C-1034554	187.50
Gatchell, Worth T., C-233739	150.00
Glover, Thaddeus Browne, C-1061306	225.00
Grossman, Edgar Frederick, C-270558	125.00
Haley, Edward McIntyre, C-1046330	150.00
Heinrichs, Waldo Huntley, C-303089	125.00
Johnson, Smith S., C-484237	187.50
Kane, Norman Edward, C-481757	187.50
Kaufman, Frank, C-572431 (guardian, James A. Sullivan)	125.00
Kivlin, Alfred Patrick, C-381351	106.25
McCauley, William Francis, C-520276	125.00
McQuown, William Karl, C-526464	150.00
MacElroy, Andrew J., C-466852	187.50
Maby, Aloysius De Witt, C-498657	125.00
Mellen, Charles, jr., C-300637	106.25
Pate, Robert Edward, C-905475	36.25
Riley, Frank Arthur, C-1015021	116.87
Seymour, Lewis, C-20920	243.75
Sherman, Maurice Nathan, C-359299	106.25
Slaughter, Edgar Harold, C-185834	106.25
Spellman, John Joseph, C-1042756	106.25
Von Schrenk Arnold, C-1054622	125.00
Warner, Russell Ammon, C-172401	125.00
Watkins, Rex Eugene, C-1045808	106.25

Williams, John Marshall, C–721482 (guardian, Mrs. Harriett A. Williams)	$106.25
Witthack, Henry, C–289294	116.87
NORTH CAROLINA	
Adams, Daniel Weisinger, C–238792	218.75
Altman, Berkeley, Dixon, C–530406	106.25
Baier, George Frederick, jr., C–413400	125.00
Baisden, Roy T., jr., C–567023	106.25
Bard, Charles I., C–284615	210.00
Beckham, Dewitt T., C–195763	116.87
Black, John Wilton, C–267466	125.00
Blois, Douglas Spivey, C–374062	125.00
Boddie, Samuel Perry, C–318958	206.25
Boyarsky, Joseph, C–1337636	165.00
Buchanan, Charles Augustus, C–307814	116.87
Buie, Roderick Mark, C–384156	150.00
Campbell, James Wallace, C–309909	180.00
Cheshire, James Webb, C–217362	125.00
Clark, Elliott Bynum, C–26140	125.00
Clement, Edward Buehler, C–445857	150.00
Cobb, Thomas Kesler, C–1341323	106.25
Cox, Walter Ross, C–521312	210.00
Daniels, Thomas Cowper, C–219953	175.00
Dodge, William W., jr., C–239078	106.25
Dosher, Julius Arthur, C–555072	150.00
Dunlap, Joseph Phillips, jr., C–162487	125.00
Dunn, William Hardy, C–233549	150.00
Ellsworth, Benjamin F., jr., C–1106123	125.00
Ennis, Robert Sidney, C–1106607	180.00
Ensign, Chester Oscar, C–139822	125.00
Fisher, Adam, C–359826	150.00
Fulford, Richard B., C–1120362	180.00
Glickman, David, C–471604	150.00
Goley, Kent Wallace, C–1124082	106.25
Gregory, Paul Anthony, C–306930	125.00
Hamilton, Benjamin Kirk, C–499630 (guardian, Thomas D. Clark)	150.00
Hamilton, William Armstrong, C–1375085	206.25
Hathaway, James Alexandria, C–1381414	106.25
Hooks, Thel, C–396069	150.00
Hutchison, Francis Albertus, C–1337852	150.00
Izard, John, C–343342	187.50
Jeffords, James Ernest, C–1336590	106.25
Johnson, Otis Hackett, C–1328828	150.00
Jones, Robert Duval, C–1340781	243.75
Kaplan, Herman Hiram, C–1032132	125.00
King, Edward, C–265484	125.00
King, Parks McCombs, C–270062	165.00
Koon, Job Hansell, C–367462	175.00
Laye, Henry Albert, C–1337099	125.00
MacConnell, John Wilson, C–324526	218.75
Marsh, Thomas B., jr., C–14738	106.25
Martin, Ernest Moore, C–1336001	106.25
Maynard, George C., C–1094024	125.00
McIntosh, Donald M., C–515037	150.00
McKenzie, George Shelton, C–243930	106.25
Miller, William M., C–1111694	106.25
Mills, John David, jr., C–348166	106.25
Montgomery, Charles M., C–654707	150.00
Murph, Daniel Edgar, C–313848	150.00
Nance, Alexander Washington, C–366642	125.00
Neely, Guy L., C–1339031	106.25
Parker, James Roy (guardian, Thomas F. Parker), C–1333576	125.00
Peterson, George Langdon, C–255684	250.00
Plummer, Francis Arnold, C–698876	106.25
Poate, Ernest M., C–239646	125.00
Pratt, Joseph Hyde, C–341152	275.00
Pritchard, George Littleton, C–157671	125.00
Rhodes, Adrian Burbank, C–205428	137.50
Rosborough, William McLure, C–1121980	125.00
Shupp, Roy Franklin, C–377725	125.00
Sifford, Ernest Jirard, C–268751	150.00
Slear, John Klump, C–370633	125.00
Smith, Norfleet S., C–337594	125.00
Smith, Robert Lee, C–495990	165.00
Smith, Whitefoord Gamewell, C–1120659	150.00
Stanard, Hugh C., C–364516	106.25
Stirewalt, Neale Summers, C–546315	125.00
Stone, Wallace Burton, C–906415	165.00
Suggett, Orril LeGrand, C–141024	150.00
Swan, Frank Wise, C–906465	150.00
Taylor, John Douglas, C–1344534	106.25
Thornburg, Zebulon Brady, C–343649	150.00
Tillery, Isaac G., C–687659 (guardian, L. B. Tillery)	106.25
Vining, Morgan, C–1119205	150.00
Walker, Alfred Husband, C–234023	106.25
Wallace, John Whitlock, C–432182	106.25
Ward, Wm. Farrier, C–1119529	106.25
Washington, Bushrod Corbin, jr., C–159264	137.50
Watson, David Lewis, C–1337427	106.25
Williams, Edward Sidney, C–312664	125.00
Wilson, Harry Hall, C–315406	187.50
Winstead, Rolland Tyson, C–195926	106.25
Woodley, Samuel Spruill, C–372883	$106.25
Whitfield, Fitzhugh Lee, C–1335540	180.00
Wright, William P., C–1112735	125.00
Wysong, Homer Clytus, C–906024	125.00
Youngblood, Lewis Emile, C–1338563	137.50
Supplemental list	
Bomberger, Harry E., C–1059347	125.00
Brown, Howard J., C–1056196	116.87
Craven, Walter Gluvas, C–596628	180.00
Costello, Michael J., C–403554	150.00
Dawson, Fred Carhuff, C–576233	116.87
Eason, James Lanier, C–1333216	116.87
Faircloth, Guy Anton, C–905901	106.25
Hudson, Norman Eldridge, C–1110427	106.25
Mallory, William Reville, C–536586	106.25
Maxwell, Clarence Schuyler, C–1342706	150.00
Morgan, Joseph Abner, C–1336540	125.00
Norvell, Richard F., C–1059799	116.87
Oulahan, Richard, C–1051505	150.00
Rothenberg, William, C–1122345	116.87
Sheep, Harry Hinton, C–156129	125.00
Thompson, William Gary, C–612288	106.25
Turlington, Henry C., C–1339492	150.00
Wilson, Wilbe Radford, C–425311	125.00
Winstead, Chauncey Southerland, C–208671	106.25
NORTH DAKOTA	
Brolling, Alfred Marshall, C–279487	106.25
Flett, Charles M., C–1351218 (guardian, First National Bank & Trust Co.)	125.00
Flynn, James J., C–221542	106.25
Henry, Frank Selmes, C–1238413	250.00
Lonnevik, Thomas, C–1231598	195.00
Maercklein, Edwin H., C–262064	125.00
Patterson, Thomas Christopher, C–1352541	243.75
Sampson, Homer, C–1242728	106.25
Sgutt, Emanuel, C–300975	106.25
Voss, Carl, C–225642	125.00
Woodford, Stewart L., C–396359	125.00
Supplemental list	
Murphy, James Clement, C–303742	106.25
OHIO	
Allen, Grover Cleveland, C–609807	127.50
Alexander, Arthur Hadden, C–177826	125.00
Austin, Henry John, C–467287	125.00
Bail, Frank Wooster, C–396090	125.00
Baldwin, Francis G., C–212475	206.25
Barnard, Benjamin Clyde, C–1156870	187.50
Barnes, Jean Carlyle, C–415187	137.50
Barry, John E., C–25876	162.50
Bartlett, Edward Charles, C–582762	106.25
Barton, Jesse M., C–315155	106.25
Bass, Samuel Q., C–308960 (guardian, Edith P. Bass)	150.00
Becht, Charles, C–1167559	210.00
Bell, Clement L. V., C–273171	125.00
Bell, Frank Mathew, C–906426	150.00
Betzner, Clarence Wilford, C–1159979	150.00
Blackburn, Herbert Marfield, C–579333 (guardian, Ira R. Blackburn)	125.00
Bland, Arthur Vere, C–334135	150.00
Bleser, William P., C–1334545	150.00
Birnbaum, Alfred Victor, C–268271	125.00
Bissell, Fred Crawford, C–1418064	125.00
Bondy, Edmund R., C–1419096	150.00
Boster, Harold Augustus, C–366872	125.00
Brown, Jesse Fred, C–1168860	125.00
Brown, Joseph Reese, C–473031	137.50
Brainard, Albert J., C–236442	150.00
Braine, Elgin, C–266864	165.00
Brenner, Jacob P., C–167873	106.25
Bryant, John Lewis, C–486421	116.87
Buchman, Robert Allen, C–1149509	125.00
Burnett, Edward Jesse, C–905472	150.00
Bunge, Robert C., C–391451	165.00
Cahill, Alphonso I., C–239051	125.00
Campbell, Charles Knight, C–234469	125.00
Campbell, James Edwin, C–254074	165.00
Carr, Raymond Millard, C–300927	150.00
Carroll, Mark G., C–575919	125.00
Carter, William Corwin, C–1167806	125.00
Christensen, John W., C–275088	150.00
Christopher, Harry Vincent, C–139267	150.00
Clark, John William, C–1147127	125.00
Cleveland, James Harlan, C–140519	125.00
Cooley, John McManigal, C–206153	150.00
Coppage, Carroll Trenchard, C–373337	125.00
Cornell, Sidney Vance, C–297792	150.00
Cosgrove, Louis Cooper, C–481129	165.00
Crawford, Lewis Charles, C–155926	150.00
Crist, William L., C–708791	106.25
Cross, Price E., C–285864	106.25
Cummings, Joseph Daniel, C–482387	106.25
Curley, Harry Oswood, C–519195	150.00
Curry, Howard Spencer, C–1154119	187.50

Davis, Howard Hubbell, C–268965	$150.00
Dilatush, Frank Allen, C–353196	150.00
Dix, Charles C., jr., C–210760	106.25
Dolphin, James Basil, C–178739	125.00
Dube, Isadore Henry, C–906368 (guardian, Freda Ann Dube)	262.50
Eddy, Emmett William, C–156416	180.00
Edgerton, Harry Meek, C–905452	106.25
Edwards, Malcolm W., C–293073	125.00
Ehlers, Walter Louis, C–101195	106.25
Epperson, Carrick Hughes, C–208710	106.25
Everett, Edward Alfred, C–1162606 (trustee, Charles Lester Everett)	125.00
Fisher, Amos T., C–151020	125.00
Funk, Perry Jefferson, C–440581	137.50
Gage, John Gray, C–1159487	125.00
Gallagher, Frank Joseph, C–1363348	125.00
Gamblee, Ellsworth A., C–246573	125.00
Garvin, Roger Baldwin, C–1421393	125.00
Gath, Philip, C–394312	187.50
Gaumer, George Rutherford, C–1154655	137.50
Gibson, Harold Eugene, C–193451	125.00
Gilbert, Ora Bennet, C–409747	195.00
Gill, William Craw, C–1169603	281.25
Givens, Fred George, C–1151625	165.00
Goff, William Mitchell, C–296320	150.00
Goddard, Charles Curtis, C–129862	106.25
Gordon, Elijah Joseph, C–300933	206.25
Gossett, Eckley Gaylor, C–345014	150.00
Graham, James Martin, C–1244626	150.00
Graham, Stuart Donald, C–272203	106.25
Gray, Lowell H., C–270866	106.25
Griffin, Oliver Herald, C–372337	106.25
Griswold, Glenn Elgin, C–1160905	125.00
Haefele, George Leonard, C–447880	125.00
Haglund, Carl, C–1151599	137.50
Hall, Raymond Richards, C–1156629	106.25
Hall, William D., C–199041	125.00
Hanabergh, Frank John, C–346273	225.00
Hannan, Lawrence J., C–466499	125.00
Hardman, Thomas Elmer, C–412542	150.00
Haynes, William, C–1162531	150.00
Hazlett, George W., C–1144548	106.25
Heimlich, Daniel, C–499107	125.00
Helfrich, Martin Lewis, C–328105	150.00
Herbert, Thomas John, C–479297	125.00
Herbst, Edward, C–1160945	150.00
Heyman, Fred George, C–225210	106.25
Hill, Louis, C–1415534 (guardian, the Firestone Park Trust & Savings Bank)	150.00
Hinant, Hubert M., C–465776	137.50
Hinchman, Edward M., C–1158355	125.00
Hoover, Ervie R., C–1155692	162.50
Houck, Hiram E., C–254762	150.00
Houk, Roy Morrison, C–429329	180.00
Hughes, William Ralph, C–466833	180.00
Hunter, Vernon Doy, C–365121	150.00
Hurd, James Fay, C–341423	116.87
Huston, James A., jr., C–654066 (guardian, the Newark Trust Co.)	106.25
Huston, Perry William, C–277783	165.00
Jackson, Charles Chylon, C–480107	106.25
James, Hugh Sawyer, C–530645	125.00
Jenkins, George Washington, C–543288	195.00
Johnson, Charles Ross, C–905495	125.00
Johnson, Burke L., C–1165419	150.00
Johnston, George Edward, C–209443	125.00
Johnston, Irvin Rex, C–367242	175.00
Joyce, Edw. Leo, C–1163278	180.00
Judkins, Robert John, C–1147501	150.00
Kaeppel, Oscar O., C–471866	225.00
Kaminiski, Theophile Charles, C–526460	106.25
Kasinski, Theodore J., C–1416343 (guardian, Mary J. Kasinski)	125.00
Keenan, Willis H., C–317267	150.00
Keiser, Jay G., C–1163515	150.00
Kenealy, Edward J., C–1416352	106.25
Kennedy, Clifford C., C–1165258	125.00
Kern, Kenneth Mason, C–489731	125.00
Kirby, Charles L., C–77187	106.25
Klumph, Thorp Alexis, C–1161315	195.00
Koehl, Charles, C–217902	127.50
Kolpien, Kenneth Hanchett, C–353631	106.25
Lantz, James Morris, C–1145237	150.00
Larrabee, Charles H., C–475248	165.00
Lauterbach, William Frederick, C–398985	150.00
Lehmann, Frank John Joseph, C–277933	125.00
LeRoy, Bernard R., C–1165924	125.00
Leslie, Raymond C., C–572884	180.00
Limb, Marcus Robert, C–283836	250.00
Linn, William Joseph, C–190492	106.25
Litty, John Charles, C–331058	106.25
Long, Brice Hayden, C–714016	125.00
Loveless, Ralph M., C–1415453	106.25
Lyon, Claude C., C–150836	125.00
MacCracken, Ralph Ransom, C–463970	225.00
MacLane, Harry Forward, C–238092	$150.00
Maertz, Charles, C–674757	187.50
Majoewsky, Leo R., C–702092	125.00
Marquiss, Charles Ruben, C–520196	137.50
Marx, Robert S., C–219546	150.00
McCleery, John M., C–1166696	125.00
McElroy, Joseph Edward, C–309687	150.00
McEwen, Frank Phillip, C–193979	125.00
McGrady, John J., C–454442	150.00
McHenry, Joseph Bostock, C–1160629	150.00
McIntyre, James Francis, C–1163709	125.00
McKeon, Joseph M., C–1166839	125.00
McMullin, James Oliver, C–301870	116.87
McNerney, Joseph Dennis, C–345953	125.00
McNicol, Lester Bechtel, C–248398	106.25
Meyers, William Henry, C–407212	262.50
Miller, Walter John, C–265515	125.00
Moodey, Robert Radcliffe, C–321743	125.00
Moore, Luman Gordon, C–822795	150.00
Moore, Robert Glenn, C–690380	106.25
Murbach, John F., C–303537	150.00
Musgrave, Charles Alva, C–399378	180.00
Norris, Fred T., C–23727	137.50
O'Brien, Martin A., C–380697	125.00
Oldham, Ralph William, C–140872	106.25
O'Malley, George Patrick, C–1422021	187.50
Orwick, Harvey E., C–1099152	125.00
Osborn, Morse F., C–248497	150.00
Owens, Otto James, C–132224	125.00
Peinert, Earl Fray, C–159437	125.00
Pfeifer, William C., C–379507	125.00
Phillips, Robert B., C–340127	106.25
Pirrung, Joseph Edward, C–1154788	187.50
Portmann, Milton C., C–209566	187.50
Radcliffe, Frank C., C–1150597	165.00
Ragor, Charles A., C–328969	106.25
Rank, John E., C–1142420 (guardian, J. C. Rank)	106.25
Ransbottom, Ivah J., C–49196	125.00
Reed, Wilton Charles, C–413557	150.00
Rice, Harry E., C–527777	106.25
Roberts, Henry Denny, C–1334546	125.00
Robert, Walter, C–155544	127.50
Robins, Julius Charles, C–1158549	106.25
Rock, Laylin, C–511997	125.00
Roe, Allen Perkins, C–811662	106.25
Rogers, George Brydges, C–294517	125.00
Rolph, Oliver Optic, C–343020	125.00
Roseler, Edward G., C–1416119	106.25
Rossiter, Ednor M., C–535466	106.25
Roudebush, James Franklin, C–292055	106.25
Rowe, James William, C–391576	187.50
Ruhlin, John C., C–1380555	106.25
Rylander, Wilber Edmond, C–515004	106.25
Sattler, Robert Ray, C–1158261	125.00
Schaufelberger, Hugo Silvan, C–394515	116.87
Schauweker, Arthur Albert, C–402551	106.25
Schlesinger, Albert Leonard, C–307153	106.25
Schmitt, Ralph Scribner, C–287210	125.00
Seese, William Richard, C–312685	137.50
Shadrach, John William, C–183474	125.00
Silvers, Otho L., C–240917	106.25
Simms, Willard Eugene, C–1154262	125.00
Smith, Herbert Howard, C–147635	165.00
Spencer, James, C–1159559 (guardian, Francis Spencer)	106.25
Springer, John C–905429	165.00
Sprow, Henry Adam, C–1159751	180.00
Stephens, Clarence Clark, C–288576	137.50
Stewart, Floyd Reynolds, C–392085	150.00
Stout, William, C–1049284	210.00
Stradley, Early Ernest, C–905442	56.25
Stull, Charles Mohler, C–361996	150.00
Sutherland, Paul, C–126753	106.25
Syman, Louis L., C–905613	150.00
Talcott, John A., C–1168610	125.00
Teske, William T., C–1416240	106.25
Texter, William Horace, C–467463	125.00
Theller, Erling Carsten, C–393281	150.00
Thoburn, Theodore, C–1421969	125.00
Thompson, Josiah D., C–1419240	150.00
Thornberry, Albert Ewing, jr., C–249745	150.00
Thornton, Brian Joseph, C–342137	106.25
Tilden, John Alexander, C–425569	125.00
Tuttle, Frank Osborn, C–1421981 (guardian, Katherine Tuttle)	106.25
Tuttle, George E., C–1155976 (guardian, Beulah Tuttle)	150.00
Van Gorder, Florence Spears, C–905242	212.50
Varney, James D., C–322350	187.50
Veit, Conrad, C–1244078	165.00
Verwohlt, Howard William, C–358836	125.00
Voges, John Clauss, C–264772	106.25
Walker, Orville J., C–1044277	125.00
Wallach, Charles, C–414604	125.00
Watson, Hugh, C–356204	106.25
Weadock, Edward George, C–437453	125.00
Webster, George Davis, C–232278	150.00
Wentz, Walter, C–308259	106.25

West, John Albert, C-301765	$150.00
Westcott, Earl A., C-380465	150.00
Westfall, Delta Grover, C-347364	106.25
Westphal, William C., C-1156561	125.00
Whitwham, Gratian P., C-1415014 (guardian, Catherine P. Whitwham)	125.00
Wise, Harry Wright, C-279873	125.00
Wolf, Henry William, C-384963	106.25
Woodworth, Gladwyn Anson, C-293645	106.25

Supplemental list

Berning, Ray Arthur, C-304499	150.00
Brunk, Henry Jerrett, C-289475	150.00
Buell, William C., C-1364969	125.00
Carrick, Manton Marble, C-532704	187.50
Chamberlin, Arthur Louis, C-376360	137.50
Hazlewood, Walter J., C-1165496	180.00
Jones, William Emerson, C-304171	125.00
Kern, Frank Weaver, C-240592	125.00
La Page, Percy William, C-496279	116.87
Lehman, Lester Ludzer, C-279380	116.87
Lewis, Schuyler Colfax, C-482907	162.50
Mayes, Howard Garland, C-267191	125.00
Melvin, Vivian Ward, C-1154039	106.25
Merrill, George Baker, C-91695	125.00
Mooney, Paul, C-1183246	125.00
Rea, Robert Lincoln, C-157729	125.00
Reber, Alvin David, C-199163	106.25
Rider, Carroll Alexis, C-490891	106.25
Schreck, Harold F., C-1163234 (guardian, J. Paul Weatherholt)	125.00
Wells, Boyd Axtin, C-478110	106.25
Wiedemer, Maurice Becht, C-446031	125.00

OKLAHOMA

Affholder, Irvin Ernest, C-425195	106.25
Aitken, Wallace Andrew, C-437549	187.50
Allison, Frank, C-1296090	125.00
Atkins, Clyde C., C-211574	125.00
Bales, Mark Hodges, C-1266372	106.25
Banks, Thomas Gray, C-275023	150.00
Barbee, Wyatt, C-175616	106.25
Barber, Lebbeus B., C-1427487	106.25
Bisbee, Walter Griswold, C-218683	150.00
Bocher, Lawrence Calvin, C-194763	106.25
Bolend, Floyd J., C-310755	281.25
Brown, Alfred Allen, C-1296188	150.00
Browning, Robert Le Roy, C-225063	125.00
Campbell, Novel Walter, C-1321023	150.00
Caraker, Charles T., C-835018	187.50
Davis, Hale Virginius, C-1320388	125.00
Deans, Penwick Rieff, C-123229	125.00
De Priest, Melvin Johnson, C-208492	150.00
Doggett, Sylvester, C-1216314	125.00
Emerson, John Ellis, C-235475	106.25
Farthing, Welbourne Owen, C-1320214 (guardian, Robert F. Farthing)	106.25
Finley, James Hubert, C-265842	150.00
Guthrie, Austin Lee, C-383875	150.00
Haigh, Harry, C-611903	125.00
Harrington, William Emery, C-906043	187.50
Hoffman, Arthur Bufford, C-494880	162.50
Holliday, Oliver Morton, C-1213690	150.00
Hutchinson, Alva Roy, C-168931	106.25
Johnson, Leroy, C-249326	125.00
Jones, Albert Lamartine, jr., C-257504	150.00
Keefner, Edward William, C-142592	106.25
Knoblock, Cecil Coyne, C-167791	106.25
Lewis, Miles L., C-313135	125.00
Lipscomb, William Patrick, C-1297557	206.25
Little, Daniel Erastus, C-503184	150.00
Long, Jesse Henry, C-232975	125.00
Long, Ross David, C-212081	187.50
McIntosh, Daniel Cobb, C-267581	125.00
Meyer, Emil Albert, C-134729	106.25
Morphew, John Earl, C-1266330	106.25
Mylon, William, C-1326867	106.25
Neal, Herman Ivy, C-770173	125.00
Oakes, Gail Clifford, C-521875	131.25
Rogers, Glenn Wells, C-313808	150.00
Rucks, William Ward, C-221735	187.50
Sayre, Horace Hendel, C-428666	150.00
Schultz, William Jennings, C-314411	137.50
Shaunty, John Norris, C-1293785	125.00
Stagner, George Herbert, C-171724	187.50
Stolper, Joseph Harry, C-175249	150.00
Stover, Curtis Edward, C-401142	137.50
Waite, Edson R., C-297709	243.75
Wenner, David John, C-1294988	125.00
Whitaker, William Jerry, C-446271	125.00

Supplemental list

Foster, Roy Abner, C-1298921	106.25
Haggard, John Baker, C-12324	125.00
Harris, Tharon D., C-1255688	150.00
Jenkins, Elihu E. (guardian, H. L. Payne)	106.25
Kurts, Russell Lenoir, C-278307	187.50
Rogers, Samuel G., C-964278	125.00
Rose, Charles Clarence, C-1428475	125.00

OREGON

Barr, David Walton, C-1282955	$106.25
Belden, Miles Bebee, C-1277812	106.25
Blachly, Arthur Trew, C-1284685	125.00
Blackstock, James Thomas, C-338638	150.00
Bradford, Holt William, C-278207	125.00
Burdick, Bert Charles, C-1400790	150.00
Burgard, William Norman, C-374190	125.00
Burkett, Benjamin Scott, C-125425	125.00
Burns, John S., C-281394	125.00
Carlson, Enoch Bernard, C-505678	137.50
Cook, Mortimer Parker, C-451523	137.50
Crouch, Junious Elmer, C-188428	150.00
Dalton, Ernest C., C-1281561	187.50
Dorris, Albert Ray, C-1284146	106.25
Dorris, Benjamin Fultz, C-346345	125.00
Edwards, Franz Gill, C-1008207	150.00
Feldenheimer, Roy, C-25596	106.25
Feldman, Jacob, C-480561	162.50
Firey, Frank Paul, C-221307	125.00
Forsyth, Enoch Avard, C-1402589	187.50
Frey, George Robert, C-239091	106.25
Frost, Charles E., C-429984	150.00
Green, John Seymour, C-660569	125.00
Greene, Herbert Merton, C-211412	187.50
Halverson, Henry F., C-197541	180.00
Hamer, Thomas Ray, C-905934	262.50
Hamill, Robert Michel, C-355698	106.25
Hiddleson, Roy Dee, C-460677	116.87
Hogan, Cicero Francis, C-531703	165.00
Huntley, Merritt B., C-135575	150.00
Johnson, Charles Parker, C-479216	125.00
Keeley, Ralph C., C-311648 (guardian, Title & Trust Co.)	106.25
Lane, Melvin C., C-414727	127.50
Maercklein, Ivan Rudolph, C-226226	150.00
MacCracken, Gordon, C-1284600	150.00
McKay, James Douglas, C-315742	125.00
Metcalf, Harry K., C-424085	225.00
Mickey, Robert Dee, C-320916	106.25
Mills, Verni Victor, C-1276271	106.25
Milner, Lawrence Armstead, C-334519	180.00
Montag, Benjamin Butler, C-231121	137.50
Moreland, Julius Cæsar, C-549261	106.25
Morse, Edwin W., C-906414	150.00
Newmyer, Philip L., C-249494	150.00
Noble, George Bernard, C-281195	125.00
Page, Prince Caleb, C-906925	150.00
Pargon, Joseph Augustus, C-206115	150.00
Phelps, Francis M., C-211320	137.50
Platt, William Paul, C-489212	165.00
Pineo, Harold D. W., C-1278247	125.00
Price, Ray H., C-1402020	106.25
Rauch, Cloyd Dixon, C-221558	165.00
Reddick, Joe G., C-1402771	137.50
Reeves, Frank Hall, C-313216	125.00
Salade, Louis Audenried, C-851140	125.00
Scroggs, William Paxton, C-830033	125.00
Sharkey, Ralph Louis, C-755185	125.00
Smith, Leo Bruce, C-213958	180.00
Stearns, Carey S., C-1283287	106.25
Stelzner, Albert H., C-454523	116.87
Stewart, John Achibald, C-234601	150.00
Sweeney, Thomas A., C-1402141	150.00
Webb, James Ellsworth, C-445485	125.00
Whiteside, Edwin Eugene, C-275746	150.00
Williams, David Albert, C-400732	150.00
Wood, Joseph Frederick, C-1400727	150.00
Zimmerman, Edward L., C-276693	125.00

Supplemental list

De Tennencourt, Ted Edward, C-185032	137.50
Hill, John Young, C-323167	125.00
Johnson, Alexius E., C-459756	125.00
Morgan, Elmer Allen, C-1277154	127.50

PENNSYLVANIA

Anders, Daniel Webster, C-495574	187.50
Anderson, William, C-216952	150.00
Angwin, Lewis E., C-1026144	125.00
Akerley, Byron Leslie, C-167875	125.00
Alexander, Garbutt Reed, C-1076019	106.25
Alexander, King, C-122644	106.25
Allderdice, Lawrence, C-409292	106.25
Ashton, William E., C-1077696	218.75
Banks, Lloyd McClellan, C-1065103	106.25
Barnes, George S., C-488585	125.00
Barron, Marshall Scott, C-297675	137.50
Bash, James Erwin, C-185263	106.25
Beale, Harvey D., C-1080632	125.00
Beck, Theodore, C-153355	125.00
Bergstein, Alfred Morton, C-232111	125.00
Bernard, Marcus Alphonso, C-220787	106.25
Bickell, Ulysses Grant, C-603951	125.00
Biddle, Justice Mitchell, C-25781	106.25
Billingslea, John Smith, C-18120	106.25
Blackman, William, C-309022	125.00
Blain, West Elliott, C-181082	180.00



Blount, Reginald M., C–489924	$137.50
Bogart, Clark Stetson, C–1083593	125.00
Bostwick, John Vaughan, C–605822	150.00
Botjer, Henry George, C–207785	125.00
Boyes, Andrew M. C., C–246784	125.00
Boyle, John Edgar, C–1076700	165.00
Boyer, Orman Leslie, C–1360409	106.25
Breen, Joseph William, C–286237	206.25
Breisch, Leigh Hedwig, C–1067850	125.00
Breslin, William Aloysius, C–1362957	125.00
Bretz, John Thomas, C–297503	195.00
Brew, Paul, C–449530	106.25
Britten, Chester R., C–1079916 (guardian, Clearfield Trust Co.)	106.25
Brown, Thomas Edward, C–1364468	125.00
Brown, William Elbridge, C–446630	125.00
Buchanan, Thomas Chalmers, C–154114	106.25
Buggy, Frank Raymond, C–376362	165.00
Cain, Robert Sneath, C–87299	180.00
Caldwell, Herbert Clyde, C–313731	125.00
Campbell, Jay Howard, C–905758	150.00
Cannon, James T., C–483659	150.00
Caruso, Adolfo, C–906105	125.00
Clapp, George Houghton, C–209693	150.00
Clark, Chester Fairchild, C–265321	125.00
Claypoole, Ronald Semple, C–490834	106.25
Clement, Charles Maxwell, C–906305	500.00
Clendening, Robert Maslin, C–397428	150.00
Cobb, Murray Addison, C–1080700	157.50
Colcher, Abraham E., C–1366120	125.00
Condit, George Smith, C–298905	125.00
Conn, Ralph Edmund, C–906722	125.00
Conner, William Page, C–395720	106.25
Conway, George Raymond, C–1078733	116.87
Cooper, Herbert, C–162950	150.00
Coover, Merle Edgar, C–156468	125.00
Cort, Thomas Laird, C–338854	150.00
Cox, James Renshaw, C–390653	125.00
Cramer, Joseph William, C–393667	106.25
Crawford, Harry Thomas, C–1084192	125.00
Critchfield, John Burnworth, C–341372	125.00
DaCosta, John Chalmers, C–1080773	187.50
Dale, George Cooper, C–389235	125.00
Daniels, Clarence D'Azavado, C–1066151	125.00
DeGraw, Charles Henry, C–1074664	150.00
Devereaux, Edward James, C–302213	125.00
Devereux, Robert Trafford, C–469441	187.50
Devlin, Charles J., C–237447	106.25
Diamond, Francis X., C–392073	106.25
Diller, Warren Levi, C–1360310	150.00
Dodd, William A., C–302938	125.00
Doheny, Frank P., C–1083015 (guardians, Norristown-Penn Trust Co. and J. E. Doheny)	106.25
Dorwart, George Marks, C–219951	106.25
Doyle, Thomas L., C–569924	150.00
Drayton, Frederick Rogers, C–288975	150.00
DuBarry, Joseph Napoleon, C–200543	150.00
Dussere, Louis, C–1065788	106.25
Edwards, Harry Daniel, C–338879	137.50
Ege, Edward Fay, C–1066081	106.25
Eggleton, William J., C–405234	150.00
Ehrgood, George Albert, C–1071435	150.00
Eller, Valentine Burton, C–157030	150.00
Elberson, Alden D., C–303028	125.00
Ellinger, Jacob Edgar, C–1078825	150.00
Ellis, Thomas Biddle, C–1078134	312.50
Embry, Talton Henry, C–321535	106.25
Everett, LeRoy, C–160287	137.50
Eves, Paul Wilson, C–608649	125.00
Ezickson, William J., C–399328	150.00
Fantom, William Henry, C–480039	180.00
Farrell, Patrick F., C–346880	106.25
Felfoldy, Edmond, C–337998	116.87
Ferguson, David McGaughey, C–315086	106.25
Fiscus, James Hudson, C–237473	150.00
Folsom, John Henry, C–149282	106.25
Foos, Harry Miller, C–182797	150.00
Ford, Howard A., C–1069316	106.25
Fravel, Hugh C., C–247009	125.00
Gamble, Robert Bruce, C–1071404	281.25
Gentner, John Milton, C–53354	180.00
Gerhardt, Paul Henry, C–456243	150.00
Getz, Ralph F., C–392251	106.25
Gilmore, William B., C–1375791	150.00
Glenn, William Schaffer, jr., C–452651	150.00
Glidden, Burt Rufus, C–188873	106.25
Goodman, Robert, C–1363068	125.00
Gould, Frank Robling, C–376967	125.00
Graham, James Guss, C–398181	125.00
Gray, Joseph Wilson, C–402561	125.00
Greene, Albert Van Nesse, C–256528	106.25
Gregson, John LeRoy, jr., C–497735	125.00
Grimes, Robert Bruce, C–1363748	187.50
Groff, James A., C–371796	180.00
Gruber, Charles, C–327453	125.00
Gwyer, Charles Francis, C–503505	125.00
Hadsall, Sidney Charles, C–278282	$106.25
Hafner, John, jr., C–315385	127.50
Hammitt, John Kelley, C–569807	106.25
Harris, Arthur Charles, C–425187	125.00
Hawkens, Edward Andrew, C–204416	150.00
Hebsacker, William F., C–267669	150.00
Heiser, Oliver Raymond, C–367014	125.00
Hendler, Ullmann C., C–217145	150.00
Henninger, Allen, jr., C–99808	106.25
Hinds, Alexander M., C–248234	125.00
Hoenstine, Floyd Guanar, C–298162	106.25
Holton, Thomas Aloysius, C–1361040	150.00
Honhart, Harold E., C–381869	137.50
Hooper, Thornton Dayton, C–482914	125.00
Hoover, Wesley C., C–503843	195.00
Hopkins, Wayne Leslie, C–190339	106.25
Hoyt, Frank Wellington, C–246415	106.25
Hunt, Herbert Price, C–194191	162.50
Hunter, Andrew, C–342607	150.00
Huston, Dell Clifford, C–197386	125.00
Joachim, William F., C–366905	125.00
John, Rutherford Lewis, C–419415	187.50
Jones, Charles Edward, C–1079818	187.50
Jones, James W., C–311906	150.00
Johnson, Wesley B., C–1083206	106.25
Johnston, Charles, C–1067358	165.00
Kearns, Edward Lee, C–905279	312.50
Kelter, William Alfred, C–513555	137.50
Kent, Samuel L., jr., C–586992	125.00
Kestner, Edward Victor, C–260326	243.75
Kerst, Joseph Edmund, C–232795	106.25
Kirk, George Breon, C–292474	125.00
Klauder, Joseph Victor, C–1367300	187.50
Kleinstuber, William O., C–307031	125.00
Kleppinger, Samuel Adam, C–17792	150.00
Kline, Wade Turney, C–314295	195.00
Koenig, Carl Frederick, C–326047	125.00
Koontz, James Byron, C–163333	125.00
Krause, Robert Sheldon, C–561823	125.00
Kriechbaum, Roy Ritner, C–489195	165.00
Landis, Edward Paul, jr., C–1075182	106.25
Lauer, Carl Frederick, C–376468	150.00
Lauer, Kurvin William, C–208396	106.25
Leitzell, Wilbur Forest, C–214793	187.50
Leonard, Charles Forrest, C–232580	125.00
Lightner, James Newton, C–1075098	195.00
Linn, Charles P., C–1366906	150.00
Lockhart, Andrew Robert, C–227452	195.00
Love, Preston Armstrong, C–437966	125.00
MacGee, Roy James, C–539503	125.00
MacLeod, Norman Mac C., C–600263 (guardian, Provident Trust Co. of Philadelphia)	125.00
MacKenzie, Arthur Lee, C–1072721	125.00
MacReynolds, Abel Mathias, C–655057	243.75
Maguire, Edward Bayard, C–210143	137.50
Malcomson, William Henry, C–432354	106.25
Martin, Richard Charles, C–553717	125.00
Maxey, David Rexford, C–470241	106.25
McClelland, Quinton J., C–1066841	106.25
McDonnell, Owen F., C–217846	106.25
McFarland, Joseph, C–624541	187.50
McGarr, Thomas E., C–338868	150.00
McKeon, James Stephen, C–354186	125.00
Meehan, Edward Joseph, C–453487	262.50
Meley, Edward Jewitt, C–442849	150.00
Mihovilovich, John (guardian, Integrity Trust Co.), C–509594	106.25
Milko, John George, C–2446	116.87
Miller, Albert William, C–305870	137.50
Miller, George Harlan, C–360453	106.25
Miller, Philippus, C–442176	106.25
Minor, Arthur J., C–905777	150.00
Moore, William B., C–307043	116.87
Morgan, Leonard Davis, C–258027	106.25
Morris, Edward Aloysius, C–551428	125.00
Mosher, James Sherman, C–188659	150.00
Moyer, Albert Floyd, C–322817	106.25
Moyer, William Westfall, C–1082780	150.00
Muller, Julius, C–577628	137.50
Murphy, George W., C–1360272	106.25
Murphy, Joseph T., C–338957	150.00
Murray, Valentine, C–509459	195.00
Murrin, Connell Edward, C–381504	125.00
Myers, Charles Henry, C–316396	106.25
Nelan, Thomas Gibbons, C–245576	187.50
North, Louis Arthur, C–360463	106.25
O'Brien, Raymond John, C–371751	125.00
O'Leary, John Jeremiah, C–221053	150.00
Osthaus, Robert Axford, C–87189	116.87
Owens, John Joseph, C–267103	180.00
Owens, Robert J., C–272276	150.00
Parker, Brantly F., C–150299	150.00
Parks, Cornelius Griffin, C–1363118	125.00
Parsons, Isaac Ivison, C–338126	150.00
Patten, Morgan Howarth, C–430436	125.00
Peppler, Harry Augustus, C–517705	150.00

Peters, Jacob Markwood, C–169196	$243.75
Petty, Orlando Henderson, C–1069672	150.00
Phillips, Donovan R., C–1381460 (guardian, Mrs. Martha J. Phillips)	125.00
Piper, William Scott, C–239650	150.00
Plank, David H., C–1051790	125.00
Pogue, Frank Milton, C–1363661	150.00
Pollock, Benjamin Harrison, C–264173	125.00
Potter, Hannibal Ellis, C–307327	106.25
Poux, George Adrien, C–322579	175.00
Purman, Daniel O., C–355926	125.00
Quinn, Thomas J., C–209961	150.00
Quirl, James H., C–1366469	125.00
Raeder, William John, C–212336	125.00
Ranck, Edmund Ross, C–152376	150.00
Randall, Floyd Hamilton, C–1077672	262.50
Ransom, Percy Stephen, C–499596	106.25
Read, Harry Malcolm, C–1084827	125.00
Read, Robert James, C–258916 (guardian, Robert J. Read)	106.25
Rebuck, Walter Edgar, C–287471	106.25
Reed, Joseph Marshall, C–194070	150.00
Rehfuss, Louis Allgaier, C–515231	125.00
Replogle, George Brown, C–1163095	150.00
Rhode, Solon LaFayette, C–520361	125.00
Rhule, Wilbur Lee, C–238720	106.25
Richardson, Joseph G., C–535902	150.00
Robison, Gerald Austin, C–338758	106.25
Rodefer, Onward Allen, C–776203	106.25
Roemer, Leon Frederick, C–26454	106.25
Rogers, John Allyn, C–1073676	106.25
Rosen, Theodore, C–295255	125.00
Rosenbloom, Hyman G., C–1099271 (guardian, Israel Rosenbloom)	125.00
Ross, William Charles, C–381360	106.25
Rountree, William Linco'n, C–906394	210.00
Roy, Wilford Shriner, C–1079786	150.00
Rudy, John M., C–1082586	195.00
Ruhnka, Roy, C–412119	150.00
Sawhill, Donald Vere, C–54339	106.25
Schaeffer, John Adam, C–172312	125.00
Schickram, Paul, C–906437	175.00
Scholl, Hary Arndt, C–1362591 (guardian, Provident Trust Co.)	125.00
Schrier, Edward Joseph, C–321634	106.25
Schug, Carl Adelbert, C–187249	125.00
Schwartz, Max Jacob, jr., C–1075440 (guardian, Provident Trust Co. of Philadelphia)	125.00
Seixas, William H., C–1076752	106.25
Seligman, Louis, C–1082041	125.00
Servais, Louis J., C–1363966 (guardian, Philadelphia Trust Co.)	106.25
Shelly, Isaac High, C–1078396	187.50
Sheridan, Philip J., C–1083844	150.00
Sheridan, Walter David, C–153314	106.25
Shields, Harry Paul, C–1360502 (guardian, M. J. Geary)	106.25
Shoemaker, George Joseph, C–306016	116.87
Shoemaker, Philip C., C–206651	125.00
Sholes, Eber Corban, C–444534	106.25
Short, Philip, C–366396	116.87
Signor, De La Ray, C–502536	187.50
Smith, David Scull, C–245806	187.50
Sobernheimer, Harry B., C–410982	125.00
Sponseller, Harling Eugene, C–1093700	106.25
Squier, Lowell W., C–146110 (guardian, Mrs. Luella Squier)	106.25
Stackhouse, John M., C–524029 (guardian, Bloomsburg Bank-Columbia Trust Co.)	106.25
Stackpole, Edward J., jr., C–553716	150.00
Steen, William Lewis, C–247708	150.00
Steidle, Edward, C–202820	150.00
Stivanson, Archie M., C–905346	180.00
Stonebraker, Elias William, C–1069914	125.00
Storm, Albert James, C–497100	150.00
Sullivan, George A., C–512546	150.00
Sullivan, John Joseph, C–199685	148.75
Summerton, Ralph Nelson, C–296833	106.25
Suplee, Irwin Shaw, C–1080676	106.25
Taylor, William E. G., C–309173	180.00
Thompson, George Frank, C–1084926	125.00
Tibbins, George Hoy, C–1073756	125.00
Tibbins, Perry McD., C–221109	125.00
Tilghman, Charles Henry, C–252766	150.00
Tinstman, Carl C., C–1066511	137.50
Turner, William Frederick, C–406835	125.00
Umberger, Paul Repass, C–298584	150.00
Unger, Wood, C–328150	150.00
Vanderlin, Carl Joe, C–221635	106.25
Ventress, George Elmer, C–701989	150.00
Viesiet, Victor Pierre, C–1057813	125.00
Walker, Paul Ewing, C–73594	106.25
Walsh, Richard J., C–1077551	150.00
Watson, Richard White, C–1365925	281.25
Watson, Roy Cooper, C–394715	125.00
Weaver, John Rex, C–497542	150.00
West, Frank Joseph, C–360864	116.87
Wheeler, Martin Luther, C–232371	137.50
White, John Bernard, C–280424	125.00
Wickham, Otto Wilman, C–322450	106.25
Wilkinson, David Bryan, C–153395	$125.00
Williams, Edward James, C–483289	150.00
Williams, James A., C–296772	150.00
Williams, Ralph Oliver, C–390933	106.25
Willson, George Merritt, C–905255	165.00
Wilson, Benner Marshall, C–371785	125.00
Woods, William Wilson, C–429942 (guardian, J. Irwin Johnson)	150.00
Wright, Denny Dobyns, C–267706	137.50
Wurster, Lloyd Edward, C–247541	125.00
Yocum, Charles Alvin, jr., C–346934 (guardian, Berks County Trust Co.)	125.00
Yohe, Edward Lindsay, C–283030	150.00
Young, Charles Francis, C–383198	125.00
Zychowicz, John Francis, C–1080031	150.00

Supplemental list

Armstrong, William, C–371905	138.12
Austin, Henry Exum, C–1040000	125.00
Brady, Lester Strayer, C–432778	106.25
Carson, David J., C–548890	150.00
Carson, Matthew Black, C–905486	206.25
Drake, Daniel Webster, C–1083661	125.00
Giles, Hugh Burgess, C–340752	125.00
Greaves, Harrison Adams, C–654898	150.00
Hagerty, Edwin Dillon, C–657653	187.50
Hartnett, Cornelius Richard, C–315476	106.25
Hicks, Henry C., C–1364593	125.00
Laux, Thomas Campbell, C–378349	106.25
Matteson, Frederick William, C–1091982	187.50
Mills, John Arthur, C–196746	106.25
Murphy, Paul Francis, C–1067022	106.25
Parson, Matthew Black, C–905486	206.25
Pierce, Hammond M., C–204643	106.25
Porter, Mark Leslie, C–330227	106.25
Rich, Clayton Sylvester, C–273375	106.25
Shumaker, John William, C–661621	116.87
Stackhouse, Joseph Armin, C–1078807	125.00

RHODE ISLAND

Barton, Charles W., C–287182	116.87
Blanchard, Howard Everett, C–298554	150.00
Brownell, Jonathan T., C–86610	106.25
Champlin, Vincent, C–171956	125.00
Drummond, Frank C. P., C–382200	116.87
Irving, William R., C–224676	106.25
McGreen, Thomas Edward, C–616660	150.00
Peterson, Hans Otto, C–1405772	125.00
Ridlon, John, C–1200074	187.50

Supplemental list

Kibbe, Gordon Mirro, C–403180	125.00

SOUTH CAROLINA

Acker, Halbert Hammond, C–1335266	125.00
Anderson, Clifton Brown, C–164236	106.25
Bailey, Waller, C–1335459	125.00
Barnwell, Nathaniel Berners, C–358892	218.75
Bates, Francis David, C–714035	106.25
Playlock, Charles D., C–316675	106.25
Bostick, Bonham Hagood, C–1333528	125.00
Boulware, John Hugh, C–15730	125.00
Brennen, Edward Joseph, C–468092	106.25
Cappelmann, Ernest Henry, C–1333273	150.00
Clement, Edward D., C–429006	150.00
Collett, William Arthur, C–717590	250.00
Davis, Irby D., C–196158	125.00
Deas, Henry, C–1334946	125.00
Dobson, James F., C–1342873	125.00
Dozier, James Cordie, C–906137	125.00
Eaton, Robert Knight, C–820943	125.00
Fulmer, Roland Hoyt, C–1332805	180.00
Gillespie, William Lockwood, C–483810	206.25
Greet, Loui, C–440461	137.50
Guillebeau, Clarence, C–1104727	106.25
Hamilton, Reuben Gilliam, C–318827	187.50
Hart, Augustus Griffin, C–183400	116.87
Hart, Joseph Everett, C–275434	180.00
Harris, Henry H., C–438762	150.00
Harvin, Frank Madison, C–1104025	150.00
Hazlehurst, John G., C–906421	150.00
Haynie, William R., C–1107325	125.00
Holmes, McGowan, C–364692	150.00
Hudgens, Robert Watts, C–348190	165.00
Hutchison, Hiram, C–197391	150.00
Irby, Pierce Butler, C–1337910 (guardian, Julia M. Irby)	116.87
Julien, Carl Thomas, C–140613	106.25
Knox, Julius Terrell, C–512626	150.00
Lyons, John Sprole, C–254860	125.00
McLain, Charles Lucas, C–653549	180.00
McKeown, James Simpson, C–765580	162.50
Mahon, Gabriel Heyward, jr., C–395033	225.00
Marshall, Foster, C–388318	106.25
Marshall, Thomas Booth, C–304087	137.50
Miller, Connor Joshua, C–265523	125.00
Mills, James H., C–535967	125.00
Moore, William Andrew, C–324392	106.25
Morse, Albert Augustus, C–1119342	106.25
Murray, Cromwell Emory, C–592637	165.00

Nims, Frederick, jr., C–323265	$106.25
Nininger, Charles Mackubin, C–1121028	165.00
O'Neill, L. Arthur, C–154975 (commissioner, the National Bank of Sumter, S. C.)	106.25
Peake, Theodore James, C–518943	187.50
Pearcy, William H., C–358874	125.00
Pitts, Thomas Antley, C–1342394	180.00
Pruitt, Harrison Almus, C–905402	125.00
Rice, Max, C–256935	106.25
Ryan, Gerald Duncan, C–236668	125.00
Sain, Ernest, C–476250	106.25
Sansbury, Lonnie Simeon, C–1332822	106.25
Simmons, Benjamin Francis, C–398199	106.25
Sligh, Charles E., C–457404	150.00
Smith, Daniel T., jr., C–194899	116.87
Spencer, C. R., jr., C–279109 (commissioner, C. R. Spencer, sr.)	106.25
Turner, James Rogers, C–311586	106.25
Weatherbee, Ashley B., C–1114342	125.00
Welch, William Marvin, C–1344443	206.25
White, David Lapsley, C–255753	125.00
White, Richard Green, C–1100912	125.00
Williams, Arthur Middleton, C–370819	175.00
Wilson, Rosko J., C–556140	125.00
Wood, Landrum W., C–1337070	125.00
Woodruff, Billie Alter, C–356309	125.00
Wyman, Benjamin F., C–268156	150.00
Supplemental list	
Bellinger, Edmund C., C–279453	125.00
Dabbs, Charles Henry, C–1032386	165.00
Durham, Robert Blakely, C–1123681	150.00
Merritt, Harold Dutton, C–562695	106.25
Miller, William Laval, C–906583	150.00
Poovey, George W., C–740187	150.00
SOUTH DAKOTA	
Craig, Dickey Willard, C–1350356	125.00
Crawford, James Harry, C–1349751	125.00
Donley, John Stafford, C–517395	125.00
Eckert, Earl Oliver, C–1351417	106.25
Hazle, William A., C–780560	281.25
Hunt, William Moody, C–1240588	150.00
Mertens, John Joseph, C–493239	150.00
Muchow, Arthur Herman, C–388387	150.00
Rayburn, Robert, LaVerne, C–154298	125.00
Warren, Howard H., C–1243948	175.00
Wright, Oscar Reilly, C–764056	150.00
Supplemental list	
Quirk, Patrick John, C–500915	150.00
Stevens, George Alfred, C–906342	187.50
TENNESSEE	
Adams, David Porterfield, C–488039	125.00
Anderson, Henry Osgood, C–413994	125.00
Andrews, James Lindsay, C–1117929	187.50
Apperson, John Wright, C–211373	106.25
Armstrong, Bedford E., C–339281	125.00
Beaman, Archie Keith, C–1387186	106.25
Bly, Robert, C–1285218	137.50
Boone, Daniel Hilliard, C–1123303	150.00
Bradley, John W., C–589194	125.00
Brown, Emmett E., C–1110682	150.00
Brown, Ernest Clairborne, C–220781	125.00
Brown, Arthur L., C–585950	106.25
Brumit, Phillip Isaac, C–208018	180.00
Buckles, Walter Avory, C–395465	180.00
Burks, James W., C–1121890	206.25
Burnett, Paul F., C–636874	106.25
Bush, Martin Marshall, C–263698	137.50
Cable, Thomas William, C–267451	180.00
Clary, William Franklin, C–283695	187.50
Cotten, Leon D'Castro, C–520112	125.00
Crews, John Durst, C–392071	125.00
Cross, James, C–256515	116.87
Currin, John A., C–133581	106.25
Curtis, Harry William, jr., C–461651	180.00
Dance, Ernest Franklin, C–1331337	106.25
Davis, Thomas Lyles, C–330859	187.50
Du Vergey, Charles Philip, C–254919	150.00
Dyer, Lloyd E., C–170530	150.00
Ellis, Nathaniel Watson, C–486206	137.50
English, Thomas Young, jr., C–828540	150.00
Franklin, William Easley, C–252393	150.00
Frater, Homer B., C–209280	106.25
Fredrickson, John Robert, C–299595	106.25
Galloway, Robert Edmunds, C–165860	106.25
Gant, Albert Minter, C–431991	125.00
Garrett, Leslie, C–268548	127.50
Gilbreth, Florian R., C–845450	116.87
Griggs, Cardwell William, C–399263	165.00
Hackney, William Loretz, C–1335964	106.25
Hammond, LeRoy H., C–616464	150.00
Hampton, John Erwin, C–215627	150.00
Hatcher, William Benson, C–327098	125.00
Hathaway, Caleb Rutherford, C–198158	225.00
Harris, Albert Wynne, C–160667	150.00
Jeter, Joshua Edgar, C–1843542	150.00
Johnson, Robert Tipton, jr., C–616149	125.00
Johnston, Thomas Stewart, C–1199175	$150.00
Kaplan, Max, C–204194	125.00
Keeling, James Henry, C–198660	150.00
King, Charles Coeffield, C–905895	125.00
King, Samuel L., jr., C–254148	106.25
Kuhlman, Fred W., C–273077	125.00
Lansden, David Snodgrass, C–220910	106.25
Lassiter, John Henry, C–1337772 (guardian, Commerce Union Bank)	150.00
Lewis, John Gatewood, C–1331865	165.00
Lillard, David Wiley, C–481560	165.00
Lyons, Thomas Sebastian, C–294546	150.00
Matteson, Lewis Charles, C–244524	137.50
McCall, George Trevathan, C–280883	125.00
McGinnis, John Edward, C–331224	150.00
McNeal, Archibald Walter, C–552122	125.00
Miller, Thomas Peacock, C–137853	150.00
Morgan, Jerome Logan, C–281575	225.00
Morison, James H. S., C–181001	150.00
Myers, William Albert, C–1334573	137.50
Passino, Edward Andrew, C–284683	165.00
Peters, Hugh L., C–782289	150.00
Peyton, Robert L., C–1117480	125.00
Quinn, Jim, C–513903	106.25
Reece, Lemiel L., C–1098158	106.25
Roberts, Maurice McVey, C–1256586	125.00
Roulhac, John Saunders, C–1115135	125.00
Ryan, Daniel C–341410	210.00
St. John, Frank Love, C–906230	150.00
Shea, Martin Coyle, C–905379	106.25
Shell, Erby, C–319166	116.87
Smith, Larkin, C–907043	225.00
Stanley, Robert Hendricks, C–378268	225.00
Stem, Leon Thayer, C–168590	125.00
Teachout, Stanley Ross, C–1450011	150.00
Thomas, George Conner, C–625834	125.00
Thompson, William Gary, C–612288	106.25
Wade, Bruce, C–636982 (guardian, R. B. Wade)	106.25
Wallace, John William, C–200634	150.00
Walker, John Hamilton, C–160391	106.25
Webb, Floyd, C–1329469	125.00
Weed, Lee Henderson, C–187874	106.25
Wiggins, Milton Cayce, C–398496	125.00
Wilcox, Robert Clive, C–378152	125.00
Williams, Thomas, C–423331	210.00
Williams, Roby, C–456131	165.00
Willien, William Fleming, C–237263	150.00
Supplemental list	
Carr, Hilton Rice, C–1137425	125.00
Conner, Wayne Asbury, C–1113807	125.00
Jones, William W., C–513420	125.00
Reece, Brazilla Carroll, C–1379438	125.00
Shonn, John Bell, C–428686	150.00
Thetford, Alphonso, C–123856	125.00
TEXAS	
Adams, Roy Hodge, C–906789	125.00
Alguier, Roy L., C–198145	125.00
Anderson, George R., C–269780	150.00
Anderson, James Leroy, C–1433302	125.00
Austin, Charles Jeff, C–832375	195.00
Bagaley, Edward Thomas, C–203125	125.00
Baker, Oscar Lindsey, C–238778	165.00
Baldwin, John Browning, C–1288595	125.00
Barend, Ira Charles, C–431365	137.50
Barlow, Rayford E., C–231926	150.00
Barnes, William Wallace, C–340779	127.50
Barr, Jesse William, C–88177	150.00
Bateman, William Houston, C–405326	116.87
Bell, Alexander Deacon, C–315152	180.00
Bellmont, Leo Theodore, C–211716	150.00
Benson, Walter David, C–512864	137.50
Benton, Jonas Alfred, C–252912	165.00
Bixler, Joseph Glenn, C–300151	125.00
Blackwell, William G. L., C–1323387	125.00
Blanchard, Carey Snead, C–275792	165.00
Blann, Joe H., C–452038	116.87
Bomar, Spencer Edmund, C–464439	195.00
Bowden, Joseph Lee, C–318220	125.00
Braun, Harry E., C–275619	125.00
Briscoe, Charles S., C–276924	150.00
Brotherson, Guy Lester, C–1260961	116.87
Brown, Clarence S., C–286245	187.50
Brown, Lindsley M., C–1329065	187.50
Brown, Joseph Leslie, C–567994	150.00
Brownlow, Joseph Leonard, C–1295919	106.25
Bruce, Grover Cleveland, C–261629	125.00
Bush, Howard Marion, C–265316	150.00
Bynum, Willis Mark, C–601742	106.25
Cameron, Burr Solomon, C–236420	106.25
Campbell, Robert Keener, C–332911	125.00
Campbell, William Edward, C–252125	150.00
Carlson, George Nathaniel, C–260532	150.00
Carpenter, Eugene R., C–1324922	150.00
Carson, Earl James, C–380252	150.00
Coffen, Dell Edw., C–1286110	137.50
Coney, Mason Cleveland, C–159380	125.00
Coyle, Arthur J., C–1323604	165.00

Cox, Lee B., C-1433964	$125.00
Cox, Thomas M., C-1340508	125.00
Chadwell, Leonard Shirley, C-297912	116.87
Chandler, Richard Olney, C-1431494	106.25
Christman, Clarence Daniel, C-1301395	125.00
Craig, Harold L., C-551337	106.25
Crittenden, Eugene Wilkerson, C-154033	165.00
Crome, Conrad Fink, C-364252	150.00
Crosby, James Hardin, C-202968	125.00
Crow, Floyd Arnold, C-1290927	106.25
Culp, Alexander B., C-360481	150.00
Cunningham, William Burt, C-188626	106.25
Curtis, Thomas Blakemore, C-905182	125.00
Daffan, George Q., C-1433706	125.00
Darby, Tilghman O., C-1429154	150.00
DeGrummond, Henry Clay, C-860142	125.00
Delano, Herman Stevens, C-508224	106.25
De Verts, Frank Alexander, C-905349	150.00
Devine, Albert Elder, sr., C-270707	187.50
Dickson, Albert Maxcy, C-1123353	106.25
Dinwiddie, Robert A., C-1328851	125.00
Dotson, Eugene Malcolm, C-1328223	125.00
Durant, Ira E., C-1429740	165.00
Durham, Louis A., C-1325731	150.00
Egbert, Orville E., C-319102	150.00
Elliott, Wellwood Clifton, C-373860	137.50
Everall, Ben C., C-1224658	206.25
Everett, James P., C-458015	106.25
Fickessen, William Robert, C-383667	150.00
Fields, Barney Winston, C-341341	125.00
Fillmore, Hartson Dustin, C-1326006	150.00
Fletcher, Robert Stell, C-235714	116.87
Franks, Grover Cleveland, C-211724	106.25
French, Frank Davis, C-611911	206.25
Frey, Harry, C-1182243	125.00
Frost, Marion Morgan, C-440056	106.25
Fullerton, Clarence B., C-443622	125.00
Garrett, George Harvey, C-1324501	150.00
Gaston, Alpheus Dickerson, C-393025	125.00
Gentry, Brady Preston, C-1320189	150.00
Glick, Edward Franklin, C-94126 (guardian, Ida May Glick)	150.00
Glover, Henry Clay, C-905473	187.50
Gore, Vernon, C-343949	106.25
Graham, Clyde Burrell, C-14742	165.00
Graham, Malcolm J., C-289640	150.00
Grant, Thomas P., C-450755	150.00
Gray, Jessy Franklin, C-1266432	125.00
Greeman, Nelson William Linton, C-594040	125.00
Greer, Hal Irby, C-239489	125.00
Grogan, Roy Lee, C-535356	125.00
Hall, John Clarence, C-891945	106.25
Hamlin, Carl O., C-1433354	150.00
Handly, Lucius Lamar, C-308627	125.00
Hankins, Stayton Marshall, C-172615	125.00
Hardway, Orestes Elmer, C-230537	206.25
Hatfield, Walter H., C-816984	125.00
Harp, John Holland, C-1290362	106.25
Harrell, Theodore H., C-287533	218.75
Harrington, Sul Ross, C-1295736	106.25
Harrison, Louis Jay, C-531479	175.00
Haubold, Egon Gus, C-1290346	150.00
Heckler, Charles E. E., jr., C-1335223	106.25
Helm, Dury L., C-1320762	125.00
Hennessey, Carleton T., C-403401	125.00
Hill, Willard Dimock, C-401771	125.00
Hills, Delbert DeWitt, C-278975	150.00
Hiner, Bert Cecil, C-410177	150.00
Hitt, Joe L., C-1167578	106.25
Holman, William Shields, C-1431793	225.00
Howard, Henry Lee, C-252295	165.00
Howell, Robert Lee, C-164092	125.00
Hunsaker, John Everett, C-323284	106.25
Hyman, Joseph Henry, C-350046	150.00
Hyslop, Wilbur Riley, C-265766	125.00
Imel, Edward Stanton, sr., C-106338	150.00
Irby, Benjamin Earle, C-199858	106.25
Jackson, Noah Riley, C-1430280	125.00
Jackson, Joseph Brown, C-1299687	125.00
Jackson, Will E., C-318119	312.50
Jameson, Roy Abram, C-1294634	165.00
Jennings, William A., C-20264	125.00
Jones, Hubert Blackburn, C-230530	150.00
Jones, Joseph Clifford, C-1324126	150.00
Johnson, James Jefferson, C-255919	150.00
Johnson, William B., C-255921	125.00
Kelly, Ben F., C-276209	106.25
Kelsey, Everett E., C-289216	125.00
Kershner, William Perry, C-828140	150.00
Kievlan, Charles E., C-521408	106.25
Kile, Sherman Clarke, C-1288159	150.00
King, William Jesse, C-441333	150.00
Knight, Samuel Reuben, C-802385	106.25
Kveton, Patrick Henry, C-1285248	150.00
Landrum, Marvin M., C-100141	125.00
Lange, August F., C-424961	187.50
Lansing, Dudley Kenneth, C-545200	195.00
Leatherberry, George S., C-1328740	$106.25
Leftwich, Snowden Marshall, C-174952	150.00
Legnard, John B., C-163839	150.00
Leonard, Stark E., C-636725	150.00
Leslie, Leland Lloyd, C-1292327	125.00
Lincecum, Addison L., C-1328706	150.00
Linehan, Will John, C-819135	106.25
Lockhart, Delta Epsilon, C-1321531	150.00
Loomis, Edgar W., C-596339	206.25
Lovell, Clyde W., C-451258	125.00
Mann, Samuel Richard, C-905813	150.00
Mason, Clinton Carmack, C-221064	150.00
Marshall, Clyde Morgan, C-150655	106.25
Maverick, Maury, C-263050	125.00
Maxwell, Jesse J., C-1428653	106.25
McCain, Clifford, C-471581	125.00
McClain, John W., C-318788	125.00
McLain, William Elvage, C-363276	187.50
McClellan, Clarence L., C-1246343	125.00
McCollough, Irvin Randolph, C-1289069	150.00
McDaniel, Alfred Clifton, C-144550	187.50
McDonnell, Aloysius Y., C-128783	150.00
McGale, David A., C-1323914	150.00
Merrem, Leslie Crane, C-208562	125.00
Meyers, Harry, C-574278	195.00
Middleton, Jackson, C-636560	210.00
Milam, Cecil A., C-905420	137.50
Miller, Claude Davoll, C-1285167	125.00
Miller, Robert Finney, C-1290645	150.00
Mitchell, Leonard G., C-370076	187.50
Monk, Walter C., C-1289710	106.25
Morgan, James Benton, C-85301	125.00
Moses, Andrew, C-234055	125.00
Moses, Robert Lewis, C-544425	125.00
Murphy, Ewell E., C-262736	106.25
Murray, Joseph Jackson, C-307931	125.00
Muse, Ernest Cavin, C-1434678	150.00
Nesbit, William Edward, C-489490	125.00
Ostrom, Peter V., C-293901	180.00
Paige, Wendell Heath, C-262454	125.00
Painter, Orval C., C-280091	106.25
Parrott, Farley Crafford, C-312521	150.00
Paschall, Ancil E., C-275645	106.25
Pearsall, Francis Stanley, C-217587	106.25
Pedigo, William Sherman, C-238735	150.00
Peel, Dock D., C-1156890	106.25
Perkins, James I., jr., C-782125	106.25
Porter, Irving Dalton, C-215893	150.00
Prather, Robert Marion, C-152653	125.00
Price, Edward Humphrey, C-274512	125.00
Rader, Frank Kearns, C-490112	125.00
Reeves, Emory West, C-253441	125.00
Reinhardt, Daniel E., C-1322509	125.00
Rickard, Herbert E., C-1299997	150.00
Rieck, Hugh Wm., C-603265	150.00
Rike, William F., C-1297946	225.00
Robbins, John C., jr., C-321939	106.25
Robinson, Guy Thornwell, C-318462	125.00
Robinson, Henry Meyer, C-477103	106.25
Rodgers, Rollin W., jr., C-250369	125.00
Ross, Nealie Edward, C-392778	150.00
Sanders, Randolph Ramsay, C-261950	106.25
Sanford, Harold Mizner, C-471322	137.50
Scott, Sanford, C-475234 (guardian, Joe M. Scott, jr.)	125.00
Scotton, Frank Dean, jr., C-314584	125.00
Scully, John Henry, C-491933	195.00
Schwald, Norman A., C-246281	150.00
Seagraves, Charles, C-378435	137.50
Sharp, Roy Franklin, C-165695	106.25
Simpson, Sloan, C-1325458	281.25
Sinclair, Wm. Carl, C-1288072	106.25
Smith, Edward Coombs, jr., C-235874	150.00
Smith, Vinny Leeander, C-129110	150.00
Snyder, Milton Allan, C-625564	125.00
Southworth, Wm. A., C-569231	125.00
Spencer, Edwin Ray, C-299501	125.00
Spencer, Paul Guy, C-285697	150.00
Stackable, John Bernard, C-318452	150.00
Stafford, Earl, C-1291992	125.00
Standifer, Charles Herbert, C-822559	150.00
Starnes, Mert Hawkins, C-425133	125.00
Stell, Leonard Hampton, C-145014	106.25
Stephan, Karl George, C-856500	106.25
Stewart, Charles Robert, C-312925	187.50
Stiller, George MHwayne, C-298086	106.25
Strong, Elmer Dwight, C-1257592	125.00
Swonger, J. Boyd, C-198103	150.00
Swope, John Douglas (guardian, L. M. Swope), C-299474	106.25
Sugge, Frank, C-471133	206.25
Tallmadge, Frederick A., C-1285635	165.00
Taulbee, James Menifee, C-470716	125.00
Temple, Thomas Latane, jr., C-239903	125.00
Terrell, Alexander Watkins, C-163086	106.25
Thomas, Lawrence G., C-1086267	150.00
Thompson, Donald Raines, C-230774	125.00
Thompson, William Roy, C-1329185	106.25
Tillman, Adolph S., C-471801	150.00
Toland, William A., C-1288297	225.00

Tongate, James Monroe, C–197303	$116.87
Tomlin, Morell, C–304279	165.00
Towery, Forrest Lee, C–196901	165.00
Tyson, John Thomas, C–1429633	150.00
Venable, Douglas Randolph, C–436658	150.00
Vidrine, Grover Cleveland, C–430749	106.25
Walker, Tom Percy, C–354755	125.00
Walton, James O., C–332151	125.00
Ward, James Delano, C–368569	106.25
Warner, Forbes H., C–906600	71.25
Weinfield, Louis M., C–1329294	150.00
Wheeler, Edgar Louis, C–376454	106.25
Wheelock, Ernest Eugene, C–508192	137.50
Whisenant, Herbert Wesley, C–276995	125.00
White, Harold Le Roy, C–1395178	137.50
Williams, Pascal, C–1261836	138.12
Winters, Raymond Cyprian, C–694815	125.00
Witt, Roy R., C–260700	125.00
Womack, Jesse Lee, C–373051	150.00
Wood, Conan T., C–1292854	106.25
Yates, Milton Wallace, C–1426668	138.12
Yarbrough, John Welch, C–366608	106.25
York, Edwin Ruthvan, C–177036	195.00
Younger, Louis Henry, C–1296454	250.00

Supplemental list

Barnes, Clifton L., C–232519	106.25
Bibb, John Wells, C–1285095	125.00
Byrd, John Homer, C–197889	125.00
Cannon, Adolphus, C–1258564	137.50
Elledge, Raymond P., C–164946	125.00
Ficke, Arthur Davison, C–1256569	218.75
Grau, George R., C–482903	165.00
Greenwood, Cabell A., C–1430927	106.25
Griffin, Alfred T., C–327060	195.00
Harrison, Louis Jay, C–531479	175.00
Hightower, John Hallman, C–544722	125.00
Hill, Thomas Elroy, C–1322507	106.25
Innes, William Henry, C–630906	125.00
Kregel, Mark G., C–1329514	106.25
Markland, Hugo Leonard, C–620732	106.25
Milledge, John, C–773382	180.00
Oakley, Gurney Orlando, C–1257464	180.00
Peyton, Robert Lloyd, C–379692	137.50
Pundt, Augustus N., C–1338087	106.25
Saunders, Thomas Henry, C–213521	125.00
Smith, Harry Lewis, C–437715	125.00
Spencer, Shelby Cruthirds, C–520547	187.50
Thompson, Thomas Raymond, C–685018	106.25
Townsend, Edwin Roy, C–1303931	125.00
Trenkle, Otto, C–906398	111.25
Williams, Marcus Earles, C–1382675	187.50
Zooman, Albert Benjamin, C–360102	165.00

UTAH

Bardsley, Jesse, C–1246260	106.25
Clark, Oliver R., C–1250907	125.00
Field, George Joseph, C–905504	125.00
Lemon, Frank James, C–1282844	150.00
Murray, Arthur Lapham, C–246747	150.00
Openshaw, Clarence Roy, C–239517	150.00
Snyder, Fred Fulmer, C–305288	106.25

Supplemental list

Rafferty, Charles Edward, C–405768	106.25

VERMONT

Abernethy, Landen, C–449239	125.00
Bullock, William Lyman, C–130370	125.00
Burns, John James, C–1019547	106.25
Clark, Frederick Ellsworth, C–525126	206.25
Delehanty, Nicholas James, C–513387	150.00
Fisher, Benjamin W., C–1001233	106.25
Hamilton, James Madison, C–134005	180.00
Hayes, George Eugene, C–1409545	137.50
Hayes, William Francis, C–1014962	116.87
Kendrick, Jack Boyce, C–1003757	106.25
Kerrigan, John P., C–350448	150.00
Mayhew, Horace Charles, C–484723	116.87
McProud, Wilbur C., C–169663	150.00
Morrill, William Henry, C–1007694	125.00
Shaw, Walter S., C–1406077	137.50
Sumner, Charles Stewart, C–189636	180.00
Stoughton, Percy M., C–1014853	125.00
Wood, Charles Clement, C–12836	106.25
Wright, Raymond S., C–1409067	106.25

VIRGINIA

Addison, John Daingerfield, C–205585	125.00
Allen, Morris Simpson, C–614449	165.00
Anderson, George James, C–541896	150.00
Barnes, Clarence Elwood, C–183612	106.25
Betts, Claude S., C–461130	106.25
Blake, Monroe Heath, C–237519	125.00
Boushall, Thomas Callendine, C–636753	125.00
Brockett, Clyde Waring, C–1093919	106.25
Brown, John Dorsey, C–371797	125.00
Brown, Ralph Waddell, C–477848	150.00
Buchanan, John J., C–1085414	106.25
Bunkley, William H., C–414637	125.00
Cammer, Claude R., C–120122	$125.00
Campbell, Clyde Augustus, C–1088537	106.25
Christian, James R., C–675747	137.50
Coffman, Frank, C–360475	106.25
Cole, Dean B., C–1037256	125.00
Cord, John Charshee, C–479646	106.25
Couper, James Hamilton, C–426661	125.00
Craddock, Abram P., jr., C–1383025	150.00
Culbertson, William R., C–1088293	125.00
Daughton, John B., C–577731	150.00
Davis, Simmons, C–464975 (committee, Piedmont Trust Bank)	106.25
Divine, John Parker, C–554926	165.00
Duncan, Edgar Elbert, C–1381741 (committee, Frances G. Duncan)	125.00
Eastham, Granville, C–13907	125.00
Elliott, Samuel Tilden, C–219045	150.00
Ervay, Ernest Calvin, C–1335997	195.00
Ewell, Nathaniel McGregor, C–508001	150.00
Fitts, John Blair, C–265335	125.00
Foster, Edward Lee, C–1383057	125.00
Frazier, William, C–521871	150.00
Fretwell, George Biscoe, C–342949	125.00
Fugate, Charles Radford, C–906038	125.00
Gilbert, Chauncey McLean, C–506185	125.00
Gilman, Alfred Kelly, C–241235	127.50
Hamilton, Thomas Marion, C–411651	125.00
Harnsberger, John Hopkins, C–159178	125.00
Harris, William Aquilla, C–906094	218.75
Harrison, Gunyon Mitchell, C–307722	165.00
Harrison, Robert Peyton, C–383936	106.25
Hennelly, James Hannan, C–275893	106.25
Herbert, Julius Melville, C–258127	106.25
Hewitt, Marion Stetson, C–1383426	180.00
Holladay, Gray G., C–1096992	150.00
Hooten, Claude Gibson, C–1123857	125.00
Hughes, James Francis, C–477091	125.00
Hulvey, Charles Newton, C–517005	225.00
Humphrey, William Lodge, jr., C–211492	125.00
Hundley, Robert G., C–252335	106.25
Hutcheson, Robert S., C–534309	106.25
Ingram, Sylvanus L., C–1096686 (committee, Alice Ingram)	106.25
Jacob, Clyde Hancock, C–332313	125.00
Jeffers, George Linwood, C–351738	106.25
Jones, John Whittier, C–179557	106.25
Kinsey, Henry Clay, jr., C–208440	106.25
Knight, Laurence Edwin, C–205671	125.00
Lancaster, Paige Irving, C–478618	125.00
Leach, George Obed, C–905400	250.00
Lee, Henry Daniel, C–439857	116.87
Long, Hugh Omar, C–1337440	127.50
Manley, Jethro, C–429208	195.00
Martin, Edward W., C–1097086	125.00
Massey, William Broaddus, C–249735	125.00
McCluer, Barton B., C–217781	125.00
McKenney, James Baldwin, C–280908	106.25
McLeod, Alexander, C–1382423	150.00
Meade, Everard Kidder, C–239556	125.00
Menefee, Marvin James, C–419401	125.00
Meredith, Algienon R., C–174487	106.25
Moss, Charles Curtis, C–549241	162.50
Nalle, Owen, C–626232	137.50
O'Brien, John, jr., C–145892	125.00
Odenthal, Hugo John, C–813153	125.00
Parsons, George Lake, C–1378382	165.00
Patterson, Frederick W. McL., C–320063	206.25
Perkins, Lewis Bryant, C–511902	150.00
Petty, William Edward, C–1376903	106.25
Pillow, Benjamin T., C–281127	125.00
Powell, Matthew Jones, C–605573	106.25
Prosise, Alan Brooks, C–109205	125.00
Reynolds, Robert Henon, C–279252	106.25
Robeson, John Maxwell, C–470051	206.25
Robinson, Julian McG., C–190298	150.00
Robinson, Malcolm Graeme, C–610863	106.25
Ross, John James Wise, C–205406	150.00
Royster, Royall Hobgood, C–1117643	106.25
Rust, Ben Wood, C–643608	106.25
Ryder, Ollie A., C–291788	125.00
Sanford, Joseph Lipscomb, C–216850	206.25
Scott, William Samuel, C–1092797	125.00
Sears, Charles Edward, C–585681	150.00
Sebiakin-Ross, Vladimir A., C–1095840 (committee, Mrs. Nellie Sebiakin-Ross)	180.00
Shamburger, Lacy Lee, C–296071	125.00
Sharman, Herbert, C–906218	71.25
Shepperson, Charles Marsh, C–1099810	125.00
Shriver, Alfred Wallace, C–283375	125.00
Sigmund, Robert, C–905611	71.25
Stancil, Jasper Newton, C–1090120	116.87
Summers, Forest T., C–400926	125.00
Towles, William C., C–1380934	106.25
Trow, Walter Gordon, C–251020	206.25
Trower, William Bell, C–1088110	125.00
Tuck, David Asa, C–476470	106.25
Turner, Robert Marshall, C–239706	125.00
Turner, Walter Lee, jr., C–293166	106.25

Van Dervoort, Jameson, C-243106	$125.00
Varney, Frank Burton, C-497137	165.00
Vittum, Charles Calvin, C-1005975	106.25
Waller, James A., jr., C-1375933	125.00
Weaver, Robert H., C-256952	127.50
Wedderburn, Frank A., C-305803	180.00
Whitehouse, Edwin Hayes, C-258241	125.00
Whittle, William Murray, C-1096214	150.00
Wiltshire, Turner Hill, C-371803	187.50
Worrell, Wise, C-331038	137.50
Young, Edgar Williams, C-144499	150.00

Supplemental list

Boyden, Malcolm Cole, C-1094880 (guardian, Seaboard Citizens National Bank)	150.00
Crump, Edward F. C., C-1382332	106.25
Jones, John Page, C-328705	106.25
Lester, Claude Earl, C-291525	187.50
Lochwitzky, Alexander, C-1042407	150.00
Mabrey, Warren Lee, C-1222978	243.75
Marlow, Howard Waring, C-301572	125.00
Repass, Merle Marion, C-316991	106.25
Roden, Edwin Lee, C-906913	106.25

WASHINGTON

Akers, Edgar William, C-423757	127.50
Ambler, Harry Atwood, C-431653	150.00
Angove, Clarence Virden, C-161009	106.25
Babcock, Loren Robertson, C-1281109	106.25
Beach, George William, C-1401460	150.00
Bender, William Henry, C-1400173	116.87
Boggess, Robert Edward Lee, C-155773	116.87
Bowling, George Isaac, C-151055	36.25
Bradley, William Joseph, C-364728	137.50
Branchflower, Lyle E., C-239063	106.25
Brockett, Norwood W., C-1400247	150.00
Brown, Charles, C-1278018	150.00
Brown, Ira C., C-905200	180.00
Burr, Benjamin Emmons, C-440960	125.00
Burson, Henry Clay, C-466155	150.00
Campbell, Arthur R., C-680468	125.00
Carufel, Edward James, C-1284419	106.25
Cashion, Michael John, C-160549	71.25
Chase, Clifford Earl, C-264583	187.50
Cheney, Joseph Curtis, C-281751	106.25
Coe, Frank Almer, C-430116	150.00
Coffey, Edgar Nathan, jr., C-1401688	137.50
Coles, Paul David, C-266715	106.25
Coulter, Waldo Wendell, C-136170	125.00
Cox, Edward Wirt, C-382203	150.00
Cusick, John H., C-1400562 (guardian, Mary Cusick)	106.25
Dean, John Ralph, C-472252	150.00
Dorsett, Karl Charles, C-375219	150.00
Drain, Jesse W., C-407956	150.00
Drew, Charles Wallace, C-314125	150.00
Drown, Ashley M., C-256433	106.25
Eaton, Charles Edward, C-905937	150.00
Evans, Donaldson Hampton, C-1276965	165.00
Everly, Ronald Edward, C-1275295	137.50
Farrell, Theron L., C-317605	137.50
Ferry, David William, C-611798	125.00
Fotheringham, Stuart Gano, C-1400711	106.25
Gallagher, Lawrence James, C-1282877	150.00
Gaston, George C., C-105894	106.25
Gill, Edwin Stanton, C-1400326	165.00
Ghering, Roscoe L., C-308006	125.00
Graves, Harold Francis, C-276935	106.25
Grennell, Lloyd Clary, C-362358	106.25
Gribble, Gary Charles, C-527964	106.25
Hall, Edward Everett, C-830087	150.00
Harkins, Earl Henry, C-382743	165.00
Hart, DeLoss, C-1281567 (guardian, Ada L. Hart)	106.25
Helmer, Phil Franklin, C-324898	106.25
Hickerson, Joseph B. L., C-383168	187.50
Hoff, Einar, C-322832 (guardian, Anna M. Hoff)	125.00
Hollander, Tyre H., C-1283371	106.25
Horr, Ralph Ashley, C-598928	125.00
Houser, Paul Willard, C-445415	125.00
Howe, George Brazier, C-905383	195.00
Hynds, Arthur August, C-283494	106.25
Kessey, Raymond Johnson, C-905309	195.00
Keys, Walter, C-511705	195.00
Kroger, Harry Albert Richard, C-906046	71.25
LaMarche, Elbert Eugene, C-339548	125.00
Legg, Emmett J., C-1400281	125.00
Looff, Hans Walter, C-417374	125.00
McDonald, Joseph Malcolm, C-744506	150.00
McBraun, James B., C-1275606	106.25
McGirr, Horace Donald, C-13388	106.25
McIntyre, Harry John, C-250313	106.25
Mantor, Ralph Edgar, C-508183	116.87
Maryatt, Roy L., C-536352	125.00
Miller, Edmund Jackson, C-1345485	106.25
Mitchell, James Buckley, C-1282993 (guardian, Charles O. Bates)	125.00
Mitchell, Whiting B., C-906909	125.00
Murphy, Thomas Berton Niles, C-329044	125.00
Nelson, John Francis, C-701763	150.00
Olsen, Ames Floyd, C-225541	106.25
Pape, Glenn E., C-322447 (guardian, Seattle Trust Co.)	$125.00
Pippin, William H., C-293317	125.00
Pittson, Harry, C-230542	127.50
Rice, William Peter, C-545547	150.00
Rinearson, Meldrum McCown, C-543561	125.00
Ristine, Earl F., C-361571	150.00
Rosmond, William D., C-200703	106.25
Runnels, Garland Dee, C-403602	137.50
Sayres, Arthur Richards, C-331096	125.00
Schumacher, Herman Oscar, C-257713	106.25
Smith, Irving Davenport, C-236743	150.00
Strome, Carey Lloyd, C-1283584	106.25
Sullivan, Mitchell Sanborn, C-1280038	106.25
Taft, George Courter, C-482324	106.25
Thaanum, Dean Charles, C-232357	106.25
Wale, Garland Barber, C-172226	137.50
Wardell, Henry R., jr., C-1280730 (guardian, Mrs. Mabel Wardell)	165.00
Ware, Thomas Grant, C-345117	106.25
Winslow, Guy H., C-246729	125.00
Winters, Henry Laurence, C-906011	187.50

Supplemental list

Edgar, Eugene T., C-1283683	165.00
Hawley, Edgar Thomas, C-1283682	165.00
Heller, Richard Ignatius, C-266023	106.25
Hurd, Henry H., C-1280073	150.00
Pape, Glenn E., C-322447 (guardian, William V. Pape)	125.00
Shanks, Charles Robert, C-1361432	127.50
Todd, Dorian Ernest, C-1260508	106.25
Van Kirk, Asher Woolf, C-393740	150.00

WEST VIRGINIA

Affolter, George Richard, C-1088546	125.00
Arnett, Ulysses G., C-1085127	150.00
Baker, James Ankrom, C-297519	125.00
Bates, Charles L., C-1094018	125.00
Bee, Archie, C-427354	125.00
Berthold, Arthur Vernon, C-284539	137.50
Blivens, Charles Edgar, C-240662	150.00
Bonsall, Judson, C-1079864	106.25
Bradley, Thomas R., C-229078	125.00
Bratt, George Gerald, C-252222	180.00
Brooks, Leonard L., C-212344	106.25
Butler, Stanley Cornealius, C-247126	125.00
Callison, Hayward C., C-1091784	106.25
Carrington, George Cabell, C-169624	150.00
Chesley, Charles Webster, C-624705	125.00
Conley, Philip Mallory, C-1085584	106.25
Corregan, Frank G., C-1083561	125.00
Edmiston, Andrew, jr., C-277977	106.25
Ferguson, Joseph Hart, C-905376	150.00
Ford, George Michael, C-200973	165.00
Friel, William Wheeler, C-298558	125.00
Godbey, Martin Van Buren, C-1376265	150.00
Goff, Tib Neuberry, C-1085637	150.00
Guiher, James Morford, C-456971	125.00
Gunn, Neale Richmond, C-1091677	125.00
Haan, Albert Edward, C-418858	165.00
Hall, Charles Clifford, C-260854	150.00
Hamilton, Lewis Stokes, C-462010	125.00
Jones, Thomas W., C-507832	150.00
Kirby, Luther Hill, C-132018	150.00
Knott, Arthur D., C-538528	150.00
Lambert, Asabel C., C-146933	125.00
Leu, Raymond H., C-1375872	125.00
Mayberry, Irvin William, C-1376941	150.00
McBee, Thomas J., C-1380313	125.00
McCue, Earl Newlon, C-565524	187.50
McMillen, Herbert C., C-387259	250.00
Parsons, Alvah L., C-540740 (committee, H. P. Donley)	125.00
Peters, Albert Lee, C-1375764	150.00
Petty, Laurence Arthur, C-1090483	125.00
Pyles, Harry Harrison, C-398175	116.87
Roller, Francis Oliver, C-324807	106.25
Robertson, Wyndham Bolling, C-1376350	150.00
Schaffer, Wilhelm, C-151673	125.00
Shipley, Wood, C-534878	125.00
Shisler, George, C-364659	106.25
Smith, Frank C., C-318688	150.00
Snider, Robert James, C-168817	150.00
Staats, Charles Otmer, C-272905	187.50
Stasel, Brenace, C-098762 (guardian, Kenneth S. Kurtz)	106.25
Stewart, Melville, C-431571	125.00
Wever, George Lowry, C-906133	243.75
Woods, Peter Dick, C-363026	125.00

Supplemental list

Gibson, Edmond Hannon, C-215722	125.00
Kearns, Frank M., C-307089	150.00
Trump, Chas. Samuel, C-277646	116.87

WISCONSIN

Andrews, Clifford W., C-343330	187.50
Aplin, Floyd W., C-1191128	150.00
Bailey, Paul Edward, C-276532	106.25
Ballard, James Allen, C-462901	150.00
Behrend, George Washington, C-461050	127.50
Beimdicke, Henry Wendel, C-236081	210.00

Bengs, August H., C–1436387	$210.00
Bergs, Frederick J., C–280352	125.00
Berkbigler, Leonard B., C–1200627	127.50
Blenski, Michael Francis, C–906640	160.00
Blixt, Edward F., C–1188818 (guardian, Gretchen Blixt)	165.00
Boerke, Edison Morse, C–440838	125.00
Buchholz, August R., C–257163	160.00
Burns, James Francis, C–1194157	150.00
Buss, Victor Irving, C–367958	150.00
Caldwell, Edgar Newman, C–557448	225.00
Clemens, James Peter, C–360287	150.00
Czaskos, Edmund Teofil, C–230271	160.00
Darling, William S., C–1196860	150.00
Darnieder, Francis Andrae, C–577985	106.25
Davis, Dudley H., C–33464	106.25
Davis, Robert J., C–277517	106.25
Dempsey, Gregory William, C–275873	180.00
Derse, Anthony G., C–333388	180.00
Dieckhoff, John Carl, C–1181882	125.00
Doherty, Leo Aloysius, C–197263	125.00
Donaldson, Harry M., C–246045	125.00
Drake, Frank Nathan, C–219658	150.00
Eberdt, Rexford Hildred, C–246694	165.00
Falligant, George Battey, C–1192870	125.00
Fenner, Fred A., C–518391	116.87
Fitz, Erwin Otto, C–305728 (guardian, Henry F. Fitz)	125.00
Franklin, Leonard Irwin, C–485320	125.00
Gay, John Briggs, C–384172	137.50
Gay, Welland, C–1092597 (guardian, Howard Green)	106.25
Greene, Charles, C–1437788	125.00
Gritsmacher, Arnold Albert, C–245192	150.00
Haight, Walter Lyman, C–416814	150.00
Haverstick, Frank W., C–1199276	150.00
Hays, Harland Roger, C–184690	106.25
Hill, Alvah Moore, C–1181558	165.00
Hill, Emmett C., C–230223	137.50
Holmes, Benjamin Harrison, C–289104	150.00
Huberty, Ray C., C–541216	106.25
Imhoff, Martin Daniel, C–332027	250.00
Jameson, Arthur W., C–384899	125.00
Johannes, Jacob Anton, C–252375	162.50
Jung, William Stanley, C–247772	137.50
Kampmeier, Arthur Jacob, C–260025	125.00
Kosak, Leo Stanley, C–492359	195.00
Laing, De Witt B., C–573445	137.50
Lane, David W., C–1030763 (guardian, Louis Knellivolf)	106.25
Leach, Milford Arthur, C–1123375	150.00
Leffler, Robert Wallace, C–282313	125.00
Lindbaum, Roland H., C–375853	243.75
Linderud, Fritz Valdemar, C–476038	148.75
Lyksett, Albert J., C–197270	150.00
Lyon-Campbell, Arthur Francis, C–444659	150.00
Kirkpatrick, Lester Eugene, C–142704	137.50
Krahn, George W., C–22930	125.00
Markham, Harold E., C–496427	180.00
Marshall, Irving Davis, C–244552	106.25
Mayville, Edward Melville, C–210249	150.00
Merrill, Robert Allen, C–343573	187.50
Michels, Erwin Joseph, C–1197616	106.25
Mitchell, Edward Oscar, C–476016	106.25
Moll, Norman, C–236902	106.25
Morley, Joseph Clark, C–314037	125.00
Myrick, Avery Leroy, C–1436588	125.00
Nathness, Albert, C–415939	210.00
Nelson, Norman Oscar, C–253574	137.50
Nicol, Alexander Lee, C–512214	137.50
Nordquist, Eric, C–1195858 (guardian, Herman Nordquist)	106.25
O'Brien, Harold Nelson, C–150433	125.00
O'Connell, George Francis, C–1196210	243.75
Oliver, Joseph Henry, C–906080	125.00
Oliver, Lawrence H., C–208116	125.00
Perry, Orlando H., C–352947	106.25
Plasecki, Stanley Edmund, C–1437179	187.50
Pippin, Ivan Beauford, C–578582	125.00
Plant, George Frank, C–488211	165.00
Plant, Joseph Henry, C–386145	125.00
Prouty, William A., C–471883	150.00
Pruett, Eugene Francis, C–386731	106.25
Rossman, Fred, C–185719	150.00
Schneller, John Benjamin, C–448803	281.25
Schoenfeld, Charles J., C–317316	150.00
Scott, Milton Harrison, C–747592 (guardian, Central Wisconsin Trust Co.)	125.00
Seaman, Gilbert E., C–905521	312.50
Sortomme, Richard Ferdinand, C–395656	243.75
Smith, Bert Louis, C–171729	195.00
Smith, Eugene Albert, C–905623	150.00
Stavrum, Edwin R., C–1269886	125.00
Stophlet, Donald Stirling, C–306484	125.00
Swarthout, Ellis Frank, C–215265	125.00
Taylor, Bradley, C–308071	106.25
Thompson, Charles N., C–1239762	106.25
Turner, John, C–905879	312.50
Tyler, Clyde Leroy, C–588268	125.00
West, John Mathias, C–486417	195.00
Wildish, Allen, C–1160480	210.00
Woodworth, Leigh Jackson, C–474901	125.00
Yorton, Andrew Henry, C–214573	137.50
Zink, Philip Jacob, C–224295	281.25

Supplemental list

Cousins, Marshall, C–905907	$312.50
Forkin, William Patrick, C–906469	150.00
Fuller, Henry Chester, C–316262	106.87
Judd, Ralph C., C–708961	125.00
McCully, James, C–246340	218.75
Mussman, Harry Charles, C–1201050	125.00
O'Neal, Orvil, C–1192646	150.00
Shewalter, George Milton, C–1162852	125.00
Smedberg, Joseph Duncan, C–12105	150.00
WYOMING	
Bennett, Bertram William, C–1257330	206.25
Betts, William Hubert, C–507524	150.00
Davis, Walter Floyd, C–475282	125.00
Edmondson, William Otto, C–539183	125.00
Esmay, Rhodolph Leslie, C–858828	106.25
Hynds, John, C–1257194	150.00
Krueger, Herman Fred, C–98276	125.00
Nicholas, Thomas Arthur, C–270060	106.25
Peberdy, Joseph Horace, C–313010	165.00
Riner, Harry Martin, C–577743	137.50
Rush, Roy Leslie, C–266209	125.00
Smith, William Francis, C–431025	225.00
Snyder, Otto Kerr, C–556397	150.00

Supplemental list—foreign

ALGERIA	
Corcoran, William Warwick, C–278405	125.00
BRAZIL	
Bell, James McKim, C–172438	125.00
CANADA	
Daunais, Joseph Charles, C–1032197	150.00
DeBessieres, Eloystus Santana, C–377103	150.00
Dickinson, Raymond Nettleton, C–144690	125.00
Rogers, Alan, C–311547	106.25
Miller, Louis Linton, C–1058107 (guardian, Edith G. Miller	125.00
CANAL ZONE	
Hilliard, Claude P., C–272903	106.25
Tatelman, Edward Israel, C–632358	106.25
CHINA	
Colbert, John William, C–346179	187.50
CUBA	
Bales, Ernest Norment, C–1277543	137.50
DOMINICAN REPUBLIC	
Shepherd, Grant, C–126739	150.00
ENGLAND	
Trohear, Joseph, C–1054161	125.00
FRANCE	
Allen, Samuel W. K., C–610488	138.12
Alling, Roger Willis, C–164570	106.25
Barcas, Victor, C–1044629	150.00
Behar, Ely Maxim, C–307984	125.00
Bradford, Leonard George, C–654495	116.87
Bush, Ellsworth B., C–655142	165.00
de Poix, Elzear Paul, C–1063796	106.25
Goodrich, Edson E., C–636549	180.00
Hardy, Hippolyte Leon, C–654923	187.50
Hensley, Edwin Mather, C–185372	106.25
Hoornbeek, Henry G., C–655028	150.00
Jellum, Kristen, C–324935	125.00
Kearney, William R., jr., C–655767	165.00
Lacombe, George L., C–280934	150.00
McDermott, Paul E., C–1276881	106.25
Norman, Seaton, C–386701	225.00
Peck, Sedley C., C–360983	106.25
Riley, Thomas Erin, C–712893	162.50
Skaggs, Joe Lewis, C–351824	116.87
Stine, Harry E. N., C–653996	195.00
GREECE	
Bennett, George, C–1197880	125.00
HAWAII	
Farrell, Andrew, C–655428	150.00
Strather, Frederick, C–1272061	150.00
Wright, John E., C–686751	106.25
HUNGARY	
Wythe, George, C–703172	187.50
IRELAND	
Killikelly, Christopher, C–489428	195.00
JAMAICA, BRITISH WEST INDIES	
Hall, Cecil Vincent Emerick, C–599916	106.25
MEXICO	
Collier, Ellsworth B., C–1303152	125.00
PERU, SOUTH AMERICA	
Burdett, William Carter, C–305580	165.00
PHILIPPINE ISLANDS	
Lagman, Raymundo, C–682615	137.50
Tenario, Mariano Flores, C–907108	125.00
Zabarte, Adrians Mallari, C–654483	137.50

PORTO RICO

Bird, Jorge, C–654745	$125.00
Catala, Arturo, C–255067	116.87
Forestier, Fernando, C–176425	106.25
Giuliani, Francisco, C–653672	106.25
Lippitt, William Fontaine, C–906174	281.25
Rois, Edward C., C–171067	106.25
Serbia, Romulo, C–655172	106.25

THE WORLD COURT

Mr. JOHNSON. Mr. President, I ask that there may be printed in the RECORD at this point a cablegram relating to the World Court received by me this morning from Paris from Mrs. Alva E. Belmont, president of the National Woman's Party of the United States.

Mr. MOSES. Mr. President, why not have it read?

Mr. JOHNSON. The Senator from New Hampshire suggests that the cablegram be read, but I think if it be printed in the RECORD it will serve the purpose.

The cablegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

[Cablegram]

PARIS, *March 29, 1932.*

Senator HIRAM JOHNSON,
Committee on Foreign Relations,
United States Senate, Washington, D. C.:

Wish to urge adoption by Senate of reservation that if United States enters into World Court it shall first make certain that the code of law to be used by the court shall not contain inequalities based on sex. We find that League of Nations officials at Geneva insist upon going forward with Hague nationality convention discriminating against women, and are still trying to secure ratification of this convention as the beginning of a world code of law to be carried out by World Court. It is supremely important to American women not to lose their hard-won gains for equality by our country entering into any international agreement recognizing a system of law founded upon inequality between men and women. I wish to express to you the grateful appreciation by National Woman's Party of your leadership in this fight to keep American women from losing through international action any of the equality which has now been established in our country.

ALVA E. BELMONT,
President National Woman's Party of the United States.

PROPOSED PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying paper, ordered to lie on the table:

To the Congress of the United States:

There is transmitted herewith a copy of a radiogram received from the chairman of the Philippine Civic Union and Federation of Labor.

HERBERT HOOVER.

THE WHITE HOUSE, *March 30, 1932.*

SEVENTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY (S. DOC. NO. 74)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State to the end that legislation may be enacted to authorize an appropriation of $10,000 for the expenses of participation by the United States in the Seventh International Congress of Military Medicine and Pharmacy, which will be held in Madrid in 1933.

HERBERT HOOVER.

THE WHITE HOUSE, *March 30, 1932.*

PETITIONS AND MEMORIALS

Mr. ASHURST presented a petition signed by 6,151 citizens of Cochise County, Ariz., praying for the imposition of an import duty upon copper, which was referred to the Committee on Finance.

Mr. KEAN presented a resolution adopted by Group No. 419 of the Polish National Alliance of Perth Amboy, N. J., favoring the passage of legislation providing for proclaiming October 11 in each year General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts presented a petition of 235 citizens of the State of Massachusetts, praying for the passage of the bill (H. R. 8981) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which was referred to the Committee on Interstate Commerce.

Mr. SCHALL presented a resolution adopted by the Republicans of Minnesota, in state-wide conference assembled, favoring the passage of legislation providing for the relief of claimants who sustained losses in the Minnesota forest fire of October 12, 1918, which was referred to the Committee on Claims. (See resolution printed in full when presented by Mr. SHIPSTEAD on the 28th instant, pp. 7107–7108, CONGRESSIONAL RECORD.)

Mr. SHORTRIDGE presented telegrams in the nature of memorials from R. F. Linch, first vice commander American Legion Post, No. 46, of Culver City; Hon. George J. Hatfield, United States district attorney; Northern California Chapter, Disabled Emergency Officers, George K. Herzog, commander, of San Francisco; John G. Demuth; Lieut. Col. D. W. T. Thickstun, retired; Roy S. Stockton, commander Los Angeles County Council, American Legion; Volney P. Mooney, national judge advocate, Disabled American Veterans of the World War; Frieda Mooney, national commander Women's Auxiliary Disabled American Veterans of the World War; Robert A. Thiel, commander Los Angeles Chapter, No. 5, Disabled American Veterans of the World War; and Walter Clairville, commander California Hut Post, No. 273, American Legion, Los Angeles, all in the State of California, remonstrating against the passage of the bill (S. 3769) to amend the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War," and requesting that the bill be recommitted for hearings and further consideration to the Committee on Military Affairs, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted at the annual meeting of the Rolette County (N. Dak.) Taxpayers' Association, favoring the passage of the so-called Frazier bill, providing for agricultural relief, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted at St. Paul, Minn., by the Minnesota Egg, Butter, and Poultry Association, indorsing the policies of the Department of Agriculture with respect to the dairy, poultry, and egg industry, and opposing further activities of the Government in assuming control of certain industries, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of Glens Falls (N. Y.) Unit, No. 233, of the American Legion Auxiliary, praying for the establishment of a Senate committee on veterans' legislation, and favoring an amendment of House bill 8578, relating to pensions for widows and orphans, which was referred to the Committee on Rules.

He also presented the petition of Wallace F. Randolph Auxiliary, No. 70, United Spanish War Veterans, of Yonkers, N. Y., praying for the passage of House bill 7230, providing for uniform pensions to widows, children, and dependent parents of certain war veterans, which was referred to the Committee on Pensions.

He also presented a memorial of sundry citizens of Saugerties, N. Y., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Capital City Branch, No. 29, National Association of Letter Carriers, of

Albany, N. Y., favoring the construction of an all-American canal between the Great Lakes and the Atlantic Ocean, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the Yorkville Chamber of Commerce, of New York, N. Y., favoring the passage of legislation legalizing the manufacture of 4 per cent beer, which was referred to the Committee on Manufactures.

He also presented the petition of the Exchange Club of Oneida, N. Y., praying for the passage of legislation providing for the regulation and control of interstate bus and truck transportation, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Kingston, N. Y., praying for the passage of legislation providing for the regulation and control of motion pictures, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Chamber of Commerce of the United States of America, Washington, D. C., favoring a substantial reduction of governmental expenditures and the taking of all necessary steps to balance the Budget, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Jefferson County League of Women Voters, of Watertown, N. Y., protesting against the proposed reduction in appropriations for the support of the Children's Bureau, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Yorkville Chamber of Commerce, of New York, N. Y., and the New York County Committee of the American Legion, Department of New York, favoring the making of adequate appropriations for the maintenance of the Army, the Reserve Officers' Training Corps, the National Guard, citizens' military training camps, and civilian rifle clubs, which was referred to the Committee on Appropriations.

He also presented a memorial of Delaware Valley Post, No. 1020, the American Legion, of Narrowsburg, N. Y., remonstrating against any reduction in appropriations for the national defense, which was referred to the Committee on Appropriations.

He also presented a memorial of Canandaigua Post, No. 256, the American Legion, of Canandaigua, N. Y., remonstrating against the passage of legislation granting citizenship to aliens who object to bearing arms in time of war, which was referred to the Committee on Immigration.

He also presented petitions of several organizations in the State of New York, praying for the passage of legislation providing for the deportation of undesirable aliens, which were referred to the Committee on Immigration.

He also presented petitions of several religious and other organizations in the State of New York, praying for the ratification of the Geneva convention regulating the manufacture and distribution of narcotic drugs, which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry organizations in the State of New York, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Greenwood, N. Y., praying for action by the Geneva conference looking to a reduction of armaments, and also praying that the United States be not involved in the Sino-Japanese difficulties, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the New York Academy of Medicine, favoring an amendment to the national prohibition law which would permit physicians to prescribe liquors for medicinal purposes under State restrictions, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at Utica, N. Y., by Charles H. Adrean Post, No. 625 (Inc.), the American Legion, of Utica, N. Y., favoring the passage of legislation granting to the several States control over the manufacture, transportation, and sale of intoxicating liquors, which was referred to the Committee on the Judiciary.

He also presented several memorials of citizens and religious and temperance organizations in the State of New York, remonstrating against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the maintenance and enforcement of the prohibition law, which were referred to the Committee on the Judiciary.

He also presented a letter from the secretary of the Bar Association of Erie County, Buffalo, N. Y., giving the result of a referendum amongst its members on the question of the repeal of the Volstead Act and the eighteenth amendment of the Constitution, and stating "461 members voted for repeal and 50 members voted against repeal," which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at St. Louis, Mo., by the National Crushed Stone Association (Inc.), favoring a congressional inquiry into the workings of the antitrust laws with a view to making certain amendments thereto, which was referred to the Committee on the Judiciary.

He also presented several resolutions of groups of the Polish National Alliance of New York City, Elmira, Buffalo, Peekskill, and Schenectady, all in the State of New York, favoring the passage of legislation providing for proclaiming October 11 in each year General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented petitions and papers in the nature of petitions of several organizations and sundry citizens of the State of New York, praying for the passage of legislation providing for the cash payment of World War veterans' adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented memorials of sundry citizens and organizations in the State of New York, remonstrating against the imposition of a manufacturers' sales tax, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens and organizations of the State of New York, remonstrating against the passage of legislation reducing the compensation of Federal employees, which were ordered to lie on the table.

TARIFF DUTY ON SUGAR

Mr. WAGNER presented a resolution adopted by the Brooklyn (N. Y.) Chamber of Commerce, relative to the adjustment of rates and duties as between raw and refined sugar, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Brooklyn Chamber of Commerce at its regular meeting held at Brooklyn, N. Y., March 21, 1932

Whereas for upward of 200 years the city and port of New York has been the largest center of the sugar-refining industry in the United States, and whereas Brooklyn has always represented an important part of the industry in said port, its chamber of commerce, representative of its leading business interests, through its board of directors, desires to bring to the attention of the Congress of the United States and the appropriate governmental officials and departments the serious situation faced by the sugar-refining industry in the port of New York due to an apparently improper adjustment of rates of duty as between raw and refined sugar, and due to the cheapness of labor and operating expenses in Cuba, Porto Rico, Hawaii, Philippines, and other foreign countries.

The importance of these local refineries to the commerce and industry of the New York metropolitan area is shown by the fact that during the last 10 years they have paid $184,570,604.91 for wages and supplies, consumed 4,002,059 tons of coal and 2,766,284 barrels of oil, docked 4,633 steamers, handled approximately 918,000 cars of freight, melted 14,189,954 tons of raw sugar, and paid approximately $369,000,000 in customs duties.

There was imported into the United States during 1931 refined sugar amounting to 441,529 tons, of which amount 320,987 tons came from Cuba, as against only 1,182 tons in 1925. While almost no refining facilities existed in Cuba seven years ago, Cuban producers installed more and more machinery for the refining of sugar to be shipped here to compete on an unequal basis with refined sugars made from raw sugars which these same Cuban producers sell to United States refiners. This represents an uneconomic duplication of refining facilities already on hand in the United States and an attempt to supplant long-established American refiners whose operations have made possible the development of raw-sugar production in Cuba.

In 1930 Congress passed a tariff act, still in effect, which actually places a premium on the refining of sugar in Cuba. In this act there is imposed a duty of 2 cents per pound on Cuban raw sugar and 2.12 cents per pound on Cuban refined sugar, ignoring

the fact that a United States refiner requires 107 pounds of raw sugar to make 100 pounds of refined sugar, and therefore must pay 2.14 cents duty for every pound of refined sugar produced, as against a duty of 2.12 cents a pound on sugar refined in Cuba.

Under conditions as they exist, the domestic refining industry can not compete with the new island industries on anything like even terms. The refineries in the port of New York employ American citizens and pay to them current rates of wages, while competing with the product produced in Philippine, Porto Rican, and Cuban plants by labor which is paid less wages than an employee of a New York refinery could exist on. Not only does the domestic industry employ thousands of men in its refineries but thousands of others are employed in the manufacturing of supplies, mining of coal, production of oil, cotton bags, barrels, paper cartons, and other materials, all of which are used in large quantities in the industry.

At the present time, moreover, the Philippine independence bills of the Senate and House Committees on Insular Affairs contain provisions giving 112,000,000 pounds of Philippine refined sugar—the annual consumption of 1,120,000 people—free entry to our markets every year. The Senate committee calls attention to a moral obligation to the Filipino people, but we contend there is a greater moral obligation to our own people. In order to survive, the United States sugar-refining industry must have relief from such licensed invasions of its market and a duty on refined sugar that is sufficiently higher than the duty on raw to check the flood of imports from Cuba and other foreign countries, even including Germany, England, Czechoslovakia, Mexico, Salvador, and Haiti.

Since two refineries in the port of New York situated at Yonkers have been forced to close and the other refineries to run at reduced schedules largely because of this foreign competition, this matter is of prime importance to New York and vicinity, affecting as it does the local unemployment situation not only in the industry itself but in those industries which supply to these refineries coal, oil, bags, barrels, paper board, machinery, tools, and other materials: Therefore be it

Resolved by the board of directors of the Brooklyn Chamber of Commerce, That the conditions described should be brought to the attention of the Senators and Representatives of the State of New York as requiring their immediate consideration in respect to such action as may be proper to safeguard an American industry so vital to the business interests of Brooklyn and the port of New York.

PAYMENT OF WORLD WAR ADJUSTED-COMPENSATION CERTIFICATES

Mr. WAGNER presented a resolution adopted by the Common Council of the City of Oswego, N. Y., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the question of the payment of the adjusted compensation to those who served in the World War is now before the National Legislature for action: Therefore be it

Resolved, That this Common Council of the City of Oswego, N. Y., hereby goes on record as being in favor of paying this compensation at once; and be it further

Resolved, That the city clerk be, and he hereby is, directed to send a copy of this resolution to Hon. FRANCIS D. CULKIN, Member of Congress; Senators ROBERT F. WAGNER and ROYAL S. COPELAND.

I certify that the foregoing resolution was duly passed by the common council on the 21st day of March, 1932.

DAVID P. FITZGIBBONS, *City Clerk.*

Approved, March 22, 1932.

JOHN F. OTIS, *Mayor.*

THE WORLD COURT

Mr. WAGNER presented a resolution adopted by the Rochester (N. Y.) World Court Committee, which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, with the signatures, as follows:

Resolution adopted by the Rochester World Court Committee, February 13, 1930

The undersigned members of the Rochester World Court Committee, including among their number individuals and the representatives of organizations holding varying opinions on political and international questions, unite in urging the United States Senate to ratify the protocols of adherence of the United States to the Permanent Court of International Justice when they are submitted by the President for ratification.

The members of the Rochester committee urge favorable action in the firm belief that by adhering to the court on the terms proposed the United States, without jeopardizing its own interests, will help maintain a judicial institution which was organized in large part by the efforts of its own citizens and which since its establishment has been effective in applying to international disputes the principles of justice and equity that are basic in the life of the American Commonwealth.

To this end, as constituents, the members of the committee urge the Senators from New York to vote for ratification when the protocols are presented, and as American citizens urge the Senate Foreign Relations Committee to do everything in its power to encourage favorable action by the whole body of the Senate.

THE ROCHESTER WORLD COURT COMMITTEE.

Herbert W. Bramley, chairman, former president chamber of commerce; Harold W. Sanford, secretary, managing editor Democrat and Chronicle; Isaac Adler, councilman, city of Rochester (Republican); Joseph T. Alling, president Alling & Cory, chairman university trustees; Wesley M. Angle, former president chamber of commerce; Raymond N. Ball, president Lincoln-Alliance Bank & Trust Co.; Dr. Charles R. Barber, physician; Albert W. Beaven, D. D., president Colgate-Rochester Divinity School; Paul Benton, associate editor Rochester Times-Union; Helen D. Bragdon, dean University of Rochester College for Women; Daniel N. Calkins, president chamber of commerce; George A. Carnahan, former mayor city of Rochester; Mrs. Anna M. Chase, Rochester World Peace Committee; Mrs. Alice C. Clement, New York State Women's Law Enforcement Committee; Mrs. Frank T. Curtain, Catholic Women's Club; Mrs. Alice Peck Curtis, former president Women's City Club; Wendell J. Curtis, executive vice president Mechanics' Savings Bank; Harvey E. Cory, treasurer Alling & Cory Co.; Mrs. Henry G. Danforth, president board of education; Homer E. A. Dick, former Republican State senator; Charles R. Drake, former president Rochester Rotary Club; James P. B. Duffy, former member board of education; William F. Durnan, commissioner of public safety; M. H. Eisenhardt, vice president Bausch & Lomb Optical Co.; Elmer E. Fairchild, former president chamber of commerce; Right Rev. David Lincoln Ferris, bishop Episcopal Diocese of Rochester; Dr. Ralph R. Fitch, physician; former Supreme Court Justice Nathaniel Foote; Louis S. Foulkes, councilman, city of Rochester (Republican); Frank E. Gannett, president the Gannett Co., publisher Democrat and Chronicle and Rochester Times-Union; Mrs. Mary T. L. Gannett, Women's Peace Committee; Supreme Court Justice Willis K. Gillette; James E. Gleason, former president chamber of commerce; James W. Gray, member board of education; Edward A. Halbleib, former president chamber of commerce; Carl S. Hallauer, manager Bausch & Lomb Optical Co.; R. Andrew Hamilton, vice mayor city of Rochester (Republican); Thomas J. Hargrave, vice president Eastman Kodak Co.; Edward Harris, attorney; Mrs. Sydney M. Harrison, president Rochester Young Women's Christian Association; Charles Hoeing, dean of graduate studies, University of Rochester; William J. Hunt, Democratic county chairman; Miss Jeannette W. Huntington, president Woman's Union; Dr. Meyer Jacobstein, president First National Bank, former Congressman (Democrat); Alfred A. Johns, dean Mechanics' Institute; Roy C. Kates, general manager Democrat and Chronicle and Times-Union; Mrs. Frank Keiper, College Women's Club; Supreme Court Justice William F. Love; Frank Lovejoy, vice president Eastman Kodak Co.; County Judge William F. Lynn; Mrs. Clarence A. Macy, former president Rochester Church Women's Council; Arthur J. May, professor of history, University of Rochester; William DeWitt Manning, Democrat and Chronicle; Gilbert J. C. McCurdy, former president chamber of commerce; Miss Marion R. Meyers, former president College Women's Club; Edward G. Miner, secretary University of Rochester trustees, manufacturer; Mrs. Helen B. Montgomery, former president Northern Baptist Convention; Alice A. Newton, First Church of Christ Scientist; Charles S. Owen, mayor city of Rochester (Republican); T. Carl Nixon, former president Rochester Bar Association; Mrs. Nelson Peet, president College Women's Club; Mrs. Walter W. Post, president Rochester Church Women's Council; Dexter Perkins, professor of history, University of Rochester; Ernest Petry, president Rochester Rotary Club; Rev. Orlo J. Price, executive secretary Rochester Federation of Churches; Dr. Rush Rhees, president University of Rochester; Arthur Rathjen, former county chairman American Legion; Col. Thomas H. Remington, commanding Three hundred and ninety-first Infantry, United States Reserves; former Supreme Court Justice Harlan W. Rippey (Democrat); Mrs. Harry L. Samuels, Rochester Council of Jewish Women; E. Reed Shutt, attorney; Erwin E. Shutt, attorney, deputy attorney general; Dr. Arthur W. Smith, former president Rochester Rotary Club; Nelson E. Spencer, former county judge (Democrat); Charles L. Stanton, councilman city of Rochester; Leroy E. Snyder, vice president the Gannett Co.; James M. Spinning, president City Club, principal West High School; Simon N. Stein, president Stein-Bloch Co.; Mrs. Albert L. Stern, Rochester Council of Jewish Women; former Supreme Court Justice Arthur E. Sutherland, former president New York State Bar Association; Mrs. Emma B. Sweet, Women's Alliance, Unitarian Church; Supreme Court Justice Robert F. Thompson; Libanus M. Todd, chairman of the board, the Todd Co.; George S. Van Schaick, State superintendent of insurance (Democrat); Mrs. Blanche L. Van

Schaick, president Women's City Club; Eugene Van Voorhis, attorney; Mrs. Irving L. Walker, Rochester Council of Church Women; Herbert S. Weet, superintendent of schools; William E. Weld, dean University of Rochester College of Arts and Sciences; S. Wirt Wiley, general secretary Rochester Young Men's Christian Association; Roland B. Woodward, executive vice president chamber of commerce; James L. Whitley, Representative in Congress, thirty-eighth district (Republican).

GOVERNMENT IN BUSINESS

Mr. WAGNER presented a resolution adopted by the American Fruit and Vegetable Shippers' Association, at Chicago, Ill., which was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

Resolution on Government competition in business unanimously adopted by the American Fruit and Vegetable Shippers' Association at the Fourteenth Annual Business Meeting held at Hotel Sherman, Chicago, Ill., January 27, 1932

(Bulletin No. 1085)

Whereas there is a dangerously growing tendency on the part of the Government officials, legislators, and politicians generally to extend Government activities into commercial enterprises; and

Whereas this form of competition which is made possible only through the utilization of tax moneys supplied by American business men and the people generally; and

Whereas business enterprise is commencing to feel keenly this form of Government competition with its own citizens: Therefore be it

Resolved, That the American Fruit and Vegetable Shippers' Association go on record as being strongly opposed to the Government engaging in any and all forms of business enterprise in competition with its own people; be it further

Resolved, That continuous and aggressive steps be taken with a view of having the Government withdraw from existing competition as soon as necessary preparation and adjustment can be made, and that we further vigorously oppose the Government entering upon any new enterprise which contemplates competition with American business institutions; and be it further

Resolved, That a copy of this resolution be sent to each member with request they promptly and aggressively handle matter with their Federal and State governmental representatives.

AMERICAN FRUIT AND VEGETABLE SHIPPERS' ASSOCIATION.
CHICAGO, ILL., *February 12, 1932.*

REGULATION OF INTERSTATE BUS AND MOTOR-TRUCK TRANSPORTATION

Mr. WAGNER presented a resolution adopted by the American Fruit and Vegetable Shippers' Association at Chicago, Ill., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Resolution on motor trucks unanimously adopted by the American Fruit and Vegetable Shippers' Association at the Fourteenth Annual Business Meeting held at Hotel Sherman, Chicago, Ill., January 27, 1932

(Bulletin No. 1086)

Whereas the rapid construction of good, hard-surfaced roads has naturally encouraged the inauguration of an increase in the use of motor trucks; and

Whereas the rapid growth in the number of motor trucks on our highways has created a new form of transportation both as to passengers and property; and

Whereas this added form of transportation which is not now regulated as to rates, charges, and services is creating difficult competition for rail carriers of the United States who are under regulations both by State and Federal authorities: Therefore be it

Resolved, That this organization go on record as favoring the placing of motor-truck and bus transportation under reasonable regulation by the Interstate Commerce Commission and State commissions; and be it further

Resolved, That this organization take steps toward interesting our members in urging their representative in preparing suitable amendment to the present transportation laws as will bring about a parity in the regulation of the various transportation agencies. In this connection we also favor urging our representative to support repeal of unreasonable regulation of the railroads as now in force.

AMERICAN FRUIT AND VEGETABLE SHIPPERS' ASSOCIATION.
CHICAGO, ILL., *February 12, 1932.*

EXPENSES OF SIXTEENTH SESSION, INTERNATIONAL GEOLOGICAL CONGRESS

Mr. JOHNSON. Mr. President, from the Committee on Foreign Relations, I report back favorably without amendment the joint resolution (S. J. Res. 82) authorizing an appropriation for the expenses of the Sixteenth Session of the International Geological Congress to be held in the United States in 1933, and I submit a report (No. 490) thereon, including accompanying papers.

MANUFACTURE AND DISTRIBUTION OF NARCOTIC DRUGS

As in executive session,

Mr. BORAH. Mr. President, out of order, I ask unanimous consent to report, from the Committee on Foreign Relations a convention which I think is in the interest of the people.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the convention (Executive C, 72d Cong., 1st sess.) for limiting the manufacture and regulating the distribution of narcotic drugs, signed at Geneva, July 13, 1931, reported it with reservations.

The VICE PRESIDENT. The report will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEAN:

A bill (S. 4253) for the relief of Joseph Gould; to the Committee on Naval Affairs.

By Mr. JONES:

A bill (S. 4254) granting a pension to Katheryne V. Cowen (with accompanying papers); and

A bill (S. 4255) granting a pension to Melita Richey (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 4256) granting an increase of pension to Mary L. Lussier (with accompanying papers); and

A bill (S. 4257) granting an increase of pension to Addie Ransom (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 4258) authorizing adjustment of the claim of the Franklin Surety Co. (with accompanying papers); and

A bill (S. 4259) to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., pt. 2, 2047), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926 (with accompanying papers); to the Committee on Claims.

By Mr. WALSH of Massachusetts:

A bill (S. 4260) for the relief of Julia Glynn; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 4261) to facilitate execution of an economy in field season contracts of the Forest Service; to the Committee on Agriculture and Forestry.

A bill (S. 4262) to provide for the establishment and development of American air-transport services overseas, to encourage construction in the United States by American capital of American airships and other aircraft for use in foreign commerce, and for other purposes; to the Committee on Commerce.

By Mr. SHIPSTEAD:

A bill (S. 4263) to amend section 1020 of the Revised Statutes, relating to recognizances in criminal causes; to the Committee on the Judiciary.

By Mr. SHORTRIDGE:

A bill (S. 4264) for the relief of Leo E. Tiede; to the Committee on Military Affairs; and

A bill (S. 4265) granting an increase in pension to Mary Baldwin Kennedy; to the Committee on Pensions.

By Mr. WHEELER:

A bill (S. 4266) granting a pension to Ba-ta-wa-ha-cha or Take the Bow No. 2; to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4267) granting an increase of pension to Nancy J. Sebring (with accompanying papers); and

A bill (S. 4268) granting pensions to certain soldiers, sailors, and marines who served in organizations and campaigns in the Philippines from July 5, 1902, to August 5, 1913, inclusive, and for other purposes; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4269) granting a pension to Abbie V. Hull (with accompanying papers); to the Committee on Pensions.

A bill (S. 4270) for the relief of Commander Francis James Cleary, United States Navy; to the Committee on Naval Affairs.

By Mr. McKELLAR:

A bill (S. 4271) for the relief of Jewell Maness (with accompanying papers); to the Committee on Claims.

A bill (S. 4272) granting a pension to Carter Gourley (with accompanying papers); to the Committee on Pensions.

EXPENSES OF ALABAMA SENATORIAL CONTEST

Mr. HASTINGS submitted the following resolution (S. Res. 189), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, authorized by resolution of February 28, 1931, to hear and determine the pending contest between John H. Bankhead and J. Thomas Heflin involving the right to membership in the United States Senate as a Senator from the State of Alabama, hereby is authorized to expend from the contingent fund of the Senate $5,000 in addition to the amount heretofore authorized for such purpose.

RAILROAD LOANS BY RECONSTRUCTION FINANCE CORPORATION

Mr. COUZENS. Mr. President, day before yesterday I stated that at the first opportunity I would submit some comments with respect to loans made by the Reconstruction Finance Corporation. Being unable to obtain the floor on yesterday, I am going to make a few comments now.

The recent loan authorized by the Reconstruction Finance Corporation to the Missouri-Pacific Railway and approved by the Interstate Commerce Commission has been the cause of some public discussion. When this appeared in the public print I started to analyze the hearings held before the Committee on Banking and Currency on December 18, 19, 21, and 22 on the Reconstruction Finance Corporation bill then pending. I am going to take up only that portion of the bill which refers to loans to railroads.

On December 18, 1931, Mr. Daniel Willard, president of the Baltimore & Ohio Railroad, testified in part:

Of course, I assume that we are in a relatively temporary emergency condition to-day, out of which we will emerge later, and it certainly would be a great satisfaction to me, as president of the Baltimore & Ohio Railroad—and I think it would be in the public interest—if, when these securities of ours mature next summer, we could feel that we could get the money at a reasonable rate from the Government; and certainly we would want to pay it back as quickly as we could, because when conditions get better, as they will, I trust, the prevailing rate of interest will be lower, and it would be to our selfish advantage to repay as quickly as possible.

I can not see that there is any hazard on the part of the Government in dealing with this problem just as it was dealt with after the end of Federal control, and I should assume, and I believe that it would be a good investment for the Government, because undoubtedly the Government, while the rate of interest is not fixed, would obtain more than it would be itself obliged to pay, and therein would be a profit. It seems to me that the hazard is wellnigh negligible. Certainly we would expect to pay on whatever we borrowed. There is nothing in our condition which would make it uncertain that we would be able to pay; but if we could not get the money in this particular way, and had to borrow it at distress prices, it would be a very serious thing.

Mr. Willard was the only railroad man who appeared before the committee, and I quote from his testimony because of the assurance that seemed to be given that the Government was taking a negligible risk. The committee and the Senate were of the opinion, as disclosed by the record, that the money to be loaned to a railroad was substantially for refinancing; in other words, to prevent outstanding securities defaulting.

When the junior Senator from Connecticut [Mr. WALCOTT] presented the bill to the Senate on January 7, he said, at page 1419 of the RECORD:

In addition to loans to financial institutions through which agricultural, commercial, and industrial activities will be aided, provision is made in the bill for loans to railroads. The railroads are the only industries which it is proposed to aid directly and independently of the medium of financial institutions. The reason they are made exceptions is because of the very wide ownership of railroad bonds by insurance companies, savings banks, national banks, and trust companies, as well as individuals, the credit position of the railroads is a very important item at the present time in the whole national financial structure. Next to the construction industry, the railroads represent, perhaps, the largest single concentrated unit for the buying of materials and the employment of labor.

Senators will notice from this discussion that emphasis is laid on the wide ownership of railroad bonds by insurance companies, savings banks, national banks, and trust companies.

On page 1426 of the RECORD, in response to an interrogation by the senior Senator from Washington [Mr. JONES] asking if the question of extending loans to ships and shipping enterprises had been considered by the committee, the Senator from Connecticut [Mr. WALCOTT] said:

That question was considered but was ruled out, because if we take in steamship companies, we open the doors to all sorts of corporations that are outside the control of the Interstate Commerce Commission. Railroads, whose securities are held in great volume all over the country and in large masses not only by individuals as investors but by insurance companies, savings banks, and national and State banks as collateral for loans, are under the jurisdiction of the Interstate Commerce Commission, and it is an easy matter to place all the railroad securities under the scrutiny of the Interstate Commerce Commission for its approval whenever an application is made for a loan on such securities.

On January 9, when this bill was under discussion, I said in defense of the bill, quoting from the CONGRESSIONAL RECORD on page 1566:

Everyone knows that railroad bonds are eligible for investment by savings banks in many of the States. Everyone knows that railroad bonds to the extent of billions of dollars are now in the hands of insurance companies for the protection of the insured. That is not equally true of the Shipping Board bonds, so far as I know. The purpose in providing a revolving fund for the railroads is primarily for the purpose of sustaining the credit of the banks who have railroad bonds and of the insurance companies who hold them to the extent of billions of dollars to protect their insured.

Further on I said:

The reason why we provided this in the bill was so there would be no default on those bonds issued by the railroads and in the hands of the financial institutions. In other words, if the railroads are permitted to default—that is, if a good railroad whose securities are supposed to be good is permitted to default—it carries with it the banks and the insurance companies, and that is not equally true of the shipping companies.

I mention this, Mr. President, for the purpose of pointing out the history of the railroad provision of the bill, which seems clearly to indicate that the intent of Congress was to loan money for refinancing the railroads whose maturities were coming due. I wish to refer to the language of the bill concerning railroads, and in this connection I may say that I think Congress was very negligent and careless in adopting this provision of the Reconstruction Finance Corporation act. Its language is certainly very much broader than was contemplated by those who approved the measure, at least, so far as the committee's action was concerned. I understand that when the act was being considered in the other House certain promoters and others appeared favoring the incorporation in the act of a provision to the effect that money might be loaned for new railroad construction. They had in mind the construction of new railroads for which the Interstate Commerce Commission had given certificates of public convenience and necessity as long ago as five years; but during that period the promoters or those desiring to build new railroads had been unable to raise the money. So they secured the writing of a provision in the law whereby the Government would advance the money for the construction of new railroads for which certificates had been issued for some five years. The specific provision of the law reads as follows:

Within the foregoing limitations of this section, the corporation may also, upon the approval of the Interstate Commerce Commission, make loans to aid in the temporary financing of railroads and railways engaged in interstate commerce, to railroads and railways in process of construction, and to receivers of such railroads and railways, when in the opinion of the board of directors of the corporation such railroads or railways are unable to obtain funds upon reasonable terms through banking channels or from the general public and the corporation will be adequately secured.

I want to emphasize at this point the words "adequately secured," because of some comments I am going to make later.

In a communication I received from Commissioner Eastman, of the Interstate Commerce Commission, he says, after quoting the law:

No standard or rule is specified by which the commission shall be governed in granting or withholding its approval; and, so far as the corporation is concerned—

That is the Reconstruction Finance Corporation—

the only rule is that the applicant for the loan shall be unable to obtain funds upon reasonable terms elsewhere, and that the loans will be adequately secured. In the absence of any rule or standard, I have felt that the commission should apply the rule specified in the case of the corporation, and should also satisfy itself that the loan will be in the public interest. In determining what is adequate security, I have felt that the Government should be somewhat more liberal than a bank would be under present conditions, but should be reasonably assured that the loan and the obligations in connection therewith will be met.

In the Interstate Commerce Commission finance docket No. 9146, decided March 23, 1932, wherein approval is given for a further loan to the Missouri Pacific of $12,800,000, a most unusual situation is disclosed. From page 6 of the docket I quote:

We are taking the action here with some reluctance. We are not convinced that the Reconstruction Finance Corporation should be expected to take up bank loans of this character. We yield our own views to those of that body which, as we construe the law, is charged by Congress with the responsibility for determining that question. The corporation has filed with us a certified copy of a resolution of its board of directors, dated March 18, 1932, which reads as follows—

I wish here to point out that I think Congress did a very bad job in dividing authority between the Reconstruction Finance Corporation and the Interstate Commerce Commission in authorizing these loans. It is rather peculiar that the Interstate Commerce Commission received a copy of a resolution adopted by the Reconstruction Finance Corporation before the Interstate Commerce Commission had considered the loan. I will read the resolution adopted by the Reconstruction Finance Corporation. It is as follows:

Whereas the Missouri Pacific Railroad Co., under date of March 10, 1932, filed an application with the Reconstruction Finance Corporation for loans aggregating $23,250,000, covering said company's estimated requirements for the entire year 1932. This corporation has acted in part on this application and has loaned $4,300,000 with the approval of the Interstate Commerce Commission, secured by $7,300,000 of first and refunding mortgage 5 per cent bonds, Series I, due 1981, this loan being made without prejudice to the application for additional loans and for other amounts. This application includes, among other things, a request for an advance to pay bank loans aggregating $11,700,000, due April 1, 1932, payment of which has been duly demanded, said notes bearing 5½ per cent interest and being secured by $15,500,000 principal amount of first and refunding mortgage 5 per cent gold bonds, Series I, and 229,500 shares of common stock of the Texas & Pacific Railway Co.; and

Whereas in the opinion of this board, all existing uncertainty as to the disposition of the April 1 maturities of the Missouri Pacific Railroad Co. is detrimental to the general credit situation of the railroads; and

Whereas the Missouri Pacific Railroad Co. has stated, and it is the opinion of this board, that the said railroad is unable to obtain funds through banking channels or from the general public in order to pay said bank loans: Now, therefore, be it

Resolved, That subject to the approval of the Interstate Commerce Commission, this board authorize a loan to the Missouri Pacific Railroad Co. to the extent of $5,850,000, which amount is 50 per cent of said railroad company's bank loans, maturing April 1, 1932, on condition that the holders of the balance of said bank loans agree to an extension of the payment of said balance of $5,850,000 to a date not earlier than October 1, 1932, and on further condition that there be delivered to this corporation as collateral security for said loan one-half of the collateral now held as security for said $11,700,000 of bank loans and such additional security, if any, as may be recommended by the Interstate Commerce Commission or as to this board may hereafter seem advisable; and be it further

Resolved, That the secretary of this corporation be directed to forward a copy of this resolution to the Interstate Commerce Commission.

Then the secretary of the Reconstruction Finance Corporation certifies to the correctness of this resolution, and then says that the preambles and the resolutions—

Were duly adopted by the directors of said corporation at a meeting duly held on the 18th day of March, 1932, at which a quorum was present and participated, except Mr. Mills, who did not vote or participate in the deliberations of the directors with respect to the loan herein authorized.

I desire to point out that this is the first and only instance up to this time, so far as I know, where the Reconstruction Finance Corporation took action prior to action taken by the Interstate Commerce Commission. The practice has been that the railroad applicant for a loan files a petition for the loan with the Reconstruction Finance Corporation and a copy of the petition with the Interstate Commerce Commission. Then the Interstate Commerce Commission expresses its approval before action is taken by the Reconstruction Finance Corporation; but in this case it will be observed that the Reconstruction Finance Corporation adopted a resolution and sent it to the Interstate Commerce Commission prior to action by that commission.

In this connection I draw specific attention to the following words in the certification of the secretary:

Except Mr. Mills, who did not vote or participate in the deliberations of the directors with respect to the loan herein authorized.

The significance of that expression I do not know.

The securities for the loan are set forth on sheet 8 of docket 9146. I am not going to take up the time of the Senate to enumerate all the securities, but at this point I desire to have a list of them printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the list will be printed in the RECORD.

The list is as follows:

Missouri Pacific loan

(Secured by Docket No. 9146, March 23, 1932, $12,800,000)

Secured:	
$15,050,000 refunding mortgage 5 per cent gold bonds, series I, due 1931 (sold yesterday at 39, but sold at about 47 at the time the Interstate Commerce Commission authorized the loan), take a liberal estimate of 50, value	$7,500,000
114,750 shares of common capital stock of Texas & Pacific Co. (20 bid and 30 asked). Let us assume the ask-price value	3,450,000
$1,000,000 principal amount of Denver & Rio Grande Western R. R. Co.'s refunding improvement mortgage 6 per cent bonds, due 1974, quoted price about 50, value	500,000
1,600 shares of the capital stock of the Fort Worth Belt Ry. Co., which was purchased at $400,000 by the Missouri Pacific, so we will estimate at that price	400,000
$1,900,000 principal amount of New Orleans, Texas & Mexico Ry. first-mortgage 4½ per cent bonds, due 1956, recently bid 30, estimated value	600,000
Total	12,450,000

Mr. COUZENS. I have taken all the securities that the Interstate Commerce Commission and Reconstruction Finance Corporation demanded and ascertained their market value, and find, adding them up, that the market value of these securities at the time the $12,800,000 loan was made was only $12,450,000.

The loan is $2,150,000 to pay and discharge overdue vouchers for materials and supplies and services. I contend that when Congress passed this legislation it was not their intention to pay the running expenses and going charges of the railroad companies, but it was rather for the purpose of refunding or taking care of their outstanding obligations. It will appear as I proceed, however, that they are not only borrowing money but they are continuing to make applications to the Reconstruction Finance Corporation for money to operate the railroads outside of interest which may fall due.

So far as I have been able to ascertain the intent of Congress, the loans from the Reconstruction Finance Corporation were not intended for operating expenses, and yet I observe in docket 9146 the following.

Then I again refer to the $2,000,000 loan for pay of overdue vouchers. Then item 2 says:

On or before March 31, 1932, $800,000 for advances to the New Orleans, Texas & Mexico Railway Co., controlled by the applicant, in the amount of $500,000.

Nothing is said about the purpose for which this $800,000 is to be used. In other words, the Missouri Pacific had advanced its subsidiary, the New Orleans, Texas & Mexico Rail-

way, an amount of money, for what purpose the records do not show; and this is partly to reimburse the parent company.

In making these statements of purposes for which the money is to be used I am not mentioning the items to pay interest on outstanding securities.

Then item 3 in the docket says:

To pay and discharge 50 per cent of the bank loans of $11,700,000 due April 1, 1932, $5,850,000, upon condition that the present holders thereof will agree to an extension of the payment of the remainder of $5,850,000 of such loans to a date not earlier than October 1, 1932, upon further condition that there be delivered to the corporation $7,750,000 of applicant's first and refunding mortgage 5 per cent gold bonds, Series I, of 1981, and 114,750 shares of the common capital stock of the Texas & Pacific Railway Co., now held as part of the collateral security for such loans.

Items 6 and 7 include amounts to pay taxes. In other words, the Government is putting up the money for the railroads to pay their taxes, and in this item alone over $1,000,000 appears in the commission's docket.

Then, in issuing the appropriate order, the commission said the following, through Commissioner Eastman:

No good reason has been shown for approving a Government loan to enable the applicant to make a 50 per cent payment on the bank loans maturing April 1.

At this point I want to express the view that this would not have been done had not the Reconstruction Finance Corporation adopted the unusual procedure of sending a resolution to the Interstate Commerce Commission approving of the loan prior to the Interstate Commerce Commission having had time to act upon the application.

Continuing to quote Mr. Eastman, he says:

I would have no difficulty in joining in such approval if there were any evidence that the loan is needed in the public interest. But no one has made or attempted to make such a showing. Applicants told us that the banks would not extend the loans. The Reconstruction Finance Corporation now tells us that they will extend 50 per cent. The theory is, apparently, that a Government loan to pay the other 50 per cent is necessary in order to prevent a Missouri Pacific receivership. No such necessity exists. Morgan & Co., Kuhn, Loeb & Co.—

At that point I want to point out that these two institutions are not bankers in the sense that we wrote the word "bankers" into the law. They are simply merchants in money, and they so testified before the Finance Committee when that committee was considering the resolution offered by the Senator from California [Mr. JOHNSON] investigating sales in this country of foreign securities.

Continuing to quote Mr. Eastman, he said:

Morgan & Co., Kuhn, Loeb & Co., and the Guaranty Trust Co. would not, so long as the interest on these bank loans is paid, force a receivership by refusing an extension. The repercussions would be much too dangerous in other quarters where the private interests of these financial institutions are involved.

I realize that the majority are no more persuaded than I am that there is any need for using Government funds to "bail out" these banks. They place the responsibility on the Reconstruction Finance Corporation. It seems to me, however, that we have a responsibility which we can not thus escape.

When the commission issued the certificate it stipulated the security that was to be advanced, and further stated:

That J. P. Morgan & Co.; Kuhn, Loeb & Co.; and the Guaranty Trust Co. of New York agree to extend a loan to the Missouri Pacific Railroad Co. in the amount of $5,850,000, to a date not earlier than October 1, 1932, and that they surrender half of their collateral.

I have no knowledge of Congress having declared a policy of Government ownership of the railroads, and yet the loan to the Missouri Pacific, and others that have been approved, and others still pending, clearly indicate to me if loans are continued in the same manner as they have been in the past, and those pending are approved, many of these properties will eventually revert to the Government, or the Government will lose its investment. The Government will at least find itself in possession of the least desirable and least profitable railroads.

It might be interesting to quote from the hearing before the Banking and Currency Committee when Mr. Lorenz, of the Bureau of Finance, Interstate Commerce Commission, testified. He estimated, in response to a question by the Senator from Virginia [Mr. GLASS], that, depending upon traffic conditions, there would be needed by May 1 between $85,000,000 and $156,000,000; and yet amounts applied for up to the present time aggregate $354,844,166.

In that connection I want to remind the Senate of the statement the President put out, in which he said that the railroads probably would not need more than three or four hundred million dollars; but if, in less than three months, they have applied for $354,000,000, it seems to me that is a very low estimate.

The Senator from Virginia then said to Mr. Lorenz:

The question that confronts us here is, What amount of maturities may be refinanced through the banks, and what amount of it may be paid out of current earnings of these railroads so as to let us understand what, in your judgment, is the net amount of money that the railroads would require from the Reconstruction Finance Corporation if it should be set up?

To which Mr. Lorenz answered:

Of course, I can not say how much the banks would be willing to renew, but if in this period they would renew all of them it would materially reduce that needed $85,000,000. There is another factor there, and that is the extent to which a strong railroad will take care of its weak subsidiary.

The Senator from Virginia replied:

It won't take care of it at all; if we set up this Reconstruction Finance Corporation they will know we are going to take care of them.

This makes interesting reading in view of the application made by the Wabash Railway, now in the hands of receivers, for $18,500,000. By the way, the Pennsylvania Railroad controls the Wabash, and yet they have in no sense come forward to help their weak subsidiary.

Of the aggregate applied for that I have just stated, there is $72,000,000 for railroads known as the Van Sweringen lines. There are also listed among the applicants a number of railroads that are already in default to the Government for loans made under section 210 of the transportation act of 1920.

There are also applications from railroads in the hands of receivers whose past experience clearly indicates that there is absolutely no possible chance for them to continue profitably. Outside of the Wabash Railway, it is true that there are only several million dollars applied for by roads in receivership; but if the policy which seems to have been outlined in the Reconstruction Finance Corporation act is to continue, I venture to say that before this depression is over there will be either an enormous loss in loans to the railroads or the railroads will revert to the Government.

It is quite generally conceded by persons who have studied the situation that we will not be out of this depression in less than two and a half to three years, and it is assumed that all of these railroads will be applying for loans during that period of time; and, of course, it is not confined to the weak roads.

As a part of my remarks, I also desire to have placed in the RECORD a list of the applications now pending.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Roads and amounts applied for

Receivers Wabash Ry	$18,500,000.00
St. Louis Southwestern Ry. Co	31,727,750.00
St. Louis-San Francisco	17,998,542.00
Erie	10,350,000.00
Missouri Pacific	24,650,000.00
Alabama, Tennessee & Northern	275,000.00
Western Pacific	2,102,000.00
New York, Chicago & St. Louis	33,000,000.00
Receivers Georgia & Florida R. R	1,000,000.00
Chicago & Eastern Illinois	7,196,436.00
Minneapolis, St. Paul & Sault Ste. Marie	12,339,435.09
Chicago & Northwestern	26,000,000.00
Southern Ry	10,000,000.00
Mobile & Ohio	785,000.00
Central of Georgia	3,899,727.00
Gulf & Ship Island	694,350.00
Aberdeen & Rockfish	127,000.00
Receivers Fort Smith & Western	250,000.00
Pittsburgh & West Virginia	7,541,032.00
Oklahoma City-Ada-Atoka	36,000.00

Bamberger Electric	$100,000.00
Receivers Salt Lake & Utah	500,000.00
Chicago, North Shore & Milwaukee	2,300,000.00
Meridian & Bigbee River	1,250,000.00
New York Central	7,000,000.00
Denver & Rio Grande Western	4,000,000.00
Fonda, Johnston & Gloversville	315,500.00
Chicago, Indianapolis & Louisville (Monon)	2,500,000.00
Missouri & North Arkansas	1,250,000.00
Cairo-Truman and Southern	75,000.00
Apalachicola Northern	200,000.00
Akron, Canton & Youngstown	600,000.00
Mississippi Export	100,000.00
Texas Southeastern	30,000.00
Kentucky & Indiana Terminal	800,000.00
Waco, Beaumont, Trinity & Sabine	8,983,000.00
Gulf, Mobile & Northern	770,000.00
Pennsylvania	55,000,000.00
Receivers, Florida East Coast	916,375.00
Alabama Central	25,000.00
Receivers, Ann Arbor R. R.	764,657.35
Kansas City, Kaw Valley & Western	135,831.85
Maine Central	2,400,000.00
Buffalo, Union Carolina	100,000.00
Frankfort & Cincinnati	50,000.00
Tennessee Central	300,000.00
Baltimore & Ohio	55,000,000.00
Arlington & Fairfax Ry	25,000.00
Greene County R. R.	40,000.00
Wichita Falls & Southern	800,000.00
Wrightsville & Tennille	39,580.00

Mr. COUZENS. Mr. President, in that connection I desire to say that in many decisions of the Interstate Commerce Commission, in O. K.ing fees charged by these money merchants to the railroads, they have excused the amount of the fees on the ground that it was of great value to the railroads to have a banking house or financial institution stand back of them, ready at all times to take care of their financial needs. That, however, has proven a false conclusion, because the banking houses apparently are not standing behind them. Particularly is this true of the great New York Central Railroad, which undoubtedly is considered one of the strongest, if not the strongest, railroad in the country to-day. It has had to borrow from the Reconstruction Finance Corporation $4,399,000 in spite of the fact that the house of Morgan has always profited to a large extent because of financing the New York Central system. Then we have the Pennsylvania Railroad applying for $55,000,000 from the Federal Government, in spite of the fact that all through the normal years bankers have made great profits in financing these railroads.

Outside of these two outstanding railroads, a majority of the railroads that have applications before the Reconstruction Finance Corporation are very weak and unprofitable systems. I am informed that many of them have not earned as much as 30 per cent of their operating expenses during the year 1931.

AMENDMENT OF TARIFF ACT OF 1930

The Senate resumed the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Michigan [Mr. VANDENBERG].

Mr. ROBINSON of Arkansas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Harrison	McKellar
Austin	Coolidge	Hastings	McNary
Bailey	Copeland	Hatfield	Morrison
Bankhead	Costigan	Hayden	Moses
Barkley	Couzens	Hebert	Neely
Bingham	Dale	Howell	Norbeck
Black	Davis	Hull	Norris
Borah	Dickinson	Johnson	Nye
Bratton	Fess	Jones	Oddie
Brookhart	Fletcher	Kean	Patterson
Broussard	Frazier	Kendrick	Pittman
Bulkley	George	Keyes	Reed
Bulow	Glass	King	Robinson, Ark.
Byrnes	Glenn	La Follette	Robinson, Ind.
Capper	Goldsborough	Lewis	Schall
Caraway	Gore	Logan	Sheppard
Carey	Hale	McGill	Shipstead
Shortridge	Thomas, Okla.	Vandenberg	Walsh, Mont.
Smoot	Townsend	Wagner	Watson
Steiwer	Trammell	Walcott	Wheeler
Thomas, Idaho	Tydings	Walsh, Mass.	

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

CONDITIONS IN WASHINGTON LUMBER INDUSTRY

Mr. JONES. Mr. President, I have a letter from the Governor of Washington, which I ask to have read.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

STATE OF WASHINGTON,
EXECUTIVE DEPARTMENT,
Olympia, March 22, 1932.

Hon. WESLEY L. JONES,
United States Senator, Washington, D. C.

DEAR SENATOR JONES: To you, as the elected representative of the people of Washington in our National Congress, I desire to express my serious concern regarding the alarming crisis being faced by the basic industries of our State. Depreciation of foreign exchange has permitted entry to the United States of a flood of imports that definitely threatens absolute extinction to the production of lumber and pulp within our boundaries. I recognize the valued work our delegation at Washington has already done on behalf of our crippled industries. Being in daily contact with actual conditions here, I can not urge too strongly that you exert every additional effort possible. A remedy for this condition must be found, otherwise an already aggravated condition of unemployment and consequent suffering and want will be multiplied to proportions beyond our ability to alleviate.

The following salient facts regarding our wood-pulp industry have been procured from responsible sources:

Production of 859 tons of wood pulp in Washington in 1925 marked the beginning of a Pacific Northwest industry which to-day has an annual capacity of 400,000 tons, normally valued at $16,000,000. New capital for plant investment has exceeded $30,000,000. This refers only to mills making pulp for sale. There has been in addition an important collateral development of combined pulp and paper mills.

Nearly all west coast pulp is sold to paper mills in the North Atlantic and Lake States, where local supplies are insufficient. High quality has been definitely established. Coast mills compete directly with an annual duty-free importation of 1,800,000 tons of pulp originating in Scandinavia and Canada.

The United States also imports duty free 2,500,000 tons of newsprint and 1,300,000 cords of pulpwood, which, with pulp, have a total value in excess of $200,000,000. Pulpwood requirements for the 13,000,000-ton annual United States paper consumption originate in foreign forests to the extent of 54 per cent.

Washington in six years has risen from an inconspicuous place to third rank among the States in pulpwood consumed. In 1930 Washington consumed 1,000,000 cords obtained as logs, cordwood, or sawmill waste. The Pacific coast can supply the entire national need in perpetuity.

Prospect for much greater development is unexcelled under equitable competitive conditions in the national domestic market.

This promising and vital Washington industry faces immediate extinction. One of the principal causes is drastic depreciation of foreign exchange. Pulp prices declined 25 per cent in the last four months from levels already distressingly low. On duty-free commodities the domestic producer is prostrated in competition. The immediate remedy is prompt equalization of exchange by penalty duty. This requires Federal legislation.

I find our lumber industry in a more deplorable state than that of pulp production. While our pulp industry is facing extinction, if a remedy is not found, lumber is experiencing the actual process of extinction already. Thousands of its workers are jobless, mills innumerable are closed, mill bankruptcies have been prevalent, and many receiverships are impending. The statistics of the importance of our lumber industry are in your hands and need no enlargement on my part.

Knowing that many basic industries of our country other than those of our own State are experiencing extreme difficulties from the same source—namely, foreign competition enhanced by advantageous exchange rates—the situation must be remedied if America is to live, and the remedy must come quickly before irreparable damage is done. We are all forced to sit by helpless and continue to contribute to the support of our suffering unemployed, all for the sake of supporting the citizens of foreign nations. I feel the time has come for a definite and immediate return to the principles embraced by the founders of our Nation—namely, America for Americans. The reestablishment of this necessary principle, in my mind, is your definite duty to the people you represent at the Nation's Capital. Your efforts and success will be appreciated by every citizen of the State of Washington.

Respectfully,

ROLAND H. HARTLEY,
Governor of Washington.

Mr. JONES. Mr. President, this is a simple, plain statement by the governor of the conditions in our State. It is not necessary for me to say that I corroborate those statements.

Propositions have been presented to the Senate in line with some suggestions intimated by the governor's letter. However, under our Constitution such matters probably must originate in the House of Representatives. I have offered amendments to the pending bill, but it is a very serious question as to whether they are in order or not. If they are not in order on the pending bill, they will be offered to the tax bill when it comes over from the House, to which measure I am satisfied they will be in order. This is all I care to say at the present time.

AGRICULTURAL CONDITIONS

Mr. THOMAS of Oklahoma. Mr. President, supplementing what has just been said in connection with the letter just read, I call the attention of the Senate briefly to a news story which appeared in the Washington Post this morning. The news story is under headlines as follows:

United States Farm Unit held "loan boob" by Hyde. Stresses "record losses."

I read from the article as follows:

Government loans which serve to increase the farmer's surpluses and keep down his prices yesterday drew the fire of Secretary Hyde.

Any crop loan which is not based on an actual need in a drought or storm disaster was called "unjustified" by the Secretary of Agriculture.

He termed his department—the lending agency for the $50,000,000 now available for 1932 loans—the "prize boob in the history of finance" and said it was "lending more money on thinner security and sustaining more losses than ever before in the history of money lending in the world."

Last year the department loaned approximately $48,500,000 and has collected approximately $27,000,000—almost half represented by commodities held as collateral.

"What farmers need most," Hyde said, "is a market. Fundamentally it is a question of balancing production and demand."

Further on in the article I read:

"We have to lend regardless of the farmers' economic position. Inevitably we incur losses."

Further on in the article I notice that the reporter construes Mr. Hyde's wishes to be as follows:

He—

Referring to Mr. Hyde—

wants the remaining $125,000,000 used to finance the finding of new foreign markets for the Farm Board's wheat and cotton stocks.

Mr. President, from listening to the distinguished Senator from Michigan, and the letter read at the instance of the Senator from Washington, we can come to only one conclusion; that is, that economic conditions are not getting better, but, instead, they are getting worse.

I take it for granted that there is not a Member of the Senate who is not receiving numerous letters and wires daily portraying conditions which exist throughout the country. Mr. Hyde says that what the farmer needs is a better market. He must mean by that, first, that the farmer should have a demand for the things he has to sell; and, secondly, that he should get a better price for his commodities.

Under existing conditions, the more commodities the farmer sells the worse off he is. At the present time, if the farmer has commodities and desires to sell them, all he can get for his wheat is some 26 or 28 cents a bushel, perhaps 30 cents in some sections; if he has cotton for sale, he gets between 5 and 6 cents a pound, and for other products in proportion. For no product raised upon the farm can the farmer secure anything like the cost of production. So what Mr. Hyde means is not that the farmer should have a chance to sell at present prices; what he must mean, if he means anything for the benefit of the farmer, is that he should have a chance to sell at prices which will pay him at least the cost of production, and, in addition to that, he should have a reasonable profit.

Mr. President, from reading this article, I am convinced that the Secretary of Agriculture is not in sympathy with that provision of the Reconstruction Finance Corporation law which authorized his department to make loans. We set aside $50,000,000, out of which Mr. Hyde's department could make loans to farmers of the country. Then we gave him the right to call upon the Finance Corporation for $150,000,000 more, if he needed it, to make loans to farmers.

Mr. Hyde states that his department is the "prize boob" in finance in making loans. Why? Because, first, he is losing money. Of course, farmers can not pay back loans on 5-cent cotton and 30-cent wheat. It is impossible for the farmers to-day to pay their taxes with such prices. It is impossible for the farmers to pay, first, their taxes, and secondly, they can not pay their interest. That is the exact condition. Of course, many of them are unable to pay back the loans to the Department of Agriculture.

Mr. President, what is being done by the Senate and by the Congress looking toward helping the farmer to get a better price for the things which he produces? I pause for a reply. We provided money to be loaned to the needy farmer, and the average loan to-day is $142 per farmer, but that is only to buy seed and feed and fertilizer; it is only to tide him through the spring until he can plant and make his crops. As matters now stand, when the crop is planted and matured and the farmer comes to sell his product this fall, prices perhaps will not be better, and in all probability will be worse.

Mr. President, what is the trouble? Before I proceed to answer that question I want to amplify my statement of a moment ago that conditions are getting worse instead of better. The stock market shows that. We have had some flurries in the stock and commodity markets during the past six months. Stocks go up on a revival of confidence, and then go back down when confidence wanes, and to-day, if my information is correct, the stock market has reached again its lowest ebb and its lowest level.

A day or two ago a distinguished citizen of the State of Ohio by the name of Col. Leonard P. Ayres, connected with the Cleveland Trust Co., was reported in the press as follows:

Ayres, a nationally known banker, expressed the opinion that the depression was getting worse and that there would be two and one-half years more of it at least.

That is the opinion of a widely known and competent banker, and no doubt an accurate statement of conditions as he sees them.

I call attention to another fact that seems to sustain the suggestion I have just made. On March 26, last Saturday, the Associated Press carried a statement that the sales made by chain stores dropped during February 11.4 per cent. The sales made by the chain stores are a fair index of conditions existing among the people. When the chain store sales drop, it is an indication, at least, that times are not getting better and perchance they are getting worse.

In this month's issue of Current History I find this statement in the nature of a symposium on conditions generally throughout the country. This paragraph, included under the heading "Bankruptcy of Cities," I read:

The financial condition of many American cities has grown steadily worse in the past few months. New York City, Chicago, Detroit, and Philadelphia have been faced with bankruptcy and only last-minute aid from banking houses has staved off the collapse of municipal functions. The burden of unemployment relief has added to the plight of these and many smaller cities.

Mr. President, I ask again what is being done by the Congress to help the situation? I pause for a reply. There is no bill pending looking toward relief. Earlier in the session some temporary and makeshift bills were considered and passed, providing money to be loaned to distressed industry, but such bills have provided no relief for agriculture or for the unemployed.

Supplementing my statement relative to Mr. Hyde's suggestion about the condition of the farmer and his loans, that the loans are not being paid back, let me invite the attention of the Senate to a magazine article printed in this month's issue of Current History. This is a signed article under the name of Lement Harris, and it is entitled "What Hope for the Farmer?" I want to read just one or two paragraphs from this article:

Even the deputy governor of the Federal reserve bank points out that the farmers must "go back" to more simple living.



Here is what an official of a Federal reserve bank in one of the great cities of America portrays or pictures as the future for the farmer of the country, that he must "go back to more simple living." Further I read:

"You know," he said, "maybe the French peasant has solved the rural problem. Our farmers should stop buying radios and Ford cars and live like peasants. Now, I don't suppose you would like the peasant life—I am sure I wouldn't—but I can see no other outlook."

That is the statement of the official representing finance. That is the picture which the farmer sees confronting him for the future. I read further:

Such is the dictum from a citadel of finance—return to pioneer conditions! It means that the bulk of the agricultural population, some 27,000,000 people, must permanently lower their standard of living.

On the farm there is less enthusiasm for the "live-at-home" program. The farmers themselves are the only group which considers the plan an inadequate makeshift. Instinctively they resent being denied the advantages of modern life. Simple facts impress them—distress and hunger in the cities, "overproduction" of food on the farm. They are rapidly losing confidence in the leadership which can not distribute the food they produce to the thousands who need it.

Mr. President, in an effort to help the farmer, when the Committee on Agriculture and Forestry again meet, I expect to present to them a resolution, and in order that the resolution may be printed and made a part of the RECORD, I now send a copy of it to the desk and ask that the same be read in my time.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Whereas agriculture is America's largest and most important industry; and

Whereas the condition of this industry is basically bad and is gradually growing worse; and

Whereas millions of our citizens engaged in this industry have already failed and others have reached the limit of their endurance; and

Whereas relief must be provided; and

Whereas no power other than Congress can grant such relief; and

Whereas bills have been introduced in the House and Senate proposing various plans and methods for such relief; and

Whereas in each House of the Congress hearings have been held on the bills introduced but, to date, no definite action on any bill proposing substantial relief has been taken; and

Whereas the leaders of the several national farm organizations, the Department of Agriculture, the Farm Board, and the representatives of the farmers in the House and Senate have not agreed upon policies, programs, or legislation for the relief of agriculture: Therefore, to the end that some agreement or agreements may be reached, some policy or policies outlined, and a bill or bills prepared and reported, be it

Resolved:

(a) That the Committee on Agriculture and Forestry order a hearing on the question of "relief for agriculture."

(b) That an invitation be extended to all persons to attend and offer suggestions for the relief of this industry.

(c) That a special invitation be extended to representatives of farm organizations such as the National Farmers Union, the Grange, and the Farm Bureau Federation, to appear and assist in such hearing and in the development of proposals for relief.

(d) That the following departments of the Government: The Department of Agriculture, the Federal Farm Board, and the Federal Reserve Board, be requested to designate some person or persons to represent such departments in such hearings and in the development of a policy or policies, and in the preparation of a bill or bills to be reported to the Senate.

Mr. THOMAS of Oklahoma. Mr. President, it may be there is no way to help the farmer. It may be that he is doomed and condemned to French peasantry—I do not know. I am not willing to admit that this is to be his sentence. I am not willing to give up and concede that this is to be the lot of 30,000,000 of our people. There are pending in the House and in the Senate bills suggesting plans and proposals for relief. We are not making any progress, and I can understand the reason why. First, the great farm organizations which speak for the farmers are not agreed among themselves. Of course, when a bill is presented in the House or the Senate and the great farm organizations are not agreed upon the particular relief suggested, it is difficult to make much progress. Then, in addition, if the farm organizations should be agreed on some legislation, perchance the Farm Board would not be agreeable or perchance the Department of Agriculture would not support the suggested legislation.

I propose through this resolution, if agreed to by the Committee on Agriculture and Forestry, to summon before our committee representatives of these groups, representatives of the Farmers' Union, representatives of the Grange, and representatives of the Farm Bureau Federation. That will include and embrace the great farm organizations. They must have some one among their members who is qualified to confer, to speak, and to act. They have, because I know many of them. We are going to try to get some of these great leaders to come before our committee and sit with us and consult with us in an effort to develop and agree on some policy of legislation.

In addition to the leaders of the great farm organizations, if the resolution shall be adopted by the Committee on Agriculture and Forestry, we will ask the Farm Board to send to the committee a representative. We will ask the Department of Agriculture likewise to designate a representative. Then we will ask the Federal Reserve Board likewise to designate some one to sit in with the committee. Thus we will have, first, the Committee on Agriculture and Forestry; second, representatives of the great farm organizations; and, third, representatives of the departments of the Government which have to do specially with the farmers' problems.

When the committee meets next, I shall present the resolution and ask for its consideration. If the resolution is agreed to and the hearings are held, I hope that some agreement or agreements may be reached, and a bill or bills may be developed and reported to the Senate. At this time I see no other possible plan to help the farmer. It may take many bills to solve the problems of the farmer, but at this time, because his friends are not agreed among themselves, no progress is being made. Some are in favor of the equalization fee and some in favor of the debenture; some want to repeal the Farm Board act and some want to keep it; and if we can get them all together with the committee, then we can thrash out the whole proposition and perhaps reach some agreement. Of course, unless we can come to some agreement, we can not make satisfactory progress.

Mr. President, I have taken the time to make these suggestions because in some sections of the country the farmers have almost lost hope, and I am not willing to leave the impression that the Congress is not trying to do something to help agriculture.

AMENDMENT OF TARIFF ACT OF 1930

The Senate resumed the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

Mr. FESS obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cousens	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Davis	Kendrick	Schall
Bankhead	Dickinson	Keyes	Sheppard
Barkley	Fess	King	Shipstead
Bingham	Fletcher	La Follette	Shortridge
Black	Frazier	Lewis	Smoot
Borah	George	Logan	Steiwer
Bratton	Glass	McGill	Thomas, Idaho
Brookhart	Glenn	McKellar	Thomas, Okla.
Broussard	Goldsborough	McNary	Townsend
Bulkley	Gore	Morrison	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Caraway	Hatfield	Norris	Walcott
Carey	Hayden	Nye	Walsh, Mass.
Connally	Hebert	Oddie	Walsh, Mont.
Coolidge	Howell	Patterson	Watson
Copeland	Hull	Pittman	Wheeler
Costigan	Johnson	Reed	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present. The Senator from Ohio is recognized.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New York?

Mr. FESS. I yield.

Mr. COPELAND. I want to ask a question. A few minutes ago, if I understood correctly, the Senator from Washington [Mr. JONES] presented some amendments to the pending bill seeking to fix tariff rates. Am I correct in that understanding?

The PRESIDING OFFICER. The Chair is advised that the Senator from Washington presented no such amendments.

Mr. COPELAND. I was quite astonished, because, of course, if we begin to introduce amendments proposing to fix tariff rates we shall be here until next Christmas; there will not be an adjournment before that time.

Mr. FESS. Mr. President, it is claimed by some that the two great political parties are gradually drawing nearer and nearer together, that there are but few questions which differentiate them, and that the differences between them are becoming fewer and fewer. Whatever may be the force of that claim, the question of the tariff constitutes one of the outstanding differences between the two great parties.

In making that statement I am not unaware that there has been largely a change of view by the Democratic Party on the question of protection, but they still maintain fundamentally a different position from that taken by the Republican Party. The gradations in the movement whereby our opponents have veered away from the free-trade idea are quite noticeable and interesting and can be easily verified by a mere citation of the views they have taken officially not only in their platforms but in the utterances of their great leaders. At one time there was no political issue at all about the tariff. In fact, the first legislation of any consequence which was signed by Washington was a protective-tariff measure which was generally approved by everybody, and the second tariff measure introduced was supported by James Madison, the father of the Constitution. If anybody should raise the question as to whether or not protection is constitutional, I should think a conclusive answer would be the position of such men as Madison and others of his type who were members of the Constitutional Convention.

The tariff measure of 1816, which was put on the statute books to stop the inflow of imports, incident largely to the War of 1812, was not only strongly supported by John C. Calhoun but without doubt he, above all comparison, was the greatest leader of the movement. Strange to say, when Calhoun was espousing the protective system, Daniel Webster was opposing it. From 1816 on there was noticeably a change in the attitude of the respective leaders. Calhoun gradually veered against protection, and ultimately denounced the tariff bill of 1828 as "the bill of abominations," whereas Webster, who had opposed the tariff act of 1816, came to be, in 1828, the great advocate of the protective tariff.

In 1832 a compromise bill was written by Henry Clay, who is properly regarded as the father of the American system, in which it was provided that there should be a gradual reduction of tariff rates, covering a period of 10 years, until they should reach a certain minimum. That was the era when there began to be apparent a differentiation; the parties began to take a strict position, the Democratic Party espousing the tariff for revenue only, while the Republican Party, which was then the Whig Party, was espousing the old protective principle announced by Madison and Washington.

The Democratic leaders frequently refer to the Walker tariff of 1846 as one of the best examples of the Democratic theory of tariff legislation, and they point to the fact that following it there was an era of expanding foreign trade. They have asserted that such development was due to the Walker Tariff Act, overlooking the fact that immediately following came the Crimean War, covering a period of three years, involving the great nations of Europe, which became the eager consumers of all we could produce. Not only did the Crimean War create a market for our products, but the devastated regions of India and China, suffering under a famine condition, likewise afforded markets to which the United States sent enormous quantities of products. These two situations afford an easy explanation of the great development of our foreign trade following the Walker tariff of 1846.

Up to that time one could hardly state that the tariff was definitively a political issue further than that leaders like Clay proposed it as a great relief, while leaders like Benton, of Missouri, took the other position. However, the difference did not percolate clear down to the voter so that one could say that protectionists were in one party and free traders in the other.

Mr. KING. Mr. President, may I interrupt the Senator from Ohio?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. Does the Senator think he has been entirely comprehensive in attributing the increase in our foreign trade under the Walker tariff law to the Crimean War? The Senator, who is perhaps as familiar with tariff and historical matters as is any man on the floor, will remember that James G. Blaine, who, as the Senator knows, was a protectionist, in his discussion of tariffs—and he reviewed many of them, as did Mr. Taussig and Mr. Carey—recognized in the Walker tariff law a very fair law, one of the fairest that had ever been written. James G. Blaine ascribed, in part, at least, the prosperity that followed the Walker tariff law to its wise provisions, and emphasis has been laid by many writers upon the declaration contained in the tariff law, that it did not discriminate against any section or against any class, but rather that it was a tariff law that attempted to do justice to the producer as well as to the consumer, without discrimination against any section or any class.

Mr. FESS. Mr. President, replying to the Senator from Utah, he will find, when he refreshes his memory on James G. Blaine, that Blaine made the statement I have just made, that the great foreign trade was due to the two items I have mentioned; and it was Mr. Blaine's Twenty Years of Congress that led me to give these facts.

During the Civil War there was some discussion on the change of rates, and a form of protection was advanced during that period; but not until the seventies did the issue become a real, vital political issue. All will recall that a horizontal tariff proposal was made by Fernando Wood, of New York. This came about 1878. It was an unusual method of tariff reduction. It was somewhat similar to the proposals we now have on the appropriation bills, to reduce the amount by a flat percentage horizontally. I think it very unscientific, not only there but especially on matters of tariff duties. It was in connection with the Fernando Wood bill that a new slogan was announced by a young man who had come to Congress only the year before; and the speech he made against the horizontal method of tariff revision made him an outstanding figure. I refer to Major McKinley, from the eighteenth congressional district of Ohio.

That bill was defeated, as you will recall; and then the first Tariff Commission was instituted. It was established under a law passed in 1882, and a very unusual thing came out of that commission. They gathered the data and submitted them to the two Houses; and each House, taking the data, formulated its own tariff measure out of the facts that had been assembled by the commission. So that could scarcely be called a commission revision, but it was called a Senate revision and a House revision; and an unusual fact is that the Senate acted on its bill before the House acted on its bill. When the Senate bill was sent to the House, the House refused to receive it on the ground that under the Constitution all tariff legislation must originate in the House of Representatives. Finally the House yielded on the matter, received the bill, and sent it to conference, where a new bill was written. The Senator from Utah [Mr. KING]

undoubtedly is very familiar with this incident, because it was a decidedly unusual one.

That occurred some time in the early eighties. When the Democratic Party came into control, two years after this, upon a platform pledging the party to revise the tariff which had been in continuous existence from Civil War time, there was a tremendous surge on the part of the leadership to have a new tariff bill, and all will recall the attitude of President Cleveland. The party went into the task of revising the tariff. It sent the bill, after it passed the House, over to the Senate. Here it was fought bitterly and almost entirely rewritten. No one familiar with the history of the country at that time will fail to recognize the excitement throughout the country which was produced by the tariff legislation of 1883–84, especially 1884.

In 1887 President Cleveland sent to Congress the most outstanding message demanding a reform of tariff legislation that had been received from any President up to that time. It is familiarly known as the Cleveland tariff message. Out of that message came the famous Mills bill. The chairman of the Ways and Means Committee of the House was Roger Q. Mills, of Texas, not only a great student of the tariff but in many ways an intellectual figure. The Mills bill was supposed to be the finest embodiment of the Democratic theory that had been brought about up to that date; and the fundamental principle of it was that raw materials should be placed upon the free list.

If there was one thing in the Mills bill that distinguished it from all preceding legislation, it was what afterward received the eloquent approval of the later Speaker of the House of Representatives, Champ Clark, when he stated that the core of that legislation and all sound tariff legislation was to place on the free list the raw materials out of which the manufactured articles are to be produced.

That bill passed the House, but it failed in the Senate, as everyone will recall. Following that came the election of 1888, with the Mills bill as the issue. The platform of the Democratic Party in 1888 reaffirmed the Mills bill and tariff reform. The platform adopted by the Republican Convention in Chicago that nominated Benjamin Harrison denounced the Mills bill specifically, especially that feature of it which was cardinal in the Democratic theory; and the tariff plank in the Republican platform was written by Major McKinley, and was read by him to the convention as the chairman of the resolutions committee.

Following 1888 came another effort at the establishment of a tariff commission, because the revision of the tariff was a subject that was claiming the attention of the whole country.

In 1892, however, after the enactment of the McKinley bill in 1890, the Democrats, taking advantage of an uncertain situation that they ascribed to the tariff legislation, made headway in the election. Major McKinley, appointed at that time by the Speaker of the House of Representatives, who defeated the major by one vote as Speaker, became not only the tariff maker but the chairman of the Ways and Means Committee, made up of an aggregation of leaders in the House of whom it is difficult to find a duplication to-day. Four of those leaders afterwards became chairmen of the Committee on Ways and Means. Six of them became United States Senators. Four, I think, or five became governors of their States. One became President of the United States. That is the sort of leadership that there was in the House and in the Senate in 1890.

Mr. McKinley brought in his belief in the form of a protective tariff bill which became the famous McKinley Act of 1890. There were two things in that bill that never had been written in any tariff bill before. One dealt with the item of sugar. The other dealt with the item of tin, which up to that time had been on the free list but under that legislation was put on the protected list.

A very interesting sequence followed the enactment of that bill. Without a doubt the McKinley Act is one of the most scientific tariff acts that has ever been enacted and one of the most truly protective measures that has ever been put into law. The author of it was a man who fundamentally as well as theoretically had in his mind a clear, concise outline of the sort of legislation we ought to have. It was under his direction that the bill was written, passed through the House, came to the Senate, and passed the Senate without very many radical changes.

Our Democratic friends, taking advantage of a bill that was enacted into law only a month before the election of 1890, and claiming that the price of all protected articles was increased considerably more than the tariff on the article, seized upon a plan to defeat Mr. McKinley. They sent tin peddlers throughout the eighteenth district of Ohio selling tinware, charging 25 cents for a 5-cent tin cup, and saying, "It is too bad to do this, but we have to do it under the McKinley tariff bill." The bill having become a law only a month before the election, there was not time enough either to answer this claim by pointing to the operation of the law or otherwise to convince the people that there was nothing to the claim.

Our Democratic friends, many of whom to-day are protectionists, at that time were assaulting the protective system as a robber system, calling it unconstitutional, and stating that its penalty would be the addition of the tariff rate to the price of every article, so that the consumer would be mulcted in the interest of great business to that amount. The governor of my State, a beloved friend of mine and a great Democrat, in a debate with Major McKinley, said in my presence that under the McKinley bill there would be no tin plate manufactured in this country, and then pledged himself to swallow all the tin plate that would be manufactured in the United States under the McKinley Act of 1890. Yet, within eight years nearly three-quarters of a billion dollars were invested in the tin plate industry in this country, employing hundreds of thousands of people in the mills. Thirty-nine mills were established throughout the country, producing tin plate in such amounts that instead of our depending, as theretofore we had to depend, upon importations for the vast amount we used, we produced every pound of our own consumption and became one of the great tin exporters of the world; and yet, as I say, I heard a distinguished leader who did not believe in the law say that he would pledge himself to swallow all the tin plate that ever would be produced in this country under that law. There is no finer example of what a protective tariff is intended to do than that particular illustration growing out of the McKinley Act of 1890.

It did precisely what Major McKinley said it would do, namely, led to the investment of American capital in building up American industries, resulting in the employment of American labor at a scale of wages which made possible the maintenance of American standards of living. That was the fundamental formula announced by that protectionist when he wrote the bill, and eight years after his defeat, in a peculiar manner, when the tin was peddled and sold at an exorbitant price, the wisdom of the philosophy of Major McKinley was demonstrated.

There was such a reaction against the law that in two years, when the election came on, President Cleveland reannounced his position of reform in the tariff, denounced, as his party did, the McKinley Act, and went to the country; and Grover Cleveland was elected for his second term, that being the third time he had run for election to the Presidency.

I have wonderful admiration for that leader; I do not share the opinion of a great many people. He gave us a good administration, and especially in his second administration, when he was opposed by his own people, first, because of his stand on the civil service, and, secondly, on the matter of tariff, because there was a strong element in the Democratic Party which had been led years before by Samuel J. Randall, of Pennsylvania, who was a great Democratic protectionist, just as we have to-day on the Democratic side great Democratic protectionists. This attitude of the Democratic leadership was one of the arguments that led to the defeat of the administration by the people.

When in 1896 our Democratic friends were looking for an issue, there was not one of them who would have been bold

enough to have announced revision of the tariff as its cardinal principle, because the country had gotten into such a state following the tariff legislation that no one would have risked at that time announcing anew the idea upon which they had been elected.

The result was that, without an issue, looking for an issue, the Democratic Party seized upon the money question, and the stage was set in the famous convention of 1896, when a plank for the free and unlimited coinage of silver was included in the platform, which offered the occasion for a brilliant young man of only 36 years to take his position and pronounce himself. He declared the trouble in the country was not due to the tariff but to the money question. That presented one of the outstanding incidents of the psychology of the crowd, where a convention was swept off its feet by the brilliancy of a young orator, first, because the party was looking for an issue which it had not yet found, and secondly, because of the brilliancy of the speaker himself. All things combined made his leadership so regnant that for 12 years no one else was considered as a suitable candidate for leadership in the party other than this man. I mention this to indicate the manner in which our friends got away from the tariff and took up some other question in 1896.

Immediately following 1896, the very next year, the Republican administration substituted for the Democratic tariff law the famous Dingley bill, which stood on the statute books from 1897 until 1909, and I think it is regarded as sound and fundamental to those who believe in the system of protection.

Following 1909, when there were certain dissatisfied elements in our own party, there was demand for revision of the tariff. That revision came, as all are aware, some claiming there should be a downward revision, others that there should be an upward revision. The difference again was between the two schools, one of the high-protection school, the other the low protectionists.

I need not mention the fact that President Taft was disturbed over that contest. There was a difference between the views he entertained and those of one of the Houses of Congress. The result was that in the conference between the two Houses certain changes were made that satisfied the President, and he pronounced the bill which had been passed a wise piece of legislation.

We were not divided in 1912 over the tariff question, but we were divided over two leaders, one the then President and the other an ex-President. The party did not divide on the tariff. Both sides stood for the tariff, but the division which developed opened the way for our Democratic friends to come into control. They were elected in 1912, and one of the first things they decided to do was to revise the tariff. They took up that question in 1913. I was a Member of the House at that time. The leader of the majority in the House was Mr. Underwood, a man who graced this body later, an eminent statesman, a fine personality, and a lovable character. The public service lost when he voluntarily decided to retire from public life.

He wrote the first tariff bill from the Democratic standpoint, in which there were recognized some elements of protection. In the past there had been certain Democratic leaders who stood for modified protection. They did not want to be called protectionists. The party once took a position in favor of tariff for revenue, with incidental protection, recognizing the principle of protection as not fallacious. At that particular time we did not call it tariff for revenue, we did not call it tariff with incidental protection, but for the first time in the nomenclature of tariff legislation we had a "competitive" tariff, in which a certain element of protection was recognized.

The tariff bill of 1913, however, was primarily written on the tariff-for-revenue basis, and the paralyzing influence of that bill on business began to be effective about the early part of 1914, and the only thing that saved the country from the paralytic influence of that law was the breaking out of the World War on the last day of July, 1914.

Because of the World War we could sell anything we had at any price we demanded. In fact, sugar went to 26 cents and other things rose accordingly. Our friends would point to the Underwood law and speak of the prosperity of the Nation under that legislation, until some of us cautioned them about boasting of battlefield prosperity, which was not in keeping with their great record.

Had it not been for the open market created by the war, with the peoples of Europe buying everything we had at any price we would ask, we would have felt the depressing influence of the Democratic tariff legislation long before. But when the war was over and peace was restored, when business again began to employ labor, and capital was investing in our own industries, the normal effect, the inevitable effect, of any law that lays the American producer open to competition from a foreign producer of the same article began to be felt. It could not be avoided, and the immediate demand was for a restoration of the protective system.

Mr. President, I want especially to call attention to a fundamental which had been announced by Mills and approved by Champ Clark. The Underwood bill, following the same principle, put the leading articles of the American farm on the free list, including almost all of them. The ones they did not put on were the ones that were produced in certain sections of the country where the Democrats were in control.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. BROOKHART. I would like to ask the Senator if it made any difference about the farm products, whether they were on the free list or under the present high protective rates? They are lower now than they were then.

Mr. FESS. I can not account for the errors my friend makes when he votes against this and for that, and, when anybody is speaking, interrupts him "because after this," "therefore," or "on account of this."

"Woodrow Wilson was President when the war broke. Therefore it is a Woodrow Wilson war." According to his view, "Woodrow Wilson was President; therefore it is a Wilson war." I can not stand any logic like that. I am not going to yield to my friend now. I will yield later on.

The VICE PRESIDENT. The Senator declines to yield.

Mr. FESS. Here is the fundamental difference between the two parties on the tariff question. No finer statement of the Democratic view, its theory, could be made than was made by the distinguished junior Senator from Tennessee [Mr. HULL] the other day. That argument is philosophic from the standpoint of unrestricted freedom of trade. That argument is an Adam Smith argument, which was announced in 1776 in his famous book, the Wealth of Nations, which became the textbook on questions of trade affairs, and the Senator's argument the other day was along exactly the same line.

I am in favor of the greatest freedom of trade if conditions between the units that are trading are the same. We have absolute freedom of trade in 48 States. There is the example of the value of unrestricted trade among 120,000,000 people who recognize no State lines. But when you build a line between this country and a country employing labor, there is to be no restriction according to some people, but in my mind there must be a restriction, because of the difference in these conditions, unless you are willing to pull down American conditions to the level of the conditions of competing countries.

So that our Democratic friends in 1913 expressed their view fundamentally by putting corn on the free list, hogs on the free list, horses on the free list, mules on the free list, cattle on the free list with some modifications, wheat on the free list except under certain conditions when it carried 10 cents a bushel. When the effect of the operation of that law began to be felt at the close of the war there was a universal demand that it be corrected. The first thing that was done was the introduction of a limited emergency tariff bill,

the first time in the history of our country where there were selected a limited number of items, and those items were written into a law without considering any other items of any other schedule. We never did that before.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. In 1920 the Republican convention met. That was almost two years after the close of the war. May I ask the Senator if in the platform of that convention they declared for any revision of the tariff?

Mr. FESS. In 1920?

Mr. HARRISON. Yes. Did the Senator's party in its platform at that time declare for any revision of the Underwood law?

Mr. FESS. Yes; we repeated the Republican plank in the platform of 1920.

Mr. HARRISON. Will the Senator read the plank?

Mr. FESS. I will let the Senator read it.

Mr. HARRISON. I have it here.

Mr. FESS. The Senator may read it in his own time.

Mr. HARRISON. Does not the Senator want me to really help his speech by reading it at this time?

Mr. FESS. Anything the Senator would do would be helpful.

Mr. HARRISON. I have it right here, if the Senator wants it.

Mr. FESS. I prefer to read it myself, or the Senator can read it in his own time. There is such a thing as reading only a part of a plank, and the Senator can not do that with me. I know what is in the plank, because I was on the resolutions committee that wrote it.

Mr. HARRISON. If the Senator will yield, I will be glad to read the whole platform.

Mr. FESS. No; the Senator need not do that, but he should read the whole plank.

Mr. President, the situation to which I have just referred had to be corrected. My good friend the Senator from Mississippi was a Member of the House at that time in 1913 and knows all about that legislation. He was a strong proponent of it. We had in 1921, soon after Harding was inaugurated, to take up the situation of the farmer, and I want my Democratic friends to notice that we selected 16 of the items which our Democratic friends put on the free list, and limited emergency legislation at that time to those items. We passed the measure, I want my friend to hear me now, with the aid of our Democratic friends in the House!

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. Was the Senator a Member of the House in the Sixty-second Congress?

Mr. FESS. I was in the House up to 1922.

Mr. HARRISON. I know; but I was wondering if the Senator had come into the House in the Sixty-second Congress, which began on the 4th of March, 1911.

Mr. FESS. No; I came there in 1913.

Mr. HARRISON. I was undecided whether the Senator came in at that time. I happened to be a Member of that Congress and I recall that a great number of those of the Senator's political faith voted for the farmers' free list. I am sure, because the Senator has been in his own opinion a friend of the farmer, that if he had been a Member of that Congress he would have voted for the farmers' free list, too.

Mr. FESS. No, Mr. President; I love the interruptions of this good man from Mississippi, but he is inclined not to tell all of the—I will not dare say all of the truth, but a thing that is half told is worse than if it were all untrue.

Mr. President, we enacted that emergency legislation, which was temporary in its nature. Immediately following it came the permanent legislation and, as the Senator knows, we incorporated the temporary or emergency measure in the permanent measure of 1922. Following that in 1928 our Democratic friends, I think, went further in their pronouncements toward phases of a protective tariff than at any time prior thereto. Just to refresh the memory of all of us—I do not need to refresh the memory of my friend from Mississippi, because he helped to write it—here is the statement of our Democratic friends in their platform:

> The Democratic tariff legislation will be based on the following policy:
>
> (a) The maintenance of legitimate business and a high standard of wages for American labor.

That is sound Republican doctrine. We have never announced Republican protection in stronger language than that. We have always contended that the tariff should make up the difference between the low cost of labor in a competing country and the cost in our country. If Democratic leadership will secure legislation that will make up the difference and make possible the employment of labor here, with the payment of a high standard of wages, we will have no quarrel with them.

Then, the next paragraph of the Democratic platform proceeds:

> Increasing the purchasing power of wages and income—

That is fine—but it proceeds:

> By the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

That is demagoguery pure and simple.

Mr. HARRISON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. Does the Senator indorse that statement?

Mr. FESS. The Senator would not expect me to indorse a demagogic statement like that.

Mr. HARRISON. Whether it is demagogic or not, will not the Senator indorse it?

Mr. FESS. The Senator from Mississippi is trying to put an effect on the situation that does not exist. I do not propose to indorse that sort of thing. I could indorse what the Senator means if it were true, but it is not true.

Mr. HARRISON. If the Senator could control his party, he would not have his party to do otherwise than indorse the sentiment expressed in that plank, would he?

Mr. FESS. The Senator from Mississippi is trying to infer that a protective tariff leads to monopolies and leads to trusts, and that the Republicans build up monopolies and trusts in order that they may have contributions from them for political campaigns. I say that is pure demagoguery.

Mr. HARRISON. The Senator does not admit his party has ever been guilty of that?

Mr. FESS. I do not.

Mr. HARRISON. Then the Senator is for that plank in the platform, is he not?

Mr. FESS. Not in the wording the Senator uses; no, indeed.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. I think the Senator overlooks, in the broad statement which he made a moment ago, the repeated statements made by Theodore Roosevelt. When he was a Progressive and running for the Presidency Mr. Roosevelt denounced his own party and said, in effect, that the Payne-Aldrich tariff bill was a product of the trusts, and that his party had been guilty of protecting the predatory interests, who dictated their financial policy as well as their tariff schedule.

Mr. FESS. Mr. President, I am not disinclined to have any Democratic leader quote Theodore Roosevelt here. We have wonderful admiration for his leadership, but we do reserve the right to interpret what the man said. He never said that the protective tariff built up trusts. On the other hand, every Senator knows that the great trusts built up in the country are not under the protective ægis. Most of them are based on free-trade articles, on which there is no

tariff at all. I could enumerate them one after another. The suggestion that trusts are built up by the protective tariff and fostered by the protective tariff is simply a pure case of demagoguery in order to win in a campaign through prejudice against business.

Mr. HARRISON rose.

Mr. FESS. I do not want to be interrupted again until I shall have finished reading this plank in the Democratic platform:

> Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of the Government.

That is what the Democratic Party promised. That is the milk in the coconut. That is the crux. Whatever else might be said in the preceding statement, this statement nullifies all of it. When anyone says that our Democratic friends are becoming protectionists as a party they overlook this statement, for this is just the opposite. I admit that our Democratic friends individually become protectionists. Everybody knows that. But they have not veered to a protective policy as a party. The language is different, but it is a good expression of the Democratic theory:

> Duties that will permit effective competition.

Mr. President, that is precisely what we will not permit. It means effective competition between the high-paid labor in America and the low-paid labor in European countries, and that we will not permit. How long could America continue her industries, maintaining her standard of living and the scale of wages we pay, if we were in open competition with Germany, which is employing labor at one-fifth what we pay? That is the "open competition" that was written into the Democratic platform. That is a true statement of the "freedom of trade" between our country and others with which we compete, which our Democratic friends announced in 1928.

While I admit that individual Democratic Senators and Congressmen are protectionists, the statement in their platform is not protectionist. I am not going to criticize an individual Senator for voting protection upon an article produced in his State.

I think one of the finest arguments for protection that I ever heard was made by former Senator Ransdell, of Louisiana, not only once but often. I do not think there has been any argument produced on this side of the aisle that is stronger than that which was made by the two Senators from Arizona, Mr. ASHURST and Mr. HAYDEN, in demanding protection for the article of copper. I do not know of any stronger argument for protection than was made by the two Senators from Montana, Mr. WALSH and Mr. WHEELER, when they were asking for a tariff on manganese. Certainly no stronger argument has been made than that submitted by my genial and able friend from Mississippi, Mr. HARRISON, not only for long-staple cotton but for certain synthetic products; and his argument was sound. Nor do I recall a stronger argument in behalf of the position taken on this side of the Chamber than that made by the Senator from Oklahoma when he demanded protection for one of the great raw materials of his State. I sympathized with his position and I voted with him. I am simply mentioning these matters to show that on the Democratic side of the aisle Senators, without many exceptions, have demonstrated their belief in the patriotism, wisdom, and sound conclusions of the protective principle as applied to certain articles. The only difference between us is that I believe in the protective policy as a principle of government, while a great many of our Democratic friends do not believe in it in that way.

I am for the protection of any article produced in any part of the country, wherever it may be, if certain conditions obtain. The first one is, Can we by protecting a given commodity stimulate its production at home to the extent of providing at least a modicum of the domestic consumption? I have been disappointed, I will say to my friends on the Democratic side, in the result in the case of the sugar industry. I believed that in America we had the ability to grow sufficient beets to produce all the sugar America would need to consume. In the belief that we could stimulate and encourage this industry, which we have started in this country, to the extent that we could produce sufficient sugar to meet the needs of our home consumption at a cost that would be reasonable, and at the same time employ American labor, I have always voted for a tariff on sugar. I have, I repeat, been disappointed that that duty has not stimulated the production of sugar in any such degree as I thought it would, and yet we have built up so many sugar plants, each actually costing a million dollars, that I should hesitate to vote in any way that might be calculated to destroy those plants, even though the sugar production of the country has not been increased as I had hoped. I will go along with my friends on the Democratic side of the aisle in the protection of any article the production of which in their respective States can by protection be stimulated, and thus employ American labor, and thereby afford an opportunity for investment of American capital. That is a sound philosophy; I am for it, and I know that a great many of our Democratic friends in this body are also for it.

The senior Senator from New York [Mr. COPELAND] has stood up as a great protectionist, although not on this side of the aisle. The former Senator from Maryland, Mr. Bruce, made as strong an argument as I have heard for protection on fertilizer. I have a list here showing how Senators have voted on tariff questions. When the last tariff bill was under consideration the senior Senator from Arizona [Mr. ASHURST] voted for 19 increases and against 13 decreases. The senior Senator from New Mexico [Mr. BRATTON] voted for 24 increases and against 15 decreases. The senior Senator from Louisiana [Mr. BROUSSARD] voted for 39 increases and against 64 decreases. The junior Senator from Washington [Mr. DILL] voted for 17 increases and against 22 decreases. The two Senators from Florida have been consistent all along the line in their espousal of the protective principle, and I honor them for it. One of the strongest and steadiest minds in this body is that of the senior Senator from Wyoming [Mr. KENDRICK]. He voted for 63 increases and against 10 decreases.

There are Members of the Senate, including the junior Senator from Utah [Mr. KING] who voted for only one increase and against only one decrease. That is somewhat of a record; but the leader on the Democratic side, the Senator from Arkansas [Mr. ROBINSON], has a still greater record. He voted for only one increase and against no decrease. Our friend, the genial senior Senator from Texas [Mr. SHEPPARD], voted for 32 increases and against 12 decreases; and I have not heard any argument on the tariff question that was a stronger protective presentation than that of that Senator for protection on vegetable oils; it was a sound argument; and the only criticism I could make of it would be that that sound argument ought to extend to the principle of protection and not merely to a particular item.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the junior Senator from Texas?

Mr. FESS. I yield.

Mr. CONNALLY. Did the Senator from Ohio vote with the senior Senator from Texas on the vegetable-oil schedule?

Mr. FESS. I think not.

Mr. CONNALLY. I thought the Senator from Ohio just stated that the argument of the senior Senator from Texas was an unanswerable argument?

Mr. FESS. It was an unanswerable argument from the standpoint of the one who presented it.

Mr. CONNALLY. Oh, I see.

Mr. FESS. Mr. President, all of us are for general economy, but nobody is for particular economy. Nearly every Senator on this side is in favor of general protection applicable to industry, but on the other side Senators seem to be for particular protection. I do not think that that is a sound viewpoint to take, although I respect the opinions of others, as I ask them to respect mine.

Mr. President, I have regarded the enactment of the flexible provision in the tariff law as the most important feature of tariff legislation in the last 40 years. I think writing into the law the flexible provision which permits under certain limitations a change in the tariff duty on a single item, without bringing into discussion and throwing open the whole tariff issue, is the longest step toward scientific tariff making that has ever been taken by the Congress. When the proposal was first made some of us questioned its wisdom. One source of doubt was whether in a tariff act embodying many thousand items the rates on individual commodities should be made subject to change by the Executive alone. When it was first suggested the Republicans were somewhat divided, as well as were the Democrats, as to whether under our system such an innovation in tariff legislation was wise. There are still those who have in their minds a doubt as to its wisdom, but the flexible provision has been in operation for a number of years, and I think has clearly demonstrated its wisdom.

When it was first proposed our friends on the other side of the aisle objected to it on the ground that there would be too many changes; that the changes would come too frequently, and thus business would be too much disturbed; yet when the last tariff measure was considered the argument then presented was that there had not been a sufficient number of changes; that there had only been 35 changes of rates, and I recognized at once that the argument was very largely a matter of politics. Still the question involves a sufficiently important issue to justify it being judiciously considered and discussed; and it has been so discussed ever since the pending bill has been before us. I regard the discussion of the tariff question which has taken place on the pending bill as being on as high a plane as any debates on any subject I have heard in this body.

Here is a proposal to change the flexible provisions of existing law. I am opposed to the change. I am opposed to it because it would nullify the very object sought to be attained by the insertion of the flexible provision in the law. If the flexible provision of the tariff act has any merit, or contains any element which should meet approval, it is the possibility which it contains of eliminating the logrolling process that inevitably creeps into general tariff legislation. If it is at all possible, the throwing of the whole question of tariff revision into Congress at one time should be avoided; first, because under such circumstances, business can not be stable; and second, so long as the rates in the various schedules are uncertain there is bound to be more or less of a breakdown in the employment of labor.

The purpose of the flexible provision was twofold: First, to minimize logrolling; and second, to avoid throwing the whole question of the tariff into the hopper and disturbing business everywhere for an indefinite period. The flexible provision affords an opportunity to take up one item in the tariff law, and deal with it alone, without taking up all the other items of the various schedules.

The proposal for a flexible provision in the tariff was first given impetus by President Roosevelt, who called attention to it at different times in messages he sent to the Congress, and the movement for it was advanced under President Taft. Its purpose was to avoid the necessity of taking up the whole tariff, but to make provision so that one schedule could be dealt with at a time and dealt with finally without taking up the others, thus offering the basis of trades. "If you do not give me your vote on my item, I will not give you my vote on your item." We wanted to avoid that; and that was a purpose of establishing the Tariff Commission, as well as to find a basis for scientific tariff legislation.

I think the Tariff Commission has justified its existence. The first body was not called a commission. It was called a board. After a certain time it was discontinued, as all of us have heard at different times, as a result of Congress refusing to make the necessary appropriation for its operation. The law never was repealed; the commission simply discontinued its work by reason of being unable to operate.

Then, in 1916, under the Presidency of Mr. Wilson, the present Tariff Commission was created, or the skeleton of it. I was for it; Republicans generally were for it, because it was a step in the direction of scientific tariff making in the first place. It also would in a way minimize the logrolling element, but of course it would not entirely get rid of it.

Then, as an outgrowth of that, we have the flexible provision. The objection to that in many quarters was that it was not warranted under the Constitution; that it did not have constitutional sanction. Under that particular provision, final judgment was held in abeyance for a considerable time. However, the purpose is good; and that is not only scientific tariff making, not only to put the tariff on a basis where it is possible to deal with 1 schedule without dealing with the other 15, but especially to make it possible to deal with 1 or more items in a schedule without having to take up the others and deal with them.

If there is one ambition that both sides of this body should have, it is to minimize the element of logrolling in tariff making. That is the one objection to former methods that most of us have seen and wanted to avoid. No step has been taken that even approaches the possibility of doing this like the flexible provision; and with that as a background, legislation on the subject is warranted.

We provided that the Tariff Commission, after making a finding, may make its recommendation as to changes of rates on articles on the dutiable list, with the possible approval or veto of the President. I think that is the way it should be. This proposal goes to the very heart of the very issue we want to avoid; namely, instead of its being an executive function, under this bill it is to be a legislative function. Instead of the matter going to one mind, where unity of decision is not only possible but lack of it is impossible, it is proposed now to send it to 500 minds, where unity of decision is clearly impossible; and again we have the very essence of the injury in legislation that we are trying now to avoid.

I realize the force of the statement that when a duty is changed it ought to be changed by the legislative and not by the executive branch of the Government. I admit that there is force in that; but if the purpose is to avoid logrolling, then instead of going to 500 minds for decision, the matter should go to one. The present law has operated wholesomely, sanely, and rationally ever since it has been on the statute books, and it has justified its existence.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PATTERSON in the chair). Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. The Senator has paid a very high tribute to the Tariff Commission. He says its actions have been wholesome and sane, and he has used many other expressions of the kind. Why, then, was it necessary two years ago for the Senator and his colleagues to enact a general revision of the tariff carrying 890 increases?

Mr. FESS. Mr. President, the McCumber law had been on the statute books for some time. There was a general belief that its rates on agricultural products were too low. There was a contention all over the country that there had been heavy importations of various articles from Belgium and other countries of low-paid labor, due to the low rates of the McCumber law, which left similar articles of American production without tariff protection.

The Senator evidently thinks he can leave the inference that the legislation embodied in the last tariff revision was to be a downward revision. That is the first time anybody ever heard of that sort of a suggestion. The downward revision of any tariff law might be necessary; and ordinarily, under the development of our mass production, where competition brings about a reduction of prices, downward revision might be desirable. Our Democratic friends, however, are the people who demand downward revision. If Republicans start to revise the tariff, Democrats always howl about its being downward; but, on the other hand, when we revise the tariff it is for the purpose of furnishing protection where the protection is inadequate. So it was in the case of this law.

Mr. HARRISON. As a matter of fact, then, as I understand the Senator, while the Tariff Commission is a great institution, it was unable two years ago to cope with the situation; and, because of the condition, the Congress found it necessary to change 890 rates.

Mr. FESS. Oh, no. The Tariff Commission will be engaged in constant study, through their surveys, of all the items that are sent to them by order of this body. They will be in session constantly, and when they report on a certain item, in accordance with a resolution that we send to them, if they find that because of any elements that enter in the rate is too low, their recommendation is that it be increased. If the rate is too high, their recommendation is that it be decreased. It is inevitable in the development of the industry that it is not static, and a rate established to-day will not be a suitable rate 20 years from now. That is inevitable. It grows out of the development of industry, and we ought not to be compelled to throw the whole question in the hopper, and deal with all these issues, if we can get a tariff commission capable of responding to the resolutions that the Senate sends to them to investigate particular items to see whether the rates are too high or too low. That is precisely what the commission exists for.

Mr. HARRISON. Mr. President——

Mr. FESS. I yield.

Mr. HARRISON. Then I understand the Senator to conclude that whatever rate the Tariff Commission may ascertain should be proclaimed by the President as the proper rate?

Mr. FESS. No; I do not take that position.

Mr. HARRISON. Would the Senator have the Tariff Commission proclaim it?

Mr. FESS. The Tariff Commission gathers the information and makes its recommendation.

Mr. HARRISON. To the President?

Mr. FESS. The President can act upon it favorably or unfavorably.

Mr. HARRISON. The Senator, then, would give to the President greater authority in accepting the recommendations of the Tariff Commission than he is willing to give to the Congress?

Mr. FESS. The Senator certainly would rather have one mind decide a matter in which we are trying to get rid of logrolling than to have 500 minds undertake it.

Mr. HARRISON. In other words, the Senator would rather place the discretion in the President of the United States than in the representatives of the American people. That is truly Hamiltonian.

Mr. FESS. That would be a perfectly safe thing provided the President is acting upon information that has been gathered by a commission created by this body, and this body sends a resolution to the commission asking for their information. That is in accordance with our legislation.

Mr. HARRISON. The Senator is very close to the President.

Mr. FESS. No; the Senator is not.

Mr. HARRISON. Oh, yes; the Senator is. He admits it sometimes when he talks to the newspaper boys.

Mr. FESS. Not any more. [Laughter.]

Mr. HARRISON. But I want to ask the Senator, because I know he is close to the President, what were the reasons that prompted the President to have so little faith in the findings of the Tariff Commission that recently he held up their finding and sent it back to them.

Mr. FESS. Mr. President, we would not give the President the veto power if we did not intend him to use his judgment on the facts that are submitted to him. Why does not the Senator ask me why the President should ever sign a bill or why he should ever veto a bill? That is the very nature of our political organization.

Mr. HARRISON. That would take a good deal of an answer. I can tell the Senator why the President would veto certain bills if I knew what influences were behind them. In this case, however, the Senator from Ohio knows the particular rate I am talking about; does he not?

Mr. FESS. The Senator from Ohio would not risk stating that he knows anything the Senator from Mississippi is implying that he does not say.

Mr. HARRISON. I refer to cherries. As the Senator knows, cherries are raised out in California.

Mr. FESS. In Ohio, also.

Mr. HARRISON. That may be the reason for the President's action. I did not know that before.

Mr. FESS. Very likely.

Mr. HARRISON. But the Tariff Commission found that the rates on a certain kind of cherries should be reduced, and the President would not stand for it. He was unwilling to accept their judgment. He perhaps did not think they had made a proper ascertainment, and so forth; and he sent back their finding. Does the Senator know why that was done?

Mr. FESS. Because it did not meet with his approval. Therefore, the President acted just as the Senator from Mississippi would have acted if he had been in the same position.

Mr. HARRISON. I thought perhaps the Senator would take the other angle. Since he believes so much in the ascertainment of facts by a tariff commission, if they went into the investigation, and it was a fair investigation, certainly he would accept their finding.

Mr. FESS. Oh, no! If we should do that we would not even have them report, either to Congress or to the President.

Mr. HARRISON. In another case, the case of tomatoes; some tomatoes are raised out in California.

Mr. FESS. And in Florida.

Mr. HARRISON. In Florida, but not in Ohio; so the same reason can not be advanced.

Mr. FESS. Oh, yes; in Ohio, also. We are a great tomato country.

Mr. HARRISON. The Senator, then, would advance the same reason for the President refusing to accept the findings of the Tariff Commission on tomatoes as on cherries, would he?

Mr. FESS. The reason of the Senator is that the facts are not convincing.

Mr. HARRISON. Did not the Senator, in the consideration of the Smoot-Hawley bill, vote for an amendment that compelled the President either to veto or to sign a proposal within a certain time, and not leave it optional with him whether or not he might send it back? In other words, it either had to become a law or he had to veto it.

Mr. FESS. The Senator may have voted for it. I do not see why I would not vote for it. I do not recall whether I did or not.

Mr. HARRISON. I understood the Senator to say a moment ago that the President ought to have the power either to accept it or to send it back to the commission.

Mr. FESS. We gave him that power.

Mr. HARRISON. You did give him the power; yes.

Mr. FESS. The Senator from Mississippi wants to give it to the Congress.

Mr. HARRISON. I want to give it to the Congress of the United States, where the fathers placed it, and where for 140 years we have had it.

Mr. FESS. Mr. President, I appreciate these fine interruptions. Both the Senator from Mississippi and I want to get rid of logrolling. The difference between him and me is that I am in favor of a plan that would get rid of it. He is proposing a plan that would not get rid of it. I would not say he knows that, but I think he knows that it would not get rid of it, for everyone must realize the result of sending such a matter back to this body for decision, because various sections of the country are interested in various items. My friend the Senator from Mississippi says he has that covered, and he thinks it is covered by the provision which will not allow an amendment to be offered which is not germane. In the first place, that is a weak undertaking. In the second place, it would not work. Nobody can be a Member of this body for one year without being convinced that it could not work.

There would be no limit to the discussion as to whether a particular amendment was germane or not. Under some circumstances a thing is a raw material. In a different set of circumstances the same thing is a finished product, and the finished product will become raw material in some other finished product in whose manufacture it is used. There is no limit to the argument over whether a thing is germane or not.

Secondly, here we are in 1932, with the gold standard abandoned in most of the European countries, with money having been cheapened, and because of that the rates of our protective law are being nullified; and on the other side of the aisle are men clamoring for protection of articles which come from their sections, and if they can not get it in a tariff bill, they will attempt to get it in a tax bill, the tax bill being for the purpose of raising revenue, but protection for the opposite of raising revenue, to decrease the importations on behalf of the home products.

In that situation suppose there comes from the Tariff Commission a report on some particular item on which there is a duty, and they recommend an increase; how many Members in this body will be on their feet to offer amendments to the particular item on which the duty is being considered, just as my friend from Washington is offering an amendment to the pending bill, which I do not think is in order, but which, in all probability, will be held in order? It shows the interest, the keen intensity to seize the only opportunity of getting a vote on an article produced in a particular section of the country. And we can not blame Senators for such actions.

Suppose a report comes from the Tariff Commission to this body, and a bill is introduced to carry their recommendation into effect. I rise and offer an amendment including another item. The Senator from Oklahoma rises and offers another one. The Senator from Arizona states, "I have an item here that I want considered," and he can not offer it, but he says, "I want it printed. I want to offer it if the opportunity comes."

When I offer my amendment somebody raises a point of order, and the President of the Senate sustains it. I immediately appeal from his decision. Every Senator here who wants the same privilege of presenting his item will vote with me to overrule the President's decision, and we will open the bill to unlimited amendment. That is what we are doing every day.

The question of germaneness is for the Senate, whether it applies to appropriation bills, or what not. When appropriation bills are involved the question must be submitted to the Senate for a vote under the rule. In other cases it will be laid before the Senate by virtue of the appeal. That is exactly the same situation. Write into the flexible provision language making a report from the Tariff Commission subject to amendment only when it is germane, and see where we will get.

My friends, that is the thing we want to avoid. I am opposed to returning a report of the Tariff Commission, a body created to deal with a single subject, to Congress, with 435 Members in one branch and 96 in the other. There will be the same logrolling the moment that is done, and that is why I am opposed to that. It would be a great mistake if after taking this long stride, the most progressive for 40 years, we turn about and nullify it by adopting this proposal.

I had intended saying something about the consumers' counsel provided for. The substitute contains three outstanding items, the second of which is the provision for the consumers' counsel. All I have to say is this, that I do not think it is very commendable for any Senator to assume that he does not represent the people. I do not think it is commendable for any man to assert that the Government in its agencies does not represent the people. I think it is an offense to suggest that the Department of Justice does not represent the people. I do not think it is commendable to announce that the prosecuting agencies of this Government are representing interests and do not represent the people of this country. I resent the inference that when I stand on this floor and vote my conviction, although it does not coincide with manufactured clamor in the interest of some particular selfish movement, that I do not represent the people when I refuse to be merely a weather vane to find which way the wind is blowing last. If to represent the people a Senator had to be a weathercock, trying to ascertain what was the last desire of a particular group, I should not want to be a Senator.

I do not take kindly to the suggestion that in tariff matters we have to set up a people's counsel, assuming that the Government, the Tariff Commission, and the people who appear are against the interests of the people as a whole. That is not only an indefensible attitude for a Senator to take, but it tends to create class feeling and intense hatred. It is tantamount to saying, "All legislation is sordid, all legislation is selfish, all legislation is in the interest of somebody except the people, the people only are excluded."

I do not think such sentiments ought to be heard in this body. I assume that every Member of the Senate desires to do what is right in the premises, that his chief concern is to represent all the people, rather than the few.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. The Senator assumes that the incorporation in the pending bill of a provision creating a consumers' counsel to advise the Tariff Commission constitutes an impeachment of the good faith of Congress—the Senate and the House of Representatives. Does not the Senator know that those industries and interests which present applications to the commission for increases or reductions in tariff rates are represented by able counsel, and is it not a fact that consumers are greatly interested in the conclusions which may be reached by the commission? Why does the Senator assume because some of us are anxious to provide representation for the public in contradistinction to the special or private interests which may be involved in applications for increases or reductions that our attitude constitutes a reflection on the good faith of the Congress?

Mr. FESS. Mr. President, why should we not have a counsel for labor; why should we not have a counsel for the farmer? What is meant by the indefinite term "the people" or "the consumer"? Are we not all consumers?

Mr. ROBINSON of Arkansas. I used the word "consumers." I think the Senator understands that throughout the history of protective-tariff legislation a distinction has been made between the great masses of the people and those organizations or individuals who are especially interested in definite tariff rates. If the Senator declines to make that distinction, I do not know of any mental or physical process by which I can compel him to do so, but it has been my understanding for a long time that it is generally conceded that an increase or reduction of tariff rates may have a very important effect upon the interests of those who are not directly concerned in the industries vitally affected by the reductions or increases.

It is like the trial of a case in court. The Senator knows that in an ex parte proceeding, where only one side is represented and that side ably represented, the general interests, or the interests of persons not in court who may be concerned in the result of the litigation, may be detrimentally affected.

Mr. FESS. Mr. President, this is the first time that such an innovation has been injected in legislation. When we are considering the tariff, we consider all the people. My concern has always been with labor. I know, as everybody knows, that there is no such thing as the employment of labor unless there is an opportunity for capital to invest at a profit. I have never been an advocate simply on behalf of capital, but on behalf of labor. Labor comprises considerably more than half the population of the country.

Then, I have always regarded the farming element as a particular beneficiary of tariff legislation. I never thought of having a representative employed by the Government for labor or for the farmer, but now we have the indefinite consumer. I am a consumer and my friend from Arkansas

is a consumer. Every man who eats or wears anything is a consumer. Why should we have a consumers' representative and not have a labor representative and a farmers' representative? I can not understand why.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. FESS. I yield.

Mr. ROBINSON of Arkansas. A consumers' counsel, in the sense in which that term is used in the pending measure, would represent all the divisions of our population to which the Senator has referred, in contradistinction to the special interests which are represented by their own counsel in connection with applications which may be presented to the Tariff Commission. Now, surely the Senator does not contend that the policy of tariff protection does not involve interests other than those of the applicants for protection?

Mr. FESS. Oh, certainly not.

Mr. ROBINSON of Arkansas. Certainly the Senator recognizes the fact that in some cases at least in which increased tariff rates cause increased prices of commodities, the matter becomes of vital concern to those who purchase the commodities but do not produce them.

Mr. FESS. I appreciate the position of the Senator, that, unless there is some one at court who speaks for the people who are neither producing nor working, they might not be heard. I differ from him in this respect. I know that the Senator from Arkansas, in his vote and in his representations, has the consumer element in mind equally if not more than the producer. I am in that class also.

Mr. ROBINSON of Arkansas. The question to which we are now addressing ourselves has little relation to the subject of legislation. It has relation to the proceedings of an administrative board or commission created, it is true, by act of Congress, charged with the function of ascertaining definite facts. The conclusion of the commission with respect to facts depends to a large extent upon the evidence that is presented. Again referring to a case in court, every lawyer recognizes the very radical difference between a hearing which is ex parte and a hearing on a contested matter. Often courts have issued, on ex parte application, writs and processes which would not have been issued if those having adverse interests, or interests which may be regarded as in conflict with those of the applicant, had been present and had been heard.

What harm does the Senator from Ohio think can result to any interest that ought to be conserved by establishing a consumers' counsel to perform the functions which are authorized by this measure?

Mr. FESS. The harm that comes from it is, first, that it is wholly unnecessary; second, it is creating an additional bureau; and, third, it is establishing the policy that we must have some one as the representative of an indefinite element called the public or the consumer in order that it may be represented. Let me reiterate that if that be true, then we should have the same organization in the Interstate Commerce Commission, because that body deals decidedly with burdens upon all the people. It determines the rates of transportation to be charged the people.

Mr. GEORGE. Mr. President, is not the Senator aware of the fact——

Mr. FESS. I do not yield at this time.

The VICE PRESIDENT. The Senator from Ohio declines to yield.

Mr. FESS. Everybody is interested in transportation. It is not only the railroad employees; it is not only the railroad managers. It is all the people of the Nation who are interested. We would have to have the same thing in the Interstate Commerce Commission. If the proposal is justifiable, we would have to have the same thing in the Federal Trade Commission; we ought to have the same thing in the Shipping Board; and we should have the same thing wherever the public is interested. First, it is unnecessary and it is inconsistent; and, secondly, it creates a situation that ought not to be recognized where it may be said that men like the Senator from Arkansas are not considering the public weal when legislation of this sort is being considered.

Mr. HARRISON. Mr. President, will the Senator let me ask him one question?

Mr. FESS. I yield.

Mr. HARRISON. If the Senator thinks it is inconsistent, why did he vote for the provision that the manufacturers should have a counsel before the board of appraisers when importers want to bring goods into the United States and questions are raised as to valuations?

Mr. FESS. The matter never was discussed.

Mr. HARRISON. The Senator voted for it. We discussed it for a good long while.

Mr. FESS. How does the Senator know I voted for it?

Mr. HARRISON. I know the general attitude of the Senator so well. Was he in favor of the proposition?

Mr. FESS. No.

Mr. HARRISON. The Senator was not in favor of it?

Mr. FESS. I would not vote for a thing of that kind.

Mr. HARRISON. I will send for the RECORD and find out whether the Senator voted for it. Such a provision is in the law, and it was put in there by the Senator's party who voted on the bill.

Mr. FESS. Of course, if the Senator means by that that I voted for it because I voted for the bill, I will have to admit that I did. But that is hardly a fair statement. There are a lot of things in a tariff bill or in an omnibus bill that we would not vote for if they stood alone, but for which we do vote if we vote for the entire bill, just as the Senator voted for individual items in the tariff bill and then voted against the tariff bill as a whole, so that he might say he voted against the items.

Mr. President, the third outstanding proposal in the measure relates to an international economic conference. I am opposed to that provision. I shall vote against such a provision when attached to any bill. International conferences may accomplish some good. That is within the range of possibilities. Naturally the world becomes closer in its general relationships because of various improved means of communication. Each country thus comes to be a closer neighbor of the others. From time to time we will thus grow more closely together. There is no doubt about that. Our foreign relations will naturally bring to us more or less obligation which at one time would not have taken place, but will occur under our present economic and social organization.

In the first place, when we consider going into an international conference we always ascertain what the subject of discussion is to be, what the agenda will be, before we agree to enter it. If the agenda is to include any question that we do not propose to submit to discussion, we will not enter the conference unless and until the agenda is modified. International conferences involve so many differences, and these differences are so fundamental as applied to the differences in the nationalities of the countries interested, that we ought to be very cautious before we commit ourselves to anything of the sort.

We have had a lot of experience with international conferences. We had one on the money question. Just the other day the Senator from Montana [Mr. WHEELER] raised a question about the position of the party to which I belong on the question of bimetallism. That raises the question of an international conference.

In the campaign of 1896 we pledged an effort to induce the nations of the world to enter upon bimetallism through international agreement. When the President of the United States took up the matter, he asked the authority of Congress to appoint a commission, which authority was granted to him. That commission was composed of Senator Wolcott, of Colorado; Adlai Stevenson, a distinguished Democrat, of Illinois; and a Mr. Payne, of Massachusetts, all outstanding bimetallists. They went to Europe and were received in France and other countries. The French chancellor made the statement that France would open her mint to the silver of the world and accompanied the commission over to London, where the commission expected to have

strong support from the First Lord of the Treasury, who at that time was Arthur Balfour. Balfour was rather favorable to it, but the Chancellor of the Exchequer, who spoke with authority on financial matters, vetoed the proposal and distinctly stated that they would not agree. The matter was taken up with India, and India, the great silver country which had gone on the gold basis only three years before, refused to agree. Our commissioners had to come home defeated and disappointed in that what we had agreed to do as a national obligation we could not induce other countries to do.

That is the history of the past. Why should we be surprised at our inability to get agreements in which we are interested? I should think everybody who is interested in the limitation of arms, having fresh in their memory the experiences of the last 20 years in our efforts to get agreements, would realize that we run up against the obstacle of diverse interests where one nation takes one view, another nation takes a different view, and still another nation takes an entirely different view, and unity of decision is almost an impossibility. We are right now watching the operations of an economic conference. We have had a dozen such conferences in the last few years. The international conference on wheat first involved the representatives of 45 different nations. Then it was decided to have the 11 or 12 nations which were distinctively wheat-growing nations participate in a conference. Our own Government was in that conference, and there were 11 others. The Balkan States insisted that exports ought to be limited to fixed quotas, but no other government would agree to that; and our Government insisted that nothing could be done as to wheat except the reduction of production. The Balkan States would never agree to that. They said, "We do not produce enough; our interest is in an increased production; and we can not agree." Still other nations of the 11 would not take either view; they had still another idea. So the conference adjourned without coming to any conclusion.

Only a short time ago there was a conference on the economic situation of Europe. There will be another, though it is all up in the air, and there will probably be no definite decision. I would not object to our Government going into an economic conference with other governments, provided we exempted from the discussion subjects that we will not discuss in any conference with other governments because they are not international but are purely national. That has been our problem in connection with the League of Nations. There is no question in anyone's mind that a League of Nations which would be workable for Europe would be a good thing, and every American wishes the league success in its operations; but for us to become a member of it is wholly a different matter. It is one thing for governments whose conditions are similar to participate in conferences or to become members of leagues, but it is a wholly different thing for a government with wholly different aspirations, different conditions, and different standards of living to enter into a league or a council unless the agenda to be discussed shall be limited.

One of the very objections to our entrance into the League of Nations was the insistence that we remove barriers to trade. President Wilson, in furtherance of his theory in opposition to such barriers, had recommended that we remove from trade all barriers that it was possible to remove. That was his theory; and the recommendation met with the almost universal approval of the nations of Europe; but it did not meet with approval at home, and so the proposition was immediately dropped.

Suppose that we were asked to go into an economic conference to discuss the question of immigration, would we do it? Immigration is a national question; it is not an international question. Who shall and who shall not come to America is to be decided by the requirements and necessities of our situation and not by agreement between nations whose nationals want to come here. Immigration is an American question, and so is the tariff. Whether we are going to protect American labor from the encroachment of cheaper European labor is not to be decided by the will of Europe but by the will of America. We simply will not go into any conferences to discuss the removal of tariff barriers; that is our business and not theirs.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Georgia?

Mr. FESS. I yield.

Mr. GEORGE. I should like to have the Senator from Ohio before he takes his seat—and the invitation is open to any Senator on the other side of the aisle—name a single rate in the Hawley-Smoot Tariff Act which is measured by the share which labor draws out of the protected product. The proposition is simple and direct.

Mr. FESS. Does the Senator from Georgia ask the question what labor gets out of the tariff?

Mr. GEORGE. No. The Senator from Ohio, like all his Republican colleagues, assuming that he alone speaks for labor, reiterates that the purpose of the tariff is to protect American labor; and I am now inviting the Senator, or any of his colleagues, to name one single rate in the Hawley-Smoot tariff act that is measured by or determined by the share which labor draws out of the protected product. It is a simple proposition. There are none. Protection in every case is grossly in excess of the share which labor gets out of the protection afforded the product.

Mr. FESS. Mr. President, when the Senator from Georgia asks me whether there is any rate in the Hawley-Smoot Tariff Act which is measured by the share which labor draws out of the protected product and then says "there is none," that observation is sufficient; it carries its own answer, and it is not necessary for me to pay any attention at all to the question, because any statement I might make would not be satisfactory to the Senator. On the other hand, every tariff rate levied on the product of any American industry that is in competition with a European product which is produced more cheaply is imposed for the benefit of labor. That is the purpose of it.

Mr. GEORGE. But, Mr. President, that is not the question I asked. The question that I asked is a fair one. The participation of labor in the protection given to any article is a mere matter of calculation; and I ask the Senator now, and I invite him respectfully, to mention one rate in the Hawley-Smoot Tariff Act which is determined or measured by the share which labor draws out of the protected product.

Mr. GORE. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. FESS. I yield.

Mr. GORE. I think perhaps the Senator from Georgia is mistaken. I think there is one instance. As I recall, the tariff rate on pig iron is $1.12½ per ton. The labor cost of pig iron, even when wages were high, was $1.13 a ton. The Republicans adjusted the tariff scientifically so as to measure with precision the difference between the cost of production here and abroad. The cost of producing a ton of pig iron in Europe is a half cent a pound and the tariff protection is measured, graduated scientifically, in order to measure the difference between the labor costs here and abroad. I think the Senator from Georgia is in error. [Laughter.]

Mr. FESS. I thank the Senator from Oklahoma. However, I was not discussing the question of rates; I was discussing the question of economic conferences; and I want to read a statement that is fundamental on the question of such conferences:

> The United States understands that under the league covenant no question can be raised either in the assembly or in the council of the league which will give either party the right to report or to make any recommendation or to take any action upon the policy of the United States or any other member nation with regard to domestic or political questions relating to its internal affairs, including immigration, coastwise traffic, tariff, commerce, and all other purely domestic questions.

That is an announcement of a fundamental of American policy in determining how far we may go in our conferences with foreign countries. That is a sound doctrine. It nulli-

fies and negatives the pending proposal that the United States shall undertake to enter a kind of league of nations on the question of the tariff. We will not do that; it is to me strange, indeed, that there should come to this body a proposal that a question which is purely American should be submitted to a conference where we are on one side and all the other nations with whom we sit in conference are against us. What can come out of such an effort as that? I challenge our friends to go to the country on a proposition like that. The American people never will submit to such an innovation.

I am opposed to the pending measure, first, because it nullifies all we have done to eliminate logrolling and brings us back to the old method of procedure. I oppose it because it introduces un-American elements and will be of no value, but will certainly result in great harm. So I shall vote for the substitute offered by the Senator from Michigan [Mr. VANDENBERG], but I shall vote against the substitute proposed by the Senator from Mississippi [Mr. HARRISON].

Mr. HARRISON. Before the Senator takes his seat——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. FESS. I yield.

Mr. HARRISON. So that the RECORD may be correct, let me remind the Senator that he expressed some doubt as to his having voted for a manufacturers' attorney to appear before the Customs Court in valuation proceedings. I merely want to say to him that if he will look at the CONGRESSIONAL RECORD of October 8, 1929, at page 4528, he will find that he voted, as I have stated, for a manufacturers' attorney to represent them in valuation matters before the Customs Court.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. HARRISON. I yield, if I may.

Mr. CONNALLY. Let me suggest to the Senator from Mississippi that the point the Senator from Ohio made was that he was opposed to the people having counsel to represent them. He did not object to manufacturers having counsel; and I do not understand that he ever did object to that.

Mr. FESS. Mr. President, that is in line with the Democratic propaganda. [Laughter.] I would be disappointed if my friend, the genial Senator from Texas, did not say that very thing. That is very much like him.

Mr. CONNALLY. Let me ask the Senator if he will be willing to bring the Official Reporter's notes back in here to testify as to whether the Senator in the course of his argument did not say to one of the Senators in colloquy, "What do you mean by this indefinite term 'the people'?"

Mr. ROBINSON of Arkansas. The Senator from Ohio asked me that question.

Mr. CONNALLY. The Senator from Ohio asked the Senator from Arkansas, "What does the Senator mean by this indefinite term, 'the people'?" Why have counsel for the people? I suppose it is all right to have counsel for others who may be interested.

Mr. FESS. The Senator can compose himself. He can read what the Senator from Ohio has said. The Senator from Ohio never changes the notes of his remarks as they are delivered in this body. They will appear in the RECORD exactly as the reporter will report them, because they are never submitted to the Senator from Ohio for revision. So the Senator need not disturb himself; let the Senator be composed. What we were discussing was the consumer, and the consumer is everybody.

Mr. CONNALLY. Let me say that the Senator from Texas meant to cast no reflection on the integrity of the Senator from Ohio as to the exact report of his remarks as he made them. I am sure the Senator is absolutely correct about that, and I meant no reflection on him at all; but I meant to refresh his recollection, because the Senator in the course of his speech said so much about so many different things I thought probably in the rush that he might have forgotten that he referred to the people as this indefinite term "the people."

Mr. FESS. Mr. President, the Senator from Arkansas was discussing a counsel or a representative before the Tariff Commission. I asked him the question why there should be such a representative for the indefinite term that is used. He was speaking for the consumer and so was I.

Mr. CONNALLY. Mr. President, the Senator from Ohio [Mr. FESS] illuminates any discussion in which he takes part. The Senator is a scholar, and in the beginning of his remarks he treated us to a rather meticulous discourse on the history of the tariff and the biography of many of the leading public men who had had to do with tariff legislation. However, in the latter part of his remarks he said this.

I should like to have the attention of the Senator from Ohio, if I may.

The VICE PRESIDENT. Will the Senator from Ohio give his attention to the Senator from Texas?

Mr. CONNALLY. I was pleased to give the Senator attention and I desire his attention for a moment.

Mr. FESS. The Senator knows that I did it in order to please him and give him a chance to speak later.

Mr. CONNALLY. I thank the Senator. The Senator is very accommodating.

The Senator from Ohio made reference to his bitter opposition to the amendments to the flexible tariff proposed in this bill. I desire to challenge the Senator now with the statement that of all of the great figures to whom he pointed in tariff legislation not one of them ever advocated the doctrine which the Senator from Ohio now advocates—that of a flexible tariff, whereby the authority to make tariff rates shall be vested in the President rather than in the Congress of the United States.

The Senator from Ohio capped his address by a declaration of absolute economic isolation. Intellectually one would think from the Senator's speech that he was a modern Robinson Crusoe. If the United States could just get out on some island where no steamships would visit our shores, where no intercourse with foreign governments would ever disturb our calm, where we never could take up with foreign governments any matter of economics or any matter of foreign relations, we would have that Utopia of which More wrote so well and which has stimulated the imagination of so many dreamers.

I congratulate the Senator from Ohio. He is just full of history; but I am trying to get down to the present.

Mr. Blaine was a great man; but Mr. Blaine can not solve the problems that are facing the world to-day. Major McKinley was a great man, from the Senator's State; but Major McKinley is unable to settle present-day problems. We must get down to the questions that confront a world in disaster and in distress. We must decide whether or not we shall perpetuate the doctrine of the flexible tariff, whereby the rates are to be made by the President rather than by the Congress.

The Senator from Ohio repudiated what he termed effective competition between American-produced articles and articles produced in other parts of the world. Then, the next moment he denounced, as demagogic, the statement of the Senator from Mississippi [Mr. HARRISON] that the tariff was in a way responsible for the existence of trusts. I submit that the Senator from Ohio, when he suggests that he is in favor of a tariff which will prevent any effective competition between articles of American manufacture and articles of foreign production, he proposes a tariff which will shut out foreign goods. I submit that that kind of a tariff inevitably creates trusts and monopolies, and builds up industrial and manufacturing enterprises which can dominate the commerce and the industry of the United States.

Mr. President, this measure is submitted by the minority in three sections. The Democratic minority believes that the present tariff laws should be revised and that the Smoot-Hawley tariff act has not operated to secure benefit or assistance to the commerce and the industry of the United States. The first section of the pending bill pro-

vides an amendment to the flexible provisions of the existing law.

By what authority do we enact legislation with relation to the tariff? Why are we vested with the power to say what shall be the tariff laws of the United States? Do we sit here by any hereditary right? Do we hold our places here by any sort of divine right?

Mr. President, whatever authority we possess to fix tariff rates, and whatever authority any other branch of this Government possesses, is derived from the fundamental law, the Constitution of the United States.

At the risk of being tedious, I desire to call the attention of Senators to the fact that the only authority in existence by which we receive a warrant to speak for the people of the United States is the Constitution of the United States, which provides, in Article I, section 1:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

To that language there is no exception. It states that all—not some, but all—legislative powers shall vest in the Congress of the United States. By that it means that whether that legislative power relates to the conduct of our citizens within the Federal scope of authority, whether it relates to taxation, whether it relates to foreign trade, whether it relates to the sanctity of property or the conduct of the courts, whatever the legislative power may be, it resides in the Congress of the United States, and it resides nowhere else.

I submit further that under the Constitution, in section 8 of Article I, it is provided:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

These provisions are the basis of the power of the Congress, and of the Congress alone, to legislate upon taxation and to fix and define tariff rates and tariff duties. The fact that that power rests in Congress, and in Congress alone, was never disputed within the history of this Republic until 1922, when the Fordney-McCumber Tariff Act was enacted. Then, for the first time, was it proposed that section 315 of that act be placed in the statutes; and it was called the flexible tariff provision. At that time it was proposed as a temporary or an emergency measure. On the floor of the Senate it was submitted by Mr. McCumber, then in charge of the bill, as being a measure only temporary in character.

Mr. President, whenever constitutional limitations are broken down, whenever a breach is made in the wall of authority, it is usually made first under the pretext of some great emergency, only a slight deviation from the rule theretofore observed. Once made, it is thereafter cited as a precedent for further attack upon constitutional authority. The breach is constantly widened. More authority is demanded. More and more are the constitutional safeguards and sanctions broken down. That was never better illustrated than in the case of the provisions of the existing law.

In 1930, using the enactment of the flexible tariff of 1922 as a precedent, the Congress of the United States broadened and expanded its provisions until to-day it goes much further than the act of 1922.

Mr. President, I submit that article 336 of the present tariff law, enacted in 1930, is beyond the scope of our constitutional authority.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Mississippi?

Mr. CONNALLY. I do.

Mr. HARRISON. We have been going on for quite a long time to-day. The Senator from Texas informs me that he would like to proceed to-morrow morning. Would that be agreeable to the Senator from Oregon?

Mr. McNARY. Mr. President, I have made diligent inquiry, and I find no other Senator prepared to proceed this afternoon. As the Senator from Texas is tired and would like to continue in the morning, I shall presently move that the Senate take a recess until 12 o'clock to-morrow.

The VICE PRESIDENT. Does the Senator from Texas yield for that purpose?

Mr. CONNALLY. I yield.

ADDRESS BY SENATOR JOHNSON ON THE NAVY AND PREPAREDNESS

Mr. McNARY. Mr. President, in October last the distinguished senior Senator from California [Mr. JOHNSON] delivered an impressive and eloquent speech on President Roosevelt and his virile doctrine of preparedness. I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There could be no more fitting day dedicated to the American Navy than this, the birthday of the greatest American of this generation. As Assistant Secretary of the Navy, as President of the United States, as citizen and patriot he never wavered in preaching his virile doctrine of preparedness and the necessity for an adequate Naval Establishment. Had he lived, his powerful voice might have prevented the unfortunate sequence of events of the past decade and the decline of our sea power, not from battles upon the sea but from diplomatic encounters. We of San Francisco have good reason for remembering Theodore Roosevelt and his preachment. In 1903 he dedicated the Naval Memorial Monument in Union Square. How few in this decade, when so often it is demanded that patriotism must sway to every international breeze, remember Roosevelt's words of dedication 28 years ago.

"It is eminently fitting," said he then, "that there should be here in this great city on the Pacific Ocean a monument to commemorate the deed which showed once for all that America had taken her position in the Pacific. * * * To dedicate the monument would be an empty and foolish thing if we accompanied it by an abandonment of our national policy of building up the Navy. * * * Applaud the Navy and what it has done. That is first class. But make your applause count by seeing to it that the Navy is so built up that the men of the next generation will have something to applaud also."

We to-day avow again this great purpose. We dedicate ourselves here in the spirit of peace for its preservation and the perpetuity of our Nation to an adequate Navy for this Republic, and we reecho Roosevelt's eloquent words:

"The Nation must have physical no less than moral courage; the capacity to do and dare and die at need, and that grim and steadfast resolution which alone will carry a great people through a great peril. * * * Diplomacy is utterly useless when there is no force behind it. * * * An ignoble peace is even worse than an unsuccessful war. We ask for an armament fit for the Nation's needs, not primarily to fight but to avoid fighting. Peace like freedom is not a gift that tarries long in the hands of cowards or of those too feeble or too shortsighted to deserve it, and we ask to be given the means to insure that honorable peace which alone is worth having. * * *

"There is no more utterly useless and even utterly mischievous citizen than the peace-at-any-price, universal-arbitration type of being, who is always complaining, either about war or else about the cost of armaments which act as the insurance against war. In the present stage of civilization a proper armament is the surest guaranty of peace and is the only guaranty that war, if it does come, will not mean irreparable and overwhelming disaster. The huckster or pawnbroker type is usually physically timid and likes to cover an unworthy fear of the most just war under high-sounding names. The large mollycoddle vote * * * consists of the people who are soft physically and morally or who have a twist in them which makes them cantankerous and unpleasant as long as they can be so with safety to their bodies. In addition there are the good people with no imagination and no foresight who think war will not come, but that if it does come, armies and navies can be improvised. I abhor unjust war; I believe that war should never be resorted to when or so long as it is honorably possible to avoid it. I advocate preparation for war in order to avert war, and I should never advocate war unless it were the only alternative to dishonor. * * * There is no surer way of courting national disaster than to be opulent, aggressive, and unarmed."

When we consider world conditions to-day, how apt and prophetic are these sentences. There are well-meaning people and many of them, and others not so well-meaning, who beseech us to put our trust in treaties of high-sounding words. There are organizations and associations devoting themselves in the sacred name of peace to the destruction of any legitimate or adequate national armament. They willfully atrophy their brains and decline to recall what has happened within the memory of all of us here, and they cover their eyes that they may be blinded to what to-day is transpiring across the Pacific Ocean. They would leave us naked and defenseless in any crisis; and then, if trouble did come, they would be the first to unite in a mob psychology more relentless and sanguinary than that of any advocate of preparedness. Some of those who now bleat loudest about disarmament I saw and heard during the World War. Metaphorically, they fed upon the bones of foes, and their ferocity of expression toward

those with whom we fought had no limitations. No punishment was too condign, in their view, for any who disagreed with them or who remembered the old divine teachings. They were good politicians in time of war, and they fondly imagine they are good politicians now in times of peace.

The cheapest politics to-day, the most contemptible, is the politics which in generic terms raves of peace, and yet would take this great Nation into any organization abroad from which might spring controversies and wars of no concern to us; which bellows of a naval holiday, knowing our absolute inferiority in naval equipment, and would leave us at the mercy of any other first-class power were trouble to arise; which shouts disarmament and means disarmament for us alone while others continue to arm. You who sit here in common with all right-thinking people have the same anxious yearning for peace. There are none here but believe in disarmament. It is a short cut, however, to a certain kind of popular favor to cry in general terms of peace and disarmament because none will disagree; but it is cheap, and wicked, and cruel, and reckons little with future possibilities, to demand at the very time of our greatest naval inferiority a naval holiday for five years or a similar term. This but perpetuates our inferiority and continues the shameful disadvantages to which we have been put by high-sounding naval conferences. It destroys the insurance we should have against future troubles. But, worse than that, it gives the lie to the promises of parity made our people, when they were weakly cajoled and persuaded by foreign diplomats, and drugged by pleas of pacifism into accepting the humiliating London agreement.

We talked naval disarmament in 1922. Our country meant it. How much other nations meant the record since has demonstrated. We fondly imagined then, because Great Britain and Japan agreed to it, that we were establishing a ratio in navies of 5 for Great Britain, 5 for ourselves, and 3 for Japan. In order that this ratio might be obtained we yielded our right to naval bases and fortifications in the Pacific, we destroyed the naval superiority we then had, and we sunk in the ocean hundreds of millions of the taxpayers' money. Immediately afterwards both the other nations, parties to the contract, feverishly began to build, and soon we found ourselves transmuted from a position of superiority into one of inferiority. When the next disarmament conference occurred, that very inferiority was utilized against us and Great Britain demanded that such cruisers as we built should be built under their specifications. Be it said to the credit of President Coolidge, he repudiated this unjust demand. But again we met in the conference in London in 1930. Again our inferiority was thrown in our faces and the ultimatum was given to our country that we could build up to the promised parity with Great Britain, only if we built the kind of cruisers Great Britain wanted us to build. The ratio which we had so dearly bought of 5–5–3 was scrapped. Japan obtained an increased ratio because of her very insistence and because of our very inferiority. Supinely our representatives accepted what Great Britain graciously told us we might have. The General Naval Board in Washington, with absolute unanimity and with a courage that did it infinite credit, true to the highest traditions of the American Navy, opposed this injustice and insisted upon construction of cruisers in accordance with our desires and our needs. Ruthlessly the decision of the General Board was set aside, and there was sufficient power in the present administration, aided by those outside of it who thought it profitable politically to sneer at the Navy and naval officials, to have the London Treaty ratified.

We are now told by a spokesman for the President that we should have a naval holiday for five years. If, on the 1st of January, 1932, a naval holiday were declared, the effective vessels of the British Empire, Japan, and the United States, i. e., vessels not over age or listed for disposal, would be: British Empire, 14.8; Japan, 11.2; United States, 10; and this in the teeth of a positive agreement by one of the treaties over which so many tears of happiness were shed in this country, that the ratio of the Navies of Great Britain, United States, and Japan should be 5–5–3. Again, if all naval building were suspended during 1932, the ratios of under-age auxiliary tonnage of the three nations would be, at the end of 1932, 10 for the United States, 17.1 for the British Empire, 13.4 for the Japanese Empire. These ratios, carefully compiled by the Navy League, not only demonstrate the wrong and injustice of the suggested naval holiday but emphasize the dangerous and perilous position in which this country might be placed.

Moreover, when the London treaty was before the Senate for ratification it was more than once vehemently asserted by those who spoke for the administration that one of the objects of the treaty was to enable the United States to build up so that it might have parity with Great Britain and might have a Navy at least comparable with that of the other nations concerned. How well this promise has been kept you who have followed recent events thoroughly understand. A singular incident occurred during the debate upon the London treaty. There was read into the record then certain statements from Japanese newspapers and Japanese correspondents who had at various times in the past spoken with some authority for their Government. These statements averred that there was a gentleman's agreement with the United States Commissioners, or some of them, by which we would not build certain of the cruisers allotted to us by the London treaty. The senatorial representatives of the London conference indignantly denied that there was any such understanding. Their denial, of course, was accepted; but the statement was made rather significantly then that at least the Japanese so believed. Exactly what the Japanese then believed has happened. Either an amazing coincidence has occured or the Japanese then knew exactly what the United States intended to do in naval construction.

We are all for disarmament which will be fair and just, but I decline further to destroy our Navy while other nations laugh and build. Naval disarmament, yes; but naval disarmament not only for the United States of America but for other nations as well. A naval holiday no American will oppose; but when that holiday begins America must be in a position of equality, not of inferiority. The men and women who are forever thinking first of other nations, by a strange mental quirk believe, by forgetting their own land, they acquire a new and wonderful virtue that makes them the only apostles of peace; and they and the foolish quavering voices of pacifism tell us "that if only we are harmless enough, nobody will hurt us." It is for us, viewing with such charity as we may these strangers to our creed, to preach and teach, lest those who follow us pay the awful price; that here in America the first thought of our people should be our country, its preservation and protection, the realization and consummation of its glorious destiny.

The primary purpose of a navy has ever with us been protection, never aggression. Not alone protection of our seacoast and our ports, but of our vast expanding commerce. In ocean-borne commerce, now, the United States has taken its predominant place. By energy, industry, and ability our merchants have won their place upon the sea. While we applaud their achievement and success, the Nation should ever stand ready to conserve, guard and protect them. This can only be done by an adequate naval force. A weak and insufficient Navy invites brutal aggression. An adequate Navy is the insurance against it. Nine-tenths of wisdom is being wise in time. Wisdom dictates, all history confirms, and our knowledge of recent events emphasizes that we be prepared with an adequate naval force to protect our land and our commerce, and repel aggression of any sort. In this day of realities it is madness to consider the question of a foreign policy without at the same time treating of the Army and Navy.

But our good people say, bring all the nations of the earth together and have them agree never, under any circumstances, to resort to violence, or bloodshed, or war, and then the millennium will have arrived and no longer will we require either Army or Navy. Just this sort of thing has been futilely tried in days gone by, and just this sort of thing, with equal futility, has been done in our very time. It wasn't so long ago that we were speaking contemptuously of the individuals and the Nation that characterized a treaty as a scrap of paper. Since then nations have met and pledged themselves solemnly in high-sounding phrases against aggression, violence, and war. And yet to-day Manchuria is strewn with scraps of paper. It isn't a war, really, that is now in progress in Manchuria. It is the invasion of a neighbor's territory too weak, because of its pacifism, to defend it, the appropriation of that neighbor's lands and the killing of any who may question or interfere. It is only nine years ago that in the ethereal and beautific atmosphere of Washington, when we were agreeing to scrap our great battleships and surrender our naval superiority, that, with emotions high on our part, various treaties were entered into forever to banish aggression and war. Among others was what was called the 9 power treaty. The parties to this 9 power treaty were the United States, British Empire, France, Japan, China, Italy, Belgium, the Netherlands, and Portugal. It was a treaty to render inviolate the territorial integrity of China. It provided in Article I that the contracting powers other than China agreed:

"(1) To respect the sovereignty, the independence, the territorial, and administrative integrity of China;

"(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

"(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

"(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States."

And in Article VII it was also provided:

"The contracting powers agree that whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present treaty and renders desirable discussion of such application there shall be full and frank communication between the contracting powers concerned."

Here was one of the solemn agreements to respect a weak nation, its sovereignty, its independence, and its territory. And here, too, was what our organizations for peace insisted would always prevent aggression or war—the consultation among those who signed the solemn agreement—and yet when China is torn with civil strife, when millions of her people lie stricken and dead by devastating waters, when all the world is staggering under financial woes, Japan, without notice, with a precision which indicates long and careful preparation, marches into Manchuria, shoots down the feeble opposition, bombs unprotected communities, and occupies territory she was bound to respect. And what Japan takes she keeps. It is not a war in the ordinary sense of the term, because China is too feeble to fight well, and you can not have a war between a chopstick and a machine gun. How little remembered now is this treaty, and perhaps Japan in the multiplicity of her problems forgot it when her troops marched into Manchuria.

But Japan may not be wholly to blame or only to blame in this crisis. I read the other day a very interesting article in the magazine called "Liberty" entitled "Double-crossing America," by Herbert C. Yardley, who for many years was the head of the Intelligence Department of the United States which decoded diplomatic dispatches. He quotes dispatches passing between the Governments of London and Tokyo in 1927, and if these be authentic and accurate Great Britain and Japan were then engaged secretly and surreptitiously in reaching an understanding with reference to Chinese questions, from which the United States was to be excluded. The 9-power treaty to respect Chinese sovereignty and for consultation among all its signers was then in full force and effect. The sanctity of the 9-power treaty in the light of recent events can thus be fully understood.

Again in 1928 we celebrated with what joy and exaltation and with what holy emotions the Briand-Kellogg peace pact, by which all the nations of the earth outlawed war. We were told in solemn orations that never again because of this treaty would a powerful nation oppress a weak one; that history had recorded the last assault by one country upon another and dread war was forever banished. In the excess of our joy we erected shrines to those who had participated in this holy achievement. Japan was a party to it and so was China. It is quite true that Great Britain annexed some reservations to it by which Great Britain might do as she pleased under certain circumstances and there were some reservations made by other countries. It is equally true that there was no method of enforcement of the agreement thus made, but we then heard, as we have since, how the opinion of the world would instantly halt a recalcitrant nation. Some of us, recognizing realities, were ready to accept any agreement designed to promote peace, even if it were ineffectual, but we were roundly scored for warning our people of its futility. The Japanese march on to the tune of shell and shrapnel.

But greater than all of these pacts is the sacrosanct League of Nations. Here there is not only agreement among the parties to the treaty to respect territorial integrity, but there is power in the league by its sanctions and otherwise to enforce any decree. The league meets in the crisis, and thus far it has halted no hostile force nor saved a single life. It would seem to a disinterested observer its main purpose has been finally to get our great country, in violation of the action of the United States Senate and in the defiance of the will of the people, into this European-dominated association, and so involve the United States that on any future occasions it may likewise be dragged in. It was utterly unnecessary for the Government at Washington, if it desired to enter a protest under the Kellogg pact, to go into the League of Nations. It could have performed that function, as it has now performed it, by a simple note from our Capital. It is no answer to pretend our representative in the council of the league is but an observer. He sits there representing the United States of America by invitation duly accepted. He participates in the deliberations. He can not, nor can the United States, scuttle and run if these deliberations lead to the application of the very drastic remedies provided for by the league. Internationalism has for the moment triumphed; but the American people now juggled into a position they have repudiated, patient and long-suffering as they are, will with the opportunity given, speak in no uncertain tones. The very arguments that are made by our internationally minded newspapers, some of whom boldly denounce the actions of Japan, but who have little sympathy with an adequate Navy, demonstrate conclusively its necessity. From one set of these papers for which I have a high regard, I quote:

"Now Japan is guilty of one of the grossest aggressive acts in modern history. * * * The Chinese knew they were protected against just such aggression by the 9-power Pacific treaty to which the United States pledged its honor. The Chinese knew they were protected against just such aggression by the Kellogg pact to which the United States pledged its honor. * * * If the United States Government wishes to save its honor and its Kellogg treaty, it will act. It will demand, jointly with the other treaty powers—or alone, if necessary—that Japan withdraw and make restitution. If Japan refuses, it will then force an economic and financial boycott against Japan as a self-convicted treaty outlaw and war maker."

None of us here to-day would indulge in expressions as warlike as these. A nation, like an individual, can not bluster and threaten unless it means what it says. To make such demands would mean war, and few would go to war under the circumstances detailed. The gentlemen, however, who do not believe in an adequate navy and who believe in internationalism apparently would go to war. They may call it the enforcement of an "economic and financial boycott," but the only difference between that and actual warfare by shells and guns is that it is infinitely worse. They would starve the aged and infirm, the weak and the sick, the women and the children. I prefer a war with ships and armies and cannons and rifles and shells and bullets rather than starving the weak and infirm, the women and children. But if the advice that the Nation should make the demands insisted upon by these newspapers is sound, the least farseeing, the most pacific, must realize behind the demands we must have the force to back them up. They mean war just as an economic boycott means war.

And so we see three distinct, solemn treaties brutally scrapped. We see red carnage in its worst form, because it's the strong who can not lose against the weak, unfit to fight. Many weeks pass and many notes are written and a victorious army still marches to the music of the guns, and the representative of it all still sits in the holy League of Nations, dictating terms. Ultimately, of course, some kind of face-saving settlement will be agreed upon by the clever diplomats, and it will be a settlement wholly agreeable to the offending nation; and diplomats will smile the diplomatic smile, and international bankers will chortle, and the whole horde of little Americans will rejoice, for Uncle Sam at last has been jockeyed and juggled into the League of Nations.

But out of the horror of the Manchurian slaughter comes the lesson and the solemn warning. Treaties with an idealistic purpose are well. None here but would welcome them. Only the foolish or the willfully blind will accept them as the sole reliance in case of emergency or peril. We may proudly say that our country, never militaristic nor aggressive, seeking neither subject peoples nor territory, will ever observe them; but stern reality in this chaotic world can not be blinked, and so it is we rededicate ourselves to-day to the Rooseveltian doctrine, "Fear God and take your own part."

Here in California, with our beautiful and expanding ports, with commerce from them increasing by leaps and bounds, there should be none to oppose an adequate Navy. Yet, the politically sycophantic, the cowardly who at any appalling price would purchase peace, those who in quivering fear in their inferiority complex look beyond the sea for the only praise they covet, would destroy America's first defense, the Navy, that has written so many glorious pages of our history. They preach as they think will best serve their purpose. Yesterday it was disarmament, to-day a naval holiday, to-morrow economy. Disarmament, as practiced in conferences, has been a sham and a delusion, the net result of which has been the strengthening of other navies and the weakening of ours. But these strange Americans who prate so much of their idealism are quite content at injustice done by the intrigue of other countries against their own. Immediate disarmament, while we suffer under the handicaps imposed upon our gullible diplomats by those of other countries, makes a mock of our naval strength. Ah, but at the last ditch our internationalists shout economy. The economy of refusing to buy arms for our police while criminals possess those of latest model would in the end be the costliest policy. But why in this era of unemployment and depression is there wisdom in constructing unneeded public improvements and folly in building needed ships? By what process of reasoning do we endeavor to put unemployed to work building a post office and fire even 3,000 men we induced and persuaded to join the Navy and send them brutally into the ranks of the unemployed? In this great national emergency economy is the last catchword of those who would destroy the Navy.

From another standpoint, the economics of the individual who wishes to cut below adequacy the naval appropriations are awry. For the fiscal year 1930 the aggregate expenditures from naval appropriations were, in round numbers, $375,000,000. This vast sum was distributed in practically every State in the Union, and in many instances aided the people of the State. In California $26,000,000 were spent of the naval appropriations. There has been no question but that the money was well expended. To reduce the expenditures, really necessary in themselves, on the plea of economy, at this particular time would be unfortunate. But the hollowness of the cry of economy in the Navy is apparent when we find every congressional spokesman of the President indulging in it, wildly demanding at the instance of international bankers the cancellation of the billions of dollars due us from foreign nations. They weep great salty tears over the extravagance of a Navy necessary to protect the poor taxpayers and then in reality make him pay to foreign nations, by cancellation of just debts due to him, an amount which would maintain the United States Navy for 40 years. The most expensive economy which our Nation could indulge is the destruction of our self-defense.

Down the long corridors of time dimly we discern the captains of the sea who have written the glorious pages of American history. Their sacrifices will have been for naught, their heroism in vain, if, responding to a mawkish and cowardly plea, we so weaken the arm they so strongly wielded that no longer can it defend the Nation. Then, here's to the Navy, to those who command and those who obey, to the men to whom we look in time of peace for aid and succor in any emergency, and to those who in time of stress and trouble lead the Republic to its glorious destiny!

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United States submitting nominations of two persons in the Diplomatic and Foreign Service, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. McNARY. I move that the Senate take a recess until to-morrow at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Thursday, March 31, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 30 (legislative day of March 23), 1932

SECRETARIES IN THE DIPLOMATIC SERVICE

The following-named persons, now Foreign Service officers of class 8 and consuls, to be also secretaries in the Diplomatic Service of the United States of America:

John McArdle, of Pennsylvania.

Gordon P. Merriam, of Massachusetts.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 30, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We thank Thee, our Father and our God, that the way to the altar of prayer is plain. Here may we be borne into the presence of conscious wisdom, goodness, and power. We are here, Blessed Lord, with our yearnings, longings, and needs. Send us forth with a sense of Thy guidance. And with the remembrance that Thou art our Heavenly Father upon earth, so refresh us that we may wear the colors of the morning and not the shades of the evening. Cleanse us from selfish pride, passion, and evil inclinations. O God, bring Thy infinite, holy self to bear upon our entire country. Take our whole realm into Thy grasp. Enlighten the ignorant, transform the unpatriotic, and lift up the fallen. Punish those who deny the sanctity of the fireside and disregard the social order. Set free joyous tidings until they sound and resound everywhere and the bow of promise radiating above every hearthstone. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed joint resolutions and bills of the House of the following titles:

On March 15, 1932:

H. J. Res. 252. Joint resolution to authorize the Interstate Commerce Commission to make an investigation as to the possibility of establishing a 6-hour day for railway employees.

On March 16, 1932:

H. R. 375. An act amending the public building act approved March 4, 1931, authorizing acquisition of building sites and construction of public buildings at Hibbing, Minn., and other places;

H. R. 3703. An act granting compensation to Harriet M. MacDonald; and

H. R. 7899. An act to authorize the Secretary of the Treasury to negotiate and to enter into an agreement regarding the south boundary of the post-office site at Plattsburg, N. Y.

On March 17, 1932:

H. R. 361. An act to provide for the extension of improvements on the west side of Georgia Avenue, north of Princeton Place, in the District of Columbia, and for other purposes; and

H. R. 8235. An act to clarify the application of the contract labor provisions of the immigration laws to instrumental musicians.

On March 18, 1932:

H. J. Res. 182. Joint resolution authorizing an appropriation to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933; and

H. R. 5866. An act to authorize the construction of a dam across the Des Lacs Lake, N. Dak.

On March 19, 1932:

H. R. 6485. An act to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes; and

H. R. 6739. An act to amend the authorization contained in the act of Congress approved March 4, 1929, for the acquisition of a site and construction of building in Jackson, Miss.

On March 23, 1932:

H. R. 5315. An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to a bill of the Senate of the following title:

S. 3706. An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

REPRESENTATIVE ELECT FROM THE SEVENTH CONGRESSIONAL DISTRICT OF THE STATE OF MISSISSIPPI

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House:

MARCH 29, 1932.

Hon. JOHN N. GARNER,
Speaker of the House, House of Representatives,
Washington, D. C.

MY DEAR MR. GARNER: The certificate of election of Hon. L. RUSSELL ELLZEY, in due form of law, as a Representative elect to the Seventy-second Congress from the seventh congressional district of the State of Mississippi to fill the vacancy caused by the death of Hon. Percy E. Quin, is now on file in this office.

Yours very truly,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

Mr. COLLINS. Mr. Speaker, Hon. L. RUSSELL ELLZEY, recently elected as a Member of Congress from the seventh congressional district of Mississippi to succeed the late Hon. Percy E. Quin, is present and desires to take the oath of office.

SWEARING IN OF A MEMBER

Mr. L. RUSSELL ELLZEY, of the seventh congressional district of the State of Mississippi, appeared in the well of the House and took the oath of office.

THE REVENUE BILL

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) with Mr. BANKHEAD in the Chair.

The Clerk read the title of the bill.

Mr. CRISP. Mr. Chairman, on yesterday I sent to the desk, and it was adopted, an amendment levying an excise tax of 10 per cent on candy. There was a clerical error. It should have been 5 per cent, and the estimate was based on 5 per cent. I ask unanimous consent that that correction be made.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. MARTIN of Massachusetts. The gentleman did not make any mistake on the jewelry item, did he?

Mr. CRISP. No. This was just a clerical error.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the amendment adopted by the committee on yesterday be corrected as indicated by him, reducing the amount to 5 per cent instead of 10 per cent. Is there objection?

There was no objection.



Mr. CRISP. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 9, strike out lines 18 to 23, both inclusive, and insert in lieu thereof the following: "Upon a net income of $6,000 there shall be no surtax; upon net incomes in excess of $6,000 and not in excess of $10,000, 1 per cent of such excess; $40 upon net incomes of $10,000; and upon net incomes in excess of $10,000 and not in excess of $14,000, 2 per cent in addition of such excess," and beginning on line 1, on page 10, and down to and including line 16, on page 14, strike out the amount of dollars appearing at the beginning of each paragraph and insert in lieu thereof the amount stricken out increased by 60.

Mr. CRISP. Mr. Chairman, the sole effect of this amendment is to reduce the surtax from $10,000 to $6,000. In the bill as originally reported the surtax started at $10,000. This reduces it to $6,000, and by reducing it to $6,000 it adds $7,000,000 more revenue. The other part of the amendment just changes the figures in the other part of the bill to make them conform to the reduction of the rates where the surtax commences, from $10,000 to $6,000.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. LAGUARDIA. It does not disturb the normal tax as at present in the bill?

Mr. CRISP. No. It just makes the surtax rate commence at $6,000 instead of $10,000.

Mr. LAGUARDIA. This, of course, is on the smaller earnings, so that in this instance at least the whine can not be made that we are "soaking the rich."

Mr. CRISP. Let us forget all of those things, all work together, and try to get this bill through this week. [Applause.]

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word, and I would particularly like to have the attention of the gentleman from Georgia, the chairman of the Ways and Means Committee. I am trying to be helpful to the gentleman from Georgia to-day, and to the members of his committee, in showing them how they can obtain about $150,000,000 revenue each year by a tax on luxuries.

The gentleman from Georgia and his committee supported a 30 per cent sales tax on malt used in the homes for making malted milk for children and invalids, on malt used by the housewife and baking institutions in making hundreds of different kinds of food products, on malt used in the manufacture of breakfast foods and by the drug and textile industries, on malt used by the workingman to manufacture a good wholesome beverage in his home. This malt is made in American factories from grain produced on American farms.

Under the malt and brewers' wort provisions of the bill we are told that about $50,000,000 would be raised annually. If $50,000,000 annually were to be raised on the tax on wort, which is only used to make potent beer in gangster wildcat alley breweries, under the wort provisions of the bill it must be admitted that with the tax of 5 cents per gallon there would have to be produced and taxed 1,000,000,000 gallons annually, or 4,000,000,000 quarts annually, or 8,000,000,000 pints annually.

Now, the gentleman from Georgia [Mr. CRISP] did not have to go away from his own State to obtain revenue by taxing luxuries. Is it fair to tax malt made from the products of the farms of the American farmers, much of which is consumed by the American housewife in baking, much of which is used in the preparation of malted milk in the homes for babies and invalids, and then ignore Coca-Cola as a source of revenue? I sincerely hope that in the interest of justice and in the interest of balancing the Budget the gentleman from Georgia will offer an amendment taxing coca-cola sirup to the equivalent of 30 per cent, the same as he proposes to tax malt sirups.

We know that Coca-Cola sirups are not made from the products of the American farmers. Can the gentleman from Georgia be consistent in opposing a 30 per. cent tax on Coca-Cola sirups manufactured in the State of Georgia from basic ingredients most of which are produced in foreign lands with peon labor—a sirup which contains a drug derivative, as a Senate hearing clearly showed? I will admit that even before prohibition many of our respectable citizens who now oppose 2.75 nonintoxicating beer could go to a soda fountain and purchase a glass of beverage, one-half charged water and one-half Coca-Cola sirup made in Georgia, and drop a few aspirin tablets into it. Drink several of these combinations and you will feel more stimulated and elated than if you would drink several glasses of 2.75 beer.

If the gentleman is sincere, and if he wants to place a tax upon luxuries to balance the Budget, he should offer an amendment to put the same tax on Coca-Cola sirups as he put on malt sirups, particularly because Coca-Cola sirups are a luxury while malt sirups are a necessity. I venture to say that such a tax would raise about $150,000,000 annually from the product of his State.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. BLANTON. I want to say to the gentleman that he is becoming such an expert on temperance and such a reform lecturer that I want to recommend him to the Anti-Saloon League.

Mr. SCHAFER. I would suggest that the gentleman read the Volstead Act, and if he can square his position in favor of a tax on brewery wort, which makes 9 per cent potent beer, in Capone wildcat alley breweries, with his so-called dry pronunciations, then I would be inclined to seriously take the gentleman's suggestion. Until the time comes when the gentleman is consistent, I shall not look to him for advice on temperance or any other matter.

Mr. BLANTON. At least, I am regular and I am following my committee to balance the Budget.

Mr. UNDERHILL. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take the floor for the purpose of propounding a question or two to the chairman of the Committee on Ways and Means in anticipation of another amendment which will later be offered. It may possibly save some time to have the discussion which I hope to invoke in this instance.

I am much disturbed about the increase in postal rates from 2 to 3 cents on first-class mail.

I am wondering if the committee would take into consideration or has taken into consideration a flat increase of 25 per cent on all mail. Before the gentleman answers I would like to observe that the 2-cent mail now pays a profit of anywhere from 300 to 700 per cent to the Government. All other classes of mail are carried at a loss. If we have a flat increase, this would partially decrease the deficit of $94,000,000 which is now caused by carrying second-class mail at a loss. It would decrease the deficit caused by carrying parcel post at a loss. It would decrease the deficit caused by other nonpaying mail, and I am wondering if this would not be a better solution of the problem than to increase a profitable function of the Government but rather to put the burden where it belongs—on the nonprofitable mail.

Mr. CRISP. I will say to the gentleman from Massachusetts the committee did consider that suggestion. Assistant Postmaster Tilton said it was impracticable and could not be worked out.

The committee regrets the necessity of having to recommend an increase in postal rates, but the committee had to recommend something that was certain to raise the revenue to balance the Budget. I hope we will not get into a discussion of this post-office proposition until the amendment comes up.

Mr. UNDERHILL. If the gentleman will bear with me for just a moment, my purpose is to expedite business when the amendment comes up, because I want to go along with the committee, no matter what my personal desires or feelings may be.

Now, there is another item which the committee has not touched, and that is the $8,000,000 plus deficit which is

caused by franking newspapers, weekly or daily—I do not know just what they are—that are delivered free by the Government in certain counties and in certain sections. Why should the Government deliver this class of mail free of cost when most of these publications are criticizing Congress for an expenditure of something like $550,000 for the franking privilege of addressing our constituents in reply to their requests and inquiries?

Mr. CRISP. My answer to that is that under the rules of the House legislation is divided among different committees, and the Ways and Means Committee clearly has no jurisdiction to pass laws dealing with the Postal Service generally. We doubted having authority to even deal with increases on first-class mail, although this was done during the war; and before we brought in this recommendation we consulted with the Post Office Committee as to this one item. Also this is an emergency. The Government is in need of the money, and I think the amendment we shall offer will provide that it shall expire by operation of law on June 30, 1934, showing clearly that this is done as an emergency.

Mr. UNDERHILL. I simply want to say that I have no criticism of the committee whatever and no quarrel with the committee, but I do take issue with the Post Office Department in its recommendations. There is no business concern in the world to-day that could prevent a deficit such as the post office carries if it used the same methods that they do now, of exercising favoritism in granting certain privileges to newspapers, periodicals, and magazines, simply because they are afraid—that is all there is to it—they have not the guts to make them pay the cost of service. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 35, line 20, strike out "$2,000" and insert in lieu thereof "$1,000."

In line 22, strike out "$2,000" and insert in lieu thereof "$1,000."

Mr. CRISP. Mr. Chairman, under the present law, corporations with an income of less than $25,000 are given $3,000 exemption. The bill the committee reported changed the existing law by providing that corporations with an income of less than $10,000 would be given an exemption of $2,000 and the $3,000 exemption be repealed.

This amendment proposes that the exemption in the committee's bill be reduced, so that corporations with a $10,000 income, instead of having a $2,000 exemption, will have $1,000 exemption. This change in the law will yield $6,000,000 revenue.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, by direction of the Committee on Ways and Means, I offer the following amendment.

The Clerk read as follows:

Page 109.

The CHAIRMAN. May the Chair make this suggestion? Yesterday at the close of the session the Clerk had read down to section 141, page 108. By unanimous consent the following section, to which the gentleman proposes to offer the amendment, was passed over. It would be necessary for the clerk to read that section in order for the gentleman to offer his amendment.

Mr. CRISP. That is true, and the preceding section to which the gentleman from Texas offered an amendment, I asked to be passed over, I stated dealt with the affiliated and consolidated return.

The Clerk read as follows:

(a) Privilege to file consolidated returns: An affiliated group of corporations shall, subject to the provisions of this section, have the privilege of making a consolidated return for the taxable year in lieu of separate returns. The making of a consolidated return shall be upon the condition that all the corporations which have been members of the affiliated group at any time during the taxable year for which the return is made consent to all the regulations under subsection (b) prescribed prior to the making of such return; and the making of a consolidated return shall be considered as such consent. In the case of a corporation which is a member of the affiliated group for a fractional part of the year the consolidated return shall include the income of such corporation for such part of the year as it is a member of the affiliated group.

Mr. CANNON. Mr. Chairman, I desire to offer an amendment, unless the committee desires to modify its amendment.

Mr. CRISP. I have an amendment at the desk dealing with this section (c). I will ask unanimous consent that we may go to that section, where the amendment can now be offered.

Mr. CANNON. Will the gentleman ask unanimous consent that his amendment may be read for information?

Mr. CRISP. Yes. I ask unanimous consent, Mr. Chairman, that the amendment be read for information.

The Clerk read as follows:

Page 109, line 22, strike out the period and the word "only," and insert in lieu thereof a semicolon and the following: "except that there shall be added to the rate of tax prescribed by section 13 (a) a rate of 1½ per cent and only."

Mr. CRISP. Mr. Chairman, I ask unanimous consent to consider paragraph (c) out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CANNON. Reserving the right to object, it does not prohibit consolidated returns but simply changes the rate.

Mr. CRISP. If the gentleman will give me a chance, I will explain to the House the amendment, and the House can adopt it or reject it.

Mr. JOHNSON of Washington. Is this amendment being read just now for information or for the purpose of debate?

Mr. CANNON. For information.

Mr. CRISP. To please the gentleman from Missouri [Mr. CANNON], I ask that it be read before we reach that section for the information of the House.

Mr. CANNON. Mr. Chairman, I desire to offer an amendment. I move to strike out the paragraph just read.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CANNON: Beginning on line 20, page 108, strike out subsection (a), ending in line 9, on page 109.

Mr. CANNON. Mr. Chairman, I trust the committee will approach this proposition with an open mind. It is a proposal of peculiar merit in that it not only brings into the Treasury an amount which has been estimated by reliable authorities to be as high as $50,000 but its approval will be attended with other highly desirable advantages. May I say by way of preface that it is an amendment which has been indorsed by the Speaker of this House; it is an amendment which has been indorsed by the majority leader of the House; and it is an amendment which has been indorsed by the present acting chairman of the Committee on Ways and Means. All three of these distinguished Members of the House, with their long experience in matters of tax legislation and with an intimate knowledge of the principles of taxation, heartily indorsed the proposal presented in this amendment when it was under consideration in 1929. And while I am not advised as to the attitude of the gentleman from New York [Mr. SNELL], the leader on the other side of the aisle, I earnestly invite his sympathetic consideration of the amendment.

It involves the increase of millions of dollars in taxes paid by the most highly organized and most profitable corporations in the world to-day.

This amendment not only offers a means of assisting in balancing the Budget by greatly decreasing the exemptions of our largest corporations but it also prevents the Government from becoming a party to unfair competition through which the corporation with many branches destroys competition and eliminates the smaller and independent corporation engaged in the same business. This section of the law gives the chain corporation an unfair advantage over the individual corporation; and it is only American fair play to repeal it and put the smaller corporation and the inde-

pendent corporation on a plane of equal advantage so far as the law is concerned.

The law which this amendment proposes to strike out penalizes David and assists Goliath. It is one of the most effective weapons in the hands of the chain store and other federated corporations and is doing more to drive the independent merchant and the individual corporation out of business than any other law on the statute books to-day.

There are two classes of these corporations. The first class includes corporations with all their branches engaged in the same business, as the chain grocery, the chain drug store, the chain dry-goods or clothing store, the chain newspaper, and similar chain businesses.

The other, and perhaps the more important of the two, are the holding companies and mother corporations whose subsidiaries are engaged in a variety of businesses and activities, as the Standard Oil Co., the United States Steel Co., the Munson Steamship Co., the Pittsburgh Coal Co., practically all the public utilities doing interstate business, and many others with which you are all familiar.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman.

Mr. RANKIN. And those large enterprises invariably use one of their subsidiaries to crush competition, and then make up its losses by these consolidated returns?

Mr. CANNON. That is one of the many advantages available to these giant corporations under this law.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to my friend from Washington.

Mr. JOHNSON of Washington. I am satisfied that the entire membership will want to follow the gentleman if he has an amendment here that will prevent the chain stores and similar organizations from escaping taxation. Will the gentleman indicate whether this amendment is offered to subsection (a), or (c), or to the pending amendment of the chairman, the gentleman from Georgia, Mr. CRISP? We do not propose that any branch of any chain store shall escape taxes.

Mr. CANNON. I appreciate the statement of the gentleman from Washington. The amendment proposes to strike out subsection (a) with notice, of course, that if agreed to, I shall then move to strike out the remaining paragraphs of the section.

Mr. BRIGGS. Is it not a fact that you are striking at the proviso of making consolidated returns and in doing so you are striking at the heart of this great loss which runs into millions to the Treasury of the United States every year?

Mr. CANNON. Precisely. By closing up this loophole in the law and compelling the chain corporation to pay the same taxes paid by individual corporations we are not only repealing a law used as a weapon by the trusts against their smaller competitors, but we are bringing into the United States Treasury every year millions of dollars of additional revenue.

Mr. JOHNSON of Washington. I am inclined to think that by paying careful attention to this we will obviate the necessity for the repayment of taxes which always makes a charge against the Treasury.

Mr. CANNON. I was just coming to that. Many of the claims by the great corporations for repayment of taxes are filed under this section of the law.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CLARKE of New York. Will the gentleman please explain to us step by step how they get out of paying taxes. As I understand it, in all of these subsidiaries, the entire stock is owned by a parent corporation. The parent corporation can not return dividends to its stockholders until the subsidiary companies in turn have declared their dividends to the stockholding parent corporation. Where are they escaping?

Mr. CANNON. I shall be glad to explain, as my friend from New York [Mr. CLARKE] suggests, step by step, just how this provision in the present law is used to increase the exemptions of the chain corporations and how it is utilized to stamp out competition.

Let us take, for example, the Du Pont Co. It has innumerable subsidiaries rendering various services and producing a variety of commodities. One turns out explosives, another leather, another paint, another chemicals, another cellophane, and so on; all of them tied into the parent corporation. Inasmuch as the same corporation is both the buyer and the seller, both the producer and consumer of these products, it would be merely a matter of bookkeeping to show losses in practically any of the subsidiaries for the year. Under the provisions of the law we are seeking to repeal by this amendment, the central office is allowed to charge off such paper losses against the profits of other subsidiaries, and may reduce the amount of its taxes by enormous sums. Such a corporation as General Motors by taking advantage of this loophole could show such losses in its lumber subsidiaries or its accessories as to increase its exemptions in every return it makes. The great oil companies and the coal companies, into whose exchequers you propose to legislate vast subsidies in the form of tariffs elsewhere in this bill, escape taxation every year through transportation subsidiaries, pipe line and railroad, and many other affiliated corporations to which their bookkeeping departments charge heavy paper losses in order to increase the exemptions of the parent corporation. Practically all the power utilities of the country share these exemptions.

And the chain stores are particularly favored beneficiaries of this pernicious law. Here is the way they take advantage of it. The parent corporation, the mother organization, has branches in perhaps every State of the Union. These individual branches do not make tax returns. Under this law the central organization makes a consolidated return for all the branches, and may work in a long list of exemptions. But the independent store, with which the chain stores are competing, is required to make its own return. It has no way of booking phantom losses to offset its profits. It has no such convenient source from which to draw exemptions. It must pay its taxes in full.

The result is that the chain stores not only escape taxation but they use the law to drive out competition. Whenever a chain store is established in a new location, or when competition becomes troublesome, the chain deliberately lowers prices and runs at a loss until the home store across the street is driven to the wall and either closes or sells out. The loss in this branch of the chain is credited in the tax returns against profits made in other branches and the chain escapes taxation while it crushes the home merchant. Then when competition is eliminated the chain restores prices to a profitable basis and recoups its losses and is prepared to open up a new location or strangle any independent merchant who tries to enter the field.

The law is a favorite device of the utilities. An electric company or telephone branch or transportation company pays little attention to the cost of installing new services. A railroad company can run a bus line at a loss, a streetcar company can operate a line of taxicabs, or a power company can preempt a new community at a loss. Through the benevolent provisions of this law they charge these losses against their profits elsewhere and reduce their taxes while destroying competition and monopolizing the market.

Mr. ALDRICH. Will the gentleman yield?

Mr. CANNON. Yes.

Mr. ALDRICH. Will the gentleman say the same thing could not happen if it was one big corporation?

Mr. CANNON. It not only could not happen, it does not happen in the manner permitted by this law.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CANNON. Here is another beneficent use the chains make of this convenient law. They use it to freeze out the small stockholders. They find that some particular branch or some particular plant is especially profitable. By increasing the cost of materials, services, and other items of production furnished by affiliated subsidiaries and decreasing the price paid for its product by consuming subsidiaries it begins to show losses instead of profits. Dividends cease. The stock drops. And the small stockholder is forced to sell. Then income is increased while they freeze out the minority stockholders of some other branch. All the while the manipulators on the inside are not only shearing the lambs, but they are doing it at the expense of the Treasury by using these paper losses to exempt them from paying taxes.

Mr. ALDRICH. Will the gentleman yield again?

Mr. CANNON. With pleasure.

Mr. ALDRICH. They can do exactly that same thing under one big corporation. They can take their losses from those little stores on one return just as easily as they can do it in the consolidated return.

Mr. BRIGGS. Will the gentleman yield?

Mr. CANNON. Certainly.

Mr. BRIGGS. Is it not true that they find it more convenient to operate through these smaller subsidiaries, without the responsibilities which attach thereto, so that they are getting all of the cream without having any of the liabilities? Is not that true?

Mr. CANNON. The gentleman is eminently correct. The law permits a practice by which the Government not only loses the taxes but is put in the position of deliberately conniving with the trusts to drive out competition. It is deliberately arming the branch stores against their competitors.

Mr. ALDRICH. Will the gentleman yield again?

Mr. CANNON. Yes.

Mr. ALDRICH. Are not all of those practices illegal under the Clayton law, and does not the Federal Trade Commission take jurisdiction over those practices? I think the gentleman will find it does.

Mr. BRIGGS. Has not the Federal Trade Commission been engaged for about three years in trying to find out the facts in connection with the Power Trust, and as yet has been unable to gather, from all the voluminous evidence that has been presented to it, the facts in connection therewith? And did not the Federal Trade Commission issue a statement not long ago with reference to this very thing and state they found the Government had lost several million dollars through the subsidiaries being utilized by the parent organization for the payment of taxes, which taxes never found their way into the Treasury of the United States, but which only operated to the benefit of the holding company, which contributed nothing?

Mr. CANNON. Only week before last the United States Federal Trade Commission, after exhaustive hearings, reported that the Government was losing millions of dollars of revenue every year through this very device. They went further. They reported that parent corporations were frequently refusing to return to subsidiaries the amount of the exemptions which the subsidiaries were entitled to receive.

The holding company or central corporation would collect the full amount of the taxes from each of its subsidiaries. Then it would make a consolidated return under this law and increase its exemptions until a large part of the taxes were charged off. But instead of returning to the subsidiaries the excess taxes collected, it retained the full amount and thus mulcted the stockholders of the subsidiary of large amounts at every taxpaying period. The law lends itself to every species of crooked corporation finance, and the House should adopt this amendment, close the back door to such practices, and at the same time collect the full amount of taxes due.

Mr. BRIGGS. Is it not true that after the distribution of dividends among the stockholders of the holding company they then assess those dividends against the users of power throughout the United States, which results in increasing the power rates to everybody in the United States?

Mr. CANNON. Exactly. It is one of the principal devices by which the Power Trust adds to already swollen revenues exacted from the people.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Washington.

Mr. JOHNSON of Washington. I think the gentleman will find another instance in the United Cigar Co. Inside of the United Cigar Co. is a holding company for the 99-year leases on its stores. Under this arrangement a loss is taken in one place and deducted from profits in another place, always, of course, at the expense of the Federal Treasury.

Mr. CANNON. The exemptions claimed by United Cigar Co. is an instance of the manner in which the provisions of this law may be invoked.

Like all these other chain stores and chain corporations, they are in a position to enlist the services of the Government in crushing competition and at the same time save taxes.

Mr. ALDRICH. Will the gentleman yield once more?

Mr. CANNON. Yes.

Mr. ALDRICH. The deductions for losses apply just as much to one big corporation as they do to a subsidiary corporation.

Mr. CANNON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more. I would like to answer the gentleman.

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I shall have to object. The gentleman has had 15 minutes.

The CHAIRMAN. Objection is heard.

Mr. CRISP. Mr. Chairman, I hope this amendment will not be adopted. It has been a moot question as to whether it is advisable, in the interest of the taxpayers, to permit these affiliated and consolidated returns.

The argument of my friend from Missouri could be met by saying that a big corporation could place subsidiaries or agencies around at different places and accomplish the same thing in respect of unfair competition. I want to say that the Speaker of the House is very much in favor of the committee recommendation and, gentlemen, this useful purpose will be served.

Mr. CANNON. Will the gentleman yield?

Mr. CRISP. I can not yield right now. I decline to yield. The Speaker can correct me if I am wrong, or if I misstate his position.

This amendment will serve this useful purpose. Under the committee amendment corporations can make individual returns and pay 13½ per cent. If they desire to make consolidated and affiliated returns, they have that privilege, but must pay 1½ per cent extra tax for the privilege.

Now, the recommendation will serve this purpose. The committee can get returns from the Treasury Department for future years after this is passed, and they can study those returns and see how many avail themselves of the privilege and whether or not further legislation is required.

The House is divided on this proposition, and this is a compromise. If you do away entirely with affiliated and consolidated returns, you are liable to junk a lot of short-line railroads. They can not pass their taxes on, because their rates are fixed by the public-utilities commissions, and if they can not deduct loss on their short lines they will junk them; and, on the other hand, if they avail themselves of this privilege they must pay the Government 1½ per cent extra tax on their net income for the purpose of doing so. Now, is not this wise? I understand the gentleman from New York [Mr. LAGUARDIA], who has been very much interested in this matter, is favorable to this compromise. If I am in error, I would like for the gentleman to correct me.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. JOHNSON of Washington. The gentleman has referred to the attitude of the Speaker at present on the question of consolidated returns. Now, we seem to have one amendment here, and then another amendment to the middle of the paragraph, offered by the gentleman from Georgia, in line 22, page 109, and the debate, it seems to me, has been running quite a bit ahead of that place in the bill.

Mr. CRISP. The gentleman from Missouri offered an amendment to strike that out, which he had a perfect right to do, and the amendment was in order before the place in the bill where my amendment was in order, and, therefore, I had to take the floor now to argue my amendment and to try to convince the committee that they should not adopt the amendment of the gentleman from Missouri, which does away with affiliated and consolidated returns.

Mr. JOHNSON of Washington. The question I wanted to ask is this: The gentleman speaks of the Speaker's attitude at present. Is the gentleman familiar with the present Speaker's attitude in earlier Congresses when he was on the Ways and Means Committee?

Mr. CRISP. I will say that the Speaker, like all wise men, never hesitates to change his opinion when he thinks he ought to. [Applause.]

Mr. JOHNSON of Washington. I agree with that.

Mr. CRISP. And the Speaker of the House, knowing the temper of the House, knowing how it is divided, thinks this is a wise compromise and will enable the Government, later, to see whether or not these affiliated and consolidated returns work an injury to the Government, and if so, the provision can be amended later.

Mr. JOHNSON of Washington. What I think the gentleman might well do is to pass this amendment over until the membership can read this debate in the RECORD and ascertain just what the trouble is.

Mr. CRISP. That is the gentleman's opinion. My opinion is that this bill must be expedited and the House will be asked to vote upon the matter.

Mr. GARNER. Mr. Chairman, in view of the fact that this particular provision of the bill is one I have had a good deal to do with in the past, and in view of the fact that it would appear, probably, that I have changed my position in the matter, it perhaps will not be out of order if I make a suggestion concerning it.

I made what I thought was as good a fight as I ever made in my life when I undertook to abolish consolidated and affiliated returns, and succeeded in doing this over the protests of the Ways and Means Committee. I feel now that probably there is no defense for consolidated and affiliated returns, but the suggestion has been made, and it seems to me a very wise one, that we test out in the next year or so the question of whether I am correct or those who believe in consolidated and affiliated returns are correct, and the way to test this out is to penalize corporations for making consolidated returns.

You are now proposing to penalize them 1½ per cent. If it is advantageous to them to file such returns they will pay the penalty. If there is no advantage in consolidated and affiliated returns, they will submit separate returns.

There is one other situation that may, perhaps, be taken into consideration. The amendment that the House put on in a former Congress, as I recall, by a majority of 71 votes, did not become a part of the law. On a record vote in the Senate, the Senate voted more than two to one against it. The result was that in conference the matter was lost. Now, I imagine when this goes over to the Senate, if those gentlemen are of the same opinion now that they were then they will accept the amendment, or there will be some considerable scrimmage in conference.

I imagine no one can defend the proposition that you must give a multiplicity of corporations an advantage over an individual corporation and at the same time say that that advantage should not be equalized, or a test made to see what benefits they get out of it.

Remember, gentlemen, this amendment will yield $14,000,000.

Mr. VINSON of Kentucky. Eighteen million dollars.

Mr. GARNER. I think the gentleman is mistaken, but, of course, the estimate is before us. I understood 1 per cent would yield $9,000,000 and 1½ per cent would yield $14,500,000; but in any event, it will yield a large sum of money.

If you abolish consolidated and affiliated returns, no one knows just how much money the Government would gain by it. We have all guessed at it. I staked my reputation at one time on the floor of this House as a predictor as to what revenue would be derived from it when I said it would yield $50,000,000; but that was in 1928, gentlemen, and the returns from corporations now are about one-half what they were then. So if my prediction were true then, the limit at this time would probably be $25,000,000 for the first year, and it would gradually drift off during the years. The reason for this must be apparent to anyone when he thinks of it. Consolidated and affiliated returns the first year could hardly be readjusted. After that wash sales and readjustments in their bookkeeping would naturally reduce the advantage from consolidated and affiliated returns.

I hope that this amendment will be adopted, because, as I have said, it will test out in the next year or two whether or not the opposition to consolidated and affiliated returns is correct.

Mr. CRISP. If the gentleman will yield, the gentleman refers to "this" amendment. Does he mean the Cannon amendment or the committee amendment?

Mr. GARNER. I refer to the committee amendment, of course. I think you will make a mistake if you adopt the Cannon amendment. I think this is a wise compromise and that the committee amendment should be adopted.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Chairman, for 20 years I have cooperated at every opportunity with the gentleman from Texas, the Speaker of the House, and this occasion shall not be an exception to the rule. I am glad to have this unexpected opportunity to express my high regard for him. I have followed him always gladly and always with profit, not only because I am an organization Democrat but because of my deep personal affection for him. I shall withdraw my amendment. But may I at the same time suggest an increase in the amount to be contributed by these corporations over that proposed by the committee? The amount here involved is too large to be disregarded. Do you realize that consolidated corporations taking advantage of this law, constituting only 2 per cent of all the corporations making tax returns to the Federal Government, receive 50 per cent of the entire corporation income of the United States? Going still further, do you realize that 5 per cent of the corporations of the country making tax returns, and entitled to additional exemptions under this law, receive 90 per cent of the total gross income paid to all the corporations of the United States? It seems incredible, but it is shown by the records of the Treasury Department.

Now, if we are driven to the extreme of taxing the chewing gum of the children, surely we ought to permit the greatest money-making corporations in the country to pay their just and lawful share of the taxes.

Mr. SCHAFER. Will the gentleman yield?

Mr. CANNON. Assuredly.

Mr. SCHAFER. If the gentleman's amendment is defeated, the publishers of the great chain newspapers will get the advantage?

Mr. CANNON. It applies to chain newspapers as well as to other chain businesses. The amendment will have a most salutary effect on both taxes and business.

Mr. SCHAFER. Will it not apply to the Hearst newspapers and give them about $1,000,000 annually?

Mr. CANNON. It makes no distinction as to any corporation making consolidated returns.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CANNON. I yield.

Mr. JOHNSON of Washington. In view of the circumstances and the explanation, I am wondering whether the gentleman would withdraw his amendment and then move to strike out the 1½ per cent and insert 2½ per cent?

Mr. CANNON. I am glad to have the gentleman's suggestion as to the rate of increase to be proposed. I am about to withdraw my amendment and will propose the rate of 2½ per cent when the gentleman from Georgia offers his amendment.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will proceed with the reading of the bill.

The Clerk read as follows:

(b) Regulations: The commissioner, with the approval of the Secretary, shall prescribe such regulations as he may deem necessary in order that the tax liability of an affiliated group of corporations making a consolidated return and of each corporation in the group, both during and after the period of affliction, may be determined, computed, assessed, collected, and adjusted in such manner as clearly to reflect the income and to prevent avoidance of tax liability.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word. We all probably recall that this item of consolidated returns in the last tax bill caused a great deal of discussion, and that Treasury officials were consulted overnight before we could get action and then without proper understanding of the effects. Three methods are here devised: First, a consolidated return by the parent corporation; second, a separate return by each corporation; third, affiliated returns. When the last tax bill was passed two years ago many of us could not understand what the affiliated return might bring about, and it was defeated. It is indeed a very complicated situation. If we strike the section out the result might be that the separate units of affiliated corporations might so regulate their activities as to force the losses of some to be absorbed by others, in order to have credits for losses set off against the profits.

As an illustration, a parent corporation may own a dozen steamships, and each one of those vessels may be a separate corporate entity. If one seems likely to earn a profit of $100,000 and another likely to lose $50,000 in the same year the parent corporation could give instructions that their activities be so arranged that the losing vessel would be assigned to the profitable routes long enough to even the situation up. In such cases it would seem that the parent corporation might as well make a consolidated return. In the last bill we favored only the consolidated or separate return by each corporation.

Mr. CAMPBELL of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. CAMPBELL of Iowa. What is the reason why they could not take all those ships and place them under one corporation instead of having individual corporations for each ship operated? Why could they not, if this law goes into effect, put them in one large corporation?

Mr. GIFFORD. I can answer that question only by saying that convenience of ownership and of operation is generally alleged.

Now, I wish to give another example of the results of consolidated returns. Twenty separate corporations find that one-half of them are losing $50,000 and the other 10 earning a net income of $100,000. The losing 10, of course, pay no tax. The profitable 10 pay a tax of 13½ per cent on $100,000. They would immediately seek out a plan for a holding or parent company and through it make a consolidated return, subtracting the $50,000 loss from the profits and pay only on the balance of $50,000. Under such an arrangement the Treasury loses one half of the whole tax by this consolidated-return method but proposes an additional 1½ per cent charge for the privilege of making such a return.

There would be less objection to this method in the case of small corporations created by an existing parent company, of course. There are strong objections, however, to a number of small corporations seeking a parent for themselves in order to minimize the tax which they will have to pay from year to year.

The method is either right or wrong, and ought to be so determined. I am informed by certain members of the committee that the Treasury has explained that the consolidated method does not result in corporations escaping taxes. I wish that the Treasury would explain it to me.

As to the third method of so-called affiliated returns, that was debated at length during the discussion on our last tax bill and should not be enacted until thoroughly analyzed to determine what it may bring about. I doubt if any Member of the House can now explain what the effect would be. It was regarded as a particularly dangerous feature then and rejected. I wish that I could offer a simple illustration of the effect of such affiliated returns and trust that it will not furnish another wide road for the further escape of taxes.

I do object to any group of affiliated corporations getting together and manipulating their affairs so as to bring about such a result.

Mr. BRITTEN. Mr. Chairman, I rise in opposition to the amendment. I hold in my hand a radiogram from Egypt, which accentuates the wisdom of the remarks made yesterday by our distinguished Speaker. I desire at this time to have permission to insert in the RECORD the radiogram from Mahmoud Samy Pasha, who was a former Egyptian minister to the United States, a man who loves America second only to his own country.

It is a pleasure at this time for me to recall the name of Mahmoud Samy Pasha to the Members of the House, because he was a truly great statesman and diplomat, whose vision and foresight in European diplomacy was probably second to none among the many diplomats in Washington. He did much to popularize Egypt in the eyes and estimation of the average American. His great interest in America is made evident by this radiogram of inquiry concerning the financial status of our country. Our going off of the gold standard would be just as distressing to Mahmoud Samy Pasha as it would be to me and to most Members of this House. In this radiogram he says it is rumored in Egypt that the United States is going off the gold standard, and he wants to know why that is necessary or even possible. That accentuates to my mind the value of the impassioned remarks made yesterday by the distinguished Speaker of this House. I think they were very timely, and I agree with Speaker GARNER that balancing the National Budget through proper measures of economy and taxation is the first essential for improvement in the country's economic position. It will strengthen credit, public and private. It will give opportunity for that confidence which will permit business to go forward. It will prepare the way for increased employment. For the public welfare there can be no alternative for a balanced Budget. It simply must be done.

Mr. Chairman, every economy should be put into effect. Drastic cuts in Government expenditures can and must be made. Such reductions depend upon the readiness of all of us to forego special interest in appropriations.

To balance the Budget under present conditions requires not only the strictest economy in expenditures but additional taxes carefully framed. In levying such taxes great care and fairness should prevail, so as not to dry up important sources of income and discourage business enterprise on which employment depends.

I appeal to the public spirit of Congress to review very carefully methods and rates, but to aim unswervingly at the essential objective of a balanced Budget.

The emergency now confronting us calls for placing the national welfare above all other considerations so that the credit of our Government shall not be placed in jeopardy.

Mr. Chairman, this radiogram from Cairo, Egypt, convinces me that the commercial salesmen of the old world, the financial experts of England, Japan, and France, in every

commercial harbor on earth are knocking down the American dollar and American industry and business in every possible way. They are leaving the impression that we are going off the gold standard, that the billions owed to America by foreign governments will probably be settled at a later date at 60 cents or 70 cents on the dollar. I think the most important and patriotic duty of this Congress is to as quickly as possible pass this revenue bill and provide for balancing the Budget so that the world may know definitely once and for all that we are not going off the gold standard. [Applause.]

What the outside world is thinking about right now is the silly attitude of the American Government in its groping around for revenue, taxing everything that goes into the home—radios, phonographs, ice boxes, soft drinks, moving-picture tickets—when it has at its immediate call the acquirement of six or seven hundred million dollars by taxing a nonintoxicating beer, but the foolish American Government will not take advantage of that opportunity.

Mr. Chairman, the question before the House the other afternoon was whether it would accept my amendment providing for a popular tax on a nonintoxicating beverage, which would bring into the Treasury annually a sum exceeding $600,000,000, or whether the Government will apply a series of nuisance and miscalled luxury taxes to collect that same amount from an already tax-overburdened public. To "soak the rich" seems to be the popular recreation of the House.

The defeat of my amendment now makes it necessary to impose heavy taxes on radios, phonographs, gasoline, automobiles, real-estate transfers, and many other forms of irritating taxation, probably the worst of which will be a stamp on bank checks.

Mr. Chairman, let me explain briefly just what my amendment contemplated. Bishop Cannon himself would undoubtedly agree to its fairness if he would but vacate his attitude of intolerance and bigotry long enough to seriously consider the feelings of others.

My amendment declared that a beverage containing 2.75 per cent of alcohol is nonintoxicating and therefore not in conflict with the Volstead law; it provided a tax of 4 cents per pint bottle on beer and malt extract, which product would be consumed in the home and in regularly established dining rooms of hotels, restaurants, or duly incorporated clubs with paying memberships; it provided that no license would be granted to any person who has been convicted of a felony under the laws of the United States nor would a license be issued for use in any State in which the laws prohibit the manufacture of this beverage; it prohibited the shipment or importation into any State where such beverage is prohibited by law; it provided that no imported grain or other ingredients could be used in the manufacture of beer, this latter provision being in the interest of the American farmer and his products.

Mr. Chairman, European statesmen and students of political psychology the world over simply can not understand the reasoning power of the American which would arbitrarily tax the daily necessities of life while we have within our immediate grasp the levying of a tax which would be voluntarily and cheerfully paid by more than 20,000,000 adults throughout the Nation who are at present openly opposed to our silly Volstead law and a costly, unenforcable prohibition.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to incorporate as a part of his remarks a radiogram from an Egyptian gentleman. Is there objection?

There was no objection.

MARCH 29, 1932.

Hon. Representative BRITTEN,
Washington:

Rumors are America will leave gold standard. If so, why?

MAHMOUD SAMY PASHA.

Mr. CRISP. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word. I did not intend to take any more of the time of the House, but I feel I must in view of some of the statements of the preceding speaker. The gentleman from Mississippi [Mr. RANKIN] vociferously stated that the time would never come when this country would go off of the prohibition standard. May I say to my friend from Mississippi that if this tax bill, as reported out by the Democratic Ways and Means Committee, is enacted into law in its present shape, we definitely go off of the present prohibition standard, because while we rejected the amendment to legalize good wholesome beer containing 2.75 per cent alcohol by weight for consumption in the homes——

Mr. PARKS. Mr. Chairman, I make the point of order that the gentleman is not discussing his amendment.

The CHAIRMAN. The point of order is well taken. The gentleman must confine himself to the striking out of the last word.

Mr. SCHAFER. Mr. Chairman, I am endeavoring to do that as I am laying the foundation for my brief talk. If I had unanimous consent to speak out of order at this time, I perhaps could continue to more fully discuss the matter which I have been discussing and also bring some pertinent facts to the attention of our so-called dry colleague from Arkansas, who at least votes dry, and who has raised the point of order.

Mr. RANKIN. Will the gentleman yield?

Mr. SCHAFER. I will yield, provided the gentleman's interruption is not out of order.

Mr. RANKIN. The gentleman from Wisconsin evidently misunderstood my statement. I said we might go off the gold standard, but I was reasonably sure we would not go on a beer standard.

Mr. SCHAFER. If you pass this bill as reported by the committee with the 30 per cent sales tax malt and wort amendment which has been adopted we do precisely what you claim we will not do. We go off the present prohibition standard and on a wildcat, alley-brewery, Capone-gangster, racketeer standard of making potent beer of 9 per cent alcoholic content, which the poor man and common people of this Nation can not have because of its excessive cost. The cost of malt to the home-brewers, as well as to those who use it for hundreds of other purposes, such as baking in the home, manufacturing of breakfast cereals, malted milk for children and invalids, and so forth, will also increase 30 per cent. This amendment discriminates against the poor and humble and in favor of the prosperous rich and racketeers. By its passage you help the racketeers, bootleggers, hijackers, rumrunners, and our fellow men of means at the expense of the poor and lowly law-abiding citizens to whom you have denied the right to purchase for consumption in their homes nonintoxicating beer having an alcoholic content of 2.75 per cent. [Applause.]

The Clerk read as follows:

(c) Computation and payment of tax: In any case in which a consolidated return is made the tax shall be determined, computed, assessed, collected, and adjusted in accordance with the regulations under subsection (b) prescribed prior to the date on which such return is made. Only one specific credit, computed as provided in section 26(b), shall be allowed in computing the tax.

Mr. CRISP. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 109, line 22, strike out the period and the word "only," and insert in lieu thereof a semicolon and the following:

"Except that there shall be added to the rate of tax prescribed by section 13(a) a rate of 1½ per cent, and only."

Mr. CRISP. Mr. Chairman, I was forced by parliamentary exigencies to argue this amendment before I could offer it. I am not going to trespass upon your patience to further discuss it. The House is quite familiar with the whole proposition.

Mr. CLARKE of New York. Will the gentleman permit a question?

Mr. CRISP. I will.

Mr. CLARKE of New York. I have in mind a corporation that owns all the stock of another corporation operating in Mexico under compulsion of Mexican law. It returns to the Government a large income tax, but is compelled to have a Mexican subsidiary corporation under Mexican law. Does the gentleman think that such a corporation, under compulsion or duress, should be an exception?

Mr. CRISP. I do not think we can enter into the field of exceptions.

Gentlemen, you are familiar with this proposition. The committee amendment simply retains affiliated and consolidated returns, with a penalty of 1½ cents extra on the net income if they accept it. It will raise $18,000,000.

Now, take a department store, for instance. It has a shoe department, a clothing department, and various other departments. It is all under one management. Money may be lost in one of those departments and made in another. If the net taxable return from all of those different branches of the business could not be ascertained, some of them would be discontinued and this would work inconvenience perhaps, to the people. I am confident this will be true of the railroads.

Mr. FREAR. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. FREAR. May I inquire what would be the effect of the 2½ per cent which has been proposed by the gentleman from Missouri [Mr. CANNON] as an amendment to the committee amendment?

Mr. CRISP. I may say as to that that I think it would be excessive. This is largely experimental to ascertain, after returns are made under it, whether it is the duty of the Congress to repeal it entirely or not; and I think, where we are simply embarking on a program of this kind, 1½ per cent is enough at first.

Mr. RAGON. If the gentleman will permit, it may be suggested in that connection that many of these corporations might avail themselves of separate returns if you made it too high; and since there are only a part of them that we could perhaps hit if they wanted to juggle their books, the gentleman's amendment is the only means of getting the amount of $18,000,000 that is estimated.

Mr. CRISP. I think that is correct.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. WHITTINGTON. In view of the plight of a good many of the subsidiary railroads, what would the gentleman say as to the propriety of allowing consolidated returns of railroads?

Mr. CRISP. I am not in favor of it. The railroads will only pay tax on net incomes. If they have not any net income, they do not pay any tax. If they have net income and desire to make an affiliated and consolidated return, I think they should pay the 1½ per cent extra.

Now, friends—and I want to address my good friend from Wisconsin especially—he has told us repeatedly about the wort amendment and Al Capone, and it is in the RECORD repeatedly. I hope the gentleman can possess his soul in patience and be satisfied with the number of times in the RECORD that story has been told; and I appeal to all, please let us, in the interest of the country, debate the amendments legitimately and germanely, and then vote upon the amendments and try to pass this bill. [Applause.]

Mr. CANNON. Mr. Chairman, I desire to offer an amendment. In line 5 of the Crisp amendment, strike out 1½ per cent and insert 2½ per cent.

The Clerk read as follows:

Amendment offered by Mr. CANNON: Amend the Crisp amendment by striking out in the last line "1½" and inserting in lieu thereof "2½."

Mr. CANNON. Mr. Chairman, I shall not debate the amendment. When I announced that out of deference to the position of the Speaker I would withdraw it, I also stated I would further cooperate with the committee by endeavoring to sufficiently increase the rate to make up, in part at least, the sum lost by failure to repeal the provision.

I merely have this to say: We need revenue. We are finding it difficult to balance the Budget. Let us permit these corporations receiving 90 per cent of the entire corporate income of the country, including the chain stores and the Power Trust and the chain newspapers, to pay the full amount of taxes assessed against them along with the child who buys a stick of chewing gum.

Mr. LaGUARDIA. Mr. Chairman, there is a good deal in what the gentleman from Missouri has said in his opposition to our system of consolidated returns; but, gentlemen, some of us have obtained great concessions in this bill. One concession alone this House has been striving to obtain for the last 20 years, and that is to put a proper tax on the transactions of the stock exchanges throughout the country. This of itself is so great an advance under our system of taxation that we may properly cooperate with the committee in putting through the balance of their program.

We all fought together in the past against consolidated returns. If I had my way I would wipe them out entirely; but the Ways and Means Committee having gracefully taken defeat on the whole theory and principle of sales taxes, having brought in a substitute which carries with it propositions that many of us have been fighting for for years, I say that having yesterday stood up and agreed to cooperate with the committee to raise sufficient revenue, it is our duty to do so fully and wholly, without any reservation.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. LaGUARDIA. In just a moment.

Now, I am certain there is a new era coming in respect of the whole question of taxation. I am sure the whole House has been permanently cured of the "Ways and Means complex" and has now realized its own ability to write a revenue bill. We have finally established that a bill brought in from the Ways and Means Committee is not necessarily so absolutely perfect that the House dare not disturb. I stood by the gentleman from Texas [Mr. GARNER] and the gentleman from Illinois [Mr. RAINEY] in opposing consolidated returns. I shall continue to do so in the future.

We have had the admission made to-day by responsible leaders that the consolidated-returns system is vicious, and that here is the entering wedge that will offer an index as to just what these consolidated returns mean to the Treasury and that we may soon repeal this privilege. This being so, gentlemen, I say that we may properly accept the compromise of the Ways and Means Committee, which adds 1½ per cent increase. That in itself is considerable progress. This will indicate just how much is involved in these consolidated returns. Here, again, powerful—yes, very powerful—influences have not, as in the past, been able to dictate to Congress.

Now, nothing would give me greater pleasure than to join you in getting back on certain individuals who are taking the defeat of their pet sales-tax hobby with such bad sportsmanship. These influences, powerful, are unaccustomed to such a humiliating defeat. But if these so-called influential persons are small and petty, it is no reason why we should descend to their low level. I know there are certain few individuals who are the principal beneficiaries of this vicious system, but, gentlemen, I say that eventually the whole consolidated-returns system will be abolished. Having obtained the satisfaction of writing into the law a tax on stock transactions of the stock exchange and eliminated the sales tax, we may well compromise on other features of the bill. As soon as the country returns to anything like normal there will be sufficient revenue so that we may abolish the nuisance and luxury taxes which we are writing into the bill to-day.

I want to say, as I said yesterday, the gentleman from Georgia having made these concessions I was fighting for, I am going to stand by the committee. While I have great sympathy with the gentleman from Missouri, we are both interested in raising sufficient revenue to balance the Budget. We agreed from now on to cooperate; we must do it. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the committee amendment.

The question was taken; and on a division (demanded by Mr. CANNON) there were 20 ayes and 133 noes.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The question was taken, and the committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 15, line 9, strike out "13" and insert in lieu thereof "13½."

Mr. CRISP. The only effect of that amendment is to increase the regular tax on corporations from 13 per cent to 13½ per cent.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 229, after line 8, insert a new section as follows:

"SEC. —. TAX ON MECHANICAL REFRIGERATORS

"There is hereby imposed upon the following articles, sold by the manufacturer, producer, or importer, a tax equivalent to 5 per cent of the price for which so sold:

"(a) Household type refrigerators (for single or multiple cabinet installations) operated with electricity, gas, kerosene, or other means (including parts or accessories therefor sold on or in connection therewith or with the sale thereof).

"(b) Cabinets, compressors, condensers, expansion units, absorbers and controls (hereinafter referred to as 'refrigerator components') for, or suitable for use as part of or with, any of the articles enumerated in subsection (a) (including in each case parts or accessories for such refrigerator components sold on or in connection therewith or with the sale thereof), except when sold as component parts of completed refrigerators or refrigeration or cooling apparatus. Under regulations prescribed by the commissioner, with the approval of the secretary, the tax under this subsection shall not apply in the case of sales of any such refrigerator components by the manufacturer, producer, or importer to a manufacturer or producer of refrigerators or refrigerating or cooling apparatus. If any such refrigerator components are resold by such vendee otherwise than on or in connection with, or with the sale of, refrigerators or refrigerating or cooling apparatus, manufactured or produced by such vendee, then for the purposes of this section the vendee shall be considered the manufacturer or producer of the refrigerator components so resold."

Mr. CRISP. Mr. Chairman, this amendment will yield to the Treasury about four and a half million dollars. We regret that we have to levy this tax, but the country needs the revenue and we have got to tax something.

Mr. STAFFORD. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. STAFFORD. Is it the purpose, in the operation of the proposed amendment, that the manufacturer shall pay the tax or the retailer?

Mr. CRISP. The manufacturer—on the wholesale price.

Mr. STAFFORD. And it will result as did the tax on automobiles. The automobiles were taxed a certain price at the factory, and the excise tax was passed on.

Mr. CRISP. I am satisfied that will be the result here.

Mr. PATTERSON. Is this a temporary tax, or permanent?

Mr. CRISP. The bill does not provide for it to be temporary, but any subsequent Congress can repeal it.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

Mr. McGUGIN. Mr. Chairman, I want to offer an amendment at this point.

Mr. CRISP. What is the gentleman's amendment?

Mr. McGUGIN. It relates to chain stores.

Mr. CRISP. I think we had better go ahead and dispose of the committee amendments first.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 230, after line 9, insert a new section, as follows:

"SEC. —. TAX ON SOFT DRINKS

"(a) There is hereby imposed—

"(1) Upon all beverages derived wholly or in part from cereals or substitutes therefor, containing less than one-half of 1 per cent of alcohol by volume, sold by the manufacturer, producer, or importer, a tax of 2 cents per gallon.

"(2) Upon all unfermented fruit juices, in natural or slightly concentrated form, or such fruit juices to which sugar has been added (as distinguished from finished or fountain sirups), intended for consumption as beverages with the addition of water or water and sugar, and upon all imitations of any such fruit juices, and upon all carbonated beverages, commonly known as soft drinks (except those described in paragraph (1)), manufactured, compounded, or mixed by the use of concentrate, essence, or extract, instead of a finished or fountain sirup, sold by the manufacturer, producer, or importer, a tax of 2 cents per gallon.

"(3) Upon all still drinks, containing less than one-half of 1 per cent of alcohol by volume, intended for consumption as beverages in the form in which sold (except natural or artificial mineral and table waters and imitations thereof and pure apple cider) by the manufacturer, producer, or importer, a tax of 2 cents per gallon.

"(4) Upon all natural or artificial mineral waters or table waters, whether carbonated or not, and all imitations thereof, sold by the producer, bottler, or importer thereof, in bottles or other closed containers at over 12½ cents per gallon, a tax of 2 cents per gallon.

"(5) Upon all finished or fountain sirups of the kinds used in manufacturing, compounding, or mixing drinks commonly known as soft drinks, sold by the manufacturer, producer, or importer, a tax of 9 cents per gallon, except that in the case of any such sirups intended to be used in the manufacture of carbonated beverages sold in bottles or other closed containers the rate shall be 5 cents per gallon. Where any person conducting a soda fountain, ice cream parlor, or other similar place of business manufactures any sirups of the kinds described in this paragraph, there shall be levied, assessed, collected, and paid on each gallon manufactured and used in the preparation of soft drinks a tax of 9 cents per gallon; and where any person manufacturing carbonated beverages manufactures and uses any such sirups in the manufacture of carbonated beverages sold in bottles or other closed containers there shall be levied, assessed, collected, and paid on each gallon of such sirups a tax of 5 cents per gallon. The taxes imposed by this paragraph shall not apply to finished or fountain sirups sold for use in the manufacture of a beverage subject to tax under paragraph (1) or (3), nor to any article enumerated in section 601 (d) (3).

"(a) Upon all carbonic acid gas sold by the manufacturer, producer, or importer, or by a dealer in such gas to a manufacturer of any carbonated beverages or to any person conducting a soda fountain, ice-cream parlor, or other similar place of business, and upon all carbonic acid gas used by the manufacturer, producer, or importer thereof in the preparation of soft drinks, a tax of 4 cents per pound.

"(b) Each manufacturer, producer, or importer of any of the articles enumerated in subsection (a) and each person who sells carbonic acid gas to a manufacturer of carbonated beverages or to a person conducting a soda fountain, ice-cream parlor, or other similar place of business shall make monthly returns under oath in duplicate and pay the tax imposed in respect of the articles enumerated in subsection (a) to the collector for the district in which is located his principal place of business, or if he has no principal place of business in the United States, then to the collector at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe. The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 1 per cent a month from the time the tax became due until paid.

"(c) Each person required to pay any tax imposed by subsection (a) shall procure and keep posted a certificate of registry in accordance with regulations to be prescribed by the commissioner, with the approval of the Secretary. Any person who fails to register or keep posted any certificate of registry in accordance with such regulations shall be subject to a penalty of not more than $1,000 for each such offense."

Mr. CRISP. Mr. Chairman, I am going to say only a word or two. This reenacts the act of 1921 on soft drinks. It is estimated to yield $11,000,000.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. COCHRAN of Missouri. Will the gentleman state on what basis they calculated the yield to be $11,000,000?

Mr. CRISP. The Treasury experts in making all of these estimates took into consideration the yield when the law of 1921 was in force, and considered also in that connection reduced business and took into consideration also every economic factor that has any bearing in the making of these estimates. The estimates are the best judgment of these Treasury officials under present economic conditions.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BACON. Did the gentleman consider increasing those rates over the 1921 rates? It seems to me that we could get more revenue from this source. These injurious concoctions sold as soft drinks are in reality a luxury. It seems to me that we could really double the tax with great safety and bring in at least $22,000,000 instead of $11,000,000.

Mr. CRISP. The subcommittee considered it, and they thought it a fair tax. I yield to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Chairman, we found it was difficult to place in a set of rates different from the 1921 rates. We found that on certain drinks, if we should increase the rate, it would be increasing the rate on which they were already paying two taxes. For instance, on carbonic-acid gas and upon sirups, you have both of them taxed now; and where the fountain man makes his sirup, he uses the carbonic-acid gas and already pays a double tax. To increase that and then give the same relation to bottled beverages, it was difficult.

Mr. BACON. I appreciate this provision is a complicated one, but it seems to me the tax might be increased proportionately right down the line.

Mr. RAGON. The subcommittee is still considering the matter. The committee amendment was adopted yesterday, and we began further investigation of it this morning to see if anything further can be done.

Mr. McCLINTIC of Oklahoma. Does this amendment place a tax on bottled soft drinks?

Mr. RAGON. Yes; 2 cents a gallon.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. COX. The rates set forth in the amendment offered by the committee are an increase of about 100 per cent over the rates in the war act, are they not?

Mr. CRISP. My understanding is that these rates in this revision are a reenactment of the act of 1921, and my recollection is that the act of 1921 lowered the war rates on these matters.

Mr. COX. My impression is that the rates set forth in the amendment which the gentleman has just offered are in effect about 100 per cent greater than the rates in the previous law.

Mr. CRISP. I do not think so.

Mr. COX. Let me call the gentleman's attention to this item for a moment, and that is the tax on carbonic gases. The committee has recommended a levy of 9 cents upon all finished sirups. That, as I understand it, is a tax on sirups made by the manufacturers who sell the finished products to the retailers throughout the country to those who operate drug stores, and so forth. That provision now carries a tax upon even simple sirups made by the drug-store people or those who operate soda fountains. The owner of a soda fountain will take his sugar and mix it with water and that product itself under the bill is taxed 9 cents per gallon. In other words, I am impressed with the thought that the amendment imposes an unjustifiable burden upon all people who operate drug stores, and, as we know, this business of the drug store is now being sustained and supported by the children of the country. When you impose a tax upon the sirups and then impose a tax of 4 cents on the carbonic gases, which have no value except in the utilization of sirups in the making of drinks, you have put a burden on the operator of the small drug store or upon whoever may undertake to carry on the business of dispensing soft drinks to such an extent as to make it impossible for him to absorb the added cost of carrying on his business. In other words, you are making it necessary for him to increase the price of his product to 6 cents, whereas, if you would eliminate the item of carbonic gases, you would aid in making it possible for the dealer to absorb the added cost of carrying on his business, and, therefore, though I reluctantly do so, Mr. Chairman, I am going to offer an amendment to strike out that item.

The CHAIRMAN. The time is now in the control of the gentleman from Georgia.

Mr. CRISP. Mr. Chairman, I yield the floor.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment by Mr. SCHAFER: At the end of paragraph 5 of the Crisp amendment insert:

"Except that in the case of Coca-Cola sirup, liquid, solid, or condensed, the rate shall be 30 per cent ad valorem."

Mr. SCHAFER. Mr. Chairman, this amendment presents to the House of Representatives the exact form of the language and the exact sales-tax rate on Coca-Cola sirup, made in the State of Georgia, as you placed on malt sirup, made throughout the great West out of the grains produced on the American farms. Most of the basic ingredients used in the manufacture of Coca-Cola sirup are not produced in America but come from foreign lands, where they pay peon wages in many instances.

I was surprised to see the gentleman from Georgia [Mr. Cox], from the Coca-Cola State, stand up here and protest against that little measly tax on carbonated Coca-Cola proposed in the committee amendment. Where was Mr. Cox, the gentleman from Georgia, where was Mr. CRISP, the gentleman from Georgia, the home State of Coca-Cola, when the Ways and Means Committee brought in and the committee wrote into the bill a sales tax of 30 per cent on malt sirups?

The gentleman from Georgia [Mr. Cox] spoke about the children helping to support the drug stores when they purchased Coca-Cola. He, however, did not lift his voice in protest against the 30 per cent sales tax on malt sirups. The bill as now written carries a 30 per cent tax on malt sirups manufactured from grain produced on American farms and which American housewives purchase to use for making malted milk in their homes for children and invalids and for use in baking hundreds of different food products. You gentlemen stood up at the behest of the gentleman from the Coca-Cola State of Georgia and levied a 30 per cent sales tax on those malt sirups.

Now, my colleagues, you levied a sales tax on and legalized brewers' wort, an illegal product under the Volstead Act, at the request of the Ways and Means Committee, of which the gentleman from Georgia [Mr. CRISP] is acting chairman. In doing so in the name of raising revenue you voted to issue a certificate authorizing Capone and other racketeers to manufacture potent 9 per cent wildcat-brewery beer in alley breweries, notwithstanding the prohibition of the Volstead Act as amended by the Jones law.

Mr. CRISP. Will the gentleman yield?

Mr. SCHAFER. I will yield if the gentleman will get me more time. Mr. Chairman, I ask unanimous consent that my time be extended five minutes so that I can answer any questions.

Mr. CRISP. Mr. Chairman, reserving the right to object, will the gentleman stop talking about Al Capone if he gets this time?

Mr. SCHAFER. I am talking about Coca-Cola sirup now, and the gentleman does not like to hear it.

Mr. CRISP. I do not care how much the gentleman talks about Coca-Cola if he will stop talking about Al Capone.

Mr. SCHAFER. I will continue to talk about facts.

Mr. CRISP. Then, Mr. Chairman, I object.

Mr. SCHAFER. The gentleman's Ways and Means Committee has not brought in any facts defending the wort tax, or the indefensible 30 per cent sales tax on malt sirups. The committee does not have in its hearings or in its report any defense of these outrageous taxes. The chairman of the committee and no member thereof have said one word in debate to justify these extortionate sales taxes. The gentle-

man from Georgia wanted me to yield to him and when I wanted more time in which to do so objected. When the 30 per cent sales tax on malt and the tax on wort was reached for consideration, the gentleman and his Ways and Means Committee maneuvered the time of debate so that the entire membership had but five minutes to present the opposition.

Mr. Chairman, I say if it is right to tax malt sirup manufactured from the products of the American farms, it is right and just to tax Coca-Cola sirup on at least the same basis, when you consider the fact that it is made primarily from foreign products and also consider that Coca-Cola is a luxury and malt sirups are a food product.

I challenge the gentleman from Georgia to come on the floor of this House and debate this amendment and justify a 30 per cent sales tax on malt sirups and the tax on wort. He has not done so up to this time.

Mr. CRISP. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. CRISP. I simply desire to say to the gentleman, if it will make him any happier, that I will give him a committee secret. I opposed this tax on malt and wort and voted against it.

Mr. SCHAFER. Why did not the gentleman then come on the floor of the House and say that, so that the Members might have light on that subject, or else give other Members sufficient time to present the facts?

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin.

Mr. Chairman, I am always interested in hearing the distinguished gentleman from Wisconsin [Mr. SCHAFER] speak. The gentleman is very sincere. The gentleman is very sincere on this proposition. He is also very sincere in his opposition to the proposed tax on malt and wort. The gentleman has a perfect right to take this position, and we respect his sincerity, although at times we can not completely agree with him in every position that he takes.

The gentleman has referred to the gentleman from Georgia, Mr. CRISP, as coming from the Coca-Cola State and has referred to the gentleman from Georgia, Mr. COX, as coming from the Coca-Cola State, and has made other references to the proposed amendment; and the fact that Coca-Cola is involved therein in some way or other to such an extent, the gentleman from Wisconsin considers it to be of great importance. I am sure the gentleman from Wisconsin is not trying to convey to the House the fact that either of the gentlemen from Georgia, Mr. CRISP or Mr. COX, is interested in opposing this amendment to the committee amendment. I do not know what position the gentleman from Georgia, Mr. Cox, takes. I do know that the position of the gentleman from Georgia, Mr. CRISP, is not influenced because Coca-Cola is concerned. Surely, the gentleman from Wisconsin would not want to directly or indirectly impugn the motive of any Member of the House, particularly the distinguished gentleman from Georgia, Mr. CRISP.

Now, I opposed the malt tax that the gentleman from Wisconsin now opposes; and in justice to the acting chairman of the committee, I want it distinctly understood, and I want the gentleman from Wisconsin to understand it, so he will make no further references to the gentleman from Georgia [Mr. CRISP], that the gentleman from Georgia [Mr. CRISP] in committee opposed this tax, and yet the gentleman from Georgia has been consistent in his attitude on this matter. The committee, having voted as a majority to report this out, the gentleman from Georgia having charge of the bill, he arose the other day and said that, personally, he did not favor it (the tax on malt and wort), but acting under instructions from a majority of the committee, naturally, as the committee's representative, he had to support the amendment, frankly stating that, so far as he was concerned, he had voted against it in committee.

So far as the beverage proposition is concerned, I am personally against it, but I did not vote against it in committee; but I said I would not vote on the matter because I take the position that, in view of the recent action of the House throwing back to the Committee on Ways and Means the responsibility of raising additional revenue or proposing substitute items of revenue, it is not my province as a member of the committee to try to defeat the efforts of the other members of the Ways and Means Committee in reporting out substitute items to the House; and although I may differ, I take the position I will vote present in committee or will vote to report such items out to the House, reserving to myself the right of freedom of action in the House in order that the House may have an opportunity to consider such substitute propositions, because if we keep defeating these various things in committee, the House will never get anywhere in passing a bill that will balance the Budget.

I opposed the amendment, but I am going to vote for it today because we have got to balance the Budget and because the subcommittee which was considering increasing this tax has decided to take no further action thereon. I hope the gentleman from Georgia [Mr. COX] will not press his amendment, because if he does, it is going to develop into a fight where there may be a greater tax imposed. Furthermore, after we pass the bill, it is going over to the other branch and they will have an opportunity to consider this matter.

Let us pass the amendment as reported by the committee. I reserved to myself the right to differ with the committee on this matter; and if this question was before us in the ordinary way as an original proposition, I would oppose it, but under the circumstances, I do not think I should interpose my objection to the efforts of the committee to report out some substitute matters for the consideration of the House which, when finally adoped, will insure the passage of a bill that will balance the budget.

Mr. COX. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. COX. Let me state to the gentleman that the amendment which I indicated I would offer, out of deference to the wishes of the gentleman and in appreciation of the fine spirit of his committee, I shall not offer.

[Here the gavel fell.]

Mr. HAWLEY. Mr. Chairman, during the consideration of many revenue bills this question of Coca-Cola, like many others, has been raised. Of my own knowledge, I know the gentleman from Georgia has no personal interest in the matter at all and has no more interest in it than he has in any other item in the bill. This proposal reported by the committee puts all similar beverages on the same basis.

We did not include in this paragraph anything that is included in 601 (d) (2) or (3), in which the question of alcoholic content is raised. There is no question of alcoholic content raised in connection with this particular amendment as offered by the committee. I hope the amendment of the gentleman from Wisconsin will be voted down.

The proposed committee amendment is a tax fairly apportioned among the various items contained in it. It will raise the money. It will impose no unnecessary burden on anyone. Somebody must pay taxes.

If these taxes are absorbed by the manufacturers or those who dispense soft drinks as I think they will be very largely, consumers will not pay any part of them. If some part is passed on, it will be in such small amounts as to be negligible.

I regret that in any way, at any time, the gentleman from Georgia, the acting chairman of the committee, should have been called upon to meet the question that has been raised. His work has been so patriotic, so industrious, so efficient, so courteous and so considerate of all, that I think he is entitled to the honors and the encomiums of the House. [Applause.]

Mr. CRISP. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. CRISP. If my character in this House is not such that it is ridiculous for me to defend it, I do not deserve to be in this House. [Applause.]

Mr. COCHRAN of Missouri. Mr. Chairman, in view of the fact that the gentleman from Arkansas [Mr. RAGON] has said the subcommittee is still considering this paragraph,

I desire to make some observations which I hope will receive the attention of those who recommended this amendment and who still have it under advisement.

Included in this paragraph are cereal beverages with taxes based upon the 1921 rates. If those engaged in the manufacture of cereal beverages were making money, they would not object to this tax. Slowly but surely, as I will show later, this industry is disappearing. Therefore why tax something where you are not going to get any money that will be even noticeable. Of course you do not want to hasten the destruction of the few plants that are left. You would only by so doing add to the number now out of employment.

Of course, the taxes must be raised, the Budget must be balanced, and I hope to be able to vote for this bill; but if I do, I want it distinctly understood that I am not approving of the tariff on oil and coal. One would be perfectly justified in voting against this bill in normal times because of those two items alone. There are any number of Members on both sides of the aisle that agree with me in this respect. Those who supported the oil tariff appealed to you to put the unemployed back to work in Texas, Kansas, Oklahoma, and other Southern States. Where were the same Members when we appealed to you to place a tax on 2.75 beer and put several hundred thousand men and women to work manufacturing a harmless cereal beverage? The gentleman from Texas [Mr. BLANTON] and the gentleman from Kansas [Mr. MCGUGIN] who yelled for a tariff on oil to put the unemployed to work justified their vote against the beer amendment by stating it would scrap the Constitution. Advance agents of Supreme Court decisions, I call them.

The few manufacturers of cereal beverages left are former brewers. Do you want to destroy them entirely. They can not raise the price of their product, nor can they afford to absorb the tax you propose.

I want to call the attention of the subcommittee to the fact that the statistics of the Bureau of Industrial Alcohol show that in 1921 there were 454 plants in the United States manufacturing cereal beverages. At the present time there are only 190 plants manufacturing cereal beverages. In 1921, 6,000,000 bushels of malt were used for that purpose. In the last calendar year only 2,000,000 bushels of malt were used for that purpose. Do you not see the industry shrinking? Why destroy it entirely? Help those that need help, tax those who can stand the tax.

The figures show that we are not going to secure the revenue by placing a tax on cereal beverages that was secured in 1921. It is a failing industry, and I hope you will consider removing that item from the paragraph. The subcommittee will make this recommendation before the bill is placed on its final passage if they will but make an investigation of the situation. I am willing to leave it to your fairness if you will get the facts from the Treasury Department that has records, as these manufacturers can not operate without a permit. [Applause.]

Mr. BOILEAU. Mr. Chairman, I have the highest regard for the members of the Ways and Means Committee; they have been doing everything they could to bring in a revenue bill that will meet with the approval of the membership of the House.

However, I feel a resentment against having an amendment such as this, which is several pages in length, brought on the floor of the House and read to the House without having it printed, or having it lay over, so that the membership could read it. I do not think there are any Members of the House, except the members of the committee, who know the details of this amendment. I feel that when amendments of this length are being considered we should have an opportunity to study them before they are voted upon. We should have an opportunity to have them printed beforehand in the RECORD. I feel it is unfair to the membership of the House to pass on legislation of this kind without having an opportunity to look it over.

Mr. CRISP. Mr. Chairman, the gentleman from Wisconsin knows that I have an affection for him. The gentleman does not want to put the committee in a false light.

Mr. BOILEAU. I certainly do not.

Mr. CRISP. The committee, after working months, brought this bill in. The bill did not meet the approval of the House, and the House rejected it. The committee had to bring in something to balance the Budget. The committee has acted fairly and given all the notice that it could.

Mr. BOILEAU. I appreciate that, but I do maintain that only a few Members of the House know the details of this amendment. I think that in amendments of this kind we should have copies of it, or that it should be put over for a day and be printed in the RECORD with notice that it was to be offered.

Mr. RAMSPECK. Mr. Chairman, I do not desire to get into any controversy with the gentleman from Wisconsin. I represent the district in which is located the home office of Coca-Cola. It is a Delaware corporation. It was founded by a citizen of Georgia some 35 years ago, by one of the finest citizens that ever lived in that State. That man is deceased, but out of the profits he made in Coca-Cola, he founded a great university at Atlanta and a great hospital. The company is owned now by thousands of stockholders all over the United States. Legally, this is a Delaware corporation. It has factory branch offices all over the country with licensed bottlers, I think, in every city of any size in this Union. In addition to that, the Coca-Cola Co. operates in every foreign country throughout the world.

Coca-Cola has no cocaine in it, as stated by the gentleman from Wisconsin, and it has no other product in it that is injurious to any person. It is evident that the amendment offered by the gentleman from Wisconsin is simply an effort to embarrass the acting chairman of the Ways and Means Committee.

Mr. SCHAFER rose.

Mr. RAMSPECK. I do not yield. There is no merit in this amendment. The tax on Coca-Cola is just like the tax on any other soft drink in the committee amendment. I hope the House will take into consideration the purpose of the gentleman from Wisconsin and vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 14, noes 101.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 229, after line 8, insert a new section as follows:

"SEC. —. TAX ON LEASES OF SAFE DEPOSIT BOXES

"(a) There is hereby imposed a tax equivalent to 10 per cent of the amount collected on or after the 15th day after the date of the enactment of this act and before July 1, 1934, for the use during such period of any safe-deposit box, such tax to be paid by the person collecting such amount.

"(b) For the purposes of this section any vault, safe, box, or other receptacle, of not more than 40 cubic feet capacity, used for the safe-keeping or storage of jewelry, plate, money, specie, bullion, stocks, bonds, securities, valuable papers of any kind, or other valuable personal property, shall be regarded as a safe-deposit box.

"(c) Every person making any collections specified in subsection (a) shall on or before the last day of each month make a return, under oath, for the preceding month, and pay the tax imposed by subsection (a), to the collector for the district in which is located his principal place of business, or, if he has no principal place of business in the United States, then to the collector at Baltimore, Md. Such returns shall contain such information and be made in such manner as the commissioner, with the approval of the secretary, may by regulations prescribe.

"(d) The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time fixed for filing the return. If the tax is not paid when

due, there shall be added as part of the tax interest at the rate of 1 per cent a month from the time the tax became due until paid.

"(e) The provisions (including penalties) of section 1114 of the revenue act of 1926 shall be applicable with respect to the tax imposed by subsection (a)."

Mr. CRISP. Mr. Chairman, this is a new field, and it is impossible to get any very satisfactory or accurate estimate as to the yield of revenue. The Treasury Department says their best guess is $1,000,000.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. LaGUARDIA. The gentleman knows that I made some investigation in respect to this matter. My estimate is nearer $5,000,000. I arrived at it in this way. The only section of the country where we could obtain any sort of figures as to the number of safe-deposit boxes was in New England. We took New England as a section and made comparisons with other sections of the country, in respect to the number of banks, the population, and so forth. In that way we arrived at a figure that there were something in the neighborhood of 9,000,000 boxes in the country. If that figure is anywhere near correct, our estimate is more accurate I think than that of the Treasury Department. Of course, the gentleman will see that this is easily collected, and if it is $5,000,000 I think it is worth while trying.

Mr. CRISP. I would say that it was the gentleman who suggested it, and I hope that his estimate as to the yield is correct.

Mr. SWING. Mr. Chairman, I move to strike out the last word. On Monday the distinguished majority leader, Mr. RAINEY, under unanimous consent to extend his remarks, inserted a compendium of State income-tax rates, and in introducing it into the RECORD this statement appears:

If a man happens to have an income of over $5,000,000, he will pay 77 cents in income taxes out of every dollar that he makes, leaving only 23 cents out of his earned dollar.

I desire to correct that statement and protest against its repetition throughout the country in support of the cry that has been raised against my amendment on the ground that it is confiscatory. Obviously the statement of the gentleman is wrong, when we stop to examine it, and the gentleman from Illinois unwittingly lent his voice and influence to help out this cry against having those with immense incomes pay a just proportion toward the maintenance of the Government according to their ability to pay. Obviously, the highest rates proposed do not require any man to pay 77 cents out of every dollar that he makes, but only 77 cents out of every dollar that he makes in excess of $5,000,000, which is a very different thing from what the gentleman is recorded as having stated.

Mr. RAINEY. Mr. Chairman, will the gentleman yield?

Mr. SWING. Yes.

Mr. RAINEY. The gentleman is correct about it, of course. The tables that I printed after that show what the facts are.

Mr. SWING. I knew the gentleman would insist upon a correction, and that he was unwittingly drawn into supporting the hue and cry that these rates are confiscatory. I ask unanimous consent to have extended in the RECORD as a part of my remarks a comparison between what various groups of taxpayers will pay under the war rates of 1918 and rates which are set forth in my amendment to the present bill. This table will show that the rates in the SWING amendment are on an average actually 10 per cent below the war rates on surtaxes, and even lower than that when the surtax and normal rates are combined, because in 1918 the normal rates were 12 per cent, while under the LaGuardia amendment they are only 7 per cent.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. NELSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SWING. Yes.

Mr. NELSON of Missouri. Can the gentleman give us some idea as to the amount of taxable income remaining in the brackets of $100,000 and above?

Mr. SWING. For 1931 they have not yet been compiled, but for 1930, as I estimate them from published reports, there was approximately a billion and a half. I am told that that has shrunk about one-third for 1931.

Comparison of surtaxes paid under revenue acts

Net income	Rates		Amount tax paid		Amount 1932 taxes are below 1918 taxes
	1918	Swing amendment, 1932	1918	Swing amendment, 1932	
$100,000	48	39	$23,510	$20,100	$3,410
$150,000	52	40	49,510	40,100	9,410
$200,000	56	42	77,510	61,100	16,410
$250,000	60	44	107,510	83,100	24,410
$300,000	60	46	137,510	106,100	31,410
$400,000	63	48	207,510	154,100	53,410
$500,000	63	50	263,510	204,100	59,410
$750,000	64	52	428,510	334,100	89,410
$1,000,000	64	54	593,510	469,100	114,410
$1,500,000	65	56	908,510	749,100	159,410
$2,000,000	65	58	1,233,510	1,039,100	194,410
$3,000,000	65	60	1,883,510	1,639,100	244,410
$4,000,000	65	62	2,533,510	2,259,100	274,410
$5,000,000	65	64	3,183,510	2,899,100	284,410
In excess of $5,000,000	65	65			

Normal rates imposed in addition to the above surtaxes: 1918, 12 per cent; 1932, 7 per cent.

Therefore it is seen from the above that when we combine the surtax rates with the normal rates, the aggregate rates proposed in the pending bill for net incomes in excess of $100,000 average fully 15 per cent below the war-time rates fixed for the same incomes in the revenue act of 1918.

Mr. PARKS. Mr. Chairman, I rise to a point of order. The sooner we get this bill passed and out of here the better it will be for the country. These gentlemen who come here and discuss something that does not pertain to the question under advisement ought not to take up the time. The gentleman from California has finished, and I do not want to raise a point of order against any particular man. I insist, however, that gentlemen ought to discuss the amendment.

The CHAIRMAN. The gentleman from Arkansas states the proper procedure with reference to amendments. A strict construction of the rules would confine debate to the amendment before the committee. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 229, after line 8, insert a new section, as follows:

"SEC. —. POSTAL RATES

"(a) On and after the thirtieth day after the date of the enactment of this act and until July 1, 1934, the rate of postage on all mail matter of the first class (except postal cards and private mailing or post cards, and except other first-class matter on which the rate of postage under existing law is 1 cent for each ounce or fraction thereof) shall be 1 cent for each ounce or fraction thereof in addition to the rate provided by existing law.

"(b) Only 85 per cent of the gross postal receipts during the period the increased rate of postage provided in subsection (a) remains in force shall be counted for the purpose of determining the class of the post office or the compensation or allowances of postmasters or of postal employees of post offices of the first, second, and third classes. For the purpose of determining the commissions (as distinguished from the compensation and the allowances based thereon) of postmasters of the fourth class, only 85 per cent of the applicable cancellations, collections, and receipts during such period shall be counted."

Mr. CRISP. Mr. Chairman, this amendment produces a greater amount of revenue than any other amendment recommended by the committee. The committee sought diligently to try to avoid the necessity for recommending to you this postal increase. You will observe that we have made many recommendations centering on what are commonly called luxuries, but they do not produce the money. To

produce the money to balance the Budget we must have some commodity that will produce a lot of revenue. The committee was faced with three alternatives to produce this money. One was a cent tax on gasoline, which was estimated to yield $165,000,000. Then there was a 2-cent tax on all bank checks, which was estimated to yield $97,000,000. The third item that will produce money of any magnitude was to increase the tax on tobacco one-sixth, and I think we will all agree that tobacco now carries the heaviest sales tax of any commodity. The committee canvassed the situation, and finally decided as a temporary measure to meet the emergency it was better to increase the postage 1 cent on first-class matter.

I announced myself in committee as being ready to vote for anything. My State has a 6-cent tax on gasoline at the present time. I offered to vote for another 1 cent. I think every member of that committee will tell you that I have not considered either my district or my State in my attitude on this tax bill.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. KELLY of Pennsylvania. Some of the Members did not understand the provision as to the payment of salaries of postmaster of the first, second, and third class. Does the amendment provide for the use of this additional revenue in computing the salaries of postmasters?

Mr. CRISP. I am not a postal expert and my friend is, and, as the gentleman knows, I say that in perfect kindness. As I understand, this amendment was drafted by the Post Office Department.

Mr. KELLY of Pennsylvania. The gentleman understands that at the present time payments to postmasters are fixed by the receipts of the office.

Mr. CRISP. I understand the amendment is so drawn as to prevent postmasters from receiving any increased salaries by virtue of this increase.

Mr. KELLY of Pennsylvania. What about the cancellations in fourth-class offices?

Mr. CRISP. They do not get any benefit. They are not benefited by this increase.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. McCLINTIC of Oklahoma. How much money is it expected will be raised by this increase?

Mr. CRISP. One hundred and thirty million dollars.

Mr. McCLINTIC of Oklahoma. How much in the way of an increase on tobacco would be necessary in order to raise a similar amount?

Mr. CRISP. You would almost have to put tobacco out of business. It now has a tremendous tax on it. Let me repeat to my friend one of my favorite illustrations. On every pack of cigarettes you buy there is a 6 cents sales tax and there is a tax on every pound of tobacco that goes into the making of cigarettes. There is a $3 tax on every pound of tobacco. To produce the $57,000,000 it would be necessary to add an additional tax amounting to one-sixth and to produce $130,000,000 you would have to raise it about three times.

Mr. McCLINTIC of Oklahoma. Could we not in some way put a portion of this additional tax on tobacco and then tax certain kinds of periodicals such as the Saturday Evening Post, mail-order catalogues, and other similar publications, so as to bring in that which would be needed to make up the deficit?

Mr. CRISP. I will say to my friend that the committee considered those things and we were worried over it, but finally we reached the conclusion in the committee that this was the wisest thing to do. Therefore we have brought it to you for your consideration.

Mr. MEAD. Mr. Chairman, your Committee on the Post Office and Post Roads at the very beginning of this session, after the Secretary of the Treasury and the Postmaster General had recommended increasing first-class postage from 2 to 3 cents, authorized me as their chairman to appear before the Committee on Ways and Means in opposition to such recommendation. I appeared before the committee and urged them to leave the matter of revising postage rates with our Committee on the Post Office and Post Roads. The Ways and Means Committee at that time passed a resolution agreeing with the position taken by our committee. The Committee on the Post Office and Post Roads then, in keeping with an agreement which I had made with the Committee on Ways and Means, considered all the bills recommended by the department which would raise revenue. We reported about 10 bills to this House. Nine of them have passed and are now in the Senate. If those bills are enacted into law, we estimate that approximately $20,000,000 in revenue will result. The Postmaster General secured an increase in parcel-post rates, which will yield $7,000,000 annually, according to the department's estimate. An increase in parcel-post size and weights was also secured from the Interstate Commerce Commission, which will add $5,000,000 to postal revenues.

Mr. UNDERHILL. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. UNDERHILL. Of course I do not expect the impossible of the gentleman, but from what we have already heard from the other body with reference to passing postal legislation, does the gentleman have any idea that they will pass any of the bills the House has already passed under the recommendation of his committee?

Mr. MEAD. I will say to the gentleman that they have already acted favorably on two bills, both of which will not increase postal revenues.

Mr. UNDERHILL. They have already acted on two bills, but not bills reported by your committee of the House?

Mr. MEAD. They have not as yet reported on any of our bills.

Mr. UNDERHILL. The bills upon which they have acted will decrease the revenues rather than increase them, so there is not much hope that the bills reported by the gentleman's committee and passed by the House will be acted upon by the Senate.

Mr. MEAD. The Postmaster General has increased foreign postage, which will also add to the revenues of the department. I also understand from a statement he made before our committee that he intends to increase the rate on air mail, which will add some revenue to the department. All together these changes in postal rates will result in approximately $35,000,000 of added revenue, but will in no way approach the present postal deficit. The chairman of your Committee on Ways and Means, before they considered this program, which includes an increase in postage rates, conferred with me and asked for my opinion. While I realize the committee had authority to go ahead and present this amendment to the House I appreciate the consideration accorded me by the distinguished gentleman from Georgia, the acting chairman of the committee.

I was one of the Members of the House who opposed the sales tax for I thought it was unjust and unwise to put a tax on food, clothing, medicines, and other necessities of life. Such a tax would further burden the poor. I said it would be better, of course, to put the tax on postage, but I also said that there is a danger in taking from the Post Office Committee that which has been its prerogative since the institution of government. Only on two occasions—in the War of 1812 and in the World War—has the Ways and Means Committee sought to impose a tax on the people by increasing postage rates. In the Constitutional Convention of 1787 this matter was brought to the floor on two occasions and both times it was defeated. Thereafter the precedent was established that the Post Office Department should be run for service and not as a revenue-producing agency of the Government.

In February, 1925, we sought to increase the revenues of the department by increasing the rate on postal cards, and we did this, raising the rate from 1 to 2 cents. The department estimated an increase in revenues of $10,000,000 would result from this increase. We found, however, that we lost $6,000,000 of the amount which had been received at the 1-cent rate.

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. CRISP. Mr. Chairman, I amend that and ask that the gentleman be given 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MEAD. So, from our own experience in raising first-class postage rates, we found that it worked in the opposite direction. It decreased the volume and we lost revenue as a result. In a succeeding Congress we repealed the law, restoring the 1-cent rate on postal cards, and the volume is now gradually creeping back to where it was before we raised the rates.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. ARNOLD. Does not the gentleman think that increasing the postal rate to 2 cents on postal cards was reflected by increased postage on first-class letters or sealed mail?

Mr. MEAD. There may be something in the statement the gentleman makes, but we have no tangible way of determining that amount. There is this to say, however, about increasing first-class postage from 2 to 3 cents: Many business houses throughout the country, in order to make their letters more effective, in order to increase reader interest, now use 2-cent postage instead of 1-cent postage. They are using sealed envelopes instead of unsealed envelopes. This may force some of them to use 1-cent instead of 3-cent postage.

Increasing the rates may drive them from 3 cents to 1 cent or from sealed to unsealed envelopes such as are now used for circular mail; in this way we will not only lose volume, but revenue as well.

Mr. ARNOLD. I do not think the gentleman wants to leave the impression that increasing the post-card rate to 2 cents meant a net loss in postal revenues of $6,000,000.

Mr. MEAD. On that item there was shown a loss of $6,000,000, but it may have resulted, as the gentleman indicates, in increasing postal revenues in some other classification. However, Congress restored the 1-cent rate and we are now receiving more revenue from this source.

Mr. PETTENGILL. Will the gentleman yield?

Mr. MEAD. Yes. I yield.

Mr. PETTENGILL. Will the gentleman state for the information of the committee what the estimated postal deficit is for this fiscal year?

Mr. MEAD. The deficit for 1931 is $98,000,000, and I believe for the next year it will be somewhere in the neighborhood of $150,000,000, but, anticipating that, your Post Office Committee has increased rates for special services and new services which, together with increases granted by the Interstate Commerce Commission and ordered by the Postmaster General, will tend to reduce the deficit.

This recommendation before us comes from the Ways and Means Committee. It has been recommended by the Secretary of the Treasury. It has been recommended by the Postmaster General, and in its defense we can only say it is a temporary measure. It will continue for only two years. The experience we may gain from it may prove valuable in the future. In accepting this proposal of the committee, we at least make an attempt to increase the revenues of the Government. It may be of temporary benefit, and then in two years' time, or on July 1, 1934, we will return to the 2-cent rate. At that time, I am informed, the tax on estates and inheritances will produce greater revenues.

Mr. UNDERHILL. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. UNDERHILL. If the prophecy or the anticipation of the chairman of the Committee on the Post Office and Post Roads is borne out by the results and the users of the first-class mail will be driven to using the fourth-class mail, has the committee considered seriously or has there been any opposition before the committee to doing away with the franking privilege that costs eight and a half million dollars to send newspapers free within their counties? There is an $8,000,000 loss in that service. Has the committee also taken into consideration the fact that the Government is doing an insurance business at less than cost, and are they going to raise those rates? Has the committee taken into consideration that it is doing, through the parcel post, an express and freight business at less than cost, and are they going to raise those rates? Above all, are they going to raise the rates on newspapers, periodicals, magazines, and other publications that are continually criticising Congress for spending $550,000 on the franking privilege when they are working a racket that costs the taxpayers of the country $94,000,000? [Applause.]

Mr. MEAD. I would say to the gentleman that parcel-post rates have already been increased by the Interstate Commerce Commission. Our committee, as I said before, has presented 10 bills, most of which apply to the very items that the gentleman has mentioned. So we have attacked this postal deficit in what we believe to be a scientific way. We feel that the bills we have reported will actually raise revenue because they apply to postal services in which we are now losing money and where we feel that slight increases will not be reflected in decreased volume.

I believe the Postmaster General, the responsible head of the Post Office administration, should make such recommendations as will in his judgment equalize postal costs. The Postmaster General has since the very beginning of his administration advocated increasing first-class postage rates.

He estimates the revenues will be increased upward of $100,000,000. We are now in an emergency period, we must increase the revenues of the Government. By our defeating the sales tax, other taxes must, of course, be offered, and while I hold that our committee is the only committee that has the right to pass on postage rates, this is a tax necessary because of conditions and therefore we can not consistently object to it as we did when it was first suggested.

Mr. HASTINGS. Will the gentleman yield?

Mr. MEAD. I yield to the gentleman.

Mr. HASTINGS. How much does the Government lose on the second-class mail matter?

Mr. LEWIS. I can give the gentleman the figures.

Mr. MEAD. I will yield to the gentleman from Maryland.

Mr. LEWIS. I can give you the figures from the Post Office Department. At the end of June 30, 1931, the receipts from second-class postal matter was $27,427,000. The expenditures were $124,145,000, a shortage of $96,624,000.

Mr. HASTINGS. Does not the chairman of the Committee on Post Offices and Post Roads think there ought to be an amendment, so that it would make each class in the Postal Service pay its expenses? In other words, ought not this amendment be framed so that second-class postal matter would pay the cost of the service?

Mr. MEAD. There is no doubt but that every class of mail ought to approximately meet its cost. But the figures given by the gentleman from Maryland are taken from the cost-ascertainment report. They are not the figures that would enable us to set up proper rates. The figures and costs used by the Interstate Commerce Commission for rate making are arrived at in a different manner.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, as one member of the Ways and Means Committee, I wish to say that the report that the committee is making to-day has nothing to do with the merit of the proposition looking to a change of rates in the second, third, and fourth class postal revenue.

My colleague the gentleman from Massachusetts [Mr. UNDERHILL] has endeavored to bring that view into the picture, and so has the gentleman from Oklahoma [Mr. HASTINGS]. We are not attempting in any way, shape, or form to interfere with the jurisdiction of the Committee on the Post Office and Post Roads. The chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], has stated the case accurately. Originally the Postmaster General came before the Ways and Means Committee and we asked him to go before the Post Office Committee. Therefore, so far as the merits of the postal increase are concerned, this recommendation has

nothing to do with it, and, of course, we have no desire to interfere with the jurisdiction of the Post Office Committee. We appreciate the assistance being rendered our committee in our effort to bring before this House methods of securing additional revenue, and the chairman of the Committee on the Post Office and Post Roads, and I think the gentleman from Pennsylvania [Mr. KELLY] are both in accord with our desire to produce revenue. There has been no item in this whole program submitted to the House more against the real wish and will of our committee than this one. We appreciate the opposition that will be raised to this item and how far-reaching this item is.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. UNDERHILL. It is not my intent, and I doubt if it is the intent of others, to handicap or criticize this committee. My purpose is to bring before Congress and before the public the racket enjoyed at the present time by a few favored people.

Mr. TREADWAY. Whether or not there is any racket I do not know. That is a handy word to use in describing anything, either for or against. I do not know anything about any racket. All we know about is the racket that we have had in trying to get some revenue for the Government. This is a handy way to do it, not that we wanted to do it; because we recognize that this is an unpopular tax, just as much so as any we could put into the bill. It does increase the revenue by $154,000,000, $136,000,000 by this amendment, and $18,000,000 referred to by the gentleman from New York [Mr. MEAD]. The only racket is the racket of the Ways and Means Committee to carry out your will in an endeavor to balance the Budget. We are not advocating this increase as a matter of justice or fairness or correctness, so far as the postal rates are concerned. We are asking you to vote this amendment into the bill in order that we can report back a balanced Budget with this item and various other items.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KETCHAM. Will the gentleman say then that the prime purpose of this is to increase the postage as a revenue measure and that it terminates by the provision of the act itself in two years' time as a revenue measure?

Mr. TREADWAY. As the chairman of the Committee on the Post Office and Post Roads has told you, it terminates July 1, 1934. It is an emergency matter pure and simple, in an effort on our part to help balance the Budget.

Mr. OLIVER of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. OLIVER of New York. Does the gentleman not think it would make it popular to put President Hoover's picture on this stamp?

Mr. TREADWAY. I will answer any question that is seriously intended.

Mr. DOWELL. Is this to balance the Budget in 1933?

Mr. TREADWAY. This will help.

Mr. DOWELL. Then why extend this beyond that time?

Mr. TREADWAY. This expires with all the other emergency items. It is not permanent law.

Mr. DOWELL. As I understand it, you will balance the Budget in 1933; why extend this tax to 1934?

Mr. TREADWAY. It is July 1, 1934, only. We expect that the taxes levied in this bill will balance the Budget at that time, not next year. That is out of the question.

Mr. DOWELL. This tax should not be levied at all. This amendment increasing postal rates should not be adopted, and I hope it will be defeated.

Mr. KELLY of Pennsylvania. Mr. Chairman, a little more than a year ago I stood in this place and made an argument against the proposal to increase first-class letter postage to 2½ or 3 cents. At that time I pointed out that such an increase is entirely unjustifiable from the standpoint of the Postal Service. I stated that it would tend to reduce the volume of this class of mail, when the great need of the service is increased volume, which at the rate of normal business would in a few years eliminate the postal deficit.

I could make just as conclusive an argument to-day from that standpoint, but that is not the question at this moment. There is vital need for the enactment of a tax measure with provisions for national revenue sufficient to give assurance that there is to be raised approximately the amount to meet current expenditures.

On the previous occasion when I discussed this question I stated on the floor that not one Member of Congress would sponsor the proposal to increase letter postage as a Postal Service provision. That was proven true by the fact that not a single Member brought before the Committee on the Post Office and Post Roads a bill for that purpose. I am sure that the same feeling exists to-day, and yet many Members, like myself, will to-day vote for this provision as an emergency tax which will expire by limitation in 1934.

Twice before in our history Congress has imposed a 50 per cent tax on the letter-postage rate. During the War of 1812 and during the World War that course was followed. An opposite policy was pursued during the Civil War, for on July 1, 1863, the rate was reduced from 5 cents to 3 cents. When it was applied in the past it was strictly a war tax and was repealed at the earliest moment possible. The same course will be followed in the present instance by the terms of this amendment itself. Without that provision I should vote against this tax, and I am sure many others would do the same.

While I feel certain that the estimate of $134,000,000 as the result of this emergency tax is too high, there can be no doubt that it will raise a substantial sum and involve no great expense in collection. Naturally it will be unpopular, just as will other features of this tax bill, for no tax is pleasant to the one who pays it. However, this provision is better than the alternatives from a tax standpoint, and that must be taken into consideration.

Now, Mr. Chairman, the Ways and Means Committee has stated that it is counting upon $27,500,000 in additional postal receipts from postal measures of various kinds. For the information of the Members let me read the list of these sources and the action thus far taken and the revenues estimated. They are as follows:

H. R. 278. To provide an additional fee on money orders paid at an office (passed House)	$20,000
H. R. 6686. To amend rates on publications of third class (reported by committee)	500,000
H. R. 8817. To provide for fees for entry of publications as second-class matter (passed by House)	500,000
H. R. 8818. To modify the transient second-class rate of postage (passed by House)	500,000
H. R. 9262. To make matter deposited in letter boxes subject to postage (passed by House)	4,000,000
H. R. 10244. To fix the fees for registered mail (passed by House)	7,000,000
H. R. 10246. To increase money-order fees (passed by House)	1,250,000
H. R. 10247. To fix the fees for insured and C. O. D. mail (passed by House)	2,500,000
H. R. 10494. To provide for notification cards sent to publishers (reported by committee)	250,000
Increase parcel-post rates through Interstate Commerce Commission	7,500,000
Increase size parcel post through Interstate Commerce Commission	5,000,000
Increase foreign-mail rates	3,500,000
Total	32,520,000

Mr. Chairman, the total postal revenues expected from these various sources are $32,520,000, which is $5,000,000 more than calculated by the Ways and Means Committee.

[Here the gavel fell.]

Mr. MEAD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Chairman, I submit that the record proves that the Post Office Committee has endeavored to work out plans which, with the least possible injury to the service, would increase postal revenues. We have not made the so-called deficit the central and domi-



nant thing, for, aside from certain justifiable slight increases, the one thing needed to wipe out the deficit is increase in the volume of mail to the point of maximum efficiency. The net deficit for 1931 was $98,000,000, and more than half of it is due to the unprecedented fall in revenues. The increase in deficit over the previous year is $10,000,000 less than the fall in revenues, which proves that the Postal Service is still absorbing expenses and that normal costs do not rise in proportion to revenues. You will find that 1932 will show the same thing. The increase in deficit will be less than the actual fall in revenues.

We are facing conditions never known before, for there has never been a time in the long history of the Postal Service when there has been such a decrease in receipts over so long a period as at present. Three years of normal receipts will show that there is no actual deficit in the Postal Service.

Mr. ARNOLD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. Yes.

Mr. ARNOLD. The revenue received from first-class mail amounts to something like $80,000,000.

Mr. KELLY of Pennsylvania. The cost ascertainment states that the gain in first class—that is, the difference between the apportioned costs and the estimated revenues, is about $46,000,000 for 1931.

Mr. ARNOLD. Then we will add something like $135,000,000 more a year by reason of this increase. Now, the users of air mail get their service at a cost to the Government—which is a direct subsidy—of something like $20,000,000 a year. Does not the gentleman think it would be much more fair to the users of the mail of this country to increase the cost of the air mail service and not put an added rate on first-class postage?

Mr. KELLY of Pennsylvania. I will say that the loss on air mail, domestic and foreign, is about $17,000,000 for 1931, and that is not a charge against the actual postal deficit. By act of Congress that charge is segregated along with the subsidy to the merchant marine, the cost of franked and penalty mail, free in county newspapers, free to the blind, and so forth. These are policies adopted by Congress and have been set aside from true postal expenditures.

Mr. ARNOLD. But it is the yearly cost, is it not, in the Postal Service. Therefore it seems to me we might increase the air mail receipts by increasing the rate.

Mr. KELLY of Pennsylvania. The air mail law provides that the rate shall not be less than 5 cents an ounce and the Post Office Department has authority to increase that rate.

Mr. McCLINTIC of Oklahoma. Will the gentleman state whether or not his committee has made an investigation to find out whether lower rates can be secured for the carriage of the air mail?

Mr. KELLY of Pennsylvania. Yes; we have gone into that thoroughly in connection with a hearing during the past three weeks.

Mr. McCLINTIC of Oklahoma. Has any progress been made along that line?

Mr. KELLY of Pennsylvania. Not as far as present contracts are concerned, but the route certificates issued by the Department contain provisions for periodical adjustments of the rates paid to contractors. Now, just a moment more. The inclusion of a 1-cent tax on the letter-postage rate will help to provide revenues which seem to be of vital necessity in this critical time. Only on that ground can it be justified. Included in this tax bill are high levies upon large incomes and inheritances. I voted for them in the belief that ability to pay should be the controlling motive in taxation.

Let us pass this tax bill at the earliest moment possible and then face the real problem. The unbalanced Budget which is in the forefront just now is not the disease; it is only a symptom. The disease is unemployment, and it is eating like a cancer into the national fabric. Eight million American workers are idle and 20,000,000 Americans are suffering because they are unable to purchase the commodities needed for health and welfare. Business is in a state of extreme depression. Communities have been bled white for relief work and still the paralysis continues. Prices are below the cost of production, and capital, labor, and the public pay the penalty for such a condition.

America has lost $50,000,000,000 during 1930 and 1931 simply through the loss of wages to labor and capital. That sum does not include the losses due to depreciation in securities and real estate.

To meet such a situation requires a declaration of war against the enemy. We are admitting the situation when we levy a 50 per cent tax on letter postage, which never has been assessed save in a time of war. Let us come to grips with the unemployment which menaces national safety and security. All the tax provisions we can write will not bring in revenues unless business is restored and able and willing workers are given an opportunity to earn a livelihood for themselves and their families. We should provide such a program of public construction that it will mean greatly increased employment and help start the wheels of industry in motion. By constructive action we can help to secure controlled production and substitute fair and proper cooperation for cutthroat competition.

Let us pass this tax bill and then bend every energy and pledge every resource to the great task ahead. [Applause.]

Mr. CRISP. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SIMMONS. Mr. Chairman, we are hearing to-day the same argument that we heard two weeks ago, that the Budget must be balanced, and, therefore, you must support the Ways and Means Committee and accept this tax. That statement was repeatedly made, in effect, regarding the manufacturers' sales tax. This committee defeated it. I have no apology to anyone for the part I took in bringing about that defeat. I would do it again to-day. [Applause.]

We are now told that we must balance the Budget, and, therefore, we must accept this tax increasing letter postage 50 per cent without regard to whether or not we think it justified and without regard to whether or not something else might be put in its place.

We now have a postal deficit, and that deficit enters into the general deficit which we expect to wipe out by balancing the Budget. Likewise, the question of the postal revenues enters into the amount that must be raised to balance the Budget. We are now discussing, in effect, revenues that practically will balance the postal deficit that contributes to the deficit in the Treasury.

We are now confronted with this situation. The first-class mail, as admitted by everyone, is being handled by the Post Office Department at a profit. It necessarily follows that second, third, and fourth class mail are handled by the Post Office Department at a loss; but instead of asking the postal service that the country is receiving and is being handled at a loss to stand this increase in taxes and rates, the Ways and Means Committee asks us in the name of balancing the Budget to further tax the profitable part of the post-office business and to exempt the unprofitable part.

I can see no reason why we should say to the users of first-class mail that they must pay increased cost for this service or more than the service costs the Government to perform, in order that we may not need to tax other postal services that the Government is performing at a loss.

I am opposed to this increase in postal rates on first-class matter. I am ready to vote with the committee to increase the rates in these classes of mail that are now, as admitted by everyone, being carried at a loss and allow the users of the mail to pay for the service they are receiving rather than charge the first-class mail users more than the cost of the service which the Government renders.

I think this is a fair statement. I believe we ought to defeat this amendment. The gentleman from Pennsylvania [Mr. KELLY] has shown you where the House has already approved a series of bills that will provide more

revenues than this amendment does. Why does the Ways and Means Committee reject revenue-raising proposals for the Post Office Department that the House has already approved, and come in here and offer to us methods for raising revenue that, admittedly, are objectionable throughout the country?

Mr. RAGON. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. RAGON. The subcommittee called on the Postmaster General to send us a report on those very things, and he sent us a report that this would bring in about $134,000,000; in other words, he set out what each of these prospective increases would mean and then the increase to be derived, and then, in addition to that, I asked him if he thought we could make a flat increase of 25 per cent on all the different classes and the Assistant Postmaster General said we positively could not. The gentleman to whom I refer is Mr. Tilton, the Third Assistant Postmaster General, who has given us every cooperation.

Mr. SIMMONS. I understand, of course, that this proposed increase of postage rates, if accepted by the Congress, and if the users of first-class mail do not boycott that use, will increase the revenues. That is not what I am talking about. I am talking about the injustice of increasing rates where the service is now paying its way rather than increasing the charges for services that are now performed at a loss. I believe that the committee are increasing rates on the wrong class of postal services.

Mr. RANKIN. Mr. Chairman, I can not support this amendment.

In the first place, the deficit is not caused by the users of first-class mail. The deficit is caused by the large newspapers and magazines.

These magazines and newspapers that have been attacking and misrepresenting Congress, and especially the Hearst newspapers that have been so malicious in their abuse, are getting a "rake-off" that is shown here to amount in all to $97,000,000 a year.

In all fairness, if we are going to raise postage rates, let us put the postage increase where it belongs. You are going to be required to have some moral courage before this Congress adjourns. This applies to all of us and we might just as well begin now.

Why, Mr. Brisbane, the chief propagandist of the Hearst papers, said the other day that Mr. Curtis, of the Saturday Evening Post, who is 82 years old and who is now wintering in Florida, made $12,000,000 last year. The Saturday Evening Post, I am told, owns or controls the New York Evening Post, one of those slanderous publications that has been maligning and misrepresenting the Members of Congress who opposed the sales tax. Yet magazines and newspapers of this class are getting a rake-off or a bonus of $97,000,000 a year.

Now, we can raise this money without interfering at all with the small publications. I agree with what was said here a while ago, that if we put this 3-cent stamp on here we ought to put Mr. Hoover's picture on it. [Laughter.] I want it to go down as a memento of the failure of this administration from an economic standpoint.

But, Mr. Chairman, this is not solving the question. It is utterly impossible to balance this Budget under present conditions and keep it balanced.

Only a few months ago this very question was before the British House of Commons, under the leadership of one of the greatest economists in public life to-day, Philip Snowden. They found, though, a measure which they thought would balance the budget. They even went to the country on it and were sustained after one of the bitterest, if not the very bitterest, campaigns in British history.

When they came back they found there was an overwhelming deficit, just as you will find next year. There was only one thing to do, and that was to expand the currency and to practically go off the gold standard. That is what we are likely to have to do before Congress adjourns if we do not expand the currency and bring about a reasonable share of prosperity. If you expect agricultural prices to come back, if you expect the price of grain and cotton and other commodities to rise in value, if you expect labor to be well paid, if you expect the channels of trade to open up, we must turn aside from the beaten path, get out from under the influence of Wall Street, now in control of the Treasury Department, expand the currency of this Nation, as did Great Britain, and bring to the American people a degree of prosperity that they have not had for years. [Applause.]

I do not know that we can defeat this amendment, but I am not in favor of penalizing the people who are already penalized and at the same time let those escape who are continually maligning Congress, sending out propaganda through the public press at the expense of the taxpayers of the United States. I sincerely trust that this amendment will be defeated. [Applause.]

Mr. LAMNECK. Mr. Chairman and ladies and gentlemen of the committee, I happen to be a member of the Post Office Committee. I am on record at home and in the committee against this increase in postage. I am not here to criticize the Ways and Means Committee for suggesting this mode of raising revenue. But I want to call attention to the conditions existing in the postal rates. As has been stated, first-class postage made a profit last year of some $45,000,000. Second-class postage lost $96,000,000. Third-class postage lost $23,000,000, and fourth-class postage about the same amount.

Under the second-class rate a publisher of a magazine that is classified as second class and weighs a pound is permitted to deliver that magazine to his customer in zone 1 for 3½ cents. A publisher of a magazine that is classified as a third-class publication, in which he receives nothing from his customer, is charged 1 cent for 2 ounces. In other words, he pays 8 cents to deliver the magazine to his customer, while the publisher of a second-class magazine has it delivered to his customer for 3½ cents.

If a person ships a parcel-post package that weighs a pound, he must pay 7 cents for its delivery. I ask you where there is any justice in that sort of an arrangement.

I claim that we should not let the publishers of magazines escape, and compel the taxpayers under this amendment to go down into their pockets and pay $96,000,000, of which these publishers receive the benefit. It is wrong in principle, not fair to other men who are paying their share.

I am not going to vote for this amendment. I wanted to call attention to the situation in regard to these publications, for some publishers are getting the service for 3½ cents and other publishers have to pay 7 and 8 cents.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. Yes.

Mr. BALDRIGE. Has any member of the Post Office Committee any amendment to recommend?

Mr. LAMNECK. The gentleman has heard the chairman of the committee and the ranking minority member.

Mr. BALDRIGE. They have not offered any amendment.

Mr. LAMNECK. I do not think so.

Mr. BALDRIGE. Is not there any amendment fixed and ready to be offered?

Mr. LAMNECK. I do not think so.

Mr. BALDRIGE. Then all this talk does not amount to much.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LAMNECK. Yes.

Mr. BURTNESS. I agree thoroughly with the gentleman. The question has already been asked by the gentleman from Nebraska [Mr. BALDRIGE]. What is the gentleman's view as to the remedy for this—what can we do with reference to it and not run the chance of a further deficit?

Mr. LAMNECK. I would make the publishers of magazines pay the cost of the service.

Mr. HASTINGS. Has the gentleman's committee at this session considered any bill to raise the rates on second-class matter and reported it to the House?

Mr. LAMNECK. No.

Mr. HASTINGS. Why have you not?

Mr. LAMNECK. The gentleman better ask the chairman of the committee.

Mr. PATTERSON. Mr. Chairman, I find myself in somewhat a different attitude toward this amendment from that just expressed by the gentleman from Ohio [Mr. LAMNECK], my colleague on the committee, who preceded me in speaking upon this amendment. I do not expect to support it, regardless of what committee it might come from. This is the most nefarious and iniquitous and outrageous amendment ever offered to a revenue bill in this House, and the way it comes up here, to be considered in a few minutes, when a matter like this should have had extended debate and hearings, is not right. It is brought up here in a few minutes to be passed as a measure by the House of Representatives and seeks to raise first-class postal rates 50 per cent. I call attention to how some of these great big newspapers whined because we tried to raise the surtaxes a short 5 per cent above what they were raised in the committee bill.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. Not now. We remember how they talked about soaking the rich because we raised them 5 per cent, but in this they propose to raise the revenue on the ordinary people, the great mass of our people, who use first-class postage, by 50 per cent. This is something that goes to every home in the country. Not only that, but this is done at a time when those people, thousands of them in my section, are not able now to buy a 2-cent stamp, with the income they get from the farms, and I refer to people who can read and who wish to write letters. Of course, any revenue that the Treasury Department, backed up by the Wall Street bankers, want to put forward is always said to yield very high. But this will retard the use of the first-class mail, and will not yield as much as they say. I take the responsibility for saying that, after studying as I have matters like this before the Post Office and Post Roads Committee, I am thoroughly convinced that this will not yield the revenue it is said that it will. Not only that, but I was glad to see the distinguished gentleman from Pennsylvania [Mr. KELLY], although I am sorry to say that he takes the position he is going to support the amendment, point out one of the real causes of our trouble. You can try to balance the Budget all you please by laying more and heavier burdens, but you will defeat some of the very things that you want to help, because this will reduce the volume of mail in this country to a surprising degree, and, as the gentleman from Pennsylvania pointed out, what we need to-day is to increase the volume of mail. He pointed out another thing that is very interesting. It is said that if we do not balance the Budget, the country is gone. We recognize the importance of taking care of the expenses, and we have been trying to provide that revenue, but to press the life out of our people and business by such levies will leave us very much worse off and produce a reaction.

Mr. McSWAIN. If this amendment should be adopted, how many letters would a pound of cotton mail?

Mr. PATTERSON. A pound of cotton will mail three letters now, and it will mail only two after this goes through.

Mr. BALDRIGE. We have heard the gentleman from Mississippi [Mr. RANKIN], and the gentleman from Alabama [Mr. PATTERSON] viciously attack the sales tax.

Mr. PATTERSON. Yes; and this is just as vicious, and I have no apology to offer for attacking the sales tax. And this is equally vicious, and I am being consistent. I am opposing it, and I have opposed and voted for other amendments which the committee offered.

Mr. BALDRIGE. The chickens have come home to roost, and now you are facing something worse than the sales tax. What have you to offer in place of it?

Mr. PATTERSON. I will say to the gentleman, we have been suggesting and supporting substitutes such as large inheritance taxes, gift taxes, and taxes on business on the stock exchange. Our committee is studying now, and we have also passed certain legislation to take up the postal deficit. We are working on other legislation, and we will bring in other legislation to help the situation, but it is not fair to put this tax on now. I shall only say here that these stock manipulators can not scare me by working a stock ticker. Their whole effort is to put the burden of taxation on the masses and I am against it and hope the amendment will be defeated. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. WITHROW. Mr. Chairman, I rise to protest against cramming through this increased postage rate on the false assumption that the Budget must be balanced. In the name of the working man and the farmer, who are the users of first-class mail, and in the name of the small manufacturer and the small business man who, in these abnormal times, is dependent on the first-class mail service, I sincerely hope that this amendment will be defeated.

The handling of first-class mail has always been a source of profit to the Government—for years first-class mail has been helping to pay for the handling of all other classes. The users of the first-class mail service, and that means every person in the United States, have been paying more than their share for years, while such classes of mail as are used by the periodicals, for example, have resulted in a deficit for last year alone amounting to $96,000,000.

To allow an increase of from 2 to 3 cents in the first-class rate, gentlemen, is to push thousands of our small manufacturers and jobbers out of business and into bankruptcy. The small business man can no longer afford to keep his salesmen on the road and thousands are still struggling along by keeping contact with their customers through the use of first-class mail. If you increase this postage rate, gentlemen, then you are directly responsible for the failure of thousands of our small business men—thousands of the little fellows who are barely able to get along now.

Experts have estimated that $135,000,000 will be raised by reason of this increased postage. The Postmaster General says it may raise $100,000,000. The Committee on Ways and Means says it will raise approximately $35,000,000. Nobody knows how much money it will raise. In the few months I have been in Washington I have learned that every man in Washington is an expert and everyone who comes into my office claims he is an expert. That does not mean a thing to me. Your guess and my guess will be just as good as their guesses on this question.

In regard to this increased postage, six years ago the rate on postal cards was increased from 1 cent to 2 cents. The Treasury Department at that time said that it would raise $20,000,000 as compared with $10,000,000 at the 1-cent rate. The increase was put into effect and what happened? We found that the revenue collected was only $6,000,000, or $4,000,000 less than was collected when we had the 1-cent rate and $14,000,000 less than was estimated. Then the 1-cent rate was promptly put back. That resulted in an increased use of postal cards, and the volume stepped up again to normal.

Likewise, at first the charge for an air mail stamp was 10 cents. That rate was cut 50 per cent, to 5 cents. And, gentlemen, we raised twice as much revenue as was collected by charging 10 cents per air mail letter. I realize that some of that volume was brought about by reason of opening up other air mail lines and developing them, but I say the one basic factor in realizing more revenue, gentlemen, was because this rate was reduced 50 per cent.

Now, gentlemen, we must take this into consideration: First-class mail attracts second-class mail; likewise, second-class mail attracts first-class mail. You strike at first-class mail and ruin its volume and you necessarily cut down the volume of second-class mail.

The increase in this tax will cut down the volume of all mail, and it will not yield as much revenue as has been estimated.

First-class mail is the only class of mail which can be used by the farmer and the workingman, and an increase in this rate of postage will be a direct hardship on the farmer and

the workingman. Gentlemen, we have already reached and passed the limit to which we can tax these people. To tax them further will spell disaster.

It would not be wise, and there is no necessity for more taxation this year. What necessity drives us to balance the Budget this year? Was there not the same necessity in 1931, when there was a deficit of $903,000,000? Was there not the same necessity in 1932, when there was a deficit of $1,711,000,000? The only reason for balancing the Budget that I have heard is the fact that Government bonds are selling below par; but Government bonds have been selling below par for a long time, and even that should not be a reason compelling enough as to drive us to place a still heavier burden of taxation on the farmer and the workingman.

It is true that Government bonds are selling below par but only about 5 per cent of our people own Government bonds. Our farmers and our workingmen and our unemployed are not able to own Government bonds, and I am not willing that the farmer and the workingman should be crushed and ruined in order that Government bonds shall again sell at par. The 5 per cent in this country who own bonds are not the real sufferers. The real sufferers are the 95 per cent who never did own bonds or who were forced to sell them, most of whom are in dire need of the bare necessities of life.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I shall vote for this amendment increasing the postage-stamp rate, because I feel the committee is in all justice entitled to the fairest consideration in offering this as a means of raising additional revenue. I do, indeed, vote for it, reluctantly. I vote for all taxes, reluctantly. But patriotism requires the raising of sufficient revenues to balance our Budget.

However, I want to call the attention of the members of the Post Office and Post Roads Committee to some other means by which additional revenue might be obtained and which will go far to make up the increased and increasing deficit of the Post Office Department.

There ought to be some means whereby an additional payment should be made upon a stamp called a nonlocal stamp. Certainly a letter that travels a short distance should bear a lower rate than a letter that travels a greater distance. Recommendations of that sort have already been made by the Postmaster General and, in my humble opinion, I commend the suggestion to the members of the Post Office Committee. It might be a means of raising additional revenue.

In some cases the Post Office Department pays very high rents whereas by owning the buildings savings could be effected. Many of the superannuated employees in the Post Office Department should be retired, thereby making for greater efficiency and the saving of money. I firmly believe that in the department known as the postal savings department there should be a means whereby depositors could deposit $5,000 instead of the present limit of $2,500.

The Government makes a gross of one-half of 1 per cent on all postal-savings deposits. The amount of moneys in the postal savings bank is now unprecedented. It is beyond one-half billion dollars. The depositor receives from the postal savings bank 2 per cent interest. The banks into which the moneys are redeposited must pay the Government, in return for the deposit, two and a half per cent interest. There is a gross profit, therefore, to the Government or to the Post Office Department of one-half of 1 per cent.

I venture the assertion, and I have the backing of the Postmaster General and the Director of the postal savings bank in this regard, if this amount were lifted to $5,000 as the permissible amount there would be over $1,000,000,000 in the postal savings bank and the gross revenue from that source might well, therefore, be doubled. Instead of having one-half of 1 per cent gross profit on one-half billion dollars, we would have a gross profit of one-half of 1 per cent on $1,000,000,000.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. CELLER. Yes.

Mr. COLE of Iowa. What effect would that have upon bank deposits?

Mr. CELLER. It would have no effect upon bank deposits, but would have a tendency to draw money out of hoarding. The money that goes in the postal savings bank does not otherwise go into any bank. Postal Savings is the greatest magnet to draw money from mattresses, socks, and hollows of trees. This has been proven time and time again. The Postmaster General has also requested this increase in the permitted amount from the present $2,500 to $5,000.

I have another recommendation to make that is rather unusual, but these are unusual times and we are facing an emergency. Why could not the Postmaster General have the right to use the gum side or the reverse side of stamps for the purpose of advertising? This may sound bizarre and unique and strange to you, but many countries use stamps for advertising purposes. France, Germany, and New Zealand, I am told, sell the marginal space on stamp sheets to private enterprises for advertising their commodities. Bavaria and Italy have doubled the size of their stamps and sold the additional space to private concerns for advertising purposes. For example, the Singer Sewing Machine Co. purchased and used space on Italian stamps.

Other countries have used the back of stamps for the printing of advertisements. Some New Zealand stamps have had on the back thereof advertisements, such as Beecham's pills, Sunlight soap, and other advertisements for clothing, coal, canned pickles, and so forth. Brazil, Salvador, Costa Rica, and Guatemala vie with each other in stamp advertising, particularly boasting that they raise the best coffee. Cancellation stencils are also used by various countries for advertising purposes. Great Britain uses the slogan that "British goods are best." Our own Government has often used this medium for slogans, such as "Use air mail. It saves time." "Join the Red Cross." "Buy Liberty bonds." "Address your mail correctly."

We have been using the mails for advertising and propaganda purposes ever since the days of Franklin. Franklin, the first Postmaster General of the Colonies, at the threshold of the Revolutionary War, changed his frank from "Free B. Franklin" to "B. Free Franklin."

We have often used stamps to educate our children on matters of great moment in the annals of the Nation. We advertised the Lindbergh flight with a stamp. We advertised the Edison invention of an incandescent lamp with a stamp. We have directed attention to various expositions held in various cities at various times by means of stamps. I have a stamp before me advertising the National Philatelic Exhibition held in New York in 1926. This was a purely private enterprise, unrelated to the Government. For many other purposes to which stamps are put and used, see recent volume by Sigmund I. Rothschild, published by Putnam's, entitled "Stories Postage Stamps Tell."

Stamps, therefore, having often been used for advertising and educational purposes, there is no reason why the Government could not get additional revenue therefrom. If the merchant has something to tell, let him tell it in part on a postage stamp, or on the margin or back thereof. Manufacturers of nationally advertised products would quickly avail themselves of this opportunity.

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, up to a few days ago we had a rather pleasant task as long as we were opposing taxes, but that brought with it certain responsibilities that we as legislators can not now escape.

The question now before us can not be considered as a postal matter at this time. Therefore all the discussion about the various classes of postal service is not germane now. This increase in postage is simply brought before us as an arbitrary, unpleasant, necessary source of revenue. It is the only source of revenue in this bill that will not cost a single penny to administer, and it is also one that can not be evaded.

Taking any one of these items which we have considered to-day, by and of itself, gentlemen, I will concede that it is irksome and unpleasant, but you must take this proposition and compare it with the other proposition which we had before us.

In this instance, what is the alternative? Either raising $135,000,000 without any expense of administration or else putting an additional tax on gasoline or having a stamp tax on checks.

Mr. BACHMANN. Will the gentleman yield?

Mr. LaGUARDIA. No; I am sorry I can not yield.

It seems to me in the face of these alternatives, confronted with the dire necessity of raising revenue, there is little choice in the matter.

There has been so much said about the cost of second-class mail that I want to submit that, after all, these estimates are theoretical. They are simply arbitrary estimates made by the Post Office Department. As has been said, second-class mail stimulates first-class mail. Every class of mail contributes to the gross income. Second-class mail is an American institution which has done more to cement the country than any other one factor. I remember when I was a boy way out West, if it had not been for the second-class mail institution we would have had no magazines, papers, periodicals, and no reading matter out there at all.

I was on the Post Office Committee of this House years ago, and I may say if there is any opposition with respect to second-class mail matter, we have a legislative committee and we can consider it in a proper way. At this time the amendment before us is purely a revenue matter.

Now, I am willing to take my share of the criticism and responsibility of urging this one source of revenue. It is necessary at this time. It will not lessen the volume of mail at all.

Why, I received protests to-day, Mr. Chairman, from some of the very people who asked me to vote against a sales tax. To-day they were wiring me to vote against the postage increase. We can not do it all, and as I said before, having had the fun of tobogganing downhill, now we have got to drag the sled uphill. We must face the situation like men, and I am for the amendment proposed to the bill. [Applause.]

Mr. STAFFORD. Mr. Chairman, this is a practical question. Last year we received $27,000,000 from second-class mail. It is proposed by the opponents to increase second-class postage 25 per cent, and all that would be added would be five and a half million dollars. From third-class mail we received $58,000,000 last year, and it is proposed to increase that 25 per cent, and $15,000,000 would be added from that source, or a total altogether from these two sources of $20,000,000.

We have to find some means of raising over a hundred million dollars. We are at the crossroads of the question of whether we are going to balance the Budget. There is raised from the first-class postage $335,000,000. An increase of 1 cent on letter mail other than drop letters is estimated to yield over a hundred million dollars.

Other countries have raised their first-class postage. Canada has a 3-cent letter rate; so has Great Britain, Germany, France, and other countries.

Let me say to these country Members, that this burden is going to be largely borne, not by the rural districts, but by the large mercantile centers, which contribute at least 75 per cent of the revenues of first-class postage. Let me emphasize again that this burden is on the commercial sections of the country, which contribute from 75 to 80 per cent of the first-class postage. The rural communities only contribute about 20 per cent. The industrial and commercial centers will bear the burden of most of this large additional revenue.

Now, what is the postal deficit? In 1930 it was $98,000,000. In the last fiscal year it was $146,000,000, a jump of $50,000,000, and it is a conservative estimate with the decline of postal business that this present fiscal year it will be $200,000,000.

It is fundamental in all economic propositions that each service should bear its own expense. Why, gentlemen, 20 years ago there was a bill to increase second-class mail postage recommended by the Postmaster General, and all the periodicals opposed it, all second-class publications opposed it, and that proposal which was supported by President Taft more than anything else cost him his election.

It is easy enough to get up here and raise your voice against the Hearst papers and periodical publications, but you should realize that only 18 per cent of the second-class matter—newspapers and periodicals—moved by the mails, and 47 per cent by baggage cars, and 35 per cent by other modes of conveyance.

This is the only way to raise this additional revenue. The Postmaster General and his assistants say that this is the only practical way. It may cost me much for my advocacy, but after I voted and opposed the sales tax I believe that it is necessary in order to balance the Budget to support practical though unpopular proposals, and this is the only practical means of securing this large amount from the Postal Service.

As I have said, the burden of this increase of first-class postage is on the cities and not on the rural population. If other countries have found it necessary to increase the postal revenue by raising the first-class postage from 2 to 3 cents, why should not we do so in the face of a $200,000,000 postal deficit for the present fiscal years. Let us rise to the occasion by putting duty first in the consideration of this troublesome question to make ends meet. [Applause.]

[Here the gavel fell.]

Mr. JACOBSEN. Mr. Chairman, I think I can prove to the gentlemen that the advance in first-class postage will not give us the increase in revenue that has been suggested. The third-class mail which comes to your desk is mostly mimeograph or multigraph mail. At least 50 per cent of the mail that comes to your desk is mail of this character. When I was a postmaster this was mailed for 1 cent. This was increased to a cent and a half for 2 ounces. The advertisers at that time said that if it cost them a cent and a half to mail this advertising they would mail it under the first-class rate, seal it, and pay 2 cents, then at least the people would read the mail instead of throwing it into the waste-paper basket. I venture to say that at least 50 per cent of the mail, and the gentleman from Wisconsin says 70 per cent, that comes from the big cities is advertising matter. They will drop back to a cent and a half.

I would not oppose this amendment if I thought that it would raise additional revenue. I venture to say that not less than 50 per cent of the letters that now go through the mail are advertising matter, such as mimeograph and multigraph.

These can go in unsealed envelopes for 1½ cents, and if the rate is raised to 3 cents, the advertiser who sends out these letters by the thousand and hundred of thousands will mail them at the 1½-cent rate.

My claim is that of every hundred letters mailed at least 50 of them would be sent at 1½ cents and would yield 75 cents, whereas the other 50 would at the 3-cent rate yield $1.50, or a total of $2.25 for the hundred letters that now bring $2 revenue.

It can readily be seen that instead of bringing $1 more the increase in postage rate would only be increased 25 cents per hundred.

The CHAIRMAN. The time of the gentleman from Iowa has expired. All time has expired. The question is on agreeing to the committee amendment.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 147, noes 63.

Mr. SCHAFER. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Wisconsin demands tellers. All in favor of ordering tellers will rise and stand until counted. [After counting.] Three Members have risen, not a sufficient number. Tellers are refused.

So the amendment was agreed to.

Mr. VINSON of Kentucky. Mr. Chairman, I offer the following committee amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Kentucky: Page 93, line 15, after "year" and before the comma, insert: "after the taxable year 1933."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. VINSON of Kentucky. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Kentucky: Page 94, strike out lines 4 to 11, both inclusive, and insert in lieu thereof the following:

"(d) Net losses for 1930 or 1931: If for the taxable year 1930 or 1931 a taxpayer sustained a net loss within the provisions of the revenue act of 1928, the amount of such net loss shall not be allowed as a deduction in computing net income under this title."

Mr. STAFFORD. Mr. Chairman, will the gentleman explain that?

Mr. VINSON of Kentucky. Mr. Chairman, under existing law net losses may be carried over two years. Under the committee bill net losses could be carried over one year. With the amendments that have been adopted together with the one now pending, net losses are eliminated from being carried over at all. In other words, for the calendar years 1931, 1932, and 1933 net losses can not be carried over, but when 1934 comes net losses may be carried into 1935.

Mr. STAFFORD. So that the net losses have to be taken in the year when the losses occur?

Mr. VINSON of Kentucky. That is correct.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McGUGIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. McGUGIN: Page 220, after line 8, insert the following:

"Every person, firm, or corporation operating a store or stores engaged in the business of retailing to the public groceries, tobacco, hardware, drugs, dry goods, clothing, automobile tires, meats, or household furniture, shall obtain from the Government of the United States an annual license, which license shall be obtained from the collector of internal revenue of the district where said store is operated."

Mr. VINSON of Kentucky rose.

The CHAIRMAN (interrupting the reading). Does the gentleman from Kentucky wish to interpose a point of order?

Mr. VINSON of Kentucky. Yes. I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair has heard enough of the amendment read to clearly develop its nature. The Chair sustains the point of order.

Mr. CRISP. Mr. Chairman, in the authority granted the Committee on Ways and Means to return to any part of the bill to offer amendments, we were not granted authority to go forward in the bill to consider any matter. There are some special taxes in title 5 on admissions, telegraph, and so forth, that I would like to dispose of this afternoon. I ask unanimous consent that the committee may offer committee amendments to title 5.

Mr. CELLER. That includes the admission taxes?

Mr. CRISP. Yes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that the committee may submit amendments to title 5 of the bill this afternoon. Is there objection?

Mr. SCHAFER. Mr. Chairman, I shall object unless each individual Member has the same authority as the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. SCHAFER. I object.

Mr. CRISP. Mr. Chairman, then I submit another unanimous-consent request which I think will meet the gentleman's objection—that we proceed to read title 5. That will give every Member an opportunity to offer amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. CELLER. Mr. Chairman, reserving the right to object, the gentleman from Massachusetts [Mr. CONNERY] has a very important amendment which he wishes to offer to the admissions-tax section. I hope the chairman of the committee will aid me in offering that amendment in the interest of Mr. CONNERY, who has been unavoidably detained in Boston to-day.

Mr. CRISP. I do not know anything about the amendment.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report title 5 of the bill.

The Clerk read as follows:

(2) A tax equivalent to 10 per cent of the amount paid on or after such date to any telegraph or telephone company for any leased wire or talking circuit special service furnished on or after such date. This paragraph shall not apply to the amount paid for so much of such service as is utilized (A) in the collection and dissemination of news through the public press, or (B) in the conduct, by a common carrier or telephone or telegraph company, of its business as such.

Mr. CRISP. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 251, line 9, after "date," insert the following: "and before July 1, 1934."

Mr. CRISP. Mr. Chairman, the only effect of that amendment is to make this special excise tax on telegrams expire by operation of law on July 1, 1934.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 251, line 18, strike out "such date" and insert in lieu thereof the following: "the fifteenth day after the date of the enactment of this act."

Mr. CRISP. Mr. Chairman, that is a part of the other amendment. It makes this provision apply on the fifteenth day after the date of the enactment of this act.

Mr. CROWTHER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. CROWTHER. As a matter of information, would the language here refer to the leased-wire rates?

Mr. CRISP. I have some amendments to cover that proposition.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 251, line 20, after "date," insert the following: "and before July 1, 1934."

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 251, line 25, after "company," insert "or radiobroadcasting station or network."

Mr. CRISP. Mr. Chairman, the amendment explains itself. It simply exempts broadcasting companies.

The committee amendment was agreed to.

The Clerk read as follows:

(b) No tax shall be imposed under this section upon any payment received for services or facilities furnished to the United States or to any State or Territory, or political subdivision thereof, or the District of Columbia. The right to exemption under this subsection shall be evidenced in such manner as the commissioner with the approval of the Secretary may by regulation prescribe.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 252, line 4, strike out the period and insert in lieu thereof a comma and the following: "nor upon any payment received from any person for services or facilities utilized in the collection of news for the public press or in the dissemination of news through the public press, if the charge for such services or facilities is billed in writing to such person."

Mr. CRISP. Mr. Chairman, that simply broadens the exemption. Under the bill as written certain press services, where they had leased lines, were exempted. There were many of the smaller newspapers which did not have these leased wires, and this is to give them the same exemption when the correspondents send in news.

Mr. WHITE. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. WHITE. Does that apply to radio stations in the same way?

Mr. CRISP. The amendment preceding that applied to radio stations.

Mr. WHITE. I know it did; but when there are leased wires, would the same condition obtain here?

Mr. CRISP. No; it would not. The radio stations were given the same benefits as to leased wires that were given to newspapers.

Mr. PATTERSON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. PATTERSON. I understand this makes all news wires and news exempt.

Mr. CRISP. Yes. Where newspapers have correspondents around the country and they telegraph news in to their papers collect, that is exempt from paying the 5 and 10 cent tax.

Mr. PATTERSON. Does the gentleman feel that is necessary, when you take into consideration private wires?

Mr. CRISP. In my judgment, it is. However, people differ, and the gentleman, of course, has just as much right to his opinion as I have to mine. It has never been the policy of the Government to tax those news agencies that disseminated knowledge and information in the interest of all the people.

Mr. PATTERSON. Does the previous amendment put the broadcasting stations on a parity with the news services?

Mr. CRISP. When they have leased wires; yes.

Mr. RAGON. It applies where they put wires into a church, at a football game, or a baseball game. When the radio stations do that they incur a large expense, and this is for the purpose of relieving them of this tax.

Mr. PETTENGILL. Is it the intention of the committee that the last amendment exempts everything that is known as press wires?

Mr. CRISP. That is my intention, and the amendment was so intended.

Mr. PETTENGILL. Mr. Chairman, I ask unanimous consent that the amendment may again be reported for the information of the committee.

The Clerk again reported the amendment.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Committee amendment: Page 251, line 22, strike out all after "utilized" down through "(B)," in line 24.

Mr. CRISP. Mr. Chairman, this is simply a technical amendment which is offered in line with the amendment which the committee has just adopted.

Mr. SMITH of Idaho. Mr. Chairman, will the gentleman yield for a question?

Mr. CRISP. Yes.

Mr. SMITH of Idaho. Has any consideration been given to the fact that leased wires covering a long distance should have some special consideration? For instance, a broker's leased wire from New York to the Pacific coast would be quite expensive, and if they were not maintained might separate the eastern markets from the western markets.

Mr. CRISP. The only consideration given would be based on the price of the telegram itself. A telegram sent for a long distance has higher toll charges, and under the provisions of the bill, where the message is under 50 cents, the tax is 5 cents and when it is over 50 cents it is 10 cents.

Mr. SMITH of Idaho. Of course in the case of a leased wire it is generally not based on distance entirely.

Mr. CRISP. On a leased wire the tax is 10 per cent of the cost of the leased wire.

Mr. WHITE. And the gentleman's previous amendment takes care of exemptions of newspapers, the gentleman feels sufficiently in respect to all their messages?

Mr. CRISP. It is so intended.

The committee amendment was agreed to.

The Clerk read as follows:

(c) Any person making a refund of any payment on which tax under section 701 has been collected may repay therewith the amount of tax collected on such payment, and the amount of tax so repaid may be credited against the tax under any subsequent return under section 702.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 253, after line 24, insert a new section, as follows:

"SEC. 704. REGULATIONS

"The commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this part."

Mr. HAWLEY. Mr. Chairman, I would like to ask the chairman of the committee why the last word in the amendment, "part," should not be "subsection"?

Mr. CRISP. The legislative expert advises me he did not think that was right. This is a part of this subtitle.

Mr. HAWLEY. This refers to rules and regulations to be made for the enforcement of subsection (c).

Mr. CRISP. I will say to the gentleman from Oregon that this is title 5, miscellaneous taxes, and it says, "Part I. Tax on telegraph, telephone, radio, and cable facilities," and this amendment gives them authority to make rules and regulations to collect the tax provided in this Part I, and this is just identifying that portion of the bill.

The committee amendment was agreed to.

The Clerk read as follows:

PART II—ADMISSIONS TAX

SEC. 711. ADMISSIONS TAX

(a) Paragraph (1) of section 500 (a) of the revenue act of 1926, as amended, is amended to read as follows:

"(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place, including admission by season ticket or subscription, to be paid by the person paying for such admission; except that in case the amount paid for admission is less than 25 cents, no tax shall be imposed. An equivalent tax shall be collected on all free or complimentary tickets or admissions to a wrestling match, prize fight, or boxing, sparring, or other pugilistic match or exhibition and the tax shall be on the amount for which a similar seat or box is sold at the said match or exhibition. Amounts paid for admission by season ticket or subscription shall be exempt only if the amount which would be charged to the holder or subscriber for a single admission is less than 25 cents."

Mr. CRISP. Mr. Chairman, I offer a committee amendment. It is just one amendment, although there are two things involved in it.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 254, line 10, strike out "25 cents" and insert "46 cents."

Page 254, line 19, strike out "25 cents" and insert "46 cents."

Mr. CRISP. Mr. Chairman, this is an amendment in which the House has been much interested. The effect of the committee amendment is to remove from any admission tax any admission where the cost is 46 cents or less.

The effect of the amendment is to lose $50,000,000 from the bill as brought in, making all admissions over 25 cents pay a tax.

Responsive to what they believed to be the will of the House in this respect, the committee has recommended to you this amendment, and we have sought the best we could

to try to make up the revenue lost by the enlargement of the exemption price.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield to me?

Mr. CRISP. Yes.

Mr. PATTERSON. I think most of us are in sympathy with this amendment, but I want to ask the gentleman whether school football matches, and so on, are exempted from the payment of this tax or would they be included?

Mr. CRISP. Where there is any profit they would have to pay the tax, but the price for practically all of the school entertainments is less than 46 cents. If it is more than that, in this emergency I do not think they are penalized if they pay 5 cents to their Government to balance the Budget.

Mr. WRIGHT. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. WRIGHT. I am curious to know how the committee arrived at the figures 46 cents instead of 45 cents or 50 cents or 40 cents.

Mr. CRISP. I can answer the gentleman. If you put the price 47 cents or 48 cents, they might reduce the price of admission so as to escape the tax. Therefore, we left this gap in there of 46 to 50 so as to prevent them from doing that. If you said 50 cents, they might reduce the price to 49 cents and not pay any tax.

Mr. McCORMACK. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. McCORMACK. I might say that I had previously served notice I intended to submit an amendment exempting admissions up to and including 50 cents, but the committee amendment is perfectly agreeable and I think meets the entire situation. I have talked with representatives of the industry who came to me as a result of the notice I had given, and they are perfectly satisfied with the committee amendment.

Mr. ARENTZ. Do I understand the gentleman to say that admission to football games and baseball games, where the proceeds go to the university or high school, are exempt, or not exempt?

Mr. CRISP. Under the present law, they are exempt. Under this law they would be taxed.

Mr. JOHNSON of Texas. I understand the amendment to the present bill does not exempt high schools.

Mr. CRISP. High schools are exempt.

Mr. LaGUARDIA. I think it is only fair to say that we expect that the 50-cent movie houses to be sports enough to charge 50 cents, so that the Government can get the tax.

Mr. JOHNSON of Texas. I want to say to the gentleman that I have had some criticism of the bill for its failure to exempt admission fees to athletic events of colleges and universities.

Mr. CRISP. So have I; to every feature of it. [Laughter.]

Mr. JOHNSON of Texas. I spoke to the acting chairman of the committee yesterday about this matter. I would like to ask the gentleman if it would seriously affect the committee's program if exemptions should apply to colleges that receive admissions from athletic games and such receipts are used solely for the support of athletics in those institutions?

Mr. CRISP. Personally, I think the bill ought to stand as it was provided in the first place, 25 cents exemption. It is broad, spread over the whole country, and is not burdensome; but in deference to what we deem to be the wishes of the House, we agreed on this amendment. I do not believe university or college athletics, where they charge a large admission, ought to be exempt.

Mr. BOILEAU. How about admissions to agricultural fairs?

Mr. CRISP. They are exempt, as under the present law.

Mr. TREADWAY. Will the gentleman yield to me?

Mr. CRISP. I yield.

Mr. TREADWAY. I think there is a little confusion in the mind of Members in reading the paragraph and in knowing what the old exemption was. We have, as I understand it, taken up the old exemption list, now in the law, the paragraph applying to admissions, putting a tax on admissions, in games held by colleges, and the Military and Naval Academies.

Mr. CRISP. That is correct, and high schools and secondary schools are exempt. But we thought the universities and colleges, including Annapolis and West Point, should pay the tax.

Mr. EATON of Colorado. You have placed the tax on all free or complimentary tickets or admissions to a wrestling match, prize fight, boxing, sparring, or other pugilistic match or exhibition, but you have not put them on complimentary tickets to theaters or baseball games.

Mr. CRISP. If gentlemen will wait until that section is read, they will find that an amendment will be offered. We have an amendment making them all taxable.

The CHAIRMAN. The question is on the committee amendment.

The question was taken, and the committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 254, line 10, strike out all after the period down to and including the period in line 16 and insert in lieu thereof the following:

"In the case of persons (except bona fide employees, municipal officers on official business, and children under 12 years of age) admitted free or at reduced rates to any place at a time when and under circumstances under which an admission charge is made to other persons, an equivalent tax shall be collected based on the price so charged to such other persons for the same or similar accommodations, to be paid by the person so admitted."

Mr. CRISP. Mr. Chairman, the effect of this is to tax all complimentary admissions to these entertainments where a person has had a complimentary ticket given him, except bona fide employees, municipal officers on official business, and children under 12 years of age. They are exempted from paying the tax. The committee felt that people who were given complimentary admission tickets were fortunate, and that while taxing others we should compel these to at least pay the amount of the tax to the Government.

Mr. WHITE. I wonder if the gentleman would mind inserting in there members of the press as well?

Mr. CRISP. I must stand on what the committee has recommended.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. CELLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Page 254, line 16, before the word "amount," strike out the period, insert a semicolon, and add: "Provided that in the case of legitimate spoken drama, if the amount paid for admission is less than $3, no tax shall be imposed. As used in this subdivision, the term 'legitimate spoken drama' means a spoken play, whether or not set to music or with musical parts or accompaniments, which is a consecutive narrative interpreted by a single set of characters, all necessary to the development of the plot, in two or more acts, the performance consuming more than 1 hour and 45 minutes of time; but such term does not include a revue, burlesque, or extravaganza."

Mr. CELLER. Mr. Chairman, this amendment was to be offered by our colleague from Massachusetts [Mr. CONNERY], but he was compelled to leave for Massachusetts, and he asked me to present the amendment in his stead. We offer it most seriously. The amendment has been very difficult to draft. We attempt to take out of the committee admission-tax provisions the spoken drama. The present law taxes the legitimate drama on admissions above $3 at the rate of 10 per cent. I have consulted the legislative counsel, and he has advised me that the verbiage of the Connery amendment just offered is the exact verbiage of an exception put into the 1926 revenue act which you adopted. Unfortunately the amendment was lost in the shuffle in the Senate. I am sure most of the members of the Ways and Means Committee are in sympathy with this amendment. I ask that no heavy hand be placed upon the drama. I

think you will all agree with me that there is no greater vehicle for carrying cultural and educational messages to the great mass of our people than the drama. Life is nowhere better expressed than in the theater. There we see the mirror held up to nature; there we see ourselves as others see us. One could go on in this strain for a long while, but I am sure I need not dwell longer in that respect. Suffice to say that if we give motion-picture privileges, certainly we should do no less for the spoken drama. For example, most of the theaters in New York are closed. Now you oppress with extra burdens of taxes those remaining open. In 1929 we raised by taxes on prize fights, sports, games, and the theater about $4,000,000. That was reduced in 1931 to about $2,000,000. It will be less than $1,000,000 this year. It is probable that the theaters will contribute less than $500,000. Under the present act they are exempt when the admissions are under $3. Five hundred thousand dollars is not very much to take out of this bill. By doing so you will be giving a boon to drama. It most assuredly needs help—not taxes. You will not exempt by the wording of this amendment such performances as the Ziegfeld Follies, the Earl Carroll Vanities, or George White's Scandals, or any burlesque or vaudeville performance, but you will take care of productions like Maude Adams and Otis Skinner in the Merchant of Venice, plays like Cyrano de Bergerac, and all the serious productions. If you pass the bill as the committee has drawn it, you will deal a deathblow to the drama beyond question. They can not be taxed any further.

Daily we read in the newspapers of the large theatrical organizations going into the hands of equity receiverships or bankruptcy.

The drama is the art of widest appeal. Older nations than ours, realizing to the fullest this important fact and seeing in it a potent instrumentality for the enlightenment of its masses, have nurtured and encouraged, by subventions and subsidies, the native drama. We, a younger civilization, have yet to learn this. Nowhere outside of the United States is the theater or the opera taxed. We seem to hurt where we should help. We tax where we should pay and encourage.

Mr. Frank Gillmore, representing the Actors' Equity Association, testified before the Ways and Means Committee in part as follows:

Beyond stating that the employment of actors and actresses has fallen away more than 50 per cent in the last two years I will not stress the economic side of the argument. Others who are here will speak on that.

I venture to suggest to you gentlemen that the stage is worthy of your consideration and of your encouragement, since it has given to the world and is still giving a culture which is precious in the extreme. The English-speaking peoples have a rich heritage in the writings of Shakespeare, as have the French in Molière. Both those men were actors. Let us suppose for the sake of argument that the Parliament of Queen Elizabeth or of King James the First had taxed the theater of Shakespeare out of existence. Then the dramatist would have been certainly muted. Oh, yes; he might have written a few more sonnets, and, without enthusiasm, knowing they would never have been produced, two or three more plays. What would have been the ultimate result of this legislation? You very gentlemen who sit here to-day, with your fine vocabularies and rich quotations, would have been poorer, for whether you are always conscious of it or not, the phrases and word combinations of Shakespeare drip from your lips and help make your speeches the memorable things that they are.

We all admit, I think, the wisdom of Shakespeare. It is my hope that you will take his advice as he has so clearly given it in the second act of Hamlet. After seeing the players, and saying good-bye temporarily to them, Hamlet turns to the chamberlain and says:

"See the players well bestowed. Let them be well used; for they are the abstract and brief chronicles of the times; after your death you had better have a bad epitaph than their ill report while you live."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CRISP. Mr. Chairman, I like the spoken drama, and, if I may be permitted a personal reference, I have the kindliest feeling for those engaged in entertaining the public. My grandfather and grandmother and uncle and aunt were Shakespearean actors. Naturally, my sympathies are with these splendid people. I can see no reason why a 50-cent admission should be taxed and a two or three dollar admission should be exempted.

This discrimination is a matter of great difficulty to administer. I realize the plight of the legitimate drama; and I repeat, I love it. But their trouble is because of the competition of the movies, the talkies, and the expense. To-day when a troupe travels over the country it must pay railroad fares, hotel bills, freight on the scenery; and all of that is expensive. At the same time you can send from Hollywood, Calif., a very delightful play in a box—a film—for $2. Unfortunately for the spoken drama, it is up against this proposition, just as many splendid American workmen are to-day out of work because of machinery.

I hope the amendment will not be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. EVANS of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from California offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EVANS of California: On page 254, line 19, after the semicolon, add the following:

"*Provided*, That nothing in this act shall be construed as requiring any tax on admissions to any show, exhibition, performance, or game held or conducted by or as a part of the Tenth International Olympiad to be celebrated in the county of Los Angeles, State of California, from July 30, 1932, to August 14, 1932, both inclusive."

Mr. EVANS of California. Mr. Chairman and gentlemen of the committee, I have discussed the nature of this amendment—which is clear from its reading, I hope—with the acting chairman of the committee, and I do not believe he opposes it. I have also discussed it with the majority floor leader of the House and he tells me he is of the opinion that the law as it now is would not tax these admissions.

The Tenth International Olympiad is being held in the city of Los Angeles this year. It is entirely a nonprofit exhibition of athletic events by athletes from the whole world. The State of California has appropriated through its legislature the sum of $1,000,000 to help finance this great event. The county and city of Los Angeles have likewise made large contributions.

I am sure the members of the committee would not wish to tax an exhibition of this kind, and I understand it has the acquiescence of the members of the committee.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. EVANS of California. Yes.

Mr. DICKSTEIN. Can the gentleman tell me what the admission fee will be?

Mr. EVANS of California. I am sure I can not tell the gentleman from New York. A great many of the tickets have already been printed and distributed in foreign countries in the way of invitations; that is to say, they are complimentary tickets.

May I say, Mr. Chairman, that this Congress authorized the admission of these participants from foreign countries at this session without customs duties.

Mr. TREADWAY. Mr. Chairman, the amendment offered by the gentleman from California did not come to the attention of the Ways and Means Committee. At the same time, as one of the members of the committee, I feel very certain that had it been brought to our attention there would have been no opposition to its adoption. I can not see how it could possibly be objected to.

Mr. RAGON. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. RAGON. Did I understand the gentleman to say the committee would not have opposed this amendment?

Mr. TREADWAY. I certainly do not think the committee would have opposed it.

Mr. RAGON. I can not see how the committee could help opposing it if they are going to tax every Christian college in this country in connection with their football games and their baseball games.

Mr. TREADWAY. I will withdraw my reference to the Ways and Means Committee and speak purely as a Member. My thought is this, Mr. Chairman: That this is an international event, taking place but once in this country. I believe we have not had the privilege of entertaining international athletes in this country for a great many years.

Mr. BACHMANN. If the gentleman will permit, this is a non-profit-sharing venture to begin with.

Mr. TREADWAY. I was going to refer to that. The same attitude in reference to tariff matters was taken when the athletes coming over here to participate in the games at Lake Placid, N. Y., during the winter were given the privileges of the port, and all of their paraphernalia were excluded from any customs duties. This is the same principle.

While Los Angeles happens to be the place where this gathering is to be held, the country itself is the host of athletes from all countries of the world. It is an historic event that has come down since the ancient Grecian games. It seems to me we can do no more than to gladly welcome these people, allow them to take back the paraphernalia they bring in, and at the same time not tax their admission receipts. It is not a profit-sharing matter. It is purely an international matter which happens to be held in this country; and the greater hospitality we can show these people, the better it will be for the general welfare of our own athletes and the relationship of our country to other countries.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. DICKSTEIN. Does not the gentleman know there is a charge in the foreign countries when we go to see the games over there?

Mr. TREADWAY. I have no knowledge whatsoever of the relationship with the foreign countries. Of course, there is an admission charge. I am not saying there is not an admission charge over there as well as here, but the gentleman from California [Mr. EVANS] has simply asked that, as a matter of international courtesy, admissions be not taxed. I think the gentleman's amendment is very proper, and as one Member of the House, not as a member of the Ways and Means Committee, I shall vote for it.

Mr. RAGON. Mr. Chairman, I do hope and trust we do not at this period in the tax bill drop our guard. There is not anyone in this House who likes sports better than I do. There is not anyone that would rather be in attendance upon the Olympic games than myself, but it is falderol when you talk about international comity in connection with these games. The people who are going to see these games will be American citizens. It is true international athletes will be there, but they will be duly compensated for their pleasure as well as their performance.

Mr. TREADWAY. They are all amateurs.

Mr. RAGON. Amateurs, it is true, but they are sent there by organizations. They will come there at no expense to themselves and they will have to be admitted free as participants.

What we need is money, and if we are going to exempt this great sporting event, that will attract hundreds of thousands of people, then certainly we ought to be consistent and exempt the hundreds of thousands of people in this country that attend the football games, the baseball games, and the polo games, and especially athletic contests of the Naval Academy and the Military Academy, which are supported out of the Treasury of the United States.

Mr. BACHMANN. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. BACHMANN. This is only one isolated affair. This is not a regular affair that is held annually. Your football games are held every fall, but this is one isolated affair that takes place every four years.

Mr. RAGON. Do not take up all my time.

Mr. BACHMANN. I am pointing out the difference to the gentleman.

Mr. RAGON. I grant the gentleman that is true; and you may say it is isolated, but so will the Sharkey-Schmeling fight be an isolated affair, and so will it be an international affair. Do you want to say to the Madison Square Garden Corporation that we will exempt admissions there because, perchance, Schmeling is a German, representing the German Government, and Sharkey is an American, representing the American Government?

Mr. BACHMANN. That is a profit-making venture while this is not.

Mr. RAGON. If this is not a profit-making business so far as admissions are concerned, why do you charge admissions?

Mr. BACHMANN. Because of the expense involved in holding it there.

Mr. RAGON. Then let us go a little further and exempt all admissions to the international polo games and international golf and tennis matches and such things.

Mr. EVANS of California. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. EVANS of California. May I say to the gentleman from Arkansas that this affair only lasts about two weeks?

Mr. RAGON. I understand that.

Mr. EVANS of California. It is an international affair and is something that has been worked up for the last 10 years. This is the first time within some 20 years that this country has been honored with these games, and not one dollar can go into any private pocketbook, but, on the contrary, the State of California is contributing $1,500,000 by reason of the fact that we are being honored in California by having these events. One-half, or a large portion of these games, have already been held as winter sports at Lake Placid. They paid no admission tax. So there should not be an admission tax here, because no one can get one cent of profit or gain out of this event.

Mr. RAGON. If that is the case, then they should not charge admission.

What I am objecting to, in the first place, is breaking the morale of this sustained march we are making here toward successful passage of the tax bill, and if we are going to drop our guard on this, then let us drop it on the Sharkey-Schmeling fight. The Chicago exposition is another thing I would not want to see exempted.

Mr. BLANTON. Mr. Chairman, I believe in treating all athletic exhibitions of every kind in the same way without any preference. We have already shown preferential treatment to these athletic participants who are coming from foreign countries over here. We have exempted them from getting passports. We did not require passports of them, but we permitted all of their trainers and servants, all of their friends and members of their families to be admitted without any passports whatever. And none of them are to be taxed in any way whatever.

Mr. EVANS of California. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. EVANS of California. May I say that when the last event was held over there, these very same courtesies in toto were extended to our people while over there.

Mr. BLANTON. Our people who went there to those countries had to have passports.

Mr. EVANS of California. No; not a single one.

Mr. BLANTON. Our participants who competed in the events did not have to have passports, but each and every American who went over there to see the sports had to get a passport. They are the people I am talking about—the ones who go to see the sports. It is not the participants in the games who are taxed, it is the people who are enjoying the events. We are not taxing any of the athletes. Our good friend from New York, whose rich constituents will cross the country in airplanes—what is a little tax to such people who cross the United States, or even go to Europe, to see such sports? If you put a tax of a hundred times this amount, they would still go, just as they would pay $50 for a good seat at a ringside of a prize fight.

Mr. HARDY. I want to say to the gentleman that many of these people will be college students.

Mr. BLANTON. Yes; there will be a lot of rich college alumni, who have been out of college 40 years, but are still interested in these big events. They are now in big business and are willing to pay for their entertainment. There will

be men there from all over the United States, men who go to the same entertainment when it is pulled off in Europe, and they ought to pay the tax.

Mr. EVANS of California. I am sure the gentleman does not wish to place this event in the same category as a prize fight.

Mr. BLANTON. No; because it will be even more entertaining. I want to say that not a penny of this tax will come out of any of the athletes who come from foreign countries to compete. They are our guests. They will receive most hospitable treatment. They were not required to get passports either for themselves or for any of the parties accompanying them. This tax will be paid only by the people who go long distances to see these sports. They are able to pay and ought to pay. I would favor this tax even if these sports were to take place in my home city or anywhere else in my own State.

Mr. RAGON. Would it not be just as reasonable to exempt people going to the Chicago exposition?

Mr. BLANTON. The people who will go to the Chicago exposition, to championship prize fights, to the national world championship series of baseball between the American League and the National League, or to any other national sporting event, ought to be willing to pay this little tax in helping their Government to balance its Budget, and to preserve the financial integrity of the United States. And they must pay it.

Much headway is now being made in passing a proper revenue bill—one that will balance the Budget, and yet will not place a burden upon the backs of people who are unable to bear it.

Our uncompromising fight made here has forced out of this bill all taxes that the people were unable to bear. There will be no taxes upon any foods of any kind. There will be no taxes upon any clothing or wearing apparel of any kind. There will be no taxes upon any agricultural implements or machinery that our farmers must have to make their crops. There will be no Republican sales tax that our multimillionaire editor, who owns his big newspapers all over the United States—Mr. William Randolph Hearst—thought he would put over with his royal junket through Canada last fall, but which he failed to cram down the throat of this Congress. There will be no stamp tax on bank checks, which would have denied to people of small finances the privilege of paying their accounts with small checks, and would have caused more "hoarding" than President Hoover could have checked with any renewed sleight-of-hand campaigns. There will be no tax upon admissions to picture shows under 45 cents, so that people of limited means can still enjoy relaxation without having to be taxed for it.

And in conclusion, Mr. Chairman, let me say that without going beyond the boundaries of a revenue bill strict and proper, one provision of this bill will bring into the Treasury at least $42,000,000 in revenue from foreign oils produced in foreign countries with peon labor, and at the same time benefit the independent oil industry of the United States, and put back to work a hundred thousand idle heads of families who sorely need it.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. EVANS of California) there were—ayes 31, noes 121.

So the amendment was rejected.

The Clerk read as follows:

(c) Section 500 of the revenue act of 1926, as amended, is amended by adding at the end thereof the following subdivision:

"(e) The exemption from tax provided by subdivision (b) (1) (A) shall not be allowed in the case of admissions to wrestling matches, prize fights, or boxing, sparring, or other pugilistic matches or exhibitions. The exemption from tax provided by subdivision (b) (1) shall not be allowed in the case of admissions to any athletic game or exhibition the proceeds of which inure wholly or partly to the benefit of any college or university (including any academy of the military or naval forces of the United States)."

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word. Will not the section (e) give us a great deal of confusion in the administration of this law? Is it the intention of this section to exempt a tax on admissions to intercollegiate games?

Mr. CRISP. Mr. Chairman, those are taxable, and the Treasury Department says that this provision will assist them in administering the law.

Mr. LaGUARDIA. We have had a great deal of trouble in so-called exhibitions for charitable purposes. Personally in some instances I have interceded to obtain exemptions. I must confess that in many instances the department was justified in their attitude that there had been abuses. Will this section correct the abuses?

Mr. CRISP. Yes. The object of this is that there can not be exemptions, and to aid the Treasury in enforcing the law.

The Clerk read as follows:

(d) Subsections (a) and (c) shall take effect on the fifteenth day after the date of the enactment of this act.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 255, after line 23, insert a new subsection as follows:

"(e) Effective July 1, 1934, section 500 (a) (1) of the revenue act of 1926, as amended by subsection (a) of this section, is amended by striking out 'less than 46 cents' wherever appearing in such paragraph, and inserting in lieu thereof '$3 or less.'"

Mr. CRISP. Mr. Chairman, the object of this amendment is that in this bill we are now considering we levy an admission tax where the charge is over 45 cents. Under the terms of this bill it expires on July 1, 1934. Under existing law to-day there is a charge on admissions over $3. This amendment simply provides that when this admission tax charged on 46 cents expires by law, the old law again becomes effective as to a tax on admissions over $3.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

PART III—STAMP TAXES

SEC. 721. STAMP TAX ON ISSUES OF STOCK, ETC.

(a) Subdivision 2 of Schedule A of Title VIII of the revenue act of 1926 is amended to read as follows:

"2. Capital stock (and similar interests), issue: On each original issue, whether on organization or reorganization, of shares of stock, or of certificates of profits, or of interest in property or accumulations, by any corporation, or by any investment trust or similar organization (or by any person on behalf of such investment trust or similar organization) holding or dealing in any of the instruments mentioned or described in this subdivision or subdivision 1 (whether or not such investment trust or similar organization constitutes a corporation within the meaning of this act), on each $100 of par or face value or fraction thereof, 5 cents: *Provided*, That where such shares or certificates are issued without par or face value, the tax shall be 5 cents per share (corporate share, or investment trust or other organization share, as the case may be), unless the actual value is in excess of $100 per share, in which case the tax shall be 5 cents on each $100 of actual value or fraction thereof, or unless the actual value is less than $100 per share, in which case the tax shall be 1 cent on each $20 of actual value, or fraction thereof.

"The stamps representing the tax imposed by this subdivision shall be attached to the stock books or corresponding records of the organization and not to the certificates issued."

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 256, after line 1, insert a new section, as follows:

"SEC. 721. STAMP TAX ON ISSUES OF BONDS, ETC.

"(a) Subdivision 1 of Schedule A of Title VIII of the revenue act of 1926 is amended by striking out '5 cents' and inserting in lieu thereof '10 cents.'

"(b) Subsection (a) shall take effect on the fifteenth day after the date of the enactment of this act.

"(c) Effective July 1, 1934, such subdivision 1, as amended by subsection (a) of this section, is amended by striking out '10 cents' and inserting in lieu thereof '5 cents.'"

Mr. CRISP. Mr. Chairman, under existing law there is a tax of 5 cents a hundred on the original issue of bonds. This amendment increases that tax from 5 cents to 10 cents until July 1, 1934, an emergency proposition to try to get money.

The amendment further provides after July 1, 1934, that the tax shall be reduced back to 5 cents a hundred, as it is now.

Mr. BRIGGS. How much is this estimated to bring in?

Mr. CRISP. This and the next one making increases on the original issue of stock is estimated to bring in $13,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 256, line 16, strike out "5 cents" and insert in lieu thereof "10 cents."

On lines 17 and 18, strike out "5 cents" and insert in lieu thereof "10 cents."

On line 21, strike out "5 cents" and insert in lieu thereof "10 cents."

On line 23, strike out "1 cent" and insert in lieu thereof "2 cents."

The amendment was agreed to.

The Clerk read as follows:

(b) Subsection (a) shall take effect on the 15th day after the date of the enactment of this act.

Mr. CRISP. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CRISP: Page 257, after line 6, insert a new subsection, as follows:

"(c) Effective July 1, 1934, such subdivision 2, as amended by subsection (a) of this section, is amended by striking out '10 cents' wherever appearing in such subdivision and inserting in lieu thereof '5 cents,' and by striking out '2 cents' and inserting in lieu thereof '1 cent.'"

The amendment was agreed to.

The Clerk read as follows:

SEC. 722. STAMP TAX ON TRANSFER OF STOCKS, ETC.

(a) Subdivision 3 of Schedule A of Title VIII of the revenue act of 1926 is amended to read as follows:

"3. Capital stock (and similar interests), sales or transfers: On all sales, or agreements to sell, or memoranda of sales or deliveries of, or transfers of legal title to any of the shares or certificates mentioned or described in subdivision 2, or to rights to subscribe for or to receive such shares or certificates, whether made upon or shown by the books of the corporation or other organization, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale (whether entitling the holder in any manner to the benefit of such share, certificate, interest, or rights, or not), on each $100 of par or face value or fraction thereof, 4 cents, and where such shares or certificates are without par or face value, the tax shall be 4 cents on the transfer or sale or agreement to sell on each share (corporate share, or investment trust or other organization share, as the case may be): *Provided*, That it is not intended by this title to impose a tax upon an agreement evidencing a deposit of certificates as collateral security for money loaned thereon, which certificates are not actually sold, nor upon the delivery or transfer for such purpose of certificates so deposited nor upon the return of stock loaned: *Provided further*, That the tax shall not be imposed upon deliveries or transfers to a broker for sale, nor upon deliveries or transfers by a broker to a customer for whom and upon whose order he has purchased same, but such deliveries or transfers shall be accompanied by a certificate setting forth the facts: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the corporation or other organization the stamp shall be placed upon such books; and where the change of ownership is by transfer of the certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. Any person liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person, who makes any such sale, or who in pursuance of any such sale delivers any certificate or evidence of the sale of any stock, share, interest, or right, or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000, or be imprisoned not more than six months, or both."

Mr. RAGON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RAGON: Page 258, line 2, after "*Provided*, That," insert "in no case shall the tax imposed by this subdivision be less than one-fourth of 1 per cent of the selling price, if any, of such shares, certificates, or rights: *Provided further*, That."

Mr. McCLINTIC of Oklahoma. Mr. Chairman, will the gentleman yield for the purpose of offering a substitute?

Mr. RAGON. Yes.

Mr. McCLINTIC of Oklahoma. I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McCLINTIC of Oklahoma as a substitute for the amendment offered by Mr. RAGON: Strike out the words "one-quarter" and insert "one-half," and the following:

"*Provided further*, In no case shall the tax imposed by this subdivision be less than one-half of 1 per cent of the selling price of such shares, certificates, or rights and the amount assessed shall be paid by the agent handling such transaction."

Mr. O'CONNOR. Mr. Chairman, I make the point of order that the amendment offered is not a substitute, but an amendment to the amendment in the third degree.

The CHAIRMAN. Does the gentleman from Oklahoma desire to be heard on the point of order?

Mr. McCLINTIC of Oklahoma. Mr. Chairman, it is my object to offer it as a substitute for the pending amendment.

The CHAIRMAN. Will the gentleman withdraw it for a moment. The Chair is of the opinion that it is not a substitute as now offered. I think the gentleman can perfect it.

Mr. McCLINTIC of Oklahoma. I will ask permission to strike out the last part of it and let the substitute go to the figures of one-half.

Mr. O'CONNOR. I still press my point of order that that does not correct the fact that it is an amendment rather than a substitute.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I ask unanimous consent to withdraw my substitute temporarily.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAGON. Mr. Chairman, this is a matter about which there has been much discussion. I think I am safe in saying there is no feature of the tax bill that has been given more consideration and about which there has been more investigation made than this particular item in the bill.

Apparently it provides a very bountiful place where we can harvest some revenue, and after an investigation, which I personally happen to know extended over a month's time, these rates were adopted by the committee. I say to you frankly that any higher rate than this will simply "kill the goose that lays the golden egg."

There is no one who would be more disposed to go in and give these people a heavy tax than myself, but I will say to you that a tax of one-fourth of 1 per cent on the transfers of stock on the New York Stock Exchange is about as high a tax as should be levied. I use the New York Stock Exchange as an illustration because there you will find larger sales and larger transfers of stock than you will find on the exchanges anywhere in the world.

I have heard it stated many times—and I thought myself it was true at first—that this tax would yield, at one-fourth of 1 per cent, $150,000,000, but when you come to investigate it you find that in 1931 the total financial transactions on the New York Stock Exchange was $31,000,000,000, and that would have yielded, at one-fourth of 1 per cent, including all sales on that exchange, $80,000,000.

In order to be sure about the amount of revenue the subcommittee the other night called from New York a representative of the Federal reserve bank and also two gentlemen, one of them the counsel and the other the economist of the New York Stock Exchange. We discovered that night that, based upon the amount of business they did in the months of January and February, that if there was a continuance of business at the same rate this year, our yield in taxable volume on the New York Stock Exchange, in place of being $31,000,000,000 would only be $19,000,000,000.

I asked those gentlemen when they returned to New York City—we had to send for them hurriedly, which prevented them from preparing for the conference—to send me a statement of the volume of business they did this past month; that is, the month of March. Accordingly yesterday they sent me an estimate of $1,100,000,000 based on the first 26 days of this month. If you average that with the months of January and February that will reduce their actual volume of business which will be transacted this year to $17,000,000,000. The result was we thought we had some pretty pickings there and we thought we would be justified in basing an estimate of a return of $125,000,000 on the returns of the New York Stock Exchange, the Curb Exchange, and the various stock exchanges throughout the country, as well as private transactions; but when we ran across this tremendous reduction in the volume of business transacted we were compelled, of course, to readjust our figures from $125,000,000 to $75,000,000, and since I received that telegram I feel we are justified in reducing it further.

Mr. CELLER. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. CELLER. The present law, as I understand, is 2 cents on a share. The original committee suggestion was to double that to 4 cents, and now you make it one-fourth of 1 per cent. That is equivalent to 12½ per cent. On a share of $100, the present law would involve 2 cents; under the committee's first suggestion it would be 4 cents; and under the committee's present suggestion, one-fourth of 1 per cent, it would be 25 cents, or twelve and one-half times 2.

[Here the gavel fell.]

Mr. RAGON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. So the change you now suggest would make the tax twelve and one-half times the amount of the tax at the present time?

Mr. RAGON. I do not know the percentage of increase, because I have not figured that. Let me explain these facts, and then I will be glad to answer questions. The effect of the rate, as the gentleman has suggested, is this: That on stocks having a market value of less than $16 the 4 cents would apply. Above that you would have your one-fourth of 1 per cent.

Now, gentlemen, that applies also to short sales. In other words, in effect, you are making, under this proposed amendment of one-fourth of 1 per cent, an assessment on all sales. Now, due to the peculiar characteristics of a short sale—that is, a man is supposed to buy to-day and delivery is to be made to-morrow—you get it two ways, with the result you have one-half of 1 per cent on what is called a short sale.

Mr. CELLER. In addition, you have the 4 cents.

Mr. RAGON. You do not have it if it is above $16, but if it is below $16, your 4-cent rate obtains.

Mr. CELLER. I mean on short sales.

Mr. RAGON. Yes; the same thing applies. If the short sale is of a stock with a value of less than $16, the 4-cent rate applies.

Mr. VINSON of Kentucky. But you never have the two taxes.

Mr. RAGON. No; the 4 cents applies on one class and the one-fourth of 1 per cent on the other.

Mr. WOODRUFF. Will the gentleman yield before he leaves that point?

Mr. RAGON. Yes.

Mr. WOODRUFF. The gentleman gave us some very interesting figures as to the volume of business done by the New York and other stock exchanges there, and I would like to know if the gentleman has any information regarding the volume of business done by all the stock exchanges in the United States?

Mr. RAGON. I think the gentleman will find that the New York Stock Exchange will cover about 80 per cent of it.

Mr. LaGUARDIA. About 85 per cent of it.

Mr. RAGON. Perhaps 85 per cent of all the stock-exchange business, including the exchanges in the different cities.

Mr. WOODRUFF. Do I understand the figures the gentleman has given the committee are the figures contemplated by a review of the transactions on all of the exchanges rather than on the New York Stock Exchange alone?

Mr. RAGON. Yes. I think there are 44 different stock exchanges in this country.

Mr. BLACK. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. BLACK. Did the men representing the stock exchange before the gentleman's subcommittee indicate what effect, if any, this would have upon the unemployment situation?

Mr. RAGON. No; they did not do that—the men who opposed this—the fact of the business is I told them there was not any use opposing it and the only thing we were interested in was a reliable estimate as to the revenue we would be able to get.

Mr. FULLER. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. FULLER. What does the gentleman estimate this tax will produce?

Mr. RAGON. Between $65,000,000 and $75,000,000.

Mr. FULLER. Based on just the report the gentleman had from New York, or is that for the entire Nation?

Mr. RAGON. I think it will be $75,000,000 from the entire Nation.

Mr. JONES. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. JONES. Did the committee give consideration to imposing a larger tax in the case of a speculative short sale than the tax levied in the case of an actual transaction with a delivery of the stock?

Mr. RAGON. The gentleman means a sort of penal assessment?

Mr. JONES. Yes.

Mr. RAGON. We thought one-fourth of 1 per cent both ways would hit them hard enough.

Let me suggest in this connection that here is the danger with which you are confronted: It is a very easy matter to tax volume of business in this connection, and it may be just as legitimate business as you can find transacted on the New York Stock Exchange, because there are any number of men who do business on small margins. For instance, they will take advantage of one-eighth of a point rise, and upon that one-eighth may depend what they expect to be their entire profit in the matter. If you make this too high, you will certainly in that instance practically do away with the profits that would be made by a man dealing upon such a narrow margin.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. In the practical operation of the committee amendment, so far as short selling is concerned, the tax would be the equivalent of one-half of 1 per cent, would it not?

Mr. RAGON. Yes.

Mr. O'CONNOR. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. O'CONNOR. The gentleman will recall that the other day I asked if the same tax was going to be applied to cotton and grain exchanges. Of course, this amendment only applies to the stock exchanges.

Mr. RAGON. It applies to all transfers of stock.

Mr. O'CONNOR. I was assured by the gentleman and also, as I understood, by the gentleman from Georgia that

the same tax would be applied to all commodities sold on cotton or grain exchanges.

Mr. RAGON. I do not think I assured the gentleman of that, although I may have in the rush we have had here assured him of the same rate.

Mr. O'CONNOR. That is a matter that can be figured out if you get a memorandum of sales.

Mr. RAGON. We have increased that 400 per cent, I think it is, and we will take that up in just a minute, because it is coming up right after this matter, and I suggest we delay our discussion of it until that time.

Let me suggest this, gentlemen. Not only are you liable to reduce your taxable volume by making this too high, but you are liable to drive this business to foreign exchanges. This was the fear that the New York Stock Exchange men had the other night. If you made this rate too high, they feared you would drive the stock business to Toronto or to London. They also advised us that the New York Stock Exchange had lost a considerable volume of business to the Chicago Stock Exchange that only had the Federal rate of 2 cents per $100 par value. The New York Stock Exchange has a rate of 4 cents imposed by the State of New York, and then they have this additional rate that will be imposed by the Federal Government.

Mr. O'CONNOR. The gentleman will recall that the State of New York also has a rate of tax——

Mr. RAGON. I have just made that statement.

So I think we are approaching, so far as the New York Stock Exchange is concerned, a place we would not want to approach; that is, where we would tax them to such an extent we would drive away the business from the exchanges of this country.

Mr. THATCHER. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. THATCHER. As I understand the operation of this provision, if a corporation has shares of stock and say the selling value is $16, the tax will be 4 cents a share, and if the selling value or the par value should be $1 a share, as would be the case in many corporations, it would still be 4 cents a share.

Mr. RAGON. Yes.

Mr. THATCHER. Is not that somewhat inequitable?

Mr. RAGON. Yes; I think there is a little inequity involved there, but you can not hit it in any other way and hit it right, because the size of the stock is rather inconsiderable so far as the volume of the transaction that a man wants to make is concerned.

Mr. THATCHER. And the only question is whether or not you should put on a flat rate.

Mr. RAGON. I will say to the gentleman that we considered that matter thoroughly.

Now, let me say this before my mind gets away from it. I think I have made as impartial an investigation as any one could make. The gentleman from Mississippi [Mr. COLLIER], asked me to do this, when we began the consideration of the revenue bill, and then the gentleman from Georgia [Mr. CRISP], put it on my shoulders and assigned an expert to help me after he became active chairman. We have given it the most careful consideration and study, and I say to you frankly, do not write anything into this that was not written by the committee.

Mr. FULMER. I would like to ask the gentleman if this applies to the grain and stock exchange?

Mr. RAGON. There will be an amendment offered to that increasing the rate.

Mr. O'CONNOR. Will the gentleman tell us why the transactions on the cotton and grain exchange should not be on the same basis as applies to the stock exchange?

Mr. RAGON. One is an exchange for commodities, and the other is—well, it is an exchange for stock.

Mr. O'CONNOR. The grain and cotton exchanges in New York do not deal in the commodities, but they deal in futures.

Mr. RAGON. The biggest cotton exchange in the world is in New York City.

Mr. O'CONNOR. Yes; but it does not deal in cotton, it deals in memorandums and futures.

Mr. RAGON. I am talking about the cotton exchanges in New York, New Orleans, and Chicago, and they deal in cotton and cotton futures; of course actual transactions in cotton and other commodities are exceedingly small.

Mr. VINSON of Georgia. Let me say to the gentleman that I am prepared to offer an amendment to tax transactions on the commodity exchanges 10 cents a hundred. Under the present law it is 1 cent.

Mr. O'CONNOR. And under the present proposition it is 25 cents.

Mr. RAGON. So it is on the little fellow that transfers the stock back in the country towns. Now, I want to say that I only used the New York exchange as an illustration.

Mr. O'CONNOR. Does the gentleman think that the Chicago exchange deals in grain? It deals in memorandums.

Mr. RAGON. It deals to some extent in grain.

[Here the gavel fell.]

Mr. McCLINTIC of Oklahoma. Mr. Chairman, I offer the following substitute for the pending amendment.

The Clerk read as follows:

Substitute amendment by Mr. McCLINTIC of Oklahoma to the committee amendment: In lieu of the language of the committee amendment, insert the following:

"*Provided*, That in no case shall the tax imposed by this subdivision be less than one-half of 1 per cent of the selling price of such shares, certificates, or rights, and the amount assessed shall be paid by the agent handling such transaction."

Mr. O'CONNOR. Mr. Chairman, I make the point of order that that is not a substitute, but an amendment to the amendment.

The CHAIRMAN. The Chair overrules the point of order.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, in the beginning I want to say that I am in accord with the action of the committee in offering an amendment for a tax on short sales of every kind, but it was my thought that possibly the committee had not considered one phase of the situation, and I respectfully wish to bring that to your attention in the endeavor to raise more money by such an amendment.

The gentleman who preceded me has called attention to the estimate which is that his amendment will raise about $65,000,000. When you take into consideration that on some days the amount of sales on our stock markets amount to over $2,000,000,000, it seems to me that this House ought to go on record at this time in favor of amendments that will increase the revenue and at the same time discourage speculation. Not only is that true, but over in the Senate hearings it was developed that the bears, or a large portion of the bears who were raiding the markets of this country were foreigners. Therefore, I have added to this amendment the language that the agent who is handling the transaction shall be liable for the amount of the tax.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCLINTIC of Oklahoma. Yes.

Mr. CELLER. Is the purpose of the gentleman's amendment to prevent the short selling on the commodity and stock exchanges?

Mr. McCLINTIC of Oklahoma. Not to prevent it, but to make it pay a sufficient amount of revenue so as to discourage the practice of engaging in short selling for the reason that this method always has a certain bearing upon the law of supply and demand and brings about unnatural conditions to the extent that hundreds of institutions throughout the Nation are wrecked every year because individuals engage in that sort of business.

Mr. CELLER. Does the gentleman's amendment also put an extra burden upon legitimate hedging or insurance?

Mr. McCLINTIC of Oklahoma. I do not agree with the gentleman. My amendment would cause every sale amounting to $100 to pay 50 cents.

Mr. CELLER. That would include not only speculation, but those sales which the Department of Agriculture and the Farm Board encourage.

Mr. McCLINTIC of Oklahoma. I am dealing in stocks. The subject the gentleman has brought to my attention is handled by an amendment that will be offered later. I am trying to take care of stocks and at the same time to take care of this situation that has been brought about by foreign raids, having in mind that if they are participating on our different boards of trade, the agents who handle the business for them ought to be charged with the responsibility of collecting the amount of the tax.

Mr. CELLER. But the gentleman's amendment would go a great way toward discouraging short sales on the stock exchanges.

Mr. McCLINTIC of Oklahoma. It would probably deter many of those who ought not to participate in that sort of business, thereby saving their assets to the extent that they would not be bringing down crashes on different communities that we have witnessed lately.

Mr. CELLER. The gentleman is familiar with the Supreme Court decision in the Child Labor case, which says we can not use the taxing power to prevent a practice which to some might seem obnoxious. Would not the effect of the gentleman's effort to charge a tax on short sales be unconstitutional?

Mr. McCLINTIC of Oklahoma. I do not believe this amendment would in any way interfere with an individual's right to engage in this class of business if he so desired, but it might have a tendency to keep a large number of individuals who ought not to participate in the business of short sales from entering the market for that purpose. For this reason I am hoping that we can raise a sufficient amount of revenue at this time to take care of anything that would be lacking in the amendments already adopted.

During the discussion of the so-called sales tax I made the statement that I would introduce an amendment for the purpose of taxing short sales. At that time I did not know that it was the intention of the committee to offer an amendment that is now pending. It is not my desire to do anything that would in any way interfere with the action of the committee, as I realize that they have labored in a most strenuous manner for the purpose of balancing the Budget, and I wish to congratulate the distinguished gentleman from Arkansas for the speech he has made on this subject and to say that I am in accord with his desires; also, that if the offering of my amendment will in any way jeopardize the committee's proposal I will be glad in the interest of harmony to withdraw the same, as I am very anxious to have this bill include a provision that will tax short sales.

Mr. LaGUARDIA. Mr. Chairman, I know many Members are greatly interested in establishing this system of taxation, and I plead with the Members to realize and understand the opposition that we have been having for many years in writing such a tax into law, not to disturb the committee amendment, as explained by the gentleman from Arkansas [Mr. RAGON]. Many of us have been working for years on this proposition. I know that the opponents of the tax would welcome amendments to-day which would throw our plan out of balance and out of gear. I absolve absolutely the gentleman from Oklahoma [Mr. McCLINTIC] from any such intention. I know that he is sincere in his efforts, but let me say to the gentleman that we must give the exchanges an opportunity to adjust themselves to this tax. Later on, after we see how it works—it is so novel, so untried—then we may tax a little higher, perhaps. Let me say to the gentleman from Oklahoma, as was stated by the gentleman from Arkansas [Mr. RAGON], that many of the operations are within a small margin. Besides the State tax, traders must pay brokerage commission. For instance, stocks that sell from $1 to $9.90 per share pay a brokerage fee of $7 per hundred shares, and our tax on those hundred shares would be $2.50. Stocks that sell from $10 to $24.99 per share, on a hundred shares would pay a brokerage fee of $12.50 and a tax of $6.25, and so on up to shares that sell from $50 to $74.99, where the brokerage fee would be $17.50 and the tax $12.50 up to $18.75, or, up to shares that sell for from $100 to $199.99 per share, where the brokerage fee would be $25 for a hundred shares, and the tax would be from $25 to $50.

In the first place, we are going to meet with every kind of opposition in the enforcement of the tax. We are going to meet with the best legal talent that money can buy. We are going to meet with resistance in the operation of the tax. Remember, gentlemen, that the stock exchanges have successfully defeated such a tax for years. When I first suggested this tax it really was not taken seriously. The percentage tax on stock transactions had been discussed for years; but at no time has Congress been able to put such a tax through and enact it into law. It was easy, it seems, to convince a committee against such a tax. Under gag rule the House seldom had the opportunity to offer amendments. As I said, when I first suggested this tax it was met by the stock-ticker boys with sneers and jeers. "Impossible," said they, "it will never go through." Congress had heretofore always been checked and stopped on such a tax. But finally after all these years of our persistent effort, public opinion has finally been so crystallized that all the power, all the political influence, all the wealth of the stock exchanges of this country can not overcome. This tax will surely be approved by the House with an overwhelming vote. It will surely pass the Senate and become the law. Stock exchanges, speculators, investors, and gamblers will finally be compelled to pay their share of taxes. Gentlemen, this victory I consider as important and telling as our defeat of the sales tax.

No one can deny the justice of it. No one can deny at this time that it is a proper source of revenue.

Let me amplify the figures given by the gentleman from Arkansas, showing the lowest transaction figures in this depressed period. He quoted an estimate, I believe, of $44,000,000,000. I place the figure a little higher. As we take our percentages of the transactions on the New York Stock Exchange, the Curb Exchange, and other exchanges throughout the country we figure an estimate of $49,500,000,000 for 1931. The estimate for 1930—and the reason I say estimate, Mr. Chairman, is that the annual reports of the exchanges give only the number of shares dealt in and the average prices. We have made a conservative estimate of the New York Stock Exchange, the New York Curb Exchange transactions, and the various stock exchanges in the country, and find a total of $78,375,000,000 the amount of transfers in 1930. In 1929, when we had an unusual year, the transactions on the stock exchanges in the country amounted to the staggering figure of $371,250,000,000. So do you not see, gentlemen, if we approach this subject constructively by putting on a tax of one-fourth of 1 per cent, although the yield may not be so high the first year, as soon as the country gets to normal conditions this one source of revenue will be sufficient to eliminate every other nuisance and sales tax that we have written into this bill. It is to marvel that Congress has not taxed this source before. The answer is that this Congress has been able to resist the tremendous influence and power of the stock exchange.

I want to say to my colleagues that I appreciate the kindness and cooperation of the committee in considering this tax proposition of mine. As I stated this morning, this amendment alone is a great step forward. This tax is indeed progressive legislation. We are making tax history to-day. The country will approve of this tax.

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for five additional minutes. Is there objection?

Mr. GOSS. Mr. Chairman, reserving the right to object, and I shall not object, I want to ask the gentleman from New York if he will not please explain to the committee how this will affect short selling in both amendments. I did not understand the explanation of the gentleman from Oklahoma and I did not get a satisfactory reply from his remarks. So, will not the gentleman inform us on that subject?

The CHAIRMAN. Is there objection?

Mr. CELLER. Mr. Chairman, reserving the right to object, will the gentleman yield to me after he has yielded to the gentleman who has just spoken?

Mr. LAGUARDIA. Certainly.

The CHAIRMAN. Is there objection?

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, may I appeal to the acting chairman of the Ways and Means Committee? This tax on transactions on the stock exchanges is a most important matter. It is now nearly 5.30 o'clock, and most of us did not know this tax was coming up to-day. I spoke to several of the members of the Ways and Means Committee about it yesterday and gave notice that I desired some opportunity to discuss it. I therefore appeal to the acting chairman of the Ways and Means Committee to let this subject go over until to-morrow morning for debate and vote.

Mr. CRISP. Gentlemen, I think the welfare of the country demands that this bill be passed. There is no Member in this House who has worked for the last three months as I have. The membership of the House knew that this bill was being considered. May I say this: When we were boys some of us remember that we were told that when we finished a certain task we could go fishing. I have talked with the Speaker, and if we finish this bill to-morrow or next day the House will adjourn over until Monday. I think we can make progress if we run a little while now.

Mr. O'CONNOR. The gentleman knows I spoke to him yesterday and to-day several times and asked when this matter would come up, and the acting chairman stated to me it would not come up until Title V of the bill was reached, and I estimated that in the regular course of events that would be to-morrow and not to-day.

Mr. CRISP. The gentleman is inaccurate. I did not say that. I said it would not come up until Title V came up.

Mr. O'CONNOR. That is what I just said. Then after the acting chairman so advised me, a little after 3 o'clock this afternoon, without any previous notice, he asked unanimous consent to jump hundreds of pages to Title V. If the gentleman considers that fair, it is all right with me if it is all right with him.

Mr. CRISP. I think this House will agree that I have been fair, I have been patient, and I have tried to give everybody an opportunity to be heard. [Applause.] I am willing, if it is the sense of this committee, to go on and finish debate and vote on the amendment to-morrow.

Mr. CULLEN. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. CULLEN. I think that the suggestion made by the chairman of the Ways and Means Committee is sound and sensible, but I would ask him if he will not dispose of the McClintic amendment to-night and take a vote on the original amendment to-morrow.

Mr. CRISP. I will be delighted to do so. I am willing to dispose of the McClintic amendment and close debate on this amendment this afternoon—because, gentlemen, you know this debate is not going to change any vote—and then vote to-morrow, so that everybody will know it is coming up to-morrow.

The CHAIRMAN. Let the Chair state the parliamentary situation. Is there objection to the request of the gentleman from New York [Mr. LAGUARDIA] that he be permitted to proceed for five additional minutes?

Mr. GOSS. Mr. Chairman, reserving the right to object——

The regular order was demanded.

The CHAIRMAN. The regular order is, Is there objection?

Mr. CELLER. Mr. Chairman, I object.

The CHAIRMAN. Debate has been exhausted on the McClintic amendment.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCLINTIC of Oklahoma. Mr. Chairman, in view of the splendid statement made by the chairman of the committee who has labored so hard to expedite the passage of this bill, and it being my desire to cooperate with the rest of the Members of the House, I ask unanimous consent to withdraw my amendment, and I will support the committee amendment which will establish the precedent of taxing short sales.

Mr. CRISP. Mr. Chairman, may I submit this unanimous-consent request, that there be 30 minutes more of debate on the McClintic amendment, and that debate on this amendment and all amendments thereto be closed and the committee rise and we vote on it to-morrow.

Mr. O'CONNOR. Mr. Chairman, reserving the right to object, if the gentleman will modify that request and have the 30 minutes of debate to-morrow, I shall not object.

Mr. CRISP. Then, Mr. Chairman, I move that all debate on this amendment and all amendments thereto, close in 30 minutes.

The motion was agreed to.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma to withdraw his amendment?

There was no objection.

Mr. HARLAN. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute offered by Mr. HARLAN: Page 257, line 21, strike out "4" and insert "2"; page 258, line 2, after "*Provided* That," insert "in no case shall the tax imposed by this subdivision be less than one-fourth of 1 per centum of the selling price of any of such shares, certificates, or rights: *Provided further*, That,"

Mr. CRISP. Mr. Chairman, may I make this statement? Debate has been closed on this amendment and all amendments thereto in 30 minutes. When 10 minutes of that time is up I shall move that the committee rise, which will leave 10 minutes on each side, and I shall not myself ask for any of that time.

Mr. PATTERSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATTERSON. Mr. Chairman, did the gentleman from Oklahoma [Mr. McCLINTIC] get unanimous consent to withdraw his amendment to the amendment? I heard the gentleman from Connecticut [Mr. GOSS], object.

The CHAIRMAN. The amendment was withdrawn by unanimous consent.

Mr. HARLAN. Mr. Chairman, the purpose of this substitute is to reduce the minimum tax from $4 to $2 a hundred. The point of this proposition is this: The gentleman from New York read the brokerage rates a moment ago on stocks from $1 to $10 as $7 a hundred. This was not strictly accurate. It is seven and a half a hundred. The State of New York imposes, under the revenue law, a tax of $4 per hundred.

Mr. RAGON. Not $4—the gentleman does not mean $4.

Mr. HARLAN. Yes; cents. I am talking about 100-share lots.

Mr. RAGON. The New York law now reads 4 cents on each share of $100 par value.

Mr. HARLAN. Yes; that is right, and it was two, but it also touches the smaller stocks which I think, under the committee amendment, are taxed too much by far. The committee amendments would put on a tax, in addition to the brokerage of 7½ cents, of 4 cents, and the State of New York would put on 4 cents more, which is a total of 15½ cents on stocks selling under $6, and I say, gentlemen, this is a discriminatory, prohibitive price to put on the small stocks. There are too many stocks at the present time that are down in the very small brackets.

Mr. CELLER. Is it not true that most of the stocks on the exchange to-day are below $10?

Mr. HARLAN. I have been told that they average as low as $8.

Mr. RAGON. I will say to my friend, if he wants to be accurate, the average on the curb is $21, and my recollection now is that on the New York Stock Exchange it is $19.

Mr. HARLAN. The gentleman says that he has accurate figures on that, and the gentleman is in position to know. The only thing I have is the statement of certain brokers



from whom I have got the information, and probably it is not as accurate.

Mr. CELLER. According to the committee hearing it reads:

A survey recently made by Frazier Jelke & Co. shows that more than 41 per cent of all issues traded on the New York Stock Exchange are selling at less than $10 a share, while at the peak of the 1929 bull market 64 per cent of all stocks was selling at $50 a share or more, and 28 per cent at $100 a share or more. Recently, 66 per cent has been selling at less than $25, with only 5 per cent above $100.

Mr. HARLAN. That is substantially the information I have.

Gentlemen, when you impose this tax you must consider there are a great many issues of stock selling on the exchange and also on the big board at very small prices now.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. VINSON of Kentucky. I want to say to the gentleman that a very unusual thing has occurred, and with a stock selling at $10 or less the charge is 4 cents a share, and you can buy 10 of those shares of stock with a par value of $10, which makes a total of $100, and only pay a tax of 4 cents on that $100 transaction, and the general counsel of the New York Stock Exchange admitted that.

Mr. HARLAN. That certainly was not the intention of the New York law.

Mr. VINSON of Kentucky. I am speaking of the Federal law.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to have printed in the RECORD at this point an amendment I propose to offer at the end of section 722, to be known as a new section 723.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The matter referred to follows:

Proposed amendment of Mr. VINSON of Georgia: Page 250, after line 12, insert a new section, to read as follows:

"SEC. 723. STAMP TAX ON SALES OF PRODUCE FOR FUTURE DELIVERY

"(a) Subdivision 4 of Schedule A of Title VIII of the revenue act of 1926 is amended by striking out '1 cent' wherever appearing in such subdivision and inserting in lieu thereof '10 cents.'

"(b) Subsection (a) shall take effect on the fifteenth day after the date of the enactment of this act."

Mr. JONES. Mr. Chairman, I want to ask the gentleman from Georgia a question for information. Does this short-sales tax cover cases of borrowed stocks?

Mr. RAGON. You can only affect the short sales through borrowing.

Mr. JONES. But the stock may be borrowed two or three times, and I want to know if the tax covers these transactions. I think taxes of this character are far preferable to an increase in first-class postal rates, to which I am opposed. The bill makes certain exceptions in favor of brokers' transfers, and I want to be sure there are no loopholes.

Mr. CRISP. Under the present law, where the stock is borrowed for short selling, it is not taxed. Under the bill, where the stock is borrowed for short selling, it is taxed. It is not taxed when it is returned.

Mr. JONES. Under the terms of the bill sales of that kind might possibly escape under one of the provisos which stipulate that deliveries or transfers to brokers or from brokers to customers shall not be taxed.

Mr. CRISP. I will say that under the original bill—and I know what the bill provided, although I do not know all about the amendments of the subcommittee—under the original bill, where the stock was loaned for the purpose of short selling, the loan was taxed 4 cents, but when it was returned it was not taxed.

Mr. JONES. If borrowed two or three times for short selling, it would be taxed each time it was sold?

Mr. CRISP. Not taxed under the terms of the original bill.

Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10236, the revenue bill, and had come to no resolution thereon.

RADIOGRAM FROM THE CHAIRMAN OF THE PHILIPPINE CIVIC UNION AND FEDERATION OF LABOR

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

There is transmitted herewith a copy of a radiogram received from the chairman of the Philippine Civic Union and Federation of Labor.

HERBERT HOOVER.

THE WHITE HOUSE, *March 30, 1932.*

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY (S. DOC. NO. 74)

The SPEAKER also laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State to the end that legislation may be enacted to authorize an appropriation of $10,000 for the expenses of participation by the United States in the Seventh International Congress of Military Medicine and Pharmacy, which will be held in Madrid in 1933.

HERBERT HOOVER.

THE WHITE HOUSE.

LEAVE OF ABSENCE

By unanimous consent, the following leaves of absence were granted:

To Mr. KELLER, for three days, on account of sickness; and

To Mr. VESTAL (at the request of Mr. SNELL), indefinitely, on account of sickness.

LETTER OF SECRETARY OF FEDERAL TRADE COMMISSION

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter written by the secretary of the Federal Trade Commission to several employees.

Mr. STAFFORD. On what subject?

Mr. KVALE. The discharge of a number of employees because of deficiency in appropriation.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter, written by the secretary of the Federal Trade Commission to several employees:

FEDERAL TRADE COMMISSION,
Washington, March 26, 1932.

Mr. ——— ———,

DEAR SIR: The Federal Trade Commission, because of lack of funds and in order to avoid a deficiency contrary to law in its expenditures for the fiscal year 1932, finds it necessary to furlough a large number of its employees in order to reduce its pay roll.

You are therefore hereby notified that, effective April 1, 1932, and pending further order of the commission, you are furloughed on leave without pay.

The commission is advised that consideration of its financial needs will be before Congress within the next week or two, and, in the event funds are provided which will permit the recall of personnel, the commission will then give consideration to the question of reinstatements of the furloughed personnel in whole or in part.

It is with exceeding regret that the commission finds it necessary to take the action here indicated, not only from the viewpoint of its employees, but also because this action means the delay or cessation of important investigations being conducted by the commission in pursuance of Senate resolutions, particu-

larly with reference to public utilities, chain stores, cement, and building material industries.

By direction of the commission.

OTIS B. JOHNSON, *Secretary.*

LEAVE TO FILE MINORITY VIEWS

Mr. MAAS. Mr. Speaker, I ask unanimous consent for five legislative days to file minority views on Resolution 282 from the Foreign Affairs Committee.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for three days' leave of absence for my colleague [Mr. CONNERY].

The SPEAKER. Is there objection?

There was no objection.

GOVERNOR GENERAL ROOSEVELT'S INAUGURAL ADDRESS

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing the inaugural address of the new Governor of the Philippine Islands.

The SPEAKER. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, on the morning of the 29th of February, 1932, Hon. Theodore Roosevelt, jr., the last American Governor General, reached the Philippines. Shortly after he landed in Manila and after his formal induction to office by Chief Justice Avanceña, Governor General Roosevelt delivered his inaugural address, which evoked the following comment from Senate President Manuel L. Quezon:

I think the inaugural address of Governor Roosevelt will be well received by our people. It is evident that the governor is liberal and progressive. His sympathies and interests are for the average man. He wants to protect the poor and to promote the welfare of the average man. He is for small landholdings. I am thoroughly with him on all these subjects.

The previous action on the part of the House Committee on Insular Affairs and the Senate Committee on Territories and Insular Affairs in reporting out a Philippine independence bill contributed materially toward clearing up the atmosphere in the islands and to the cordial reception accorded the new island chief executive.

Vice Governor George C. Butte introduced Governor General Roosevelt in the following words:

The attention of millions of people, not only in the Philippines but in all parts of the world, is focussed to-day on Manila.

Events of great significance are taking place in the Orient. The rising tide of nationalism in Asia and the acute situation in China have raised fears that the amalgamation of oriental and occidental civilizations can not continue at the same rapid pace without developing heat and perhaps conflict. The Philippine Islands to-day stand "on the top of a huge wave of fate." Their national future is being debated more seriously to-day than ever before. Their national destiny is nearer a solution to-day than it has ever been before.

At this critical juncture, the advent of a new Governor General is an event of supreme importance. Those of us who know Governor Roosevelt personally believe firmly that the President has chosen his man wisely. Many more who have read his splendid record of public service have an equal confidence in the new Governor General. The critical times require of all of us that we shall give him our hearty and loyal cooperation. Enlightened selfishness would require this. But the Philippine people, your excellency, are a warm-hearted, generous people. No appeal to them need be made on the basis of enlightened selfishness. Win their affections, as I am sure you will, by your well-known courtesy, consideration, and love of justice, and you will find that their heartbeat will go in unison with yours. They will hold up your hands and take the same pride in the success of your administration as any of your closest friends.

Governor Roosevelt has done the Philippine people a signal honor in taking his oath of office in Manila instead of in Washington. You have heard his voice for the first time as he spoke the solemn words which invest him with the sacred trust that he came to assume. How appropriate that he should in this way enter into a great covenant with the Philippine people, in the presence of the Almighty, that he will "faithfully discharge the duties" of his office. Your excellency, the Philippine people are quick to notice gracious acts of consideration. You may be sure that the covenant which you have made in their presence will be recognized by them as mutual. They have heard the obligation you have taken and they will help you keep it.

It is now my high privilege and honor to present to the Philippine people the Hon. Theodore Roosevelt, jr.—your new Governor General, and as I verily believe, your friend.

The vice governor was evidently thinking of the favorable action by the Senate and House committees when he stated that the national future of the Philippines "is being debated more seriously to-day than ever before," and that "their national destiny is nearer solution to-day than it has ever been before."

Governor General Roosevelt's inaugural address is as follows:

It is with a profound sense of the responsibility and importance of the tasks that lie before me that I greet you here to-day. We know one another only slightly, but I hope as time passes that the bonds of common service will strengthen between us and that from them will grow an enduring respect and friendship.

Fine words and phrases are easy to coin. Fine deeds are infinitely more difficult of accomplishment. I shall ask you to judge what I may say to-day, therefore, not in terms of literary style but by my acts in the future.

The position of Governor General to which I have been named is one that I consider as honorable as any within the gift of the American people. It is in my conception administrative, and the political relationships between the Philippine Islands and the United States do not come within its scope. These are matters to be decided by the President and the United States Congress, in consultation with the representatives of the Filipino people.

Being administrative, the service I can render you will depend largely on the confidence and comprehension that exists between us. I for my part shall do my best to work with the citizens of the islands in carrying out the constructive policies that they have initiated and are developing.

We are fortunate now in having as head of the Nation a President of exceptionally wide experience. He has as intimate a knowledge of the East, its peoples, and its problems as any other Chief Executive the Nation has had. He knows the Orient, not from having read of it in books or from having passed through it as a tourist, but from having worked there many years and having made many close friends there. You can count on his sympathy and comprehension.

The United States in the past has sent its best to the islands. Distinguished administrators from President Taft to Governor General Davis have labored here and have treasured the memories of their work with you among the proudest recollections of their lives. At their side have worked many other Americans, from distinguished educators and scientists to engineers and accountants. Though it would be idle to say they have been right in every action, for that would not be human, we can say that they have spent themselves freely, with rare judgment and ability, and with no other thought than aiding your citizens. It has been my pleasure to know personally many of these gentlemen. It will be my endeavor to guide myself in such fashion as to live up to the ideal of service to the Filipino people that they have set. Your last Governor General, Mr. Davis, I saw repeatedly after his return to the United States, where we discussed at length policies and plans, in order that there might be no lack of continuity in the constructive work under way in the islands.

For years the Philippine Islands and the Filipino people have interested me greatly. It has been my privilege at various times to meet some of your distinguished citizens; and I have not merely studied the material condition of the islands but also your history and culture. I speak with knowledge, therefore, when I say that I have a great respect for the Filipino people, their achievements, character, and valor. Their character to me is epitomized in the aspirations and unselfish devotion of José Rizal, who combined lofty idealism, rare abilities, and practical patriotism.

You should justly be proud of your record. No part of the civilized globe has seen such progress during the last 30 years as these islands. Where one school flourished 30 years ago, there are hundreds now, and the students have increased proportionately. Where there were but a few roads, many of which were impassable during the rainy season, the islands are now linked with as fine a system of communications as any country in the Tropics. The 300 miles of first-class thoroughfares in 1907 have grown to approximately 4,000 to-day. There are sanitary water systems in great centers where none were before. There are railroads, telephones, telegraph, and a dependable postal service. The young men and women at the insular universities are numbered by the thousands, and Filipinos of ability are making their mark in the higher branches of learning, scientific and theoretical, in the centers of learning all over the world. Other endeavors in health, agriculture, and economics have kept pace. A solid foundation has been laid on which to build the future happiness, both moral and material, of your people.

This has been accomplished in but one way—by teamwork. It is this that I shall strive to attain in my administration. Without it nothing can be done. With it everything is possible. I have had the pleasure of discussing with the members of your delegation in the United States the constructive internal policies that you are developing, and I feel confident that together we can make notable progress toward their realization.

All countries are in their essence the average of their citizens. A small group of brilliant men have never made any land permanently great. The well-being, moral stamina, and education of the rank and file of its citizens are what count most in every country.

There are three foundation stones on which these rest. The first of these is health. Without it there is no progress. A man shaking with fever, coughing from tuberculosis, or weak from lack of proper food and from intestinal parasites can not work or raise a proper family. A little child when undernourished can not avail himself fully of the opportunities offered by the school, and falls the prey to any disease that may come. Therefore, the health service of a nation is all important and must be considered as one of the underlying policies to be developed.

The second is a sound system of laws, administered without fear or favor—laws based upon the rights of man, which deal equal justice to rich and poor. Every member of the community must enjoy the "right to live by no man's leave underneath the law." On such a system of laws administered by righteous judges, who consider neither private interest nor political advantage, is based personal liberty—the most treasured of human possessions. Where such a judicial system is lacking no form of government can achieve its end.

There are many lands throughout the world where the governments care nothing for the welfare of the poor and where the laws are interpreted by fear or favor. There the people have no protection and no personal liberty. There the rich arbitrarily take the poor man's carabao. When he goes to bed at night he never knows what outrage on his family or property may be perpetrated before morning dawns.

The American and Filipino people believe that the poor should be protected. Those autocratic governments do not recognize that the poor have rights. We believe that criticism of the government is the right of any citizen and breeds reform and progress. They clap into prison, exile, or shoot anyone who protests an abuse. Their people have no conception of the personal liberty that is enjoyed by the humblest of the citizens here or in the United States.

A judicial system which guarantees true personal liberty stands with health in its importance to a people.

Third, and as vital as the two former, is education; education not for the few but for the many; education of a type that builds both morally and intellectually. The ideal we are striving to realize has as its basis a school system where all children may have the opportunity for elementary education. That education should include practical or vocational training as well as theoretical instruction. It should be of such a sort as to give to the children, when they leave school, the means whereby they can make for themselves happy, worthwhile lives. It should give them aspirations for better things, and a keen interest in the affairs of their community, not merely in such things as may affect them directly but also in all affairs that touch on the well-being of their fellow citizens. It should be the root from which grows the tree of public opinion, on which all commonwealths depend for their success.

In all of these major policies I know that the Filipino people have made great strides. In all it will be my policy to work with you in every fashion that lies within my power, for I believe that the well-being of the average Filipino depends on them.

Our goal in agriculture and industrial development must be the well-being of the average Filipino. We must foster and protect the small farmer and the little business man, for they are the backbone of a nation.

The measure of strength of a country ist not a few great estates but a multitude of prosperous small independent holdings. A hundred little farm owners are far more valuable to a nation than one large plantation owner. I shall back to the limit the endeavors you have undertaken to secure for the little farmer clear title to his land, and to fence him with safeguards so that he may not be robbed thereof. We should plan, in addition, to increase the number of small holdings by pressing your policy of homesteading and by such other means as may be practical.

Through the Department of Agriculture, the Bureau of Commerce, and other governmental organizations, we should continue to devise new means of bringing to the small farmer knowledge and aid. The islands' resources should be developed for the benefit of the Filipino people, and new policies should be judged from this standpoint.

Above all, we should work to make the islands as close to self-sufficient agriculturally as circumstances permit. Gifted by nature with a diverse climate, a fertile soil, and great natural wealth, there is no reason why the islands should not grow the necessities of life for their own people. It is necessary that they should do so in order to form the proper economic basis for what the future holds. Our constant endeavor should be directed toward bringing this to pass.

All the work I have outlined takes money, and the islands, like the rest of the world, find themselves in straitened circumstances financially, due to the economic crisis in which all nations are engulfed. That means that if we are to maintain the necessary government services we must exercise the strictest economy. Expenses that in better times might have been justified can not now be incurred. Above all, we must work for governmental efficiency, for that is the means whereby all nations can make the greatest practical economies. We must press the campaign you have initiated to eliminate inefficiency, duplication, or graft wherever they may be found, in order that the moneys saved thereby may be expended for the benefit of the average Filipino. Let us work together to make the Filipino government a model of efficiency for the rest of the world.

Important as material well-being is, it is not all, for things of the spirit are as important as things of the body. "Where there is no vision the people perish." At the same time that we are building economically we should develop and foster the cultural side. The Philippine Islands have a culture, deep rooted in the past, a culture that springs from the songs and sayings of the people, as do all true cultures. It has flowered in the philosophical writings and poems of Rizal, in the paintings of Luna and Hidalgo, the statues of Tolentino, the music of countless singers and composers, and the achievements in different branches of learning of many Filipino men and women. It finds its natural center around the universities in the islands. It is a distinctive culture, but broad as well, assimilating, as all true cultures should, what is best of the world—for genius knows no national boundary lines.

To me the Philippines of the future are an inspiring picture. They can be and should be a great center in tropical Asia, a center from which the surrounding countries can draw example and aid. I have spoken of health. Tropical diseases and health problems have not been studied as thoroughly as those of the colder climates. There is need that they should be. Here in the islands is already an excellent health service. It should grow and expand in the future until it served not merely the islands but by example the neighboring countries as well. Here might well be the recognized Asiatic school of tropical medicine to which young men from other parts of the Orient world come to study, and which in turn sends out its trained professors to teach other nations.

The same should hold true in agriculture, which is the major industry of the hotter climates. The Philippine Islands should be the Asiatic center of scientific tropical agriculture, where methods, plants, and diseases are studied, and whose experts are recognized the world over.

The advance of a people is indicated by the position that women hold in the community. The islands are notable illustration of this truth. It is a splendid augury for the future to see the considerable part the women of the Philippines play in community affairs and social relationship.

This has brought its logical result—social-welfare work. History shows that this necessary part of community endeavor is generally attributable to the efforts of women. The government can do much, but the government itself can not do all. An important factor in building up any country is the action of its citizens to one another in their private capacity, their willingness to help one another. The individual who says he is not his brother's keeper and remains callously indifferent to the hardships and sufferings of his neighbors is unworthy of citizenship. The Filipino people are known for their kind-heartedness and hospitality and have undertaken successfully much work of this nature. There is room for still further effort, for welfare work is capable of infinite expansion. Through private organizations of the citizens of the islands we should strive to reach into every little home and better the conditions of life of mother and child.

My success in aiding you in the development of these policies will depend largely on the mutual understanding we can develop. I shall seek at all times the frank expression of constructive opinion and suggestions of citizens. I am confident I shall obtain it. I trust I may obtain friendship as well.

At this moment it would be clearly inopportune for me to outline to you in detail any plans or thoughts that are in my mind. Though I have talked with many people and have read many books on conditions here, I have not seen those conditions myself, and I believe personal inspection is necessary to form sound conclusions. My plan is to start at once to familiarize myself with the islands and the problems. When that is done, and not until it is done, will I attempt to deal specifically with problems.

This is a most solemn moment in my life. Not only have I always had an abiding interest in the Filipino people, but the same held true of my father. When Governor of New York he wrote to his intimate friend, Senator Lodge, that he did not wish to be a candidate for the Vice Presidency of the United States because his ambition was to be Governor General of the Philippines. I did not take the oath of office in the United States because I wanted to take it here before all of you. The Bible on which I am taking it is the one used by my father when he was sworn in as Governor of New York and afterwards as President of the United States. It is the same that I used to take the oath of office as Governor of Porto Rico. I am not taking this oath to-day merely with my lips.

EXTENSION OF REMARKS—REVENUE BILL OF 1932

Mr. HASTINGS. Mr. Speaker, I do not favor the increase proposed in the first-class postal rates from 2 cents to 3 cents on letters. The Postmaster General has, during the past two years, recommended an increase of postage on first-class mail, which includes letters. The gross deficit during the past year, as reported by the Postmaster General, amounts to $146,066,189.66. None of this is due to loss in carrying first-class mail. The greater part is lost in carrying second-class mail, which includes periodicals and magazines. These have been carried at a loss for a number of years.

My position is that the Postal Service should be self-sustaining and where there is a loss in the carrying of any class of mail, the rates on that particular class should be raised.

Now, with reference to second-class mail, I insert the following newspaper clipping showing the advertising rates of a number of periodicals:

HIGH ADVERTISING RATES

It is reported that the highest advertising rate of any periodical in the country is charged by the Ladies' Home Journal, which is $9,500 for a full page. Woman's Home Companion rate is $9,400; Delineator, $9,200; Pictorial Review and McCall's Magazine, $8,800 each; Saturday Evening Post, which has the largest circulation, $8,000; Collier's, $5,500; True Story, $4,500; and Liberty, $4,250.

I submit that it is not fair to raise the postal rates from 2 to 3 cents on first-class mail, which includes letters, and at the same time permit the publishers of these periodicals to charge large sums for advertising space and then cause an enormous loss to the Government in carrying their publications through the mails. We lose through carrying second-class mail approximately $97,000,000.

These publishers who receive such high advertising rates cause their magazines to be carried in carload lots to different points throughout the country to points of distribution, thereby depriving the Government of an enormous revenue. I would not be in favor of penalizing the publishers but would require them to pay the cost to the Government of carrying these publications through the mails.

What the subcommittee having the matter in charge should do is to summon the responsible officials of the Post Office Department before it and have these officials indicate what classes of mail are carried through the mails at a loss, and then prepare an amendment raising the rates of postage on the particular classes of mail carried at a loss to the Government so as to make each class self-sustaining. That is just and fair.

The Postmaster General reports a loss during the past fiscal year of $18,911,474.60 on account of a subsidy to the shipping interests. I do not favor a subsidy to ships, which reduces the postal revenue and then requires first-class postage—letters—to pay an extra cost of 1 cent over and above the cost of carriage.

If the committee would summon before it the officials of the Postal Service and ascertain just what class of mail is carried at a loss to the Government, and then prepare an amendment raising the rates of postage as to these classes of mail, so that sufficient revenue would be raised to pay the cost of carrying these classes of mail, I would be glad to support it.

The amendment proposed by the committee is to raise $135,000,000 from first-class postage, when it is admitted that first-class postage is self-sustaining and that there is no loss from it, but that it is carried at a profit.

I insist that the people of the country should not pay one cent additional on the carrying of letters through the mail while the Government pays a subsidy to the shipping interests, and I insist that the postage on first-class mail—letters—should not be raised without requiring second-class mail—periodicals and magazines—to pay the cost of carriage.

For these reasons I am unable to support this amendment, and do not believe that an aroused public opinion will finally permit this injustice to be done.

It is argued that the amendment is temporary and expires July 1, 1934. That does not justify the amendment. Of course, the Budget could be balanced in part with funds from revenues raised from those classes of mail carried at a loss, and I insist that should be done. The question is, Where should the burden be placed; on first-class mail carried at a profit, or the other classes carried at a loss to the Government?

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3706. An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

ORDER OF BUSINESS

Mr RAINEY. Mr. Speaker, I desire to make a statement. If we finish this bill on Friday next, it is my purpose to ask that when we adjourn on Friday, we adjourn to meet on Monday next. If we do not finish the bill on Friday, there will be a session on Saturday. I want to state further that the Kunz-Granata election case will be called up on Tuesday next.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Thursday, March 31, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, March 31, 1932, as reported to the floor leader by the clerks of the several committees:

RIVERS AND HARBORS

(10.30 a. m.)

Two Rivers Harbor, Wis.
Lake Charles Deep Water Channel, La.

PATENTS

(10 a. m.)

Patent bills (H. R. 10152 up to and including 10157).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

510. A letter from the Secretary of War, transmitting a report dated March 29, 1932, from the Chief of Engineers, United States Army, on the Columbia River and minor tributaries; to the Committee on Rivers and Harbors.

511. A letter from the Secretary of War, transmitting a report dated March 30, 1932, from the Chief of Engineers, United States Army, on White River, Mo. and Ark.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GREEN: Joint Committee on the Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Department of the Interior (Rept. No. 937). Ordered to be printed.

Mr. CROWE: Committee on Immigration and Naturalization. H. R. 10521. A bill to amend an act entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law," approved March 4, 1929; without amendment (Rept. No. 938). Referred to the House Calendar.

Mr. FISH: Committee on Foreign Affairs. H. J. Res. 282. A joint resolution to propose a multilateral agreement renouncing the sale or export of arms, munitions, or implements of war to any foreign nations; without amendment (Rept. No. 941). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 10775. A bill to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.; with amendment (Rept. No. 942). Referred to the House Calendar.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 8898. A bill authorizing the deferring of collection of construction costs against Indian lands within irrigation projects, and for other purposes; without amendment (Rept. No. 943). Referred to the Committee of the Whole House on the state of the Union.

Mr. LOOFBOUROW: Committee on Indian Affairs. H. R. 208. A bill to authorize transfer of the abandoned Indian-school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians; without amendment (Rept. No. 945). Referred to the Commitee of the Whole House on the state of the Union.

Mr. HOWARD: Committee on Indian Affairs. H. R. 10161. A bill amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes; without amendment (Rept. No. 946). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Indian Affairs. H. R. 10419. A bill to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N. Mex.; without amendment (Rept. No. 947). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEAVEY: Committee on Indian Affairs. H. R. 8637. A bill to authorize the sale, on competitive bids, of unallotted lands on the Lac du Flambeau Indian Reservation, in Wisconsin, not needed for allotment, tribal, or administrative purposes; with amendment (Rept. No. 949). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN of Missouri: Committee on Expenditures in the Executive Departments. H. R. 10794. A bill to consolidate and coordinate certain governmental activities affecting the civil service of the United States; without amendment (Rept. No. 950). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 10884. A bill to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians; with amendment (Rept. No. 951). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Indian Affairs. S. 3508. An act to amend section 1 of the act entitled "An act to provide for determining the heirs of deceased Indians, for the disposition and sale of allotments of deceased Indians, for the leasing of allotments, and for other purposes," approved June 25, 1910, as amended; with amendment (Rept. No. 952). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HOPKINS: Committee on War Claims. H. R. 10573. A bill for the relief of Florence M. Humphries; without amendment (Rept. No. 939). Referred to the Committee of the Whole House.

Mr. HARE: Committee on War Claims. H. R. 7780. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and render judgment upon the claim of Mack Copper Co. against the United States for damage to and cost of restoration of certain real property owned by Mack Copper Co. which was used and occupied by the United States for an Army cantonment or other military purposes; without amendment (Rept. No. 940). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 9955. A bill for the relief of Lucius K. Osterhout; without amendment (Rept. No. 944). Referred to the Committee of the Whole House.

Mr. WILLIAMSON: Committee on Indian Affairs. S. 2982. An act for the relief of J. G. Seupelt; without amendment (Rept. No. 948). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Washington: A bill (H. R. 10975) to provide for exclusion and expulsion of alien international communists; to the Committee on Immigration and Naturalization.

By Mr. SIROVICH: A bill (H. R. 10976) to amend and consolidate the acts respecting copyright and to codify and amend common-law rights of authors in their writings; to the Committee on Patents.

By Mr. THOMASON: A bill (H. R. 10977) authorizing P. D. Anderson, W. B. Johnson, and T. D. McGinnis, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rio Grande between Presidio, Tex., and Ojinaga, Mexico; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAIL: A bill (H. R. 10978) to make unlawful unfair price competition by chain stores or other persons engaged in trade and commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 10979) to provide for exclusion of alien communists and the expulsion of international political communists; to the Committee on Immigration and Naturalization.

By Mr. BACHMANN: A bill (H. R. 10980) granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the regulation of the production of bituminous coal, and for other purposes; to the Committee on the Judiciary.

By Mr. COLTON: A bill (H. R. 10981) to amend the act approved February 7, 1927, entitled "An act to promote the mining of potash on the public domain"; to the Committee on the Public Lands.

By Mr. CARY: A bill (H. R. 10982) authorizing the Commonwealth of Kentucky, by and through the State Highway Commission of Kentucky, or the successors of said commission, to construct, maintain, and operate a toll bridge across the Ohio River at or near Owensboro, and permitting the Commonwealth of Kentucky to act jointly with the State of Indiana in the construction, maintenance, and operation of said bridge; to the Committee on Interstate and Foreign Commerce.

By Mr. McLEOD: Joint resolution (H. J. Res. 348, authorizing appointment of a commission to study the causes and remedy of business cycles and unemployment; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDRIGE: A bill (H. R. 10983) authorizing Andrew E. Seidelman to bring suit in the district court of the United States for the district of Nebraska, Omaha division, against the United States of America for damages sustained by reason of being injured by an automobile truck owned by the United States; to the Committee on Claims.

By Mr. BLANTON: A bill (H. R. 10984) for the relief of Mollie J. Hill; to the Committee on Pensions.

By Mr. CABLE: A bill (H. R. 10985) granting a pension to Elizabeth Jamison; to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Pennsylvania: A bill (H. R. 10986) granting an increase of pension to Cecilia Negley; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 10987) granting a pension to Griffin Spencer; to the Committee on Pensions.

Also, a bill (H. R. 10988) for the relief of Sam B. Lewis, to the Committee on Military Affairs.

By Mr. FRENCH: A bill (H. R. 10989) for the relief of Henry F. Cramer; to the Committee on Military Affairs.

By Mr. GILLEN: A bill (H. R. 10990) granting a pension to William Shields; to the Committee on Pensons.

By Mr. HARLAN: A bill (H. R. 10991) granting an increase of pension to Susan A. Bennett; to the Committee on Invalid Pensions.

By Mr. HARTLEY: A bill (H. R. 10992) for the relief of William Dafter; to the Commitee on Claims.

By Mr. JENKINS: A bill (H. R. 10993) granting a pension to Harriett A. Litten; to the Committee on Invalid Pensions.

By Mr. KARCH: A bill (H. R. 10994) for the relief of Joseph M. Black; to the Committee on Military Affairs.

Also, a bill (H. R. 10995) for the relief of Wesley Hitch; to the Committee on Naval Affairs.

By Mr. LAMBETH: A bill (H. R. 10996) granting a pension to Addie C. Valley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10997) for the relief of Agnes Spaugh; to the Committee on Claims.

By Mr. MAJOR: A bill (H. R. 10998) granting an increase of pension to Mary Hillier; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 10999) for the relief of Lieut. Emmet P. Forrestel; to the Committee on Naval Affairs.

By Mr. MONTET: A bill (H. R. 11000) for the relief of Edward Himel; to the Committee on Claims.

By Mr. MOUSER: A bill (H. R. 11001) granting an increase of pension to Elizabeth Bloom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11002) granting a pension to Linford E. Dinkle; to the Committee on Pensions.

By Mr. OLIVER of New York: A bill (H. R. 11003) for the relief of Arthur Herbert Primrose; to the Committee on Naval Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 11004) granting a pension to John W. Givens; to the Committee on Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 11005) granting an increase of pension to Carrie Arnold; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 11006) granting a pension to George R. Odle; to the Committee on Pensions.

Also, a bill (H. R. 11007) granting an increase of pension to Jacob T. Arrasmith; to the Commiteee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5164. By Mr. ANDREWS of New York: Notification of a referendum of 900 members of the Bar Association of Erie County where 461 voted in favor of repeal of the eighteenth amendment and Volstead Act and 50 against such repeal; to the Committee on the Judiciary.

5165. Also, resolution adopted by the Exchange Club of New Berlin, N. Y., urging support to the House bills 5659 and 1967, and advocating enforcement of section 307 of the tariff act of 1930; to the Committee on Ways and Means.

5166. By Mr. BLANTON: Petition of Ray Post, No. 213, the American Legion, of Coleman, Tex., passed unanimously with 225 members present and voting, presented by A. L. Lockhart, post adjutant, urging Congress to pass legislation requiring immediate payment in cash of the adjusted-compensation certificates to veterans of the World War; to the Committee on Ways and Means.

5167. Also, petition of the honorable commissioners court of Taylor County, Tex., presented by Tom K. Eplen, county judge, and G. B. Tittle, P. A. Diltz, J. R. Trammell, and S. H. McAdams, commissioners, urging Federal regulation of trucks and motor busses engaged in interstate business; to the Committee on Interstate and Foreign Commerce.

5168. Also, petition of the Chamber of Commerce of the city of Abilene, Tex., presented by its president, P. A. Tower, and its secretary-manager, T. N. Carswell, urging Federal regulation of trucks and motor busses engaged in interstate business; to the Committee on Interstate and Foreign Commerce.

5169. By Mr. BOHN: Petition of Arthur Heney Auxiliary, No. 34, United Spanish War Veterans, Alpexa, Mich., supporting the Gasque bill, H. R. 7230, providing uniform pensions to widows of all wars; to the Committee on Pensions.

5170. By Mr. BOLAND: Petition of John Lockwood, of Waymart, Pa., and 20 other citizens of Pennsylvania, protesting against the passage of House bill 8092; to the Committee on the District of Columbia.

5171. By Mr. BOYLAN: Letter from the Central Trades and Labor Council of Greater New York, New York, N. Y., opposing any reduction in salaries of Federal employees; to the Committee on the Civil Service.

5172. Also, letter from the Central Union Label Council, of Greater New York, representing 200,000 trade unionists in Greater New York, stating that at its last meeting they adopted a resolution opposing the enactment of legislation providing for a reduction in the salaries of Federal employees; to the Committee on the Civil Service.

5173. By Mr. CLAGUE: Petition of F. C. Felix, of Tracy, Minn., organized union railway employee, and 85 others, favoring the passage of pension bill, H. R. 9891, and opposing pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5174. Also, petition of Charles R. Hick, of Sanborn, Minn., organized union railway employee, and 14 others, requesting passage of pension bill, H. R. 9891, and opposing pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5175. Also, petition of J. J. Klein, of Sleepy Eye, Minn., organized union railway employee, and 105 others, requesting passage of pension bill, H. R. 9891, and opposing pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5176. Also, petition of Charles E. Price, of Lake Benton, Minn., organized union railway employee, and others, requesting passage of pension bill, H. R. 9891, and opposing pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5177. By Mr. CRAIL: Petition of many members of Tom C. Galbraith Camp and Auxiliary, United Spanish War Veterans of California, urging favorable action on the Gasque pension bill, H. R. 7230, for widows and orphans' pensions; to the Committee on Pensions.

5178. By Mr. CULLEN: Petition of the Exchange Club of New Berlin, N. Y., urging the Congress to support the passage of House bills 5659 and 1967, and to advocate and insist upon the enforcement of the provisions of section 307 of the tariff act of 1930, which became effective January 1, 1932; to the Committee on the Judiciary.

5179. By Mr. ENGLEBRIGHT: Petition of Alice Isaacs and other residents of Redding, Calif., protesting against Senate bill 1202; to the Committee on the District of Columbia.

5180. Also, petition of H. G. Moody and the staff of the Searchlight, Redding, Calif., protesting against compulsory Sunday closing; to the Committee on the District of Columbia.

5181. By Mr. GARBER: Petition of citizens of Laverne, Okla., urging passage of tariff on oil and copper; to the Committee on Ways and Means.

5182. Also, petition of T. L. Wolfe, of Des Moines, urging passage of House bill 4668; to the Committee on Rivers and Harbors.

5183. Also, petition of citizens of Oklahoma City, urging passage of Senate bill 1525 and House bill 4537; to the Committee on the Judiciary.

5184. Also, petition of Frank B. McMillin, of Columbus, Ohio, urging repeal of the recapture clause of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

5185. Also, petition of citizens of Oklahoma, urging passage of law prohibiting short selling of wheat and other farm products; to the Committee on Agriculture.

5186. Also, petition of Hale V. Davis, of Oklahoma City, urging passage of bill exempting telephone and telegraph lines used in broadcasting from the 10 per cent tax, and placing such lines on the same basis as leased wires used in the collection and dissemination of news by the press; to the Committee on Ways and Means.

5187. Also, petition of citizens of Oklahoma City, urging passage of bill providing for immediate cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5188. Also, petition of Fred Newsom, of Glendale, Long Island, protesting against Federal salary reduction; to the Committee on Ways and Means.

5189. Also, petition of citizens of Alfalfa, Okla., urging passage of Senate bills 1197 and 2487 and House bill 7797; to the Committee on Agriculture.

5190. Also, petition of citizens of the United States, urging passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5191. Also, petition of citizens of Charleston, urging passage of Crosser bill; to the Committee on Interstate and Foreign Commerce.

5192. Also, petition of C. M. Reed, of Kansas City, favoring effective regulation of motor transportation on public highways, State and interstate, as to rates; to the Committee on Interstate and Foreign Commerce.

5193. Also, petition of citizens of Texas County, Okla., protesting against Sunday observance; to the Committee on the District of Columbia.

5194. Also, petition of Disabled American Veterans, Chapter No. 16, Blackwell, Okla., urging the immediate formation of Senate veterans' committee and hearings on all veterans' legislation; to the Committee on Ways and Means.

5195. By Mr. GRIFFIN: Petition of the Polish National Alliance of the United States of America, memorializing Congress to enact House Joint Resolution 144, directing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

5196. Also, resolution of Central Trades and Labor Council of Greater New York and vicinity, protesting against any reduction in the salaries of Government employees; to the Committee on Expenditures in the Executive Departments.

5197. By Mr. HOOPER: Petition of residents of Vermontville, Mich., and vicinity, protesting against the enactment of Sunday observance bill (S. 1202) or any other compulsory religious measures, such as House bill 8092; to the Committee on the District of Columbia.

5198. By Mr. JAMES: Petition of members of the Cornish Club of Calumet, Mich., favoring tariff on copper; to the Committee on Ways and Means.

5199. Also, telegram from P. J. Verville, secretary Post Office Employees, Hancock, Mich., opposing legislation designed to reduce their salaries; to the Committee on Expenditures in the Executive Departments.

5200. Also, telegram from A. Liverthal, of the Queen City Garage, of Marquette, Mich., opposing reduction in Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5201. Also, telegram from T. T. Hurley, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5202. Also, telegram from Albert Swanson, undertaker, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in Executive Department.

5203. Also, petition of Daniel A. Holland, chairman, and James T. Healy, secretary, of the Houghton County (Mich.) Democratic Party for a tariff on copper; to the Committee on Ways and Means.

5204. Also, telegram from A. M. Barnard, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in Executive Departments.

5205. Also, telegram from J. C. Gerling, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5206. Also, telegram from Louis W. Biegler, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5207. By Mr. JOHNSON of Washington: Petition of city of Aberdeen, State of Washington, signed by its mayor and city clerk, H. E. Bailey and Victor Lindberg, respectfully praying that the Congress enact the soldiers' bonus; to the Committee on Ways and Means.

5208. By Mr. KENNEDY: Petition of Yorkville Chamber of Commerce, of New York, urging appropriations necessary to maintain the Army, Navy, and training of reserve officers; to the Committee on Appropriations.

5209. Also, petition of Yorkville Chamber of Commerce, of New York, urging support of the 4 per cent beer bill now before Congress; to the Committee on the Judiciary.

5210. Also, petition of Brooklyn Chamber of Commerce, asking Congress to place a tariff on certain goods shipped into this country; to the Committee on Ways and Means.

5211. By Mr. LEWIS: Petition of 59 members of Proctor-Kildow Post, No. 71, American Legion, Oakland, Md., asking for the immediate cash payment of the balance of adjusted-service compensation certificates; to the Committee on Ways and Means.

5212. By Mr. LINDSAY: Petition of the Merchants Association of New York, opposing the Glass bill, S. 4115; to the Committee on Banking and Currency.

5213. Also, petition of James McCreery & Co., New York City, favoring the passage of Baldridge bill, H. R. 7430, and the Andresen bill, H. R. 9971; to the Committee on the Judiciary.

5214. By Mr. LINTHICUM: Petition of John Hummer, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5215. Also, petition of Bernard Melsage, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5216. Also, petition of Adam J. Fisher, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5217. Also, petition of Demetrie Mazuraki, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5218. Also, petition of Dr. F. C. Herndon, of Pikesville, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5219. Also, petition of Ileene Herman, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5220. Also, petition of Balster Herman, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5221. Also, petition of Eric J. Schroeder, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5222. Also, petition of George H. McBride, of Baltimore, Md., urging passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5223. Also, petition of Terminal Shipping Co., Baltimore, Md., opposing House bill 8821; to the Committee on the Judiciary.

5224. Also, petition of J. H. Gambrill, jr., of Frederick, Md., opposing additional appropriations to Farm Board; to the Committee on Appropriations.

5225. Also, petition of Young & Selden Co., Baltimore, Md., opposing proposed tax on checks; to the Committee on Ways and Means.

5226. Also, petition of the American Legion, Baltimore, Md., urging retention of Post Graduate School, Annapolis, House Joint Resolution 245; to the Committee on Naval Affairs.

5227. Also, petition of Mrs. R. Fortune, of Baltimore, Md., favoring legislation benefiting widows and orphans of World War veterans; to the Committee on Pensions.

5228. Also, petition of Local Union No. 11, National Brotherhood of Operative Potters, Baltimore, Md., urging passage of House bill 5315 and Senate bill 935; to the Committee on the Judiciary.

5229. Also, petition of Hilgartner Marble Co., opposing House bill 5315 and Senate bill 935; to the Committee on the Judiciary.

5230. Also, petition of Schneidereith & Sons, Baltimore, Md., and others, urging passage of House bill 8576; to the Committee on Ways and Means.

5231. Also, petition of Sun Life Insurance Co., Baltimore, Md., urging passage of House bill 9065; to the Committee on the District of Columbia.

5232. Also, petition of Workmen's Sick and Death Benefit Fund, Baltimore, Md., urging passage of House bill 7923; to the Committee on Invalid Pensions.

5233. Also, petition of Property Owners' Division, Real Estate Board; Baltimore Association of Commerce; and Bay Ridge Realty Co., all of Baltimore, Md., urging passage of home loan bank bill; to the Committee on Banking and Currency.

5234. Also, petition of Fidelity & Deposit Co., Baltimore, Md., opposing House bill 8989; to the Committee on Banking and Currency.

5235. Also, petition of Branch No. 4, United National Association Post Office Clerks, Baltimore, Md., opposing suspension of automatic promotions, Post Office appropriation bill; to the Committee on Appropriations.

5236. Also, petition of Moore & McCormack Co. (Inc.), Baltimore, Md., opposing elimination of sea service bureau in Shipping Board appropriation; to the Committee on Appropriations.

5237. Also, petition of Oriole Branch, No. 176, National Association of Letter Carriers, Baltimore, Md., and others, opposing reduction of salaries of Government employees; to the Committee on Ways and Means.

5238. Also, petition of Maryland Farm Bureau Federation, Baltimore, Md., favoring maintenance of present appropriation to Farm Board; to the Committee on Agriculture.

5239. By Mr. RAINEY: Petition of Clyde Lawrence and 28 other citizens of southern Illinois, requesting that Government expenses be cut; to the Committee on Appropriations.

5240. Also, petition of C. M. Stanley and 51 other citizens of southern Illinois, requesting that Government expenses be cut; to the Committee on Appropriations.

5241. By Mr. RUDD: Petition of Central Union Label Council of the Greater New York, opposing any reduction of the Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5242. By Mr. TARVER: Petition of a number of ex-service men of Gordon County, Ga., asking the immediate payment of the remainder of the adjusted-service certificates of World War veterans; to the Committee on Ways and Means.

5243. By Mr. RUDD: Petition of Central Trades and Labor Council of Greater New York and vicinity, opposing any reduction in the salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5244. Also, petition of the Merchants Association of New York, opposing the Glass bill, S. 4115; to the Committee on Banking and Currency.

5245. Also, petition of Burns Bros., New York City, favoring the manufacturers' sales tax; to the Committee on Ways and Means.

5246. By Mr. SMITH of Idaho: Petition signed by 11 residents of Buhl, Idaho, protesting against the enactment of legislation to compel barbers to observe Sunday in the District of Columbia; to the Committee on the District of Columbia.

5247. Also, petition signed by 25 citizens of Twin Falls, Idaho, protesting against the enactment of House bill 8092; to the Committee on the District of Columbia.

SENATE

THURSDAY, MARCH 31, 1932

(Legislative day of Wednesday, March 23, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Wednesday, March 23; Thursday, March 24; Monday, March 28; Tuesday, March 29; and Wednesday, March 30.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Robinson, Ark.
Austin	Dale	Kean	Robinson, Ind.
Bailey	Davis	Kendrick	Schall
Bankhead	Dickinson	Keyes	Sheppard
Barbour	Dill	King	Shipstead
Barkley	Fess	La Follette	Shortridge
Bingham	Fletcher	Lewis	Smoot
Black	Frazier	Logan	Steiwer
Borah	George	Long	Thomas, Idaho
Bratton	Glass	McGill	Thomas, Okla.
Brookhart	Glenn	McKellar	Townsend
Broussard	Goldsborough	McNary	Trammell
Bulkley	Gore	Morrison	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walcott
Caraway	Hatfield	Norris	Walsh, Mass.
Carey	Hawes	Nye	Walsh, Mont.
Connally	Hayden	Oddie	Watson
Coolidge	Hebert	Patterson	
Copeland	Hull	Pittman	
Costigan	Johnson	Reed	

Mr. FESS. The senior Senator from Rhode Island [Mr. METCALF] is necessarily absent because of illness. I will let this announcement stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

EXEMPTION OF FARMERS' COOPERATIVE ORGANIZATIONS FROM TAXES

Mr. NORRIS. Mr. President, some time ago I introduced a resolution, S. Res. 43, which provided for an investigation by the Committee on Agriculture and Forestry of a dispute between the Bureau of Internal Revenue and some cooperative organizations of farmers in regard to exemption from taxes. The resolution was reported favorably to the Senate by the Committee on Agriculture and Forestry. Inasmuch as it contained a provision that $5,000 be appropriated out of the contingent fund to pay the expense of the investigation, the resolution automatically went to the Committee to Audit and Control the Contingent Expenses of the Senate. That was some time ago.

In order to get the investigation under way I have had a conference with those who are interested in it representing some of the farm organizations. They believe they will probably be able to avoid any expense whatever. Therefore I ask unanimous consent that the Committee to Audit and Control be discharged from the further consideration of the resolution and that the resolution be referred back to the Committee on Agriculture and Forestry. If we find we can get the witnesses here in Washington without expense, that they will appear voluntarily before the committee, then there will be no necessity whatsoever for an appropriation out of the contingent fund.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

IMPORTATION OF SOVIET PRODUCTS

Mr. ODDIE. Mr. President, on behalf of the representatives of a large number of national, patriotic, civic, labor, were published in the CONGRESSIONAL RECORD of March 15, 1932, to the Hon. Ogden L. Mills, Secretary of the Treasury, a petition protesting against the importation of soviet products under the provisions of section 307 of the tariff act of 1930. The petition and the evidence submitted therewith were published in the CONGRESSIONAL RECORD of March 15.

I now have a letter from Secretary Mills dated March 23, 1932, in confirmation of his verbal answer to the above petition, which I desire to submit for the RECORD.

In his response Secretary Mills very definitely states that section 307 of the tariff act of 1930, concerning the importation of goods manufactured by convict, forced, or/and indentured labor can not be made effective in prohibiting all imports from coming into the United States from Russia, and that Congress necessarily will have to enact legislation specifically for this purpose. At the opening of this session of Congress I introduced a bill (S. 37) for the purpose of excluding soviet imports from entering the United States. There is a great deal of unemployment at the present time in the country which can be directly traced to soviet imports, and until this bill is enacted the volume of unemployment will probably increase rather than diminish. I expect, therefore, to urge early consideration of the bill.

I ask that Mr. Mills's letter, with the accompanying paper, may be printed in the RECORD at this point and referred to the Committee on Finance.

There being no objection, the letter and accompanying paper were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, March 23, 1932.

MY DEAR SENATOR ODDIE: In view of the statement made by me at the hearing with reference to section 307 of the tariff act of 1930, in so far as it affects importations from Russia, it was not thought that a further reply was required to the petition filed by you and your associates. I understand, however, that you desire a further reply.

Section 307 forbids the importation of all goods, wares, articles, and merchandise mined, produced, or manufactured, wholly or in part, in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions.

"Forced labor" is defined as follows:

"All work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily."

For the purpose of administering this section of the law the Treasury Department has adopted regulations, a copy of which is inclosed. It will be noted that these regulations in effect place the burden of proof on the importer to show that the goods offered for entry were not produced by forced labor, as defined by the statute. However, in the few cases which have already arisen it is apparent that the importer has no difficulty in sustaining the burden placed on him and in rebutting any presumption in the absence of evidence to the contrary. And, in view of the fact that the Treasury Department has no means of investigating conditions of production in Soviet Russia, evidence rebutting the presumption created by the affidavits of the shippers and importers can not well be produced. It should further be noted that in carrying out this or any other law the Treasury Department can not act without the necessary evidence. Its decisions are reviewable by the courts. The customs courts have almost uniformly accepted affidavits of importers and shippers, and in the absence of evidence rebutting the presumption created by these affidavits the position taken by the Treasury is not supported by the court.

To date there have been 12 shipments offered for entry as to which the provisions of section 307 might have applied. In every one of these cases apparently authentic affidavits were offered by the importers in accordance with the regulations of the Treasury Department. In every one of these cases there was no evidence available to rebut the presumption created by the affidavits, and accordingly the Treasury Department was bound to admit the goods.

In the petition presented by you on March 15 the position is taken that "the existence of forced labor throughout Russia is a matter of general and common knowledge," and that "it is our belief that the evidence already in the possession of the department establishes that forced labor, in the commonly accepted sense of that term, is a fundamental part of the soviet system." Or, in other words, it is held in the petition that all labor in Russia is forced labor, and that section 307 should be so interpreted as to include all goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in Soviet Russia.

As I stated at the meeting on March 15, if in writing section 307 the Congress intended that its definition of "forced labor" should be broad enough to include all labor in the Union of Soviet Republics, then I submit that the Congress should say so in so many words. There is not in this department the legal evidence necessary to establish the fact that all labor in Soviet Russia is forced labor, as defined in the present law, and if all labor is not forced labor, then the question must inevitably arise when an individual cargo is offered for entry whether that individual cargo was or was not produced by forced labor; and when that question arises we are confronted with the situation above described.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

Hon. TASKER L. ODDIE,
United States Senate.

(T. D. 45357)

CONVICT LABOR—FORCED LABOR—INDENTURED LABOR

Regulations—Treasury Decision No. 44385 superseded

TREASURY DEPARTMENT,
OFFICE OF THE COMMISSIONER OF CUSTOMS,
Washington, D. C., December 22, 1931.

To collectors of customs and others concerned:

Section 307 of the tariff act of 1930 provides as follows:

"All goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for enforcement of this provision. The provisions of this section relating to goods, wares, articles, and merchandise mined, produced, or manufactured by forced labor or/and indentured labor shall take effect on January 1, 1932; but in no case shall such provisions be applicable to goods, wares, articles, or merchandise so mined, produced, or manufactured which are not mined, produced, or manufactured in such quantities in the United States as to meet the consumptive demands of the United States.

"'Forced labor,' as herein used, shall mean all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily."

Pursuant to the foregoing provisions of law, the following regulations are hereby prescribed:

1. Findings of commissioner: If after investigation upon complaint of American manufacturers, producers, wholesalers, or importers, representatives of American labor organizations, or other interested persons, or upon his own initiative, the Commissioner of Customs is satisfied that convict or/and enforced labor or/and indentured labor under penal sanctions is used in any locality in a foreign country in the mining, production, or manufacture of any class of merchandise, and, in the case of forced labor or indentured labor under penal sanctions, that the merchandise is mined, produced, or manufactured in the United States in sufficient quantities to meet the consumptive demands of the United States, he shall, with the approval of the Secretary of the Treasury, publish a finding to that effect. Any merchandise of that class imported after such publication directly or indirectly from that locality shall be held to be an importation prohibited by section 307 of the tariff act of 1930 unless the importer establishes by a preponderance of evidence that the merchandise was not mined, produced, or manufactured, wholly or in part, by the class of labor specified in such finding.

2. Bonding of merchandise covered by such findings: No merchandise of the class specified in such a finding, imported after the publication thereof, directly or indirectly from the locality specified therein, shall be admitted to entry or released from customs custody (except for exportation) unless the importer files with the collector a bond conditioned that he shall return the merchandise to customs custody within 30 days after demand of the collector if (1) the importer fails to submit to the commissioner within three months from the date of entry the certificate or certificates required by paragraph 4, or (2) the commissioner decides that the merchandise was mined, produced, or manufactured, wholly or in part, by the class of labor specified in such finding. Such bond shall be in an amount equal to the estimated domestic value (as defined in sec. 340 of the tariff act of 1930) of such merchandise, the full amount to be paid as liquidated damages; shall be a single bond for each importation; and shall be acceptable only with qualified corporate surety or sureties. Liquidation of the entry shall be suspended and the facts reported to the commissioner for decision as to the admissibility of the merchandise.

3. Action of collector in absence of such a finding: When the collector has reason to believe that convict labor or/and forced labor or/and indentured labor under penal sanctions is used in the mining, production, or manufacture of any class of merchandise in any locality in a foreign country and no finding to that effect has been made by the commissioner with the approval of the Secretary, he shall report to the commissioner any merchandise of that class imported directly or indirectly from that locality, offered for entry in his district, setting forth in detail the basis of his belief, and hold such merchandise for the commissioner's instructions as to whether or not the bond provided for in paragraph 2 shall be required.

4. Certificates of origin: The importer of merchandise bonded under paragraph 2 or 3, or held in customs custody because of failure to file a bond under paragraph 2 or 3, shall within three months from the date of entry submit to the commissioner a certificate of origin in the form set forth below, signed by the foreign seller or owner of the merchandise under oath or affirmation before an American consular officer, or if the place where the certificate is executed is so remote from an American consulate as to render impracticable its execution before an American consular officer, then under an oath or affirmation for falsity of which he will be punishable under the laws of the jurisdiction where it is made. If the merchandise was mined, produced, or manufactured, wholly or in part, in a country other than that from which it was exported to the United States, an additional certificate in such form so signed by the last owner or seller in

such other country, substituting the facts of transportation from such other country for the statements with respect to shipment from the country of exportation, shall be so submitted.

CERTIFICATE OF ORIGIN

I, _____, foreign seller or owner of the merchandise hereinafter described, do solemnly swear (affirm) that the same, consisting of _____
(Quantity)
of _____
(Kind)
in _____
(Number and kind of packages)
bearing the following marks and numbers _____
_____ was mined, produced, or manufactured by _____
(Name)
at or near _____
(Location of mine, mill, or factory)
and was laden on board _____
(Name of vessel or initials and number
_____
of car in which transported to the United States)
at _____;
(Places actually laden)
that such vessel or car departed from _____
_____
(Port of such departure in the country of exportation)
on _____;
(Date of departure)
and that _____
(Class of labor specified in finding)
was not employed in any stage of the mining, producing, or manufacturing of the merchandise, including the raw materials therein.

5. Investigation by ultimate consignee: The ultimate consignee of merchandise bonded under paragraph 2 or 3, or held in customs custody because of failure to file a bond under paragraph 2 or 3, shall make every reasonable effort to determine the source of the merchandise, including the raw materials therein, and ascertain the character of labor used in its mining, production, or manufacture, and shall within three months from the date of entry submit to the commissioner a statement, under oath, setting forth his efforts, the result thereof, and his belief with respect to the use of the class of labor specified in the finding in any of the processes of mining, production, or manufacture of the merchandise.

6. Decision of commissioner—Action of collector: If the certificate or certificates required by paragraph 4 are submitted within the time prescribed and the commissioner's decision is in favor of the admissibility of the merchandise, the collector shall cancel the bond or release the merchandise. If such certificate or certificates are not submitted within the time prescribed, or if the commissioner's decision is against the admissibility of the merchandise, the collector shall, in cases where the merchandise has been released under bond, make demand upon the importer for return of the merchandise to customs custody. If the merchandise is not exported within 60 days from the date of return, or if the merchandise was held in customs custody, within 60 days from notice of the commissioner's decision, the merchandise shall, unless the importer files a protest against the decision, be treated as abandoned and shall be destroyed.

The provisions of the above regulations relating to forced labor and indentured labor under penal sanctions will take effect on January 1, 1932.

Treasury Decision No. 44385 (convict-made goods regulations) is hereby superseded.

F. X. A. EBLE,
Commissioner of Customs.

Approved, December 22, 1931.

A. W. MELLON,
Secretary of the Treasury.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate petitions of four citizens of Minneapolis, Minn., praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

Mr. SHIPSTEAD presented a petition of sundry citizens, being members of the American Legion, of Harmony and vicinity, in the State of Minnesota, praying for the immediate cash payment in full of the adjusted-compensation (bonus) certificates of World War veterans, which was referred to the Committee on Finance.

Mr. BROOKHART presented a resolution adopted by the Woman's Christian Temperance Union, of Eldora, Iowa, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. DILL presented the petition of W. F. McCauley and sundry other citizens of Dayton, Wash., praying for agricultural relief, particularly the adoption of the debenture plan in connection with the tariff, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of Agnes Ball and sundry other citizens of Spokane and vicinity, in the State of Washington, praying for the passage of an old age pension law, which was referred to the Committee on Pensions.

Mr. ASHURST presented telegrams, in the nature of petitions, from the Mohave County Chamber of Commerce, by E. E. Wishon, secretary, and Mary E. Carrow, recorder of Mohave County, both of Kingman, Ariz., praying for the immediate payment of adjusted-service compensation certificates of World War veterans (bonus), which were referred to the Committee on Finance.

He also presented telegrams, in the nature of memorials, from H. E. Spencer, president, and O. H. Johnson, vice president, of the Arizona State Federation of Labor; H. E. Spencer, president of the Central Labor Council; R. T. Soule, secretary of the Phoenix letter carriers, and the Morris Plan Co. of Arizona, by its president, all of Phoenix, Ariz., remonstrating against the proposed reduction in compensation of Federal employees, which were referred to the Committee on Civil Service.

He also presented a telegram, in the nature of a memorial, from F. A. Sholtz, commander, Phoenix (Ariz.) Chapter, No. 1, Disabled American Veterans, protesting against proposed reductions in veterans' benefits and the compensation of Federal employees, the discontinuance of regional offices, and also favoring the establishment of a veterans' committee of the Senate, which was referred to the Committee on Civil Service.

Mr. JONES presented memorials of sundry citizens of Auburn and Longview, Wash., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted by Olympia (Wash.) Aerie, No. 21, Fraternal Order of Eagles, favoring an amendment to the so-called Bacon-Davis wage law, providing that it shall apply to all public works in which the Government is interested and to all Federal-aid or emergency-aid road construction where appropriations are made by the Government to the various States, which was referred to the Committee on Education and Labor.

He also presented the petition of members of the board of trustees of the Young Woman's Christian Association of Seattle, Wash., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Central Union, Woman's Christian Temperance Union, of Bellingham, Wash., representing 148 persons, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Spokane, Wash., praying for the passage of legislation providing relief for the aged, which were referred to the Committee on Pensions.

Mr. McGILL presented a petition of sundry citizens of Athol, Kans., praying for the passage of legislation to supervise motion pictures, which was referred to the Committee on Interstate Commerce.

He also presented petitions of the Woman's Christian Temperance Union of Athol; the Methodist Episcopal Church, the Nazarene Sunday School, and the Christian Church, of Hoxie; the Leon Methodist Episcopal Church, of Leon; the Baptist Missionary and Aid Circle, of Plains; the Ransom Rebekah Lodge, of Ransom; Potwin Parent-Teacher

Association, of Potwin; the Christian Sunday school and the Methodist Episcopal Sunday school, of Benton; the West Glendale Woman's Christian Temperance Union, of Plains; the Woman's Christian Temperance Union, Study Club, and Missionary Societies, of Clearwater; the Methodist Episcopal Church of Selden; Mount Pleasant Baptist Sunday school, of Studley, and sundry citizens, all in the State of Kansas, praying for the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification, resubmission to the States, or repeal, which were referred to the Committee on the Judiciary.

Mr. SHORTRIDGE presented letters from the San Francisco Labor Council, of San Francisco, and the Federated Metal Trades and Central Labor Councils of Vallejo and vicinity, both in the State of California, indorsing legislation proposed by the Senator from California [Mr. SHORTRIDGE], providing for the regulation of the migration of certain citizens of the Philippine Islands to the United States, which were referred to the Committee on Immigration.

He also presented letters and telegrams in the nature of memorials from R. D. Wilson, secretary Central Labor Council of Stockton; J. W. Buzzell, secretary Central Labor Council of Los Angeles; William A. Spooner, secretary Central Labor Council of Alameda County, of Oakland; C. C. Nunnally, secretary Stanislaus County Central Labor Council, of Modesto; F. B. Miller, secretary Allied Printing Trades Council of Pasadena; Sacramento Lodge, No. 33, Machinists Union, of Sacramento; George R. Kirk, secretary the Rotary Club, and Leo S. Watts, secretary the Chamber of Commerce, both of Calexico; E. D. Wichels, secretary Navy Yard Association of Mare Island, and C. S. Beardsley, secretary Federated Metal Trades and Central Labor Councils, both of Vallejo; the Native Sons of the Golden West, San Diego Parlor, No. 108; Clara P. Linden, recording secretary Local No. 63, National Federation of Federal Employees; and Florence M. Fitzgerald, chairman Business and Professional Women's Club, of San Diego; C. M. Baker, secretary Allied Printing Trades Council; J. A. O'Connell, secretary San Francisco Labor Council; and W. T. Henneberry, secretary San Francisco Lodge, No. 68, International Association of Machinists, of San Francisco, all in the State of California; remonstrating against the proposed reduction in salaries of Federal employees, which were referred to the Committee on Civil Service.

Mr. WALCOTT presented a resolution adopted by the Woman's College Club, of Litchfield County, Conn., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a letter, in the nature of a petition, from Local No. 81, Brotherhood of Railway Clerks, of Bridgeport, Conn., praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which was referred to the Committee on Pensions.

He also presented letters, in the nature of petitions, from the Ladies' Auxiliary to H. F. Emmett Post, No. 994, Veterans of Foreign Wars of the United States, of Bristol, and the Ladies' Auxiliary to Walter J. Smith Post, No. 511, Veterans of Foreign Wars of the United States, of New Britain, both in the State of Connecticut, praying for the passage of legislation providing for the cash payment of adjusted-service compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented letters, in the nature of petitions, from Dilworth-Cornell Unit, No. 102, the American Legion Auxiliary, of Manchester; Kiltonic Post, No. 72, the American Legion, of Southington, and Branch No. 20, Fleet Reserve Association, of New London, all in the State of Connecticut, praying for the passage of the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which were ordered to lie on the table.

He also presented a resolution adopted by the convention of the Connecticut State Branch of the United National Association of Post Office Clerks, favoring the passage of the bill (H. R. 5136) to recognize seniority of service in promotion and assignments of post-office clerks, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the convention of the Connecticut State Branch of the United National Association of Post Office Clerks, favoring the passage of the bill (H. R. 5114) to guarantee substitute post-office clerks and other substitute employees 36 hours of employment during each week, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter, in the nature of a memorial, from Connecticut Branch, No. 29, National Rural Letter Carriers' Association, remonstrating against proposed reductions in salaries or any legislation placing the rural mail service on a contract basis, which was referred to the Committee on Civil Service.

He also presented papers, in the nature of memorials, from the South Norwalk Musical Protective Union, of South Norwalk; the Silver City Branch, National Association of Letter Carriers, of Meriden; the Connecticut Joint Conference Board of Street Railway Employees; Branch No. 32, Fleet Reserve Association, of Bridgeport; Local No. 900, National Federal of Post Office Clerks, of New Britain; Local No. 16, United Hatters of North America, of Norwalk; the Connecticut State Branch, United National Association of Post Office Clerks; and the postmasters of Norwalk, South Norwalk, Westport, Fairfield, and Southport, all in the State of Connecticut, remonstrating against proposed reductions in salaries of Federal employees, which were referred to the Committee on Civil Service.

He also presented a resolution adopted by Group No. 2158 of the Polish National Alliance, of Fairfield, Conn., favoring the passage of legislation providing for proclaiming October 11 in each year General Pulaski's Memorial Day, which was referred to the Committee on the Judiciary.

He also presented the petition of members of the Superintendents' Club, of Stamford, Conn., praying for the passage of legislation providing for the proper investigation and control of individuals and groups whose activities are contrary to the principles of the Constitution, particularly communists, which was referred to the Committee on the Judiciary.

THE WORLD COURT

Mr. REED. Mr. President, I present a resolution of the Chamber of Commerce of Wellsboro, Pa., with regard to our entry into the World Court. I ask that it may be printed in the RECORD and appropriately referred.

The resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

A RESOLUTION BY THE CHAMBER OF COMMERCE OF WELLSBORO, PA., RECOMMENDING ENTRANCE OF THE UNITED STATES INTO THE WORLD COURT

Whereas it is universally recognized that any endangering of world peace which may arise from unsettled international disputes is a serious obstacle to the normal operation of commerce and that the existence of such an obstacle reacts unfavorably upon all business, large and small; and

Whereas the creation and functioning of the Permanent Court of International Justice, commonly termed the World Court, constitutes a definite effort upon the part of a majority of the national governments of the world to provide an instrument and method for the peaceful settling of international disputes, thus tending to stabilize international trade and industry; and

Whereas the recognition of the above-noted facts has caused the Chamber of Commerce of the United States upon three occasions, and the Pennsylvania State Chamber of Commerce, the Philadelphia Chamber of Commerce, and the chambers of commerce of many other cities in Pennsylvania and in other States to urge the entrance of the United States into the World Court: Therefore be it

Resolved, That the Wellsboro Chamber of Commerce strongly urges the earliest practicable ratification of the three World Court protocols submitted to the United States Senate at its last session by the President of the United States and the completion of the adherence of the Government of this Nation to the World Court; and, furthermore, be it

Resolved, That a copy of this resolution be presented to each of the United States Senators representing Pennsylvania and to the chairman of the United States Senate Committee on Foreign Relations, and that this resolution be spread upon the minutes of the Wellsboro Chamber of Commerce.

Adopted March 24, 1932, by the board of directors of the Wellsboro Chamber of Commerce, carrying out instructions of the general chamber made at the Wellsboro Chamber of Commerce annual meeting, March 21, 1932.

PAUL P. KOBB, *President.*
ROBERTSON C. CAMERON,
Recording Secretary.
ROBERT L. LYON,
Executive Secretary.

RECIPROCAL TARIFF AGREEMENTS

Mr. COPELAND. Mr. President, I have received petitions from several hundred citizens of the State of New York, indorsing the nonpartisan policy of the World Trade League of the United States. I ask unanimous consent that one of the petitions may be printed in the RECORD and that they be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, it is so ordered.

One of the petitions is as follows:

WORLD TRADE LEAGUE OF THE UNITED STATES,
NEW YORK STATE SECTION,
New York, March 21, 1932.

MY DEAR SENATOR: As an American citizen, interested in restoring foreign trade as an aid to domestic prosperity, I wish to indorse the nonpartisan policy of the World Trade League of the United States as expressed at the banquet mass meeting held at the Hotel Astor here to-night.

It is the sentiment of this meeting that immediate action should be taken to put into effect a policy of reciprocal tariff agreements enabling our Government to bargain with other countries and, through mutual tariff concessions, promote a larger volume of international trade.

Believing that such a policy will prove definitely helpful in restoring jobs to many Americans, increasing industrial activity, and relieving the economic situation of this country, I urge your active cooperation and support of such a measure.

Sincerely yours,

W. C. KEIM,
7016 Sixtieth Street, Ridgewood, Queens, New York City.

REPORTS OF THE COMMERCE COMMITTEE

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 3950) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States, reported it with an amendment and submitted a report (No. 491) thereon.

He also, from the same committee, to which was referred the bill (S. 4252) to authorize telephone service in Government-controlled buildings on Public Health Service stations, reported it without amendment and submitted a report (No. 492) thereon.

Mr. FLETCHER, from the Committee on Commerce, to which was referred the bill (S. 4195) to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation, reported it without amendment and submitted a report (No. 493) thereon.

ENROLLED BILL PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on the 30th instant, that committee presented to the President of the United States the enrolled bill (S. 3706) for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONG:

A bill (S. 4273) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission; to the Committee on Military Affairs.

By Mr. REED:

A bill (S. 4274) to authorize the Department of Agriculture to issue a duplicate check in favor of Department of Forests and Waters, Commonwealth of Pennsylvania, the original check having been lost; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 4275) granting an increase of pension to Maria Roseberry (with accompanying papers); to the Committee on Pensions.

By Mr. COUZENS:

A bill (S. 4276) to authorize the filling of a vacancy in the District Court for the Eastern District of Michigan; to the Committee on the Judiciary.

A bill (S. 4277) to provide for the advancement on the retired list of the Army of David Donaldson; to the Committee on Military Affairs.

By Mr. BROOKHART:

A bill (S. 4278) to amend the Panama Canal retirement act of March 2, 1931; to the Committee on Interoceanic Canals.

By Mr. COPELAND:

A bill (S. 4279) to confer certain benefits on commissioned officers and enlisted men of the Army and Navy, Marine Corps, Coast Guard, Geodetic Survey, or Public Health Service of the United States, who are placed on the retired list for physical disability as result of an airplane accident; to the Committee on Military Affairs.

By Mr. CAREY and Mr. STEIWER:

A bill (S. 4280) to provide for the creation of regional agricultural credit corporations for making loans and advances to farmers for crop and livestock production, and for other purposes; to the Committee on Banking and Currency.

By Mr. GLENN:

A bill (S. 4281) granting a pension to Nina Webb (with accompanying papers); and

A bill (S. 4282) granting a pension to Charlotte Weitzel (with accompanying papers); to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 4283) for the relief of Thomas Spurrier; to the Committee on Military Affairs.

AMENDMENTS TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. MORRISON submitted two amendments intended to be proposed by him to House bill 9699, the Treasury and Post Office Departments appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill insert the following:

"Durham, N. C., post office, courthouse, etc.: The authorization contained in the second deficiency act, fiscal year 1931, approved March 4, 1931, for acquisition of site and construction of building under an estimated total cost of $550,000, is hereby amended so as to provide for the construction of the building to provide court accommodations immediately, and the estimated total cost is hereby increased to $610,000."

At the proper place in the bill insert the following:

"Rockingham, N. C., post office, courthouse, etc.: The authorization contained in the second deficiency act, fiscal year 1931, approved March 4, 1931, for the acquisition of site and construction of building under an estimated total cost of $125,000 is hereby amended so as to provide for the acquisition of site and construction of the building to provide court accommodations immediately, and the estimated total cost is hereby increased to $210,000."

TRANSFER OF JURISDICTION IN MANAGEMENT OF INDIAN COUNTRY

Mr. FRAZIER. Mr. President, I submit a concurrent resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Let it be reported for the information of the Senate.

The Chief Clerk read the concurrent resolution (S. Con. Res. 23), as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 3322) entitled "An act to transfer certain jurisdiction from the War Department in the management of Indian country."

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

CASH PAYMENT OF ADJUSTED-SERVICE COMPENSATION

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD copy of a letter which I recently wrote to Mr. W. J. Fasholtz, of Phoenix, Ariz., relative to the cash payment of adjusted-service certificates.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 18, 1932.*

Mr. W. J. FASHOLTZ,
Commander Phoenix Chapter, No. 1,
Disabled American Veterans of the World War,
Phoenix, Ariz.

MY DEAR MR. FASHOLTZ: I have your letter recommending the immediate payment of adjusted-service certificates and am sure that the members of your chapter would not have so unanimously favored such a proposal if they knew that instead of more liberal appropriations for veterans' relief there is a grave danger that Congress may be forced to curtail the benefits heretofore granted to them.

As one result of the business depression, the income of the Federal Government has been cut almost in half and is now about $2,300,000,000 a year. Six hundred and forty million dollars of that goes to pay interest on the public debt (with no payments on its principal), and about $700,000,000 for national defense (the Army and Navy). Over $1,000,000,000 are paid out each year for the relief of war veterans. All other governmental expenses are now being paid with money borrowed at higher than the customary rates of interest because many previous issues of United States securities are below par.

EVERY FORM OF TAXATION PROTESTED

To meet this Treasury crisis Congress is now considering a revenue bill designed to raise over a thousand million dollars, and even that amount will fall somewhat short of balancing the Federal Budget. Every form of taxation proposed in the revenue bill is meeting with violent protest throughout the country. You should see the mass of letters and telegrams that have come to me from Arizona in opposition to various suggested methods of Federal taxation. In these unprecedented hard times nobody can be blamed for not wanting to pay more taxes, yet every dollar paid out of the Treasury must ultimately come from the taxpayers.

Instead of levying higher taxes or borrowing money there is only one other way to bring the expenses of the Government within its income and that is to reduce appropriations. Both Houses of Congress are earnestly at work on that problem and considerable success has already been achieved. No one need be surprised to see a reduction of 10 per cent in the salaries of Federal employees. The necessity and wisdom of such a cut is highly debatable because it is admitted that the entire saving will not pay the expenses of the Government for even two weeks, but on a roll-call vote it is my judgment that this proposal will pass both the House and Senate. The general feeling here is that a strict application of the same principle would require a like reduction in all pensions and other forms of compensation paid to veterans.

DISABLED RELIEF FIRST

It is my understanding that one of the cardinal principles of your organization is that relief for the disabled should have priority over all other kinds of aid to veterans. That is a just demand, yet the Senate Committee on Finance on the first day of this month favorably reported a bill to reduce by 50 per cent the compensation, pension, or disability allowance of any veteran who is hospitalized. The bill was sent back to the committee, but it is a significant straw to show which way the wind of economy is blowing and is an obvious forewarning of the difficult task that must be undertaken if the benefits which are now being paid to disabled veterans under existing law are to be fully retained.

As an example of curtailment the independent offices appropriation bill for the coming year shows a reduction of approximately $170,000,000 below the funds provided during the present year for the Veterans' Administration, and before the bill is finally disposed of there is a possibility of a further slash in the funds for that agency.

PUBLIC WORKS AND UNEMPLOYMENT

While I do not agree with their conclusions, there are those high in authority who stand opposed to appropriations for public buildings and highway construction even though all such kinds of internal improvements can now be obtained for at least 25 per cent less than what they would have cost three or four years ago. A saving of a quarter of the cost of construction will pay 4 per cent interest for over six years on a capital investment of this character. Six years from now highways and public buildings can not be obtained for any such low prices. The major objection made to such expenditures is that the Government is not financially able to assume the cost of new public works, notwithstanding the fact that a program of this kind would help to meet a paramount problem which is to find work for the unemployed.

Various plans have been suggested as a means of finding the $2,400,000,000 which would be needed to pay the full face value of the outstanding adjusted-service certificates, and most of them are as unsound as the latest proposal to print paper money, which, if done, would send our currency along the road traveled by the war-time German mark and result in business chaos which would most certainly intimately affect the disabled veterans together with all other classes of American citizens.

BOND ISSUE NECESSARY

There is no other way for the Government to get that much real money except by borrowing it. Such a large sum as $2,400,000,000 can not be obtained at an interest rate of less than 4 per cent, and the rate would probably be higher. This would add an annual charge against the Treasury of about $100,000,000, not to speak of payments into the sinking fund which should be more than that. I say 4 per cent or over because every long-time Government bond paying less than 4 per cent is now selling below par.

A striking comparison which develops the precarious condition of our Federal finances is to invite attention to the fact that a year ago ample short-time funds could be borrowed by the Government for less than 2 per cent. The 3 per cent Treasury bonds can be bought to-day at 90 cents on the dollar. A few weeks ago they were down to 82, but the prospect that Congress may balance the Budget and thus give assurance that both the principal and interest will be paid when due has recently increased their market value.

RECONSTRUCTION FINANCE CORPORATION MAKES NO GIFTS

I note your reference to the Reconstruction Finance Corporation act, which appropriated $500,000,000 (which the Treasury is securing by selling bonds), and authorized the corporation to borrow $1,500,000,000 more on the credit of the United States to conduct its operations, which consist of making loans to banks, railroads, insurance companies, farm cooperatives, and other financial institutions that were on the verge of collapse. However, the fact must not be overlooked that the act specifically provides that this money can only be loaned on good security and must be repaid with interest. Under this plan of relief the taxpayers of the country are not expected to lose any money. The War Finance Corporation loaned over $690,000,000 between 1918 and 1924, the total amount of which was paid back with a profit to the Government of about $65,000,000. The Reconstruction Finance Corporation is designed to do as well.

I must emphasize the fact that many veterans are laboring under a complete misunderstanding of what Congress did in creating the Reconstruction Finance Corporation. The corporation makes gifts to nobody. Every disabled veteran who has his savings in a bank account should know that the corporation is, in truth, an agency for his protection as well as all other classes of depositors.

DECREASE IN BANK FAILURES

The Federal Reserve Board advises me that in 1931 there were 2,298 bank failures in the United States. During the month of January, this year, 334 banks closed their doors, or an average of about 10 per day. For the month of February there were 115 bank failures, or an average of 4 per day; and for March, up to yesterday, 29 failures. The Reconstruction Finance Corporation law was approved on January 22, 1932, and the corporation began functioning in February. It is therefore clear that the loans which have already been made to financial institutions throughout the country have resulted in a material decrease in bank failures, and gives good cause for hope that they can be practically brought to an end. I have personally assisted two small banks in Arizona in obtaining loans from the corporation, which I am sure will carry them safely past all danger of going out of business.

CONFRONTED WITH REALITIES

All that I have said about the situation as it actually exists leads to the inevitable conclusion that there is not even a remote probability that what you refer to as the "bonus" will be paid in full at this session. My record in Congress will disclose that I have never hesitated to vote for any legislation to promote the welfare of the disabled ex-service men, but to-day we are confronted with certain realities that can not be minimized or ignored.

Nothing would please me more than to see the distress of every World War veteran and his family relieved through the immediate payment in cash of the full face value of all adjusted-service certificates, but when I know that this will not be done I am in honor bound to tell you so. I believe that a review of my correspondence with the disabled veterans in Arizona over all the years will prove that I have been absolutely frank in endeavoring to reply to inquiries as to legislation affecting their interests; and, consistent with that principle, I am sure you will understand the spirit of candor in this letter.

With best wishes, I am, yours very sincerely,

CARL HAYDEN.

TARIFF ON AGRICULTURAL PRODUCTS

Mr. GEORGE. Mr. President, I ask unanimous consent to have inserted in the RECORD a study of the agricultural tariff, its rates, its promises to agriculture, and its perform-

ances, as compiled by Mr. Miles, of the Fair Tariff League. The study contains certain tables which I think will be of value to the Senate.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE AGRICULTURAL TARIFF ALMOST WORTHLESS IN MONEY VALUE—MISCALCULATION AND MISERY

Agricultural rates in the tariff of 1922–1929 were high enough, but ineffective.

The tariff of 1930 apparently increased farm rates 11½ per cent on 24 major farm products of a farm value, in 1928, of $11,121,000,000. In fact, it gives two-fifths of 1 per cent less than the last tariff.

On its face it gives $4,568,500,000 to these 24 farm products. In fact, it gives only $365,600,000. It is worth only 8 cents per dollar of face value.

American farmers are only beginning to understand the tariff. They are right in accepting the principle of protection, but they fail to realize that the virtue of the principle of protection, like the Ten Commandments, is in the application of it, in the living of it, and not in its mere statement. By making the tariff rates dishonest as much harm is often done as if the principle itself were dishonest. Many of the manufacturers' rates are of this sort. Farmers have erred in thinking that high tariff rates can make farmers rich, because they make many manufacturers rich. In fact, most of their high rates are no better than low rates. Often both are worthless.

The following analysis of $8,889,000,000 of farm products—see Table Group 1—shows that if the former tariff rates, in force from 1922 to June, 1930, had been effective they would have added $2,691,000,000, or 30.3 per cent, to the value of 19 farm products.

What more could farmers want? They would have been rich beyond their dreams. Why did they worry Congress for 18 months to increase these rates?

The trouble is that tariff rates, whether high or low, on most farm products are virtually counterfeit money. They look pretty on paper, but they have little or no cash value. They are irritating to informed men with bills to pay.

Instead of $2,691,000,000—column 7—the cash value of the tariff on these products in 1928 was only a trifle more than $91,000,000—column 8. It was only 1 per cent of the value of the crops instead of 30.3 per cent which the rates seemed to promise. In other words, the tariff was worth less than one-thirtieth of its face value.

It is worth comparatively nothing because so much of our farm products are exported at free trade or world prices that export prices become domestic prices also. It is not possible to sell at low prices for export and at the same time at higher prices for domestic use.

Even if some product that is capable of successful and general production were highly and effectively protected, the growers of low-priced exported products—wheat, pork, lard, tobacco, etc.—would turn to the production of the highly protected product until they brought it down to the low profit of exported products.

When the tariff is effective it is often upon a mere fraction of a crop, high-protein wheat, large-size peanuts, and Spanish type of onions, for instance, of which we import considerable quantities (because home production is insufficient) and not upon the bulk (usually 75 to 90 per cent) of the crop which we produce in abundance.

Every well-informed man in Congress has known all this and yet Congress labored for about 18 months in what was in effect a befooling of many American farmers by increasing the written tariff rates, most of which were already high enough, and leaving the new rates like the old ones, mostly uncollectible.

To the major crops, listed in Group 1, Congress added $950,000,000 (column 9) to the rates as written in the law, but in fact added only $12,600,000 (column 10) in cash value, or one-fifth of 1 per cent of the value of the products.

Was there ever such bunk; $950,000,000 in paper promises worth only $12,600,000?

Wheat (column 7): The tariff promised $379,300,000. It gives (column 8) only $17,600,000.

Corn: The old tariff promised $426,000,000. The new (column 9) promises $710,000,000. Neither gives enough in normal years to be estimated in money.

Potatoes: The old tariff promises $138,900,000 and gave $3,500,000. The new tariff promises $208,400,000 and gives $5,300,000.

Hay: The new tariff promises $530,000,000 and gives virtually nothing.

Hogs: The new tariff promises $269,900,000 and gives virtually nothing.

Butter: The new tariff promises $293,600,000 and in prosperous times will give up to $105,000,000. In times of distress and large production, like the first half of 1930, it is almost worthless.

It is much the same with many other products.

Many farm leaders saw all this clearly and begged for the "debenture" which would have made all rates effective up to 50 per cent of their face. They were denied this, and there is no prospect of ever getting it.

This Group 1 includes all the cereals, wheat, corn, etc., rice, potatoes, onions, lemons, figs, peanuts, walnuts, almonds, hay, tobacco, cattle, hogs, eggs, and cotton.

In Group 2 are flaxseed, wool, sugar, and dairy products. Flaxseed and sugar get the entire benefits of the tariff in normal years, because we produce only half or less of our requirements and export none. On these products domestic producers have only to meet the prices of competing imports upon which the duty has been paid in full. Flaxseed production, however, is increasing until it will likely lose much of its tariff advantage. Dairy products, especially butter, are so near the export basis that in recent months the tariff of 14 cents per pound on butter has been worth little indeed, but the total tariff advantage is considerable. The tariff on milk and cream helps only New England, New York, New Jersey, and Pennsylvania in restricting imports from eastern Canada.

In this second group the former tariff promised an average benefit of $503,000,000 and gave $293,000,000, or 13.1 per cent.

The new tariff promises on this second group 41.6 per cent (column 9), but will give only 11.2 per cent (column 10). It promises an increase of over $324,000,000. Instead, and because of increased wool production (see latter), it actually gives about $31,000,000 less than the former tariff.

The total farm value of the products in both these groups is $11,121,000,000 (column 4), or 90 per cent of the net value of all farm products. The face value of the tariff on these products is $4,568,000,000 (column 9), or 41.1 per cent of the value of the products. The actual value is $365,000,000, or 3.3 per cent (column 10).

The tariff on farm products is worth 8 cents on the dollar of its face value. And when the farmer buys back his own products in the form of clothing, bread, tobacco, bacon, lard, sugar, etc., he is decidedly worse off than before these increased rates were given him. For instance, he loses on his woolen goods tens of millions of dollars and loses $45,000,000 more on sugar than he gets on his sugar beets and cane, while the Nation loses many times these sums.

These calculations are based upon the findings of the best experts in this field in the Tariff Commission, the Bureau of Agricultural Economics, and like experts throughout the country. Among them there is substantially no disagreement.

Agriculture will always be on an export and virtually free-trade basis.

Production has increased 50 per cent in 30 years and 20 per cent in 10 years, while the birth rate and consumption are declining relatively. Population will be stationary at about 150,000,000 in 1950, say all authorities.

It is the opposite in manufacturing. The tariff is dictated by overprotected interests in the six Northeastern States, Massachusetts, Rhode Island, Connecticut, Pennsylvania, New York, and New Jersey, who got for themselves over $5,000,000,000 in the new tariff to be added to their prices as far as possible. Many of these manufacturers add all of their rates and all of them add all they can.

The manufacturers' rates as actually paid at the customhouses in 1931 averaged, in cash, 51 per cent, or about 25 per cent higher than in 1929 and 40 per cent higher than in 1927. Is it not clear for whom the present tariff was enacted?

ALL PROTECTED EXCEPT FARMERS

Excepting farmers, everyone in the United States is as definitely and fully protected, in ordinary years, in the enjoyment of our high protectionist price level as if he were definitely named in the tariff law.

Due partly to the intensive propaganda, a few years ago, for the "American standard of living" for everyone, the wages, salaries, fees of professional people, and all other incomes were raised to the protectionist level in ordinary years. That is, the income was made to cover all reasonable outgo with a fair margin of savings.

Thus, by increasing incomes to cover expenditures, including the cost of protected articles, the cost of protection has been passed on by every American to the next until it reaches the fifty millions who live on our farms and in rural communities dependent on farms.

CRUEL DEFECT IN PROTECTION

Herein is the cruel and unendurable present defect in our protective system, its omission from its benefits of fifty millions dependent upon agriculture, directly and indirectly. Worse still, these fifty millions are required to pay substantially the entire cost of the protective system.

This fifty million would doubtless pass its tariff burden on to others if it could; but its exports, mostly to Liverpool and Antwerp, are so great in volume that the prices of those exports virtually determine domestic prices. Liverpool and Antwerp will not take over in their purchase prices the cost of protective system.

Still worse, as all other Americans pass on the cost of protection and agriculture alone can not pass it on, it follows that these fifty millions pay in fact substantially all of the protective burden, which can not to-day be reasonably estimated at less than $5,000,000,000.

It is more than a coincidence that this sum about measures to-day the disparity between the selling prices of farm products and the prices that farmers pay in this market for their purchases, general expenses, taxes, etc., with all these expenditures on the protectionist or American level, and the farmers' sales on the free-trade or world level substantially.

The value of the tariff on agricultural products in years of great general prosperity, 1923–1927

[Fair Tariff League, H. E. Miles, chairman]

Article	Unit of quantity	Production, 1928		Tariff rate		Value of protection			
						Tariff of 1922		Tariff of 1930	
		Quantity (millions)	Value (millions of dollars)	Tariff of 1922	Tariff of 1930	Nominal (millions of dollars)	Effective (millions of dollars)	Nominal (millions of dollars)	Effective (millions of dollars)
1	2	3	4	5	6	7	8	9	10
GROUP I									
Wheat	Bushel	903.0	600.0	42 cents bushel	42 cents bushel	379.3	17.6	379.3	17.6
Corn	do	2,840.0	2,000.0	15 cents bushel	25 cents bushel	426.0	0	710.0	0
Oats	do	1,449.0	593.0	do	16 cents bushel	217.4	0	231.8	0
Barley	do	356.0	197.0	20 cents bushel	20 cents bushel	71.2	0	71.2	0
Rye	do	41.0	36.0	15 cents bushel	15 cents bushel	6.2	0	6.2	0
Rice, rough	Bushel (45 pounds)	42.0	37.0	1 cent pound 45 cents bushel	1¼ cents pound 56¼ cents bushel	18.9	6.2	23.6	7.7
Potatoes	Bushel (60 pounds)	463.0	250.0	½ cent pound 30 cents bushel	¾ cent pound 45 cents bushel	138.9	3.5	208.4	5.3
Onions	Bushel (57 pounds)	19.0	22.6	1½ cents pound 85¼ cents bushel	2½ cents pound $1.42½ bushel	16.3	4.3	27.1	6.8
Lemons	Pound	525.0	22.7	2 cents pound	2½ cents pound	10.5	7.9	13.1	9.8
Figs	do	20.0	2.0	do	5 cents pound	.4	.4	1.0	1.0
Peanuts	do	1,230.0	56.0	4¼ cents pound	4¼ cents pound	52.3	5.3	52.3	5.3
Walnuts	do	50.0	10.5	4 cents pound	5 cents pound	2.0	2.0	2.5	2.5
Almonds	do	27.0	4.6	4¾ cents pound	6½ cents pound	1.3	1.3	1.5	1.5
Hay	Ton (2,000 pounds)	106.0	1,243.0	$4 ton (2,240 pounds) [1]	$5 ton (2,000 pounds)	379.5	0	530.0	0
Tobacco leaf	Pound	1,373.5	254.3	35 cents pound	35 cents pound	480.7	3.1	480.7	3.7
Cattle (including calves)	do	16,640.0	940.0	1½ cents pound	2½ cents pound	249.6	22.5	416.0	22.5
Hogs	do	13,494.0	1,209.0	½ cent pound	2 cents pound	67.5	0	269.9	0
Eggs	Dozen	2,162.0	110.0	8 cents dozen	10 cents dozen	173.0	17.0	216.2	20.0
Cotton, staple	Bales	14.5	1,301.8	Free	Free	0	0	0	0
Total, Group I		8,889.5				2,691.0	91.1	3,640.8	103.7
Per cent of production						30.3	1.0	41.0	1.2
GROUP II									
Flaxseed	Bushel	19.0	115.0	40 cents bushel	65 cents bushel	7.6	5.7	12.4	9.3
Wool and mohair (including pulled wool):									
In the grease	Pound	365.5	142.7	31 cents pound (clean)	34 cents pound (clean)	52.0	52.0	57.1	14.2
Clean content	do	167.9							
Sugar, raw, from—									
Sugar beets	Ton	1.1	63.0	1.76 cents pound (Cuban)	2 cents pound (Cuban)	22.5	22.5	25.6	25.
Sugarcane	do	.1							
Butter (1927)	Pound	2,097.0	776.0	12 cents pound	14 cents pound	251.6	105.0	293.6	105.0
All other dairy products	Pounds of butterfat	2,765.0	1,135.0	10 cents pound [2]	20 cents pound [2]	269.5	107.8	539.0	107.8
Total, Group II			2,331.7			603.2	293.0	927.7	261.9
Per cent of production						27.0	13.1	41.6	11.2
Grand total, Groups I and II			11,121.2			3,294.2	384.1	4,568.5	365.6
Per cent of production						29.6	3.5	41.1	3.3

[1] $3.58 per 2,000-pound ton.

[2] Estimated average.

WHEAT

During nine months of 1927 wheat was higher in Winnipeg, Canada, than in Minneapolis. The 42-cent tariff was worthless. In the other three months it was from 7 cents to 11 cents higher in Minneapolis. In 1928 in five months it was higher in Winnipeg. In five months it was from 1 cent to 7 cents higher in Minneapolis and in two months 10 to 11 cents higher. The tariff was of no benefit whatever, except on high-protein premium wheat, which constitutes only one-half of our hard-wheat production and is grown almost entirely in Montana, North Dakota, Kansas, Colorado, and Nebraska. In 1928 the average tariff gain on this premium wheat was 9.8 cents per bushel, or $17,600,000. In 1929 farmers in Montana and North Dakota paid 12½ cents duty at the Canadian border and marketed wheat in Canada to better advantage than at home.

The year 1932 opened with the value of wheat at the farm, export basis, 22⅝ cents per bushel and no buyers. February 7 the visible supply was 204,000,000 bushels, against a usual February visible of 50,000,000 to 60,000,000 bushels. As this is written, March 20, the situation is worse rather than better. Agriculture has lost its export markets.

We are virtually in Brazil's plight on coffee. She is burning huge quantities daily, and dumping cargo after cargo into the sea.

Our present tariff rates on manufactures, often 90 to 100 per cent, sometimes 200 per cent, 500 per cent, and 4,000 per cent, insulted the moral and economic sense of Europe. These rates were virtually a notice to her that we would sell her only for cash, for gold, of which she had none, France excepted. We forced her to quit us and she has. And she has found that she can buy elsewhere all that she requires and on as favorable terms as ever.

Thus the present tariff, written by manufacturers and for manufacturers, has not only robbed farmers of their pennies, dimes, and dollars; it has robbed them of their markets.

CORN

Some folks think that if corn were on the free list much would be imported. In fact, under the "drawback" provisions corn is virtually free to our great corn-products companies for manufacture and reexport. On such corn the duty is less than one-seventh of 1 cent per bushel.

Notwithstanding this, in the six years, 1922–1927, no corn was thus imported except 1,550,406 bushels in 1925 and 336,012 bushels in 1927.

Instead of importing corn in quantities our corn-products companies used domestic corn in export in 1927 of $4,626,864 of glucose and corn sirup and 387,000 barrels of corn meal and 30,095,000 pounds of hominy and other corn preparations for table use. Argentina is our one competitor in our domestic market. She can not safely send across the equator our kind of feed corn, but only the hard, dry, dent corn to be cracked and fed to poultry. Of this poultry corn, from October, 1923, to February, 1928, four and one-half years, we received for domestic consumption an average of only 664,000 bushels along the Atlantic seaboard and 1,113,600 bushels on the Pacific coast. It is greatly to Argentina's advantage to compete with our corn in Europe with ocean freight charges added to our prices rather than compete in New York.

Quality: In 1926 the Government made a chemical analysis of four carloads from Argentina in New York. "A considerable quantity was damaged, musty, sour, and heating when discharged." One cargo, delayed by accident and 60 days in transit, was "sea damaged and ship damaged."

To-day Argentine corn averages 3 per cent to 4 per cent short in feeding quality. Also an Argentine cargo may be condemned by our rigid inspection for foot-and-mouth disease, prevalent there with no prospect of eradication.

Thus we see why importers will not buy there except at big price differentials.

As 87 per cent of the corn crop is fed on the farms, any price increase from the tariff would be worthless or hurtful to these farm feeders. In fact, this tariff of a face value of $710,000,000 is of too little money value to be estimated.

OATS, BARLEY, RYE

Oats, barley, and rye are on an export, world-price basis, with no help from the tariff that can be estimated in dollars.

RICE

Two-thirds of production is blue rice, a second quality that disintegrates in cooking; exported largely; not affected by tariff. Tariff is fully effective on about 630,000,000 pounds of fortuna or hard rice.

FLAXSEED

Duty two-thirds effective. The cake from imported flaxseed is reexported with a drawback of about one-fourth of the flaxseed duty.

POTATOES

Duty effective on 3,500,000 bushels of seed potatoes and one-half effective on table stock grown in the Northeastern States, New England, New York, Pennsylvania, and New Jersey.

ONIONS

Duty effective on Bermuda and domestic Spanish. Of no effect on strong onions, which are 75 per cent of our crop.

LEMONS

Duty three-fourths effective.

FIGS

Some years ago we grew 10,000 tons on 10,000 acres. Now, because of disease, we grow 10,000 tons on 45,000 acres. The increase in tariff from $40 per ton to $100 charges consumers with the disease.

PEANUTS

Duty effective on only 125,000,000 bushels of the large size, marketed shelled and largely imported. Not effective on small sized, of which we produce such an abundance that they are often fed to hogs.

WALNUTS

Walnuts and almonds, duty effective.

HAY

Next to corn our most valuable crop. Our only competitor, Canada, must use all her hay for her dairy and feeder stock except as she sends relatively insignificant amounts into our northeastern border States, depressing their prices somewhat but too little to be estimated as against our total production.

TOBACCO

We are the world's reservoir for tobacco. For our grades we set the price for the world, exporting a third or more of our crop, with no substantial effect from the tariff. We have, however, a special industry growing American Sumatra wrapper tobacco under cloth used as a shade. This is protected by duty of $2.10 per pound, with $2.50 proposed in the Hawley bill. This duty is fully effective on the best leaves of this tobacco as picked in Connecticut and a few counties in Georgia. Under the $2.10 tariff the price of the entire Connecticut Valley crop averages only $1 and the Georgia crop 55 cents, showing that the tariff is of very little effect on the greater portion of the crop, of which only about 60 per cent is used for wrappers.

The only considerable advantage from the tariff on tobacco is on the one-third of the shaded Sumatra used for wrappers, this tariff benefit running from the full amount, $2.10, down to a fraction of that sum.

About one-half of our Sumatra wrapper is imported from Sumatra and Java. The imports of 1928 weighed 5,879,000 pounds, valued at $12,500,000, paying a duty of $12,300,000, or 99 per cent. Growers of domestic filler and binder tobacco in Wisconsin, Ohio, and Connecticut object to the above duty as unnecessarily increasing the cost of cigars using their product. The Turkish cigarette tobacco is of special flavor, increasing the use of domestic product by admixture and in that sense highly advantageous to domestic growers of cigarette tobacco.

HOGS

We are the world's reservoir for pork and pork products, formerly exporting about $200,000,000, with the world price determining domestic prices.

EGGS

No authorities consulted will place any direct money advantage on the tariff on eggs in the shell, of which we produce vast quantities with unlimited opportunity for increased production. The tariff is, however, fully effective on liquid, frozen, and powdered eggs and helpful to domestic producers, especially in the season of large breakage.

BUTTER

In butter we see the practical certainty that a well-protected farm product capable of favorable expansion will approach the export basis and lose its tariff benefits. The production of butter is steadily expanding, rising from 1,824,609,000 pounds in 1922 to 2,075,000,000 in 1928.

In 1924, with an 8-cent tariff, butter averaged only one-half cent higher in New York than in London; in 1926, 4.2 cents higher; in 1927, 7.4 cents higher; and in 1928, 6 cents higher; while in 1925 it was 1 cent higher in London. The above table uses 7 cents per pound as the value of the tariff. Improving conditions in Europe will raise prices there, and increased production here tends to lower prices. Also, each cent of increase in domestic butter prices adds 1,000,000 pounds to the consumption of oleomargarine, which is butter's serious competitor.

CATTLE

The embargo against Argentine cattle because of the hoof-and mouth disease will continue indefinitely because of the difficulties of eradication there. This leaves only Canada and Mexico as competitors in our domestic market. Canada can export only to the United States, practically speaking. Whatever the tariff, we get her cattle mostly, and higher duties only lower her prices and accelerate the diversion of her grazing lands into wheat and the depression of world wheat prices. This hurts our wheat growers but helps our cattle raisers by depressing Canadian competition.

In any event our domestic market must provide for both Canada's product and our own, with no benefit in the tariff except to reduce Canadian production at the expense of our wheat growers, and to such relatively small consequence as to help cattle prices comparatively little. Costs of production are as high in Canada as here, wages as high. Winters there last seven months, with fires in homes for nine months. Canada's possibilities of expansion are limited.

Mexico's exporting conditions resemble Canada's. Her 3-year-old cattle are the size of our 8-month calves, are of inferior quality, and not strictly competitive. The present high prices are due to national prosperity, shortage of supplies, and other general conditions. It is bad policy to antagonize our best customer, Canada. The above estimate is the total value of cattle imported in 1928. It is probably excessive; an exceedingly capable authority says zero.

WOOL

For generations our production of wool decreased, as measured by per capita consumption. It was generally believed that production would never overtake consumption. The wool tariff was fully effective and worth from forty to fifty-five million dollars to our growers.

In very recent years, however, production has greatly increased and per capita production decreased. Consequently the tariff is only about one-fourth effective, as indicated by the difference between London and Boston prices of about 7 cents per pound.

This is one of the ironies of a farm tariff and where least expected. It shows the tendency of increased production of any tariff-favored crop until its profit is reduced to the level of export crops. This tendency is appearing in flaxseed and dairy products. Wool has sold as low as 12 cents per pound at the farm.

Because of this strange change in the wool situation our farmers are actually getting less benefit from the present tariff than the last.

Manufacturers, on the other hand, are exceedingly benefited in the present tariff, as will be manifest upon the return of good times, when they can largely control their prices as in times past.

SUGAR

The sugar tariff is probably the most indefensible of any and the sugar growers the least regarded.

European countries require by law that the grower gets 70 per cent or thereabouts of the total duty. Our Congress, on the other hand, gives the entire benefit to the sugar factories, who are liberal contributors to campaign funds, and leaves the grower entirely at the mercy of the factories. Consequently, our growers get only one-half of the tariff benefits, and have never made better profits in any average decade than potato growers and others in adjacent fields who get no benefit from the tariff.

Recently raw sugar in Cuba, which furnishes one-half of our total supply, has been selling for 66 cents per 100 pounds and 78 cents in New York Harbor. This makes the present duty of 2 cents per pound equal to 300 per cent.

At this price the equivalent of our total production in the United States could have been bought from Cuba for $23,400,000. At 1 cent in Cuba, the cost in New York would be $33,600,000. If the price rises to 1¼ cents in Cuba, the cost in New York would be $41,100,000.

Instead of buying at the current price, we paid the equivalent of this $23,400,000 and in addition, because of the tariff, $234,000,000 to have less than one-fourth of our requirements grown in the United States.

From half to two-thirds of our sugar factories were idle in Michigan, Wisconsin, and Indiana. None were profitable in 1931. Many were bankrupt or in the hands of creditors. Contract wages, always very low, and given to immigrant labor because natives would not do it, were reduced about 30 per cent. None made profits, whether farmers, factories, or wage earners. The price of sugar beets was reduced from about $7.25 to about $5.50 per ton.

It was for this that American consumers were taxed 2 cents per pound, or $260,000,000, as their tariff burden on refined sugar.

This is only part of the story. About 35 per cent of our sugar is used in manufacturing candy, bakery products, etc., with about one-third added to the cost of the sugar for the cost of manufacture into these other products, and at least 60 per cent added as the cost of distribution. This adds $90,000,000, the first cost of the sugar tariff, making the total cost about $350,000,000, out of which tax the Government collected in revenue on imports in 1931 about $116,000,000, leaving $234,000,000 as the net cost to the public of the sugar tax that did no one any good.

In 1930 about 20 Senators voted for a bonus to sugar growers, such as the McKinley bill gave, to be coupled, however, with a tariff on imports. A bonus to continental growers of 1¼ cents per pound coupled with a tax on imports of 1 cent a pound would increase the price of beets about 40 per cent and make sugar growing profitable, and would save consumers about $125,000,000. There is no other way within reason to fix the sugar tariff. Congressman FREAR has said that every member of the Tariff Commission in 1929 so held.

"BACK OF THE NEWS IN WASHINGTON"

Mr. SHIPSTEAD. Mr. President, on last Tuesday evening Mr. Alfred D. Stedman, Washington correspondent of the St. Paul Pioneer Press and Dispatch, gave an interesting



address over a nation-wide radio hook-up, depicting the "back-of-the-news" picture at Washington. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Defeat of the general sales-tax provision of the revenue bill, followed by substitution of more popular proposals, was an outstanding political event. It involved a Democratic revolt from conservative leadership and a party swing in the direction of liberalism. In the light of the dawning national campaign, factors appeared in the sales-tax revolt, which governed the Democratic excursion with William Jennings Bryan in 1896.

House Members still are harassed by the upheaval of public interest in the rejected tax proposal. They are being deluged with mail about the tax bill. The uncertain feelings of some in the face of this barrage from home no doubt were accurately described by a legislator who once rose in his place and said: "Mr. Speaker, I now have voted both ways on this question, and I hope my cantankerous constituents are satisfied."

The anxiety with which the average Congressman watches the home folks' reaction to features of the tax bill recalls a famous remark by Uncle Joe Cannon about William McKinley. McKinley, he said, kept his ear so close to the ground that he got it full of grasshoppers.

Political interest in the sales tax centers upon its possible bearing upon the next national campaign. Let us take a bird's-eye view of what happened.

The defeated provision proposed to place a 2¼ per cent tax upon manufactured articles. Leaders of both parties supported it, with whole-hearted backing from the White House. The provision was designed to raise $595,000,000 in revenue, or more than half the entire estimated receipts from the new tax bill. Republican and Democratic leaders urged the sales tax as a sure and painless method of balancing the Budget, but the nearly unanimous expression won by Speaker GARNER for a balanced Budget showed that the method of taxation, not the necessity for it, was the main point at issue. The opposition condemned it as the opening wedge to establish the principle of sales taxes in the Federal revenue system, and shift the cost of government to the people generally. Hunting for substitute sources of revenue, the sales-tax foes wrote into the bill stiff increases in tax rates on rich inheritances and millionaire incomes.

Opposition to the sales tax apparently originated with Representative DOUGHTON, North Carolina Democrat, who served notice in the Ways and Means Committee of his attitude. But organized revolt was started by a group of insurgent House Members from the Northwest. Far away in distance, but close in rebellious ideas, they found their leader in Congressman LAGUARDIA of New York, representative of the city workers and the jobless. A heavy majority of Democrats, mostly from Southern States, bolted to the LaGuardia anti-sales-tax banner. The combination of farm and city dissenters resulted in defeat of the sales tax, 223 to 153.

The Ways and Means Committee then brought in its substitute proposals, consisting largely of taxes on luxuries, semiluxuries, and finance, and they were received with acclaim. Some interpreted this to mean that the House again was following its leaders, but others remarked that the leaders now appear to be following the House.

Politically, the wedding of eastern and western liberals with southern Democrats was a telltale element in the show. Who are these insurgents, and what is the background of the tax revolt?

The House bloc is composed of more than a score of northwest Republicans, a few Democrats, and PAUL J. KVALE, who is the Farmer-Labor Party in the House. This bloc has become politically formidable from a national point of view, chiefly because of balance-of-power possibilities, and the opportunity to lead or join with southern Democrats and eastern independent elements in the House.

"Insurgent" has become a rather provincial Northwest term. Insurgents call themselves progressives or liberals. The Southwest has supplied one set of names for its insurgents, the East another set, and so on. Their warmest critics call them radicals.

The background of sporadic farm revolt is mostly economic. Veteran Washington correspondents, Mark Sullivan among them, months ago began anticipating political complications of this sort.

Observers drew their forecasts from the market pages. In the West and South wheat and cotton prices are the political barometer. When agricultural prices are low, all fixed expenses, such as taxes and interest rates, are most burdensome. In two years' time, prices of virtually all farm products have slumped so that the farmer has to put up twice as much of his produce to meet the annual tax bill or pay the interest on his mortgage. Like virile men of the frontier have done since the days of Andy Jackson, political leaders from farm States have demanded that their Government help them in hard times.

Often the farm State revolt takes the form of a left-wing movement of one of the major political parties. In prosperity it recedes. The transition from radicalism to conservatism can be rapid. People in Minnesota well remember a Congressman from that State named Lindbergh. An opponent of the World War, he was held up as so radical as to be an unfit example for the youth of the land. But his son, Col. Charles A. Lindbergh, not only became the idol of the youth of the world but also married the daughter of a partner in the house of Morgan. Colonel Lindbergh's father once was a farmer. Everywhere the farmers are mostly interested not in socialism but in property, opportunity, and equality. Dollar wheat and 20-cent cotton would transform the political outlook in this country. They would go back to the Coolidge era of contentment.

The early nineties, up to the campaign of 1896, offer interesting sidelights on the present tax revolt. Wheat and cotton slipped near their present low levels. Then, as now, the farm States had seen a prolonged period of low agricultural prices.

The West and the South in 1896 complained against interest rates, transportation costs, high taxes, and tight money. The same thing is true to-day. Cheaper money bills are pending in both branches of Congress. The senior Senator from Minnesota, Mr. SHIPSTEAD, received nearly 3,000 letters applauding a radio speech made three weeks ago to-night over this hook up, in which he diagnosed these various farm State ills.

Democracy behaved in 1896 much as it has behaved in the past few days in the House. The campaign was fought in the departing shadow of depression. The rank and file in the Democratic convention in 1896 rejected continuance of the Cleveland type of conservative party leadership, just as now in Congress, the Democratic majority has turned its back upon its leaders on the sales-tax issue. The rank and file in the House to-day has rejected similarly conservative leadership outside of Congress, vested in John J. Raskob, Bernard Baruch, and Jouett Shouse. In place of these Democratic leaders' plan to rival the Republican Party as the true friend of business and finance, the party majority in Congress has struck up a flirtation with western progressives and eastern liberals, and has plastered income taxes upon millionaires and corporations. It now poses besides Northwest insurgents, LAGUARDIA, and cotton Congressmen as the champion of little business, the farmer and the labor classes of the cities.

The Populists and free-silver Republicans went bodily over to the Democrats in 1896. Cheap money was the big issue. But taxes, although especially a State and local burden, also figured then. The Populists sponsored the present Federal income-tax systems, and for that Joseph Choate called them anarchists. The agrarians also demanded inheritance taxes. And now the heads of the three biggest farm organizations have joined in the successful assault upon the sales tax.

The parallel of 1896 with 1932 can not now be carried farther. The news of next November can not be written in advance. But if the Democrats' behavior in Congress should be ratified by the Democratic National Convention in June, then the Democratic Party would be the liberal party in the next campaign. The sales-tax revolt also has been interpreted here as a blow to conservative Democratic elements allied in the drive to prevent the nomination of Franklin D. Roosevelt. He has the backing of many liberal Democrats, including some leading sales-tax foes, with prospects that the Democratic campaign may take on a strongly progressive slant, there are broad hints of backing from Farmer-Laborites and Non-Partisan Leaguers.

Carrying out the parallel of 1896 would forecast Democratic defeat this year, just as Bryan was beaten. And it is true that Republican spokesmen foresee Democratic tactics in the House as likely to frighten and alienate substantial business and financial interests, herding these interests solidly into the Republican fold. They read in the stars another Hoover victory.

But hard-boiled politicians are mistrustful of political parallels. They sense that history never quite repeats itself. The Democratic convention is nearly three months away. Free silver is not in the cards as the issue. No Democratic candidate in sight could or would dramatize cheap money as Bryan did, and no probable Democratic choice is likely to swing so far toward the insurgents as Bryan did in 1896, especially since Alfalfa Bill Murray took the count in North Dakota against Roosevelt. Moreover, unlike 1896, the Democratic Party this year will not carry the burden of depression. Senator REED addressed PAT HARRISON one day in the Senate and said: "The Senator is getting ready to tell the voters that all of this depression is due the Republicans." "No," answered HARRISON, "but I will tell them about 99 per cent of it is." The Democrats will use that kind of ammunition. On the other hand, the administration hopes its plans will lift the cloud of hard times before election day.

Nevertheless, the sales-tax defeat puts the Democratic Party at the parting of the ways. One way is the conservative path of Judge Parker, Jimmie COX, John W. Davis, GARNER, Raskob, Shouse, and Baruch. The other is the liberal path taken by the party with Old Hickory Jackson and with Bryan. Such, on the basis of the sales-tax defeat, is the party's choice.

AMENDMENT OF TARIFF ACT OF 1930

The Senate resumed the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

Mr. CONNALLY. Mr. President, on yesterday afternoon the senior Senator from Ohio [Mr. FESS] delivered an elaborate address in this Chamber in which he not only denounced the pending measure in all of its provisions but made an exhaustive defense of the Smoot-Hawley Tariff Act and the background of that measure, covering the history of the Republican tariff protective policy for the past 40 years. When the Senate recessed last night I was undertaking to make a feeble response to the Senator from Ohio [Mr.

Press]. Since that time there has appeared in the press perhaps a much abler reply to the Senator from Ohio than any which I can make, and I desire to have the clerk read, in my time, a report from this morning's press entitled "Americans in Paris Seek United States Trade Aid." I invite the attention of the Senator from Ohio, who has just entered the Chamber, to this article.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The Chief Clerk read as follows:

AMERICANS IN PARIS SEEK UNITED STATES TRADE AID—RESOLUTION ADOPTED URGING HOOVER TO ACT IN FRENCH IMPORTS LIMITING

PARIS, March 30.—The American Chamber of Commerce sought to-day to enlist the intervention of President Hoover against the French quota system of restricting American imports.

An appeal for action "to obtain relief for American trade" from the French system, which some members said is ruining business, was adopted by the chamber.

Harold Smith, representative in Europe of Will Hays, head of the American motion-picture industry, said American business men were thoroughly aroused.

"The chamber unanimously adopted a resolution requesting Ambassador Edge to invite the attention of the American Government and President Hoover to the situation created by the quota policy of the French Government," Mr. Smith said, "and to indicate to Mr. Hoover the urgent necessity of taking action deemed proper to obtain relief for American trade."

The resolution would be presented to Ambassador Walter E. Edge within the next two days for transmission to Washington, Mr. Smith said. It was adopted in one of the largest sessions of the chamber of commerce in years.

The appeal was described as a last resort of American business men, two representations direct to Louis Rollin, French Minister of Commerce, and numerous letters having failed.

"Partial embargoes under quotas enforced overnight leave the future of business uncertain to make it impossible for importers of American products to carry on," Mr. Smith said. "There is no discrimination against French products by the United States that justifies reprisals against the Americans."

Meanwhile, decrees further limiting American imports were published in the French Government's official journal. They bar American finished woods, such as oak flooring and similar products, from France until January 1, 1933, and common woods until July 1, 1932. Exhausted import quotas were given as the reason.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. CONNALLY. I yield.

Mr. McKELLAR. The Senator from Texas spoke of the defense of the Hawley-Smoot tariff law by the distinguished senior Senator from Ohio. In view of the frightful damage that that law has done to American trade and commerce, does not the Senator from Texas think that it needed some defense on the part of the Senator from Ohio or on the part of some other Republican?

Mr. CONNALLY. I thank the Senator from Tennessee for the suggestion. Evidently the Senator from Ohio had that view or else he would not have exercised his brilliant energies for some hours yesterday in making a defense of that act.

Mr. FESS. Mr. President——

Mr. CONNALLY. I now yield to the Senator from Ohio.

Mr. FESS. I listened to the reading of the dispatch sent to the desk by the Senator from Texas. It protests against discrimination. That evidently means that the French Government is applying certain regulations against goods coming from the United States that are not applied to goods coming from other countries. That is a proper basis for a protest. The dispatch states, however, that there is no discrimination on the part of the United States against France which would justify any such course. Consequently I do not know why the Senator from Texas asks the Senator from Ohio to listen to the reading of the article. He certainly will agree with it.

Mr. CONNALLY. Mr. President, does the Senator from Ohio care to have me yield to him further?

Mr. FESS. No.

Mr. CONNALLY. Mr. President, I invited the attention of the Sentor from Ohio to the reading of the article because I assumed he was interested in everything which affected American trade and commerce abroad, and, knowing how sedulously he devotes himself to the public interest, it occurred to me that probably he had not had an opportunity to read the morning newspaper. For that reason I wanted him to have the information which that article discloses.

My further purpose in inviting the attention of the Senator from Ohio to the article was that, irrespective of whether or not the quota system as now applied by France is discriminatory against American products, I wanted to impress the Senator with the fact that, as a result of the very tariff policies which on yesterday he was advocating so earnestly, the United States is now confronted with a system of discrimination, if it be desired to call it such, but, at any rate, with a system whereby, in retaliation as against American tariff policies, we are finding the whole world in economic arms against the people and the commerce of the United States.

Mr. FESS. Mr. President, will the Senator from Texas yield to me further?

The VICE PRESIDENT. Does the Senator from Texas further yield to the Senator from Ohio?

Mr. CONNALLY. I yield to the Senator.

Mr. FESS. This country has always been against the export-quota policy. We were in a conference last year on the subject of wheat. All the Balkan countries wanted to adopt that policy while we were uncompromisingly against it. We took the position that the only thing we could do was to reduce the production of wheat, but those countries said, "We do not produce enough wheat and therefore we can not agree to that." Consequently, what the Senator from Texas is suggesting proves the confusion we would be bound to get into if we should resort to his plan of an international conference on economic questions.

Mr. CONNALLY. The Senator suggests that if we should have an international conference, we would get into confusion. I suggest that the article which has just been read points out the confusion we shall get into if we do not have such a conference, because we are not now engaged in that sort of a policy, and yet we find the whole world up in economic arms against the commerce and the people of the United States.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I yield.

Mr. WALSH of Montana. My attention was called, Mr. President, to an article in the newspapers, having a Paris date line of March 23, dealing with this very same subject, and to the concluding paragraph of the article I invite the attention of the Senator from Ohio. It is as follows:

The French example is being followed by other nations, Switzerland being the latest to announce that similar measures will be taken to protect her industries. One of the Swiss quota measures is aimed at American motor cars as a powerful bargaining lever with which to pry open markets for Swiss watches, small machinery, and dairy products.

In other words, as a retaliatory measure, instead of raising their tariff they are resorting to the quota system.

Mr. CONNALLY. I thank the Senator from Montana for his contribution. Allow me to suggest to the Senator from Ohio and the Senator from Montana that I hold in my hand a clipping from the New York Times of Sunday, March 27, entitled "Tariff Walls Rise as World Trade Falls." I shall not at this time undertake to discuss the article in detail, but it is pertinent to call attention to it at this particular juncture in view of the interjection of the Senator from Montana.

Mr. FESS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. FESS. The Senator will recall that that article was inserted in the RECORD.

Mr. CONNALLY. I do recall it.

Mr. FESS. I myself read the article on Sunday.

Mr. CONNALLY. I am glad to know that the Senator has even got to the point where he devotes his Sabbath to worshiping at the shrine of the tariff. He spends his time on Sunday reading tariff literature, and I congratulate him.

Mr. President, the Senator from Ohio was the proper orator to make the speech that he submitted to the Senate on yesterday; he was the proper orator, because he was enabled to speak in three different characters. He was able to speak as the chairman of the Republican National Committee; he was entitled to speak as the keynote speaker of the Republican convention in 1928, which nominated a candidate whose administration, after the party's victory at the polls, was responsible for the enactment of the Smoot-Hawley Tariff Act. Then, further, he is entitled to speak as one of the Senators who was active in the adoption of that measure on the floor of this Chamber.

Mr. President, one of the ironies of the situation is that the American ambassador to France, Mr. Edge, to whom Americans in Paris are now appealing for aid to relieve them from discriminations, from the trade barriers, from the quota restrictions which France has adopted in retaliation against our tariff policy, particularly the policy as enunciated in the Smoot-Hawley Act of 1930, was here in the Senate at the time that bill was enacted; he was a member of the Finance Committee and was chairman of one of the subcommittees of that committee which had to do with the framing of the present tariff act. Imagine how strongly Mr. Edge is armed when he goes to the French Foreign Office or to the French ministry dealing with foreign trade and the French remind him that he, as a member of the American Senate, along with the Senator from Ohio and the Senator from Indiana, was one of the chief actors in adopting tariff policies which have aroused the resentment and the opposition and the retaliation of people all over the world.

I want to remind the Senator from Ohio that the one great achievement of the present administration is the Hawley-Smoot tariff bill. The Senator from Ohio smiles because I hesitate in my pronunciation of the name of the act.

I will admit that the present tariff law shocks me when I think of it, and that is responsible for my hesitation in uttering the name by which it is known. [Laughter.] However, Mr. President, the one achievement of this administration is the Hawley-Smoot Tariff Act. Point out to me one major performance of this administration looking to the alleviation of world conditions except this tariff measure. Recent measures which have been adopted have been proclaimed as nonpartisan. The administration will not claim, until the campaign opens up perhaps, credit for those measures if they are successful. If they are not successful it will probably be claimed that they are nonpartisan.

Mr. President, the Senator from Ohio as the keynoter of the Republican convention in 1928, among other things said the following:

> The vital concern of Republican policies is to establish and maintain a high standard of living among all classes of our population. The ruling ambition of Republican leadership is to insure the maximum prosperity of all our people, and especially of those employed in agriculture and industry.

At the expense of repeating what has been said in this Chamber on a number of occasions, but as a predicate for what I shall undertake to submit a little later, I want to revert to the fact that the Senator from Ohio yesterday, when he outlined the traditional Republican protective-tariff policy, was but reiterating a claim which Republicans for 40 years have made, and that is that the Republican Party is the party of prosperity and the Democratic Party is the party of disaster. In many of their campaigns that fraudulent pretext has been successful. It has on a number of occasions deluded the people into believing that it was true.

I desire to quote very briefly from the platforms of the Republican Party in 1920, 1924, and 1928 as revealing the modern doctrine of that party with reference to prosperity and the tariff.

In 1920 the platform, among other things, said:

> But the Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

They always put labor first. They are always so greatly concerned about the laboring man—during the campaign.

Further, the same platform, among the other purposes of the party, stated:

> Finally, to allay unrest, suspicion, and strife, and to secure the cooperation and unity of all citizens in the solution of the complex problems of the day—

To what end?

> to the end that our country, happy and prosperous, proud of its past, sure of itself and of its institutions, may look forward with confidence to the future.

In 1920 the party was uncertain. It did not know whether the tariff ought to be revised or not; but in 1924 the platform of the Republican Party said:

> It is the history of the Nation that the protective system has ever justified itself by promoting industrial activity and employment, enormously increasing our purchasing power, restoring confidence, and bringing increased prosperity to all.

Again the doctrine of the tariff and prosperity; the tariff as the one panacea for all of our ills; the policy that the Republican Party will guarantee prosperity when we have it with us, and will restore it when we have it not!

In 1928, I can hear the Senator's ringing voice stirring that convention while the resolutions committee was preparing this platform. It states that under Republican policies—

> the foundations have been laid and the greatness and prosperity of the country firmly established. * * *
>
> No better guaranty of prosperity and contentment among all our people at home, no more reliable warranty of protection and promotion of American interests abroad can be given than the pledge to maintain and continue the Coolidge policies. This promise—

I want to remind the Senator of this—

> This promise we give and will faithfully perform.
>
> Under this administration the country has been lifted from the depths of a great depression—

That was in 1928—

> to a level of prosperity. Economy has been raised to the dignity of a principle of government. * * *
>
> For the Republican Party we are justified in claiming a major share of the credit for the position which the United States occupies to-day as the most favored nation on the globe, but it is well to remember that the confidence and prosperity which we enjoy can be shattered, if not destroyed. * * *
>
> The record of the present administration is a guaranty of what may be expected of the next. Our words have been made deeds. We offer not promises but accomplishments.

In 1928, according to the Senator from Ohio [Mr. FESS], according to the platform of the Republican convention, this country was prosperous and happy. That party pledged that that prosperity and happiness would be continued under its policies. I submit that the only contribution which that party has made to carry out that promise has been the passage of the Smoot-Hawley tariff bill; and what has been the result of that bill? I do not attribute all of the world's ills to that bill alone; but I submit that at the time we took up consideration of that bill our country was fairly prosperous, with the exception of agriculture. Before that bill was finally enacted we were plunged into one of the deepest periods of depression which has visited our country in the past half century.

If the Republican Party, under the leadership of the Senator from Ohio, has the power to restore prosperity, upon behalf of suffering Americans, I call upon him to restore it. If the Senator from Ohio and his party have the power to continue prosperity when we have it with us, I call upon him to continue the relative prosperity which we enjoyed in 1929.

Mr. President, the Senator from Ohio is close to the White House. The Senator from Ohio is an intimate of the President. The Senator from Ohio has the faculty, no matter who is President, of being his intimate, provided he belongs to the Republican Party. So I call upon the Senator from Ohio, as the legislative champion of the administration on this floor, to bring forth his remedies for the present condition. I call upon him, in his contacts with the President, to implore the Executive power to carry out the promises solemnly made in 1928—solemnly made, if not seriously made.

Mr. President, on yesterday the Senator from Ohio made some reference to demagogy and wholly denounced it. There never was a greater piece of demagogy in the history of this Republic than this oft-repeated pretense that the Republican Party stands in its policies as an agent of prosperity, and that the Democratic Party is one of disaster. There never was a greater fraud practiced upon the people of the United States than that the Republican Party, by the protective tariff, possesses some magic power of creating and maintaining prosperity.

You have made that pledge. That pledge either ought to be redeemed or those who made it ought to be repudiated by the American people as either not possessing the power which they pretended to possess, or betraying the trust of the American people.

Everywhere throughout the world, as I suggested a little while ago, as the result of the passage of the Smoot-Hawley tariff bill, there have been lifted up against our trade and commerce higher and yet higher and yet higher tariff barriers.

Mr. LOGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. I am wondering if the Senator from Texas is not a little severe upon the Senator from Ohio. Whatever he says about the tariff or anything else, of course, must be treated ex cathedra, and the Senator has said that. The Republican Party, however, overlooked one thing in connection with their tariff theories that the Senator has not touched upon; and I doubt whether he should hold them severely responsible for forgetting something. They should have obtained a patent on the tariff, so that it should not be used by other countries, and they would have been all right; but they did not do that.

Mr. CONNALLY. I thank the Senator for his suggestion. If the Republican Party could, through the process of the tariff, acquire a monopoly of controlling the tariffs of the world, as its favorites have been able to obtain a monopoly of many lines of business under the operation of the protective tariff, the suggestion of the Senator from Kentucky would be entirely in point, and they would lift up a prohibition against other countries retaliating. However, while we here in Congress may pass Republican tariff acts, other countries have the same power to enact their tariffs; and so long as we pursue a theory of economic isolation, so long as we undertake to draw ourselves within our own shells, economically speaking, the rest of the world can be expected to retaliate wherever it is possible to retaliate in behalf of their own trade and commerce.

Under the direction of the President, we maintain in the Department of Commerce a bureau known as the Bureau of Foreign and Domestic Commerce. We are spending millions of dollars to maintain the agents of that bureau all over the world, undertaking to stimulate American exports, undertaking to sell American goods abroad. Yet, in the face of the expenditure of all of those millions, we encourage retaliations by foreign countries; we encourage their failure to buy American goods by this selfish and narrow policy of economic isolation under which we build up our high tariff walls.

Under the operation of the Smoot-Hawley tariff, our exports have steadily declined since 1929.

In 1929 the exports of American goods amounted to $5,241,000,000, and imports for the same period were $4,299,000,000.

In 1930 the exports of America were $3,842,000,000. The imports were $3,061,000,000.

In 1931 our exports had fallen to the point of $2,424,000,000, and our imports to $2,090,000,000.

Within two short years the exports of American goods had been cut in half. Why? If we can not sell our goods in foreign markets, we can not export them; and if foreign governments lift up their tariff walls so high that those goods can not get over them, American exports are going to be congested, and remain here at home.

But, Mr. President, in 1922 the Congress of the United States, under Republican leadership, enacted the Fordney-McCumber bill. As a part of that policy it adopted what is known as the flexible tariff provision. In 1929–30, in the Smoot-Hawley bill, that provision was carried forward and elaborated and broadened.

The Senator from Ohio on yesterday devoted much of his time to a defense of the flexible tariff provision. One of the main purposes of the pending bill is to afford the country such relief as is possible from the tariff burdens and exactions under which we particularly are suffering, and indirectly under which the people of the earth are suffering.

It is impossible at this time, Senators, to secure the repeal or modification of any of the rates in the Smoot-Hawley tariff bill. While Democrats are in control of the House of Representatives, and could pass such a measure through that body, the Senate is still in control of the Republicans and Mr. Hoover is still in the White House. We realize that any tariff act lowering rates or seeking adjustments or accommodations of rates would be vetoed by the President of the United States; so what is the next best remedy that the Democrats of the Congress are offering to the country?

We propose in this bill first to restore to the Congress of the United States, the lawmaking branch, the power to fix tariff taxation. Secondly, in view of this condition of higher tariffs throughout the world, created and aggravated under the leadership and example of the United States, we propose that there be called an international conference to discuss these matters around the table in an effort to seek a reconciliation of views and to adjust, through reciprocal trade arrangements, measures in behalf of world trade.

Third, this bill proposes the appointment of a consumers' counsel to appear before the Tariff Commission and aid it in its investigations.

Mr. President, under this bill we propose a modification or an amendment of the flexible tariff provision. In all of the wildest dreams of the Republican protective policy, it was never proposed in the history of this Republic that Congress hand over to the President the power to fix tariff rates, until it was embodied in the act of 1922. At that time it was proposed, not as a measure of permanent adoption; it was proposed as a temporary expedient.

Senator McCumber, in charge of the bill on the floor of the Senate, seeking to secure the adoption of that particular provision, said:

> Now I want to say a word upon the other proposition. I agree with the Senator from New Mexico that this is something in the nature of an emergency measure, to meet conditions which may arise in the near future, and before prices become stabilized throughout the world.

Listen to the chairman of the Republican finance committee speaking of the flexible provision of 1922:

> I would not want this provision to remain a part of our laws for any greater length of time than would be necessary, and that would be determined, in my opinion, by the length of time that would elapse before conditions return to a normal state.

Under the exigencies of postwar conditions, Republicans on this floor and in the House adopted the flexible tariff provision merely as a temporary expedient, avowing that they did not favor its retention as a permanent policy. But by the time the Smoot-Hawley tariff bill came along, they had so far modified their views that they not only favored its retention, but they broadened its provisions, and undertook to fix it more firmly and more permanently in the system of tariff making in the laws of the United States.

Mr. President, it is my view that there is no constitutional warrant on which either the flexible tariff provision of 1922 or that of 1930 may honestly and fairly rest. It will be remembered that in 1922 the flexible provision, turning over to the President the power to modify and adjust rates, was defended upon the authority of the case of Field against Clark, reported in One hundred and forty-third United States Supreme Court Reports. I submit to the candid judgment of every lawyer in this Chamber that the opinion in the case of Field against Clark does not justify the con-

clusion that article 315 of the tariff act of 1922 is within constitutional warrant.

The case of Field against Clark was based upon an act of Congress, the tariff act of 1890. In that act it was provided that in the case of agricultural articles, including sugar, coffee, and some other articles which were admitted free of duty into the United States, in the event the countries from which those articles came should adopt discriminatory duties against American agricultural products, the President would then have authority to put into effect certain specified rates against those particular countries.

Mr. President, the act of 1890 left nothing to the President's discretion or judgment. All that it left to the President's decision was the ascertainment of a simple fact, as to whether or not certain countries imposed discriminatory tariffs on American agricultural products; and in the event he should so find, he was authorized to issue a proclamation putting into effect certain definite, clear-cut rates which were fixed in the measure itself.

Under that act the President could not raise a tariff duty 1 farthing; he could not lower a tariff duty 1 cent. The only thing he had power to do was to determine a fact. So, in the case of Field against Clark, the court held:

> That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution.

Mr. President, that doctrine is just as sound to-day as it was then. It is just as necessary to-day as it was then, to maintain the constitutional powers of the various branches of the Government. The court proceeded:

> The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not, in any real sense, invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, coffee, tea, and hides Congress itself determined that the provision of the act of October 1, 1890, permitting the free introduction of such articles, should be suspended as to any country producing and exporting them, that imposed exactions and duties on the agricultural and other products of the United States, which the President deemed; that is, which he found to be reciprocally unequal and unreasonable. Congress itself prescribed, in advance, the duties to be levied, collected, and paid on sugar, molasses, coffee, tea, or hides produced by or exported from such designated country while the suspension lasted.

I would have Senators give heed to this language:

> Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words "he may deem," of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides and form a judgment as to whether they were reciprocally equal and reasonable or the contrary in their effect upon American products. But when he ascertained the fact that duties and exactions, reciprocally unequal and unreasonable, were imposed upon the agricultural or other products of the United States, it became his duty to issue a proclamation declaring the suspension, as to that country, which Congress had determined should occur.

I quote further:

> "The true distinction," as Judge Ranney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be."

What is a discretion as to what it shall be? When the President has the discretion under the flexible tariff to say whether a rate ought to be 75 cents or a dollar on any particular item, that is discretion, that is judgment; that is not a fact.

> "The true distinction," as Judge Ranney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made."

Mr. President, the case of Field against Clark, instead of affording a basis upon which the flexible tariff provision can rest, is an excellent authority for the statement that it contravenes that contention and is authority for the fact that no power can be given to the President which involves an exercise of his judgment or discretion.

It holds that Congress can delegate to the President the mere power to find a fact. In the case of the tariff act of 1890, all that the President had to do in ascertaining the fact was to open the law books of foreign countries, to see whether there was written any tariff or duty against American agricultural products. No matter what the duty might be, so long as that duty discriminated against American agricultural products, all the President had to do was to find that fact, and then enforce certain specific, well-defined duties already laid out and specified in the law itself.

Mr. President, using that as a basis, in 1930 Congress adopted section 336 of the present tariff law. I want to quote briefly from that section. That is the section which the pending bill amends and modifies. It reads:

> Change of classification or duties: In order to put into force and effect the policy of Congress by this act intended, the commission—

Meaning the Tariff Commission—

> (1) Upon request of the President, or (2) upon resolution of either or both Houses of Congress, or (3) upon its own motion—

Shall make investigation, and so forth. Then it provides:

> The President shall by proclamation approve the rates of duty and changes in classification and in basis of value specified in any report of the commission under this section, if in his judgment such rates of duty and changes are shown by such investigation of the commission to be necessary to equalize such differences in costs of production.

How is the cost of production to be determined?

The cost of production as defined in this section shall be, first, "transportation costs and other costs incident to delivery to the principal market or markets of the United States for the article; and (C) other relevant factors that constitute an advantage or disadvantage in competition."

Senators, I submit that when we lay down the formula that the President shall find the differences in the costs of production here and abroad, there is one standard. The court, in the case of Hampton against United States, said that that is a mere finding of fact, that the President might ascertain the mere fact of the differences in the costs of production. But when Congress goes further than that, when Congress by this solemn declaration adds other facts, "other relevant factors that constitute an advantage or disadvantage in competition," it empowers the President not simply to find a fact, but it gives him authority to legislate, it gives the President the power to decide what are other relevant factors.

That decision involves the exercise of discretion, it involves the exercise of the human will, it involves the exercise, of course, of the understanding, and of argument and of logic. After the President has decided what are other relevant factors, not according to the standards of Congress but according to his own standards, according to his own selection, he may then go farther. It provides he may consider "other relevant factors that constitute an advantage or a disadvantage."

Who is to decide whether a certain thing is an advantage or a disadvantage? By the Smoot-Hawley Act the President is to decide that question. Congress remits to the presidential mind the power to determine, by the exercise of judgment and of discretion, whether or not a certain element is an advantage or a disadvantage.

Mr. President, I submit that goes to the very heart of the legislative power. That goes into the very vitals of the powers which the Congress exercises when it legislates. It uses judgment. It uses discretion. It uses its will. In legislating on matters of taxation the power of the Congress is not restrained by any limitation. It may levy a tax through caprice. It may levy a tax that will absolutely confiscate property, because it has been well said that the power to tax is the power to destroy. In the language of the existing act Congress has committed to the President not simply the power of finding of a fact as to what are the differences in the cost of production at home and abroad, but it has invested him with the authority to go out into the field whenever he desires to go and find such relevant factors as to his mind may constitute either an advantage or a dis-

advantage. That same rule is applied in the case of foreign articles as well as domestic articles.

The President is permitted farther on in another section of the act to determine in making up the cost of production, first, the price or cost of material and other direct charges and, secondly, the "usual general expenses." What are the usual general expenses? Who determines what are the usual general expenses that go into the cost of an article? Does the Congress decide it? Under this act the President decides it. It is sent to the President to determine. What are the usual general expenses? The Senator from Alabama [Mr. BANKHEAD], who honors me with his attention, might regard one particular item as a usual general expense, and the Senator from New Mexico [Mr. BRATTON], who likewise honors me, might consider that some other item was included in the usual general expenses. To make a choice between these particular points of view involves presidential discretion, involves the exercise of a presidential will. Those practices go to the very heart of the power to legislate.

Those who undertake to support the flexible tariff act of 1922 rely upon the decision of the Supreme Court in the case of Hampton against United States, reported in Two hundred and seventy-sixth United States Reports, at page 480. The court supported the delegated authority to determine the difference in cost of production here and abroad on the theory that the President was only finding a fact. It announced as doctrine, however, as follows, quoting from the case of Interstate Commerce Commission *v.* Goodrich Transit Co. (224 U. S.), as follows:

> The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and to the investigation of facts, with a view of making orders in a particular matter within rules laid down by the Congress.

Acting upon that assumption, the court supported that portion of the flexible tariff act of 1922 which went purely to the difference of the cost in production at home and abroad.

But there are more recent decisions with reference to the act of 1922 and with reference to the act of 1930. The United States Customs Court, whose particular jurisdiction deals with tariff matters, in two outstanding opinions within the past year has held unconstitutional certain portions of both the act of 1922 and the act of 1930. I want to invite the attention of the Senate to an opinion of the Customs Court in the case of Fox River Butter Co. against the United States, Treasury Decision 44667. The judge rendering the opinion in this case is none other than former Congressman George M. Young, of North Dakota. He was a Republican Member of the Congress and a member of the Ways and Means Committee of the House. He was later appointed to the Customs Court. Judge Young, in passing upon section 315 of the act of 1922, held that the President in this particular case exceeded the authority which was undertaken to be granted in that particular section. In this case the paragraph of the tariff act provided:

> Cheese and substitutes therefor, 5 cents per pound, but not less than 25 per centum ad valorem.

Acting under the tariff act of 1922 the President undertook to modify that provision, and this is what the President proclaimed:

> Cheese by whatever name known, having the eye formation characteristic of the Swiss or Emmenthaler type, * * * 7½ cents per pound, but not less than 37½ per cent ad valorem.

In other words, Congress laid down a particular tariff duty on all cheese of all kinds. Cheese of any kind had a certain definite rate. The President undertook, under the act of 1922 and the flexible provision thereof, where the power is supposed to be given him to reclassify, to make a classification of cheese and fix a different rate upon Swiss cheese from that which was paid by other cheese. The court held that that sort of a grant by Congress was unconstitutional and struck down that particular part of section 315 which sought to give the power to the President to change the classification of an article. I want to read very briefly from that decision. Judge Young said:

> The delegation sustained in Hampton *v.* U. S.—

And that is the decision which I read a moment ago, which is relied upon for sustaining the constitutionality of section 315—

> to which the language of the opinion in that case solely relates, was the part of the so-called cost-difference formula which affected tariff rates, based on the assumption that Congress in its statutory rates met cost differences and that the President's action was merely to conform them to that standard by making necessary adjustments to that end.

What did the court say? The court recognizes that this transfer of authority to the President is a mere fiction. It recognizes that when Congress passes over this power to the President, while it may be sustained in so far as cost differences are concerned, yet it is a real delegation of the power to legislate. The court said:

> By the legal fiction that the President was merely carrying out the intelligent plan and purpose of Congress in keeping rates adjusted to the cost-difference idea, either by finding what many persons (we think erroneously) believe to be mere facts and not judgments, or by making so-called findings in conformity with the cost difference "purpose and plan," the case of Hampton against United States (276 U. S. 394) sustained as constitutional that part of the statute actually involved therein.

All that was involved in the Hampton case was purely the cost-difference formula. It did not reach the classification. It did not reach the other elements that are in the act of 1930. Listen to the court:

> That doctrine may be made to conform, in the Supreme Court's view—

Not in their view, but in the Supreme Court's view—

> to dealing with tariff rates by executive raising and lowering them, according to the so-called standard; and, in that view, may be treated as consistent with our constitutional division of powers. But it can not in any view be applied to writing a new tariff act by changing the language of the law. The minute the President does that he goes into a new field, proceeds a thousand times farther than changing rates to meet cost difference. When one writes new language, strikes out and inserts, writes new paragraphs (as is done above), he manifestly legislates. He makes new law.

The Senator from Ohio [Mr. FESS] was associated in Congress with the man who wrote that opinion holding unconstitutional a part of the act of 1922, George M. Young, of the Customs Court in New York:

> The simplest man on the street can see, without instructions from any court, that when the President does that he legislates. Most people know that the Constitution reposes that dangerous and heavy responsibility upon the Senators and Representatives whom the people elect in their States, no matter with what zeal Congress may seek to avoid the responsibility, and pass this delicate trust on to the President. That is hardly an arguable proposition. It is difficult to support a self-evident proposition by argument. Either one sees it or his eyes are blind to the self-evident facts. No legal fiction can camouflage it.

Mr. President, I read no further from that opinion, but that opinion announces in clear and unequivocal language that section 315 of the act of 1922, when it undertakes to go beyond the mere authority of the President to find the differences in cost of production, exceeds the constitutional warrant. The President under that act undertook to do what the court now says was beyond his power.

I want to call attention briefly to one other decision to the same general effect. The United States Customs Court, sitting in New York, in the case of Harry Blandamer against the United States, Treasury Decision 45083, quotes with approval the decision which I have just read to the Senate. The opinion in this case was written by Judge Tilson, a brother of a former Republican floor leader of the House of Representatives. Judge Tilson was nominated by the President of the United States to be Federal district judge in Georgia. Later he was appointed to the United States Customs Court in New York.

In this particular case, acting under the tariff act of 1922, the President undertook to promulgate regulations with regard to the duties on straw hats. There was a general clause in the tariff act providing for a certain rate of duty on straw hats. The President, acting under what he thought

was his authority, undertook to make a reclassification of straw hats by which those selling for less than $9.50 per dozen should bear one rate and those selling for more than $9.50 per dozen should bear another rate. This action was based upon the theory that the President had the power under that act to make tariff classifications. What does the court say? I quote from Judge Tilson's opinion:

The present case can not be treated as if the Constitution contained a grant of power to the Executive to levy new tariff taxes. There is no such grant in the Constitution. On the contrary, legislative power to tax, as well as the initiation of revenue bills, is expressly granted to Congress alone.

It is true that the Supreme Court has held in the Hampton case, supra, that Congress may direct the President to keep the rates of tariff taxation, passed by Congress, conformed to ever-changing cost differences at home and abroad, provided Congress intelligently stated such purpose to have him so change them. So far, then, as the President can act at all his power of thus adjusting congressional rates to supposed cost differences is entirely implied. There is no express constitutional grant at all to him.

Mr. President, the court then proceeds to hold that that portion of the flexible provision of the tariff act of 1922, known as section 315, is unconstitutional in so far as it undertakes to give the President any power to do anything except merely to determine the mathematics of the difference between the cost of production at home and abroad.

I quote briefly from another decision of the Court of Customs at New York. This decision, which was handed down only a few days ago and has not as yet been published, was rendered in the case of Sears, Roebuck & Co. against the United States by the chief judge presiding, Judge Fischer. The court holds that section 336 of the present act is unconstitutional in so far as it undertakes to do anything more than to warrant the President in finding the differences in cost of production here and abroad. Quoting Judge Fischer:

We therefore—

Speaking of the constitutional question involved in the case—

We therefore regard the constitutional question here presented as one of the very first magnitude, in that it deals with the exercise of the most far-reaching of governmental powers. Chief Justice Marshall did not overestimate its importance when he declared, in McCulloch *v.* Maryland, "that the power to tax involves the power to destroy; that the power to destroy may defeat and render useless the power to create."

But, realizing—

Quoting the decision of the Customs Court—

But, realizing that such mighty power must unavoidably reside somewhere in government, and to insure the people against its possible misuse, the framers of the Constitution have vigilantly and jealously safeguarded it by depositing it in a Congress of the people's own chosen Representatives, and nowhere else, requiring that its exercise be initiated in the popular branch of that assembly.

They were deeply conscious of the long and bitter struggle to prevent its exercise by executive fiat—a controversy which dated back to 1641, when the Long Parliament, under Charles I, had abolished "ship money," thereby overturning the decision in Rex against Hampden, wherein the patriot, John Hampden, was held convicted of resisting the kingly prerogative exercised in the levy of ship money. Accordingly, with full knowledge of that long-continued struggle for the maintenance of that principle of law, the framers of the Constitution, in the Constitutional Convention held at Philadelphia, wrote into the supreme law of the land—

Here the court quotes, and here I desire to quote, Article I, section 1, of the Constitution.

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Quoting the court further:

All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

And finally:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises.

Mr. President, the court then declares that it approves the decision in the Fox River butter case, which was read a moment ago, and then states:

However, if the President is to exercise the power thus sought to be conferred upon him, necessarily he first must be able to positively identify the particular paragraphs which Congress intended should apply to the article for which reclassification is desired. It would scarcely do to insert new words in or add to or rewrite the phraseology of the wrong paragraph. Therefore the President may find himself called upon to act in a threefold capacity.

As a judge he must construe and interpret the law as congressionally enacted with at least the same degree of accuracy and finality of decision as would or could the highest judicial tribunal. As the designated congressional delegate he must infallibly know the legislative changes he is supposed to make. And as President he stands committed by his oath to see that all Federal laws, including that which he himself has written, are duly executed. In a word, he would personify at one and the same time all three branches of the Government—the judicial, legislative, and executive.

I quote further briefly from the court when it says:

The grave and serious consequences above pointed out demonstrate the unconstitutionality of the words in section 336 of the tariff act of 1930 which attempt to delegate to the President the power to classify imported articles for taxation by writing new provisions into the law. This is true irrespective of the particular words used by the President in the proclamation before the court. Questions of constitutional power depend on what can be done under the power and not what has been done in the case at bar.

Citing authorities.

Hear me, Senators. I am honored by the presence of the junior Senator from California [Mr. SHORTRIDGE], a man of great legal learning and one who possesses great respect for the Constitution and its limitations. I ask him to hear me. I am quoting from the decision of Judge Tilson of the Customs Court at New York.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me to interrupt him for a moment?

The PRESIDING OFFICER (Mr. BARBOUR in the chair). Does the Senator from Texas yield to the Senator from California?

Mr. CONNALLY. I am glad to yield to the Senator.

Mr. SHORTRIDGE. Is the Senator contending that the legislation we have enacted is unconstitutional?

Mr. CONNALLY. I answer the Senator that I am, and I am quoting the court that holds it to be unconstitutional.

Mr. SHORTRIDGE. Has the Senator devoted his attention to the case of Hampton & Co. against United States?

Mr. CONNALLY. I am sorry the Senator was not here earlier, when I referred to that case.

Mr. SHORTRIDGE. That was, as I understand, a unanimous decision of the Supreme Court of the United States, the opinion being written by the Chief Justice.

Mr. CONNALLY. I referred to that case and quoted from it to the Senate earlier in my statement, I will say to the Senator from California, and if he had been present, or if he would consult the decisions of the Customs Court, which I was undertaking to bring to the attention of the Senate, he would know that the Customs Court points out that the Hampton case only dealt with the one feature of the act which involved the power of the President to find a fact; that is, the difference in the cost of production at home and abroad. The court follows the Hampton case. The court in these cases follows the Hampton case, although, reading between the lines of the opinion, it looks as though it reluctantly follows the Hampton case. However, this opinion holds unconstitutional that part of section 336 which goes farther and undertakes to give the President the power to classify merchandise.

In one case the President and the Tariff Commission undertook to carry out that particular authority by reclassifying certain straw hats. There was a fixed rate of duty upon all straw hats. The Tariff Commission and the President undertook to say that straw hats valued at less than $9.50 per dozen should bear one rate of duty and those valued at more than $9.50 per dozen should bear another rate of duty. That action was sought to be justified on the theory that under section 315 the President had the power to classify straw hats and, therefore, he had the right of breaking them up into classifications, but the court says——

Mr. SHORTRIDGE. Mr. President——

Mr. CONNALLY. Just a moment. But the court says that while the President, under the case of Hampton against

The United States, has the power to determine the differences in the cost of production here at home and abroad as to any article, because such determination does not involve judgment or discretion but is purely a mathematical finding—and it is based on that theory, as the Senator well knows——

Mr. SHORTRIDGE. Unquestionably.

Mr. CONNALLY. And the Senator also well knows, if he has consulted the Hampton case, that the court there sustained the delegation of authority on the theory at least that Congress fixes the law and that the President is invested only with the authority to determine a certain fact, namely, whether the production cost of an article is 75 cents in the United States and 50 cents abroad, and that when he finds that particular fact the law enacted by Congress is then applicable to that new state of facts. I now yield to the Senator.

Mr. SHORTRIDGE. In other words, the court held, as I believe, that the law was not a delegation of legislative power, and elaborates its views in the decision referred to.

Mr. CONNALLY. Yes.

Mr. SHORTRIDGE. The President, in the first instance, does not act. He acts after the Tariff Commission has made a study, an investigation, and reported certain findings, which then are brought to the attention of the President. The President may approve those findings, in whole or in part, and, as I understand the decision and the later decisions to which the Senator is now referring, there is in the decisions no denial of the proposition that Congress may delegate such and such powers to ascertain certain facts following the instructions of the statute.

To detain the Senator just a moment further—when the Congress fixed certain duties on imported dried, powdered, and frozen eggs, the Poultry Association of California and the National Poultry Association felt that that duty was insufficient.

The Senator may remember that on my suggestion the Senate called upon the Tariff Commission to make the investigation. They made that investigation and they reported in favor of raising the tariff the full 50 per cent permitted under the statute. The President approved it; but he was not obliged to approve it, nor to accept the findings of the commission as to raising, in effect, the rate the full 50 per cent. He could have said 25 per cent; and, not to argue the matter further——

Mr. CONNALLY. I am glad to yield to the Senator such time as he desires.

Mr. SHORTRIDGE. Not to elaborate, I have contended, and I venture to think still, that this law vesting this power in the Tariff Commission and in the President is not, legally speaking, a delegation of legislative power, any more than an act giving to the railroad commission power to fix rates is a delegation of power; and many other cases could be cited.

Mr. CONNALLY. Right on that point, let me suggest to the Senator from California that there is no real analogy between the delegation to the Interstate Commerce Commission of power to fix rates and a delegation of power with reference to taxation or tariff.

Mr. SHORTRIDGE. The Supreme Court uses that very illustration in support of its decision.

Mr. CONNALLY. I understand; but let me suggest to the Senator from California that the distinction lies here.

Congress has no restraint whatever upon its taxing power. We are not required to levy a reasonable tax. Congress may levy a burdensome tax. It may levy a confiscatory tax. It may levy any sort of tax, even to the point of destroying the object of that taxation. Oleomargarine is suggested by the Senator from Oklahoma [Mr. GORE]. On the other hand, on the question of railroad or utility rates, is not the Senator aware that Congress has not that power?

Congress can not fix a rate that is confiscatory. Congress can not pass through this Chamber an act which would deprive carriers of a reasonable return. That authority is based upon the common-law doctrine that these utilities are entitled to a reasonable return. What is a reasonable rate is not a question of legislative will, or legislative fiat, or legislative edict. It is a judicial matter, to be determined after hearing, as to what is a reasonable rate.

Mr. SHORTRIDGE. Certainly.

Mr. CONNALLY. Therefore that power has been sustained, because necessarily Congress could not in each instance fix a rate and examine each particular rate on utilities throughout the United States; and it has been sustained on the theory that we are not delegating any legislative power, but we are committing to the Interstate Commerce Commission the mere right to determine what is a reasonable rate. If Congress should enact a rate which was not reasonable, the carriers would have recourse to the Federal courts, and that rate could be enjoined.

There is the distinction between the legislative power to tax, which can not be delegated, and the power to fix what is reasonable, which perhaps can be vested, in the case of carriers at least, in an interstate commerce commission.

Mr. SHORTRIDGE. May we not agree as to this proposition—that Congress could, if it had time, legislate as to railroad interstate commerce rates?

Mr. CONNALLY. I concede that.

Mr. SHORTRIDGE. But, as a matter of fact, because of our many duties and the necessity for hearings, and so forth, we have delegated that power to the railroad commission.

Now, with great respect, I fail to see any distinction between delegating to the railroad commission power to fix reasonable railroad rates—and they must be so, of course—and the delegation to the Tariff Commission and the President of power to determine whether the rates we have fixed should continue. Manifestly, the Senator sees the broad distinction; but for the moment I content myself by saying that I see no constitutional distinction between the delegation of power to the railroad commission to fix rates and the delegation of power to the Tariff Commission and the President to adjust tariff rates.

Mr. CONNALLY. When the Constitution of the United States says that the Congress shall have power to lay and collect taxes, duties, imposts, and excises, does not the Senator from California recognize that that is an exclusive grant? Nowhere else in the Constitution is any authority given to anybody to fix tariff duties. It is given to Congress. That is an exclusive grant of constitutional warrant to the Congress of the United States to lay and collect taxes, duties, imposts, and excises.

It is true that in another portion of the Constitution Congress is given power to regulate interstate commerce. That is quite a different grant from the sole and exclusive power to tax and to levy duties. The power to regulate might be so comprehensive as not only to authorize us, if we had the time and saw fit, to fix the rates ourselves, but it gives Congress the power by implication to use such instrumentalities as may be necessary to regulate them.

There is, however, no implied power here. This is an exclusive grant of legislative power to Congress, and to no other agency of the Government.

Let me suggest, also, that the very first section of Article I of the Constitution prescribes that—

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

I am familiar with the statement in the Hampton case; but I submit to the Senator that the Hampton case is not a well-considered case because it deals only with one aspect of the act of 1922. It deals only with that particular cost-difference formula. It simply holds that the President may find the difference in cost of production. It holds that that is a fact. It holds that that does not involve the exercise of legislative power; but the opinion which I was reading to the Senator is on another branch of the act of 1922, upon that aspect of the act of 1922 which authorizes the President to make new classifications of merchandise; and it holds that there is a distinction between its own holding and that of the Hampton case, because it says that when you give the President the power to determine classifications you are giving him the power to legislate. You are giving him the power to say whether this article ought to be in this classifi-

cation or whether it ought to be in some other classification. You are calling upon him to exercise his discretion. Congress is calling upon the President to exercise not its but his will.

I am familiar with the doctrine which the Senator seeks to maintain, that Congress can fix the law and then delegate to the President the mere fact finding to determine what the cost is here and what it is abroad, but that is not the question I am undertaking to discuss now. I am undertaking to point out that the act of 1930, section 336, which this bill proposes to amend, goes further than that doctrine and undertakes to give the President power in fact to make tariff laws, not simply by finding the cost of production but by determining the various elements.

Let me call the Senator's attention to this: Here is section 336, laying down the formula that the President shall follow. What does it say he shall consider?

(a) The cost of production.

That is all right. That is within the Senator's contention.

(b) Transportation costs.

Merely a fact that can be easily determined.

The section allows the President then to consider—

(c) Other relevant factors that constitute an advantage or disadvantage in competition, including advantages granted to the foreign producers by a government, person, partnership, corporation, or association in a foreign country.

Can not the Senator see that when the President is authorized to consider "other relevant factors" there is no rule laid down as to what other factors are relevant? When the Congress undertakes to permit the President to choose and to decide and to determine what other "relevant factors" he may consider or may not consider, I submit to the Senator from California that it is creating legislative power and conferring it on the President of the United States.

Mr. SHORTRIDGE rose.

Mr. CONNALLY. Let me go just a little farther before I yield, in answer to the Senator.

The Senator pointed out a while ago that after the Tariff Commission makes its investigation, it submits its report to the President of the United States. The Senator pointed out that the President may adopt it or he may not adopt it. Is that a finding of a fact? When the President has the choice to raise a rate or to lower a rate, not according to the findings of the Tariff Commission but according to his own judgment, does not that involve the exercise of choice? Does not that involve the exercise of discretion and of judgment? Are not these things the very heart of legislative power; and is not that in fact a delegation to the President of the right to make the law?

Mr. SHORTRIDGE. Mr. President, a moment ago the Senator thoughtfully referred to Article I, section 8, of the Constitution, wherein the Constitution says:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Then, as the Senator recalls, there are in Article I, section 8, 18 subdivisions. I understand the Senator's position to be that a law authorizing the Interstate Commerce Commission to fix rates—reasonable rates—is not a delegation of legislative power, but that a law authorizing the Tariff Commission and the President—ultimately, the President—to find and declare certain facts is a delegation of power.

Mr. CONNALLY. That is my position.

Mr. SHORTRIDGE. Frankly, notwithstanding what I have been privileged to hear of the Senator's address, I can see no constitutional difference between these sections or these two types of legislation.

For example, subdivision 3 of this section reads:

To regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

I have introduced in the Senate a bill, which was referred to the Committee on Commerce, calling for an impost or duty of $1 a barrel on crude petroleum, and 50 per cent ad valorem on certain of its by-products. It might be suggested that that was a revenue-raising measure primarily, but I claim that it is within the very letter and meaning of the Constitution; that it is a bill to regulate commerce, and that it may originate here in the Senate.

The revenue to come from it is purely incidental; it is not designed as a revenue-raising measure per se, but it is a regulation of commerce, namely, a commerce in oil or petroleum.

Would the Senator claim that a bill to regulate commerce was a bill to raise revenue, and hence had to originate in the House? It is Article I, section 7, which says that all revenue-raising measures must originate in the House. A bill such as I have suggested, to repeat myself, is not designed as a revenue-raising measure but as a regulation of commerce in the interest of the American oil industry, the revenue arising being purely incidental.

What I am trying to express is this, that under Article I, section 8, of the Constitution, the Congress may regulate commerce, although there may be incidental revenue, and yet a bill passed to carry out that power is not a revenue-raising measure per se. It is no delegation of power to authorize the Tariff Commission, if you please, to investigate the rates which we might here adopt, and authorize them to suggest amendments.

Finally, I do not know whether the Senator or others who have discussed this immediate matter before the Senate have borne in mind this fact, that Congress does not abdicate its power when we provide that the Tariff Commission shall investigate and report to the President, who may approve or disapprove their findings in whole or in part. We have not abdicated. We still have the power to legislate upon the subject.

Some Senators have seemed to proceed upon the theory that we have delegated forever the power to fix a given rate. But, I repeat myself, we still have the power to disagree with the Tariff Commission, to disagree with the President, and at the next session, or during a given session, reenact law restoring the rate affected by the ruling of the President. So that we have not stripped ourselves of power, or delegated our power beyond recall. We still have it.

Therefore, with great respect, I see no evil from this delegation of certain power to the commission and the President. If the learned, always cordial, and splendid Senator from the great State of Texas, in one of whose cities my dear brother sleeps the long sleep, will remember, as my good friend the senior Senator from Mississippi will recall, we had here a great fight when a tariff bill was before us to put a tariff duty on long-staple cotton. May I say, not to embarrass but to compliment, the Senators from every cotton-raising State in the Union voted for my amendment to put long-staple cotton on the protected list at 7 cents a pound? No one has thus far appealed to the Tariff Commission to reduce that rate. The same may be said in respect to another great industry in which the Senator's State and mine are interested, namely, the fig industry.

If my memory serves me aright, if it "holds a seat in this distracted globe," the Senator and many other Democratic brothers voted earnestly and, I think, wisely to raise the tariff duties on figs, not because they were raised in Texas, not because they were raised in California, but because they were an American industry.

While it may not be germane to what I am saying, I repeat now to the Senator, and I wish that my voice could go outside of the walls of this Chamber, I would vote to sustain any genuine American industry, no matter in what State it was, whether it was in Florida or in Maine, in California or in Texas. I do not look at the tariff question from the State standpoint, and I think, therefore, that my friends are unduly disturbed over the existing law. Yet, of course, if they earnestly and thoughtfully think that the law is unconstitutional, they are justified in the position they take.

Let me add one thing, and then I will be through. Is there a Senator in this body who worked earnestly and successfully to secure protective rates on any product in the interest of America who would be willing to sit down

and be guided by foreign advisers? I say that I am for America first. I want to protect the cotton industry, all agricultural industries in America, for America, according to our conception of what is wise for America, and I view with alarm this proposition of entering into any consideration of these questions with foreign counselors.

Every nation of Europe votes and works for its own, for although, as St. Paul said, "God made of one blood all the peoples of the earth," my learned brother will remember that he added, "He hath set bounds for their habitation," contemplating different nations.

We are American, and we must think of America first. Therefore, I would oppose this proposition of my friend from Mississippi, or which has come over here from the House of Representatives, if for no other reason than because it seeks to have us sit down in council with foreign nations to discuss matters which are primarily of interest to us.

I beg the Senator's pardon, and the pardon of others, for the discursive views I have thus uttered.

Mr. CONNALLY. Mr. President, I am glad to have the Senator's discourse. We really needed no proof, however, of his loyalty to a protective-tariff policy. All of us who have served with the Senator know that he is for tariffs as high as they can be built, and as strong as they can be buttressed. While I was edified and delighted with the Senator's discourse, it got somewhat away from the exact point we had under discussion, and I would like to get back just for a moment to that.

The Senator from California said that he could not agree with the Senator from Texas with reference to this being a delegation of authority. I had no hope of convincing the Senator from California, but I wonder what did convince him. As I recall it, in debate the other day reference was made to the Senator's in 1922 expressing very grave doubt and probably some opposition to the incorporation in the tariff act of 1922 of the flexible provision.

Let me ask the Senator a question, and I shall be brief. The Senator said a moment ago that he could see no difference between delegating power to the Interstate Commerce Commission to fix railroad rates and delegating to the President the power to adjust tariff duties within the 50 per cent limit. Is that correct?

Mr. SHORTRIDGE. Yes.

Mr. CONNALLY. If that is true, let me ask the Senator if he thinks that it would be constitutional for Congress to delegate to the President the power to fix any tariff duty on any article, so long as it was reasonable? That is the standard, the Senator states, with reference to the Interstate Commerce Commission, it being authorized to fix any railroad rate so long as it is reasonable, and that there is no difference between that and the delegation to the President of the tariff-making power. If that be true, why could not Congress simply say to the President, "Make any tariff rate you desire, on any article, so long as it is reasonable"? Of course, the levying of a tariff is a tax as well as the levying of any other kind of a tax. Would that be a delegation of authority that was unconstitutional?

Mr. SHORTRIDGE. If in the act we should prescribe the facts necessary to be considered in order to determine a reasonable rate, yes, we could do that.

Mr. CONNALLY. I congratulate the Senator for having the courage to follow out to the end his theory of the complete delegation of authority to the President.

Mr. SHORTRIDGE. Observe what I said, however; note the language.

Mr. CONNALLY. The RECORD will show what the Senator said. The Senator now says that if Congress so decided, it could pass an act authorizing the President to fix tariff rates on all articles he might select, provided Congress in the act delegating that authority laid down rules and regulations as to the reasonableness of those rates. That is an admission I am glad to have, because it goes to the very foundation of what is in the minds of the makers of the flexible tariff, what is in the minds of the gentlemen who advocate the flexible tariff. They want Congress absolutely to abdicate its authority in so far as the fixation of rates is concerned, unless we afterwards pass a law repealing the rates.

Thank God, we do possess that power, as the Senator suggested. Congress still has the power to enact any law it may see fit to enact with reference to the tariff, and that is why the Democrats have proposed in the pending bill to reclaim from the Executive jurisdiction the right to fix tariff duties and place it where it belongs under the Constitution, in this Chamber, and in the other Chamber, where the Constitution lodged that power, and where it ought always to reside.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Utah?

Mr. CONNALLY. I yield.

Mr. SMOOT. The Senator then is complaining of the flexible provision——

Mr. CONNOLLY. The Senator is not complaining. The Senator is undertaking to point out a few rules of constitutional construction and to draw some deductions therefrom.

Mr. SMOOT. If I remember correctly, the Senator voted for the flexible provision, granting this power to the Tariff Commission.

Mr. CONNALLY. I think the Senator is wrong about that. I may have voted for some amendment, but I voted against the whole tariff theory, and made an extended argument against the flexible tariff provision.

Mr. SMOOT. I know the Senator voted against the bill, but when the Senator from Mississippi [Mr. HARRISON] presented the amendment which is now the law, the Senator did not vote against it.

Mr. CONNALLY. How did the Senator from Texas vote? Has the Senator from Utah the record?

Mr. SMOOT. No; I have not the record.

Mr. CONNALLY. How does the Senator know how the Senator from Texas voted?

Mr. SMOOT. Because of the fact that when the amendment was agreed to, I will say to the Senator, I do not think there was a vote on it. It was passed without a vote.

Mr. CONNALLY. How could the Senator from Texas vote on it if there was no vote on it? I wish the Senator from Utah would be accurate in reference to these matters.

Mr. SMOOT. The Senator did not rise in his place and object to it, did he?

Mr. CONNALLY. How does the Senator know whether I did or not? Did I or not, I ask the Senator now?

Mr. SMOOT. No; the Senator did not.

Mr. CONNALLY. The Senator now is drawing on his imagination, just as he drew on it a while ago.

Mr. SMOOT. That is all right. I say to the Senator that he did not.

Mr. CONNALLY. The Senator has a good imagination. Proceed. I am glad to yield.

Mr. SMOOT. I only wish it was as good as that of the Senator from Texas, but it is not.

Mr. CONNALLY. If the Senator's view of constitutional limitations was as good as that of the Senator from Texas, we would not have this particular clause in the law to be complaining about. I yield to the Senator all the time he wants. It enlivens the debate.

Mr. SMOOT. Very well.

Mr. CONNALLY. I mean that in kindness.

Mr. SMOOT. I do not want to take one moment of the Senator's time, and ask him to please excuse me for having asked to interrupt him.

Mr. CONNALLY. I beg the Senator's pardon. I meant by that that he gives point to the discussion. He contributes to the interest of the discussion, and if I have wounded the Senator, I abjectly apologize. I like to have interruptions from the Senator from Utah, and if I have offended the Senator, I deeply regret it. The Senator I am sure knows that my relations with him have always been cordial, and I had no intention of offending him. Sometimes

in the heat of discussion we make pointed remarks without the intention of being unkind or discourteous. I disavow any purpose of that kind.

Mr. SMOOT. I recognize that.

Mr. CONNALLY. I am glad to have the recognition of the Senator from Utah. I suppose the purpose of the Senator from Utah was to draw some point from the fact that he now, relying on his recollection, thinks that possibly I voted for this particular amendment to the act. I do not recall that I did, but I would not be willing to trust the Senator's recollection to any greater extent than my own. I do not remember anything about this particular provision or amendment of the language, but I do know that when the flexible tariff bill was before the Senate I made an argument against the flexible provision particularly and undertook to point out some of the things which I have been undertaking to present to the Senate to-day.

But the Senator from California [Mr. SHORTRIDGE] has gone the whole way and admitted that it is his purpose and his view that Congress may turn over to the President all of the tariff-making power in its whole length and breadth. Mr. President, that is what I am declaiming against. That is what I am protesting against. That is what I am undertaking to inveigh against. We do not want to build up further the bureaucracy of this Government. We do not want to destroy the prerogatives of the legislative power. The President never recedes from his position in a conflict with the Senate. Recently when the Senate acted on certain Power Commission nominations and undertook to request the President to return them to the Senate, did the President surrender any of his authority to the Senate or to the Congress? The President stood upon what he claimed to be his technical rights and refused the request of the Senate to return the nominations to the Senate.

As time goes on the President is constantly acquiring new power at the expense of Congress. In 1922 we turned over to him the power to fix tariff rates merely on the basis of the difference in cost of production. Then in 1930 in another act that power was broadened and deepened. Now in 1932 we have the avowal of the distinguished Senator from California, a Senator with a reputation as a constitutional lawyer, an avowal made here on the floor of the Senate of the United States that the Congress can absolutely delegate all of its tariff-making power to the President except the right of veto.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me to add a word?

The VICE PRESIDENT. Does the Senator from Texas yield further to the Senator from California?

Mr. CONNALLY. Briefly, because I want to conclude as soon as possible.

Mr. SHORTRIDGE. I have made no such admission and no such statement as just uttered by the Senator from Texas. I said that Congress could delegate to the President the power if in the act the facts and principles and policy by which he was to be guided are specifically set forth.

Before I resume my seat—and I shall not again interrupt the Senator—let me say that much has been said about the case of Hampton against United States. If the Senator will pardon me, my views agree with the unanimous decision of the Supreme Court, the opinion being written by the then Chief Justice.

I would be very glad if the Senator would permit me to read just a paragraph from that decision:

> It is conceded by counsel that Congress may use executive officers in the application and enforcement of a policy declared in law by Congress, and authorize such officers in the application of the congressional declaration to enforce it by resolution equivalent to law. But it is said that this never has been permitted to be done where Congress has exercised the power to levy taxes and fix customs duties. The authorities make no such distinction. The same principle that permits Congress to exercise its rate-making power in interstate commerce, by declaring the rule which shall prevail in the legislative fixing of rates, and enables it to remit to a rate-making body created in accordance with its provisions the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise. If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power. If it is thought wise to vary the customs duties according to changing conditions of production at home and abroad, it may authorize the Chief Executive to carry out this purpose, with the advisory assistance of a tariff commission appointed under congressional authority. This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this court gave the fullest consideration nearly 40 years ago. In Field v. Clark, 143 U. S.——

Mr. CONNALLY. I read at length from Field against Clark.

Mr. SHORTRIDGE. Very well. My position must be understood. We could not just delegate broadly to the Tariff Commission or to the President or to any other body the power to fix duties, but if in the act the policy of our Government is clearly set forth, and the facts to be considered are set out by which the executive branch is to be governed, I claim that that is not any delegation of legislative power.

Mr. CONNALLY. Let me say to the Senator that in order to answer his question I shall necessarily have to repeat a little that has already taken place. Before the Senator came into the Chamber I read to the Senate what I thought were the appropriate sections and paragraphs from the case of Field against Clark, and therein I pointed out that the decision in the case of Field against Clark held merely that Congress had enacted a tariff statute in 1890 carrying various rates. It included a section, however, in which it was provided that if certain countries who were in the habit of exporting sugar, molasses, coffee, and other articles to the United States, should place tariffs of discrimination against American agricultural products, the President should, upon the ascertainment of that fact, issue a proclamation, not fixing tariff rates, but putting into effect particular rates that were specified and set out in the act, so much on sugar, so much on coffee, so much on hides, so much on each article. The case of Field against Clark merely held that the finding of the fact by the President was not a delegation of the power to legislate.

But a little while ago the Senator from California stated in the course of the discussion that he could see no distinction between the grant of power by Congress to the Interstate Commerce Commission to regulate railroad rates and a grant to the President of the power to fix tariff rates. I then undertook to point out to the Senator from California that there was a wholly different rule applied. The power to fix rates comes within that clause of the Constitution authorizing Congress to regulate interstate commerce. In regulating interstate commerce the common-law rule is that the rate shall be reasonable, otherwise it would be enjoined. The power to regulate commerce carries with it the implied power to use such instrumentalities as the Congress has to use in order to regulate commerce. Upon that basis the power given to the Interstate Commerce Commission has been upheld.

But, on the other hand, the fixing of a tariff duty or the levying of a tax of any kind is not a question which Congress has to determine is reasonable.

Mr. SHORTRIDGE. Is not that a regulation of commerce?

Mr. CONNALLY. Taxation?

Mr. SHORTRIDGE. Yes; a tariff duty.

Mr. CONNALLY. I am talking about any sort of taxes.

Mr. SHORTRIDGE. I am talking about a tariff tax. Is not that a regulation of commerce?

Mr. CONNALLY. Let me suggest to the Senator that the Constitution does not say anything about tariff by name. It says Congress shall have the power to levy excises, taxes, and so forth.

Mr. SHORTRIDGE. Duties and imposts.

Mr. CONNALLY. It does not use the word "tariff." They are all taxes. They only become tariffs because they afford a convenient agency for going into the tariff field. When Congress levies a tax it may levy what it pleases. It is not a question of determining what is a reasonable tax. Congress may levy a high tax or a low tax. Congress may levy a tax that will absolutely destroy the objects of taxation or industry. Our power to tax is absolutely unlimited.

The constitutional grant of power to Congress is exclusive. Section 1, Article VIII, says that Congress shall possess the power to levy customs duties, taxes, excises, and so forth. That is an exclusive grant to Congress.

But the Senator from California also said that he could see no difference between granting that power to the Interstate Commerce Commission and granting that power to the President. Then I asked the Senator from California if he would go so far as to say that Congress might enact a statute authorizing the President to fix any tariff rate on any article coming into the United States and then set out certain rules which the President should follow in determining what that rate should be according to the standard of reasonableness, and the Senator said that was his view. Is that correct?

Mr. SHORTRIDGE. Yes.

Mr. CONNALLY. I am glad the Senator from Idaho [Mr. BORAH] is present. The Senator from California makes the avowal that if Congress so desires, it may enact a general statute and transfer to the President the power to determine the objects of taxation, articles coming into the United States, pick out any particular ones he might desire, investigate the facts, and fix or not fix a tariff duty so long as that duty is reasonable under certain regulations which the Congress should prescribe. That is the most outrageous doctrine that has been uttered during the course of the present debate. I am amazed that a Senator of the legal learning and distinction of the Senator from California should rise in the Senate and avow that he believes the Congress has the power absolutely to abdicate its authority, has the power to dodge its responsibility to the people of the United States, and turn over to the Executive the right to fix the tariff and other taxes of the United States.

Mr. SHORTRIDGE rose.

Mr. CONNALLY. Let me pursue that just a little farther before the Senator makes reply. If Congress has that power with reference to tariff taxation, why would it not have it with reference to income taxation? Why do we want to bother with tax bills? One is now before the House of Representatives. Why spend sleepless nights and hold committee meetings and hearings? Why grow tired and weary with that sort of work? Why not enact a statute authorizing the President of the United States to fix income taxes at such rates and such figures as he may find necessary or reasonable in view of the condition of the Treasury?

Why not remit to the President the right to fix taxes on inheritances? Why not allow the President, within certain well-defined rules, to determine what the taxes shall be on inheritances and on estates? Why not let the President say how much the theater-admission tax shall be, whether it shall apply to admissions costing more than 25 cents or to those costing more than 50 cents?

That is a doctrine, Mr. President, against which I am undertaking to inveigh; that is the chief and main reason why I think the pending bill ought to be enacted, in order that Congress may recapture that authority which it has undertaken to delegate to the President and reinvest it here in the Congress of the United States.

Mr. President, I want to conclude, but I trust Senators will indulge me for just a few moments further. I want to read the opinion of the Customs Court in reply to the Senator from California [Mr. SHORTRIDGE]. I may not be able to find words to combat the logic or the astute forensic ability of the Senator from California; I make no pretense that my legal ability is a match for his; but, in answer to the doctrine he now utters, I want to quote the opinion of Judge Fischer, of the Court of Customs in New York. After discussing this case, Judge Fischer says:

The grave and serious consequences—

The consequences of the doctrine promulgated by the Senator from California—

The grave and serious consequences above pointed out demonstrate the unconstitutionality of the words in section 336 of the tariff act of 1930—

That is the act we are trying to modify—

which attempt to delegate to the President the power to classify imported articles for taxation by writing new provisions into the law.

This is true irrespective of the particular words used by the President in the proclamation before the court. Questions of constitutional power depend on what can be done under the power and not upon what was done in the case at bar. Concede for one moment that the President may name in a law the person or thing to be taxed, and the protection afforded by the Constitution is lost to everybody, not alone to the customs-tax payers.

Then the court goes on to say:

The constitutional question before the court in this case and companion cases therefore presents the most important and far-reaching question of general law ever heretofore presented to this tribunal, perhaps the most important constitutional question it will ever be called upon to decide. The constitutional principle preventing executive taxation should not be nullified by judicial construction. That is a controlling reason why the theory of the Hampton case should be strictly confined to the narrow and technical question there presented, to wit—

This answers the Senator from California—

the adjusting by the Executive of rates to meet cost differences without changing the statutory phraseology of Congress in classifying and arranging articles for tariff taxation.

Then comes the quotation from Judge Tilson in the Blandamer case, which is—

There is no formula which can be invented to place a limit upon change of language. Admit the right to change phraseology in a statute, and the door is thereby opened to unlimited change. Formulæ for cost of production can not enlarge or restrict statutory phraseology. A legislative body—

Quoting from the decision of Judge Sanborn in the United States Circuit Court of Appeals—

A legislative body may delegate the power to find some fact or situation on which the operation of a law is conditioned or to make and enforce regulations for the execution of a statute according to its terms, but it can not delegate its legislative power, its indispensable discretion to make, to add to, to take from, or modify the law.

Mr. President, the opinion in that case concludes by declaring that section 336 of the existing law, the one that we are seeking to modify and amend, is unconstitutional in all of those respects except as to the narrow and technical question of the President's right to find a fact, a fact as to the differences in cost of production. It declares the flexible provision unconstitutional when it undertakes to give the President the power to classify merchandise or to change classifications.

Mr. President, that question is now pending before the Customs Court of Appeals; and I am sure when that court finally acts, it will uphold the lower court in all three of the decisions to which I have adverted.

I have in my hand a very illuminating and able opinion of Judge Garrett, formerly a distinguished Member of Congress from Tennessee and now a judge of the Court of Customs and Patent Appeals, which I have not time at the present moment to quote, but be it said that Judge Garrett's reasoning and argument reenforce and strengthen the Fischer opinion in the Sears-Roebuck case of a few days ago and the Tilson decision in the Blandamer case.

Mr. President, the Senator from California has surprised me, and I am sure he has surprised other Senators, by the enunciation of what he has in his mind as to what the Congress ought to do with reference to all these questions; but, at the expense of repetition, I want again to call the Senator's attention to the fact that whenever there is given to the President the power to make a choice between various factors that enter into the question of making up his decision, he is thereby vested with legislative power. What is the mere finding of a fact? The mere finding of a fact is something that is certain; it is something that anyone can find; but when it comes to allowing the Executive the discretion to consider certain elements or not to consider them, that is conferring upon him legislative power.

Let me suggest to the Senator again that when the Tariff Commission reports to the President, he is under no obligation to find the facts to be as the Tariff Commission found

them. He may adopt them and proclaim a new rate or he may refuse to proclaim a new rate. That is the theory of the finding of a fact under the present provision of the law. When the President is given the permission either to raise a rate or not to raise a rate, according to his own will, according to his own discretion, according to his own judgment, there is conferred upon him a legislative power and not a fact-finding power. If it is a fact to be found, and the Tariff Commission finds a certain thing to be the fact, how can the President find something else to be the fact? And yet under the present law he is not compelled to follow the facts as found by the Tariff Commission, but may reject them and exercise his own will. I submit to Senators that when it is left to any one man's individual judgment as to what he may do or what he may not do, he is given the legislative power which the court said can not and ought not to be delegated.

Mr. President, I have already consumed more of the time of the Senate than I desired. The Senator from California and I have been arguing as to whether or not, under the Constitution and the decisions of the courts, Congress has the power to hand over to the President the right to fix tariff duties. I have contended that Congress did not possess that power, but, conceding for the sake of the argument that the Congress does possess power to delegate the right to fix tariff rates, why should we do it? I ask the Senate, I ask the country, I ask the Senator from California that question. Even if we may cowardly surrender our responsibility and our duty to the American people to the President, why should we do it? We have assumed voluntarily these offices which we hold; we sought the suffrages of the people; the privileges and the honor and the emoluments of these positions which we occupy are invested with certain responsibilities and certain duties. Under the Constitution it is provided that the Congress possesses all legislative power; it is provided that Congress and no one else may levy tariff duties and taxation. Why should we, if we may, surrender to the President or to a bureau or to a commission the right to determine what taxes the people of these United States should pay? I repudiate that sort of doctrine; I resent—not personally but in the name of the people whom I represent—the intrusion of any such doctrine upon the floor of the Senate.

Is the United States no longer a republic? It was conceived as a republic. Are the representatives of the people no longer able to exercise the functions of their office and are they no longer able to determine not simply what tariff taxes but what taxes of every character the people of the United States shall bear? I submit to the Senator from California that if it is wise to delegate to the President the right to fix tariff duties, why not delegate to him the right to fix income taxes? Why not give the President the right to fix the salaries of all the thousands of Federal employees scattered throughout the United States? Why bother ourselves with such details? Why not simply declare the great outstanding principles and remit the details to the President of the United States?

Senators who argue in behalf of the flexible-tariff provision say that it results in more efficient action than can be taken by Congress; that changes in rates are more quickly effectuated than Congress can effectuate them. The Senator from Michigan [Mr. VANDENBERG] a few days ago, in a long and elaborate argument, held out the prospect of tremendous hardship being wrought upon unprotected industries during the nine months when Congress was not in session, during which time they could not, under the pending measure, obtain an adjustment of tariff rates for eight or nine months.

Mr. President, suppose rates are more quickly adjustable by the President or by the Tariff Commission; suppose action is more efficient—and I mean efficient in the sense of speed and of ready adjustment—that is an argument that has been used in behalf of every tyrant that ever sat upon a throne. The king can do it much better than the people themselves; the king can act more quickly; he can act more efficiently. Every despot that ever oppressed a suffering people had his courtiers about him who made the argument that the reign of the monarch was more efficient and more speedy than the people's rule. Mr. President, why bother with the question of how big the Army shall be or how large the Navy shall be? Why not delegate to the President of the United States the right to fix the size of the Army and the size of the Navy according to the standard of reasonableness in view of international situations? That is the standard which the Senator from California submits, according to which the President should be allowed to decide how many officers and men shall constitute the Army and to determine how many battleships shall fly our flag.

Mr. President, the power of taxation is one of the most vital of government functions and its burdens touch most intimately the people of the United States, and before I should be willing to surrender to the Executive the right to determine taxation upon the people, I would be willing to give him the power to control appropriations, because, after all, he does not get appropriations except through taxation, and the Congress would have a check upon his extravagance in that regard.

We have already turned over to the President the making of an annual Budget. Instead of the Congress having a legislative Budget, we have enacted laws turning over to the President of the United States the making of a Budget. Shall we go on increasing and building up the authority of the Executive? Shall we go on piling bureau upon bureau, creating a bureaucracy that has already become so burdensome and onerous to the people of the United States that it has aroused their indignation and their wrath?

Mr. President, I want to see this bill enacted in order that it may restore to the representatives of the people themselves the right, and the sole right, to fix tariff taxation.

Senators speak in derogation of that particular clause of this bill which seeks to have an international conference called for the purpose of adjusting reciprocal trade relations. I invite Senators to look out over the earth to-day, to look beyond our own borders at the confusion and the destruction in world trade and world commerce. We are not compelled to bow to the will of a foreign conference. This part of the bill only means that we will participate in such a conference. No agreement will be adopted that does not receive our approval. But, Mr. President, we are told by those on the other side of the aisle that the cause of our own depression in America came from abroad. If it came from abroad, ought we not to be concerned with measures to adjust it and remove it?

When the tariff bill of 1930 was pending before the Senate, we were told that it meant the prosperity and the happiness of our people. We were assured that behind this high protective wall America, in her economic isolation, would be happy and prosperous, regardless of what occurred in the rest of the world. We were told that this granite sea wall, which the Smoot-Hawley bill was erecting, would shut out the tempests and the storms from foreign shores. We were assured that this breakwater would keep us safe and secure from all disturbances from business and commerce abroad. But, Senators, the history of the past two years has proven that we are not immune from disaster when it stalks abroad in other lands; and to-day the same gentlemen who told us that the Smoot-Hawley tariff bill was the solution of all of our difficulties, and guaranteed the prosperity of our country, are the first ones to avow that the sources of our trouble lie in foreign lands.

The Senator from New Hampshire [Mr. MOSES] some time ago, in a public statement, explained how the difficulties here in America had their sources under foreign flags and under foreign skies. If that be true, what can be the harm in the United States undertaking, through reciprocal trade agreements, to adjust the difficulties that are now besetting the world, and to remove, at least to some extent, the dislocations and the clogging of international trade?

Mr. President, we have yonder now at Geneva a delegation engaged in an international conference with reference to arms and armaments. We are spending the money, the President is intervening with foreign nations, in order to get

them to lay down their military arms. Mr. President, the world to-day is engaged in another form of war. The nations of the earth are armed economically against each other. Each one is building up its fortifications higher and higher. Each nation, through trade restrictions and embargoes and quota restrictions, is increasing the weight of its artillery. It is arming itself in every known fashion to combat economically every other nation on earth.

I appeal to the Senator from California [Mr. SHORTRIDGE] and to other Senators to aid us in adopting the doctrine that we shall also ask the world to disarm economically; to lay aside some of its economic weapons. While we are spending our money for military disarmament the world is being engulfed in ruin, its business and commerce are being almost destroyed by this economic warfare; yet the Senator from California would not in any wise indulge in international action in that regard.

Mr. President, in conclusion let me say to the Senators who have honored me by their presence that my chief concern with respect to this bill is the modification of the flexible tariff provision and the restoration to the Congress of the United States of the taxing power.

Taxation is the most delicate and yet can become the most burdensome responsibility, the most burdensome duty, on the Congress. It always is the most burdensome responsibility of the people themselves with which government has to deal. Every government since government began has been distressed by the necessity of taxation and its proper adjustment. If the historian will look back through the pages of the past, he will find that the exactions of unjust and burdensome taxation have been the fruitful source of revolutions, which have changed governments and overturned thrones.

Particularly I want to call to the minds of Senators again the fact that in the development of Anglo-Saxon institutions, in the long struggle over more than six centuries of the English people to acquire the right to control themselves and their government, two things stand out preeminently. Those things are the control by the Parliament representing the people of the right to tax, and, on the other hand, the control by the Parliament of appropriations. Those two powers go to the very heart of free government. They form the very fundamental basis upon which these institutions of ours are builded.

I predict now that if we delegate this authority, and over the years continue to increase and broaden its scope, there will come a time when there will be a demand for further delegation of authority; and in time we shall build up here in Washington a bureaucracy so galling and so intolerable that it may fall even of its own weight; and if it does not, it will be abolished by an outraged and a rebellious people. I do not mean rebellious in the sense of taking up arms, but I mean that there will sweep over this country such a wave of protest that the chosen representatives of the people will in time destroy it.

I am appealing to the Senate not to build it up further, not to heap new and added power on the Executive and Government departments. In this long struggle of the British people, from whom we draw most of our theories of government, let me remind Senators that it was burdensome taxation—taxation fixed not by the representatives of the people but by kingly authority, by the authority of the executive, by the authority of the ruling dynasty of England—it was unjust taxation that swept Charles I on yonder to execution. Let me remind Senators that in that terrible outburst known in history as the French Revolution it was unjust taxation, fixed not by the representatives of the people but by the monarch, by the kingly authority, that hastened Louis XVI on yonder to the guillotine.

In our own Revolution—that source from which we derive this Government of ours and our finest traditions—let me remind Senators that that conflict of the American Revolution was provoked by a quarrel over taxation, not under the terms of a flexible tariff, it is true, but the struggle there was to to whether the taxation upon the Colonies should be fixed by a Parliament in which the Colonies should have representatives, or should be fixed by the King, or by a Parliament in which the people were not represented.

Oh, the tax was nothing—only a little tax on tea. It was not burdensome. It was not onerous. There was a stamp tax on paper. Its exactions were not great. I want to remind the Senator from California that the principle which the Colonies espoused was that however small the tax, however insignificant its burden, under Anglo-Saxon theories and under Anglo-Saxon traditions, that tax, however trivial it might be, had to be levied by the representatives of the people themselves.

That is the doctrine I am contending for here to-day. That is the doctrine of the Constitution. I shall not vote to turn over that authority to the President or to the Tariff Commission or to any other functionary of the Federal Government.

Mr. President, this is a republic. It was conceived as a republic. I want it to remain a republic. I want the power of taxation to vest and to continue in that branch of the Government which represents the people themselves. I never shall vote to divest Congress of the power to fix a tariff rate, however insignificant it may be. I ask the Senators to pass this bill, and to reclaim and recapture the power which Congress sought to delegate, and redeposit it in the Congress of the United States, where the best traditions of the Anglo-Saxon race, and the ideals of American institutions, demand that it shall forever reside.

Mr. THOMAS of Idaho obtained the floor.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. THOMAS of Idaho. I do.

Mr. FESS. We have listened to a very eloquent address by the junior Senator from Texas [Mr. CONNALLY]. I always enjoy listening to him. He is a splendid orator. His main argument was against the Smoot-Hawley tariff bill.

I desire to read a number of votes that the Senator from Texas cast when we had under consideration the various amendments to that bill.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. THOMAS of Idaho. I do.

Mr. CONNALLY. I merely wish to propound an interrogatory to the Senator. Would the Senator prefer to yield to me now for a question or wait until I can use my own time?

Mr. THOMAS of Idaho. I prefer to go ahead after the Senator from Ohio has completed his statement.

Mr. FESS. Mr. President, on October 24, 1929, the Senator who just finished his eloquent address voted for Mr. BLAINE's amendment for a rate of 5½ cents on casein, an increase over the bill as reported, the House rate being 2½ cents.

On December 10 he voted for the Smoot amendment to increase the duty on thread or yarn waste.

On December 11, the next day, he voted for the committee amendment, as amended, to increase the duty on wool rags.

On January 24 he voted for Mr. ODDIE's first amendment to increase the duty on hides.

The same day he voted for Mr. ODDIE's second amendment to increase the duty on hides.

Four days later he voted for the amendment offered by the Senator who now has the floor, the Senator from Idaho [Mr. THOMAS], to increase the duty on vegetable oils.

On February 18 he voted for the amendment that he offered himself to increase the duty on cattle; and all of us remember the most eloquent address delivered on that occasion on behalf of that amendment.

On February 19 he voted for the Hayden amendment to increase the duty on dates in packages.

On February 28 he voted for the amendment of the Senator from Oklahoma [Mr. THOMAS] for a duty on oil, gasoline, and so forth.

On March 3 he voted for Mr. SHORTRIDGE's amendment for a duty on long-staple cotton.

On March 13 he voted for concurrence in the amendment increasing the duty on mustard seed.

On March 13, the same day, he voted for concurrence in the amendment for a duty on long-staple cotton.

On the next day he voted for the amendment to increase the duty on hides.

On the 17th he voted for the amendment placing a duty on crude beeswax.

On March 19 he voted for the amendment placing a duty on petroleum.

All of these were increases over the figures in the bill as it was reported from the committee.

On March the 21st he voted for the amendment to place a duty of 40 cents per barrel on petroleum.

On March 21 he voted for the amendment to increase the duty on grapes.

On the same day he voted for the amendment to increase the duties on jute.

On the next day he voted for the amendment to remove denatured vegetable oils from the free list.

On the same day he voted for the amendment placing petroleum, crude and refined, on the dutiable list at 10 and 20 per cent.

On October 28 he voted against Mr. WAGNER's amendment to reduce the duty on olive oil.

On November 5 he voted against the committee amendment to reduce the duty on china clay.

On November the 21st he voted against the committee amendment to reduce the duty on wool from 34 to 31 cents per pound.

On December 10 he voted against the amendment offered by the Senator from Wisconsin [Mr. BLAINE] to reduce the duty on card and burr waste.

On December 10 he voted against the Blaine amendment to reduce the duty on wool rags.

On the next day he voted against the Metcalf substitute which would have reduced the duty on wool rags.

On the same day he voted against Mr. BINGHAM's amendment which would have lowered the duty on wool rags.

On January the 27th he voted against Mr. WHEELER's amendment to reduce the duty on filaments and yarns of rayon.

On February 24 he voted against Mr. GEORGE's amendment to reduce the duty on coarser wools.

On March 13 he voted against the amendment to reduce the duty on mustard seed.

On March 15 he voted against the amendment to reduce the duty on hides.

On March 15, the same day, he voted against the second amendment to reduce the duty on hides.

In other words, there were 21 votes for increases above the rates reported by the committee, against 12 decreases, lowering the rates below those reported by the committee.

These facts, Mr. President, as reflecting the Senator's attitude toward protection, are more eloquent by far than a 2-hour speech against the bill.

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. THOMAS of Idaho. I do not want to be unfair to the Senator from Texas, and if he will take but a short time I will be glad to yield.

Mr. CONNALLY. I will take but a moment.

Mr. THOMAS of Idaho. I yield.

Mr. CONNALLY. I will undertake to answer the Senator from Idaho to-morrow at the first opportunity when I can get recognition.

It is nothing new, however, for those who are engaged in the tariff "racket" to insist on everybody staying off their side of the street. We all recognize that we have a perfect right to vote for tariff duties when we think they are justified, and the Senator from Texas expects to continue to do so. I do not admit any monopoly on the part of the Senator from Ohio or anybody else to vote for protection on the articles they like, and insist that nobody else shall have any portion of the reward from their tariff doctrine.

AGRICULTURE AND THE TARIFF

Mr. THOMAS of Idaho. Mr. President, in my discussion to-day I shall enter into the consideration of the pending tariff bill only incidentally. I want to discuss the tariff exclusively from an agricultural viewpoint.

Many seem to have forgotten the situation which prevailed back in 1929 when a readjustment of tariff rates was undertaken. American agriculture, struggling desperately to maintain itself during the lean years following the deflation of 1920, found itself in danger of being overwhelmed in its own markets by a tremendous volume of foreign goods imported into the United States. More than one and one-half billion dollars' worth of foreign agricultural products were dumped into the United States in 1929. This did not include rubber, tea, coffee, and forest products. The imports of agricultural products into the United States was so large in annual volume during the period from 1925 to 1928, inclusive, that more than 90,000,000 acres of farm land would have been required to produce an equivalent amount of these products. This estimate does not take into account the acreage that would have been required to produce domestic products displaced by the imports of domestic animal, vegetable, and marine oils and fats, which possibly would have required an additional 10,000,000 acres of land for their production.

Making up this total estimated acreage of 90,000,000 acres there would have been required 8,000,000 acres of cereals, fruits, oil-bearing seeds, nuts, sugar beets, tobacco, hay, and fresh vegetables; 77,000,000 acres of range and pasture land; 2,700,000 acres of cultivated crops for the production of cattle, sheep, and hogs, live, dressed, and prepared, and improved wool; 960,000 acres for the production of cotton; 450,600 acres of range and pasture land; 207,400 acres of cultivated crops for the production of milk, cream, and butter, including condensed, evaporated, and other prepared products; 682,000 acres for the production of miscellaneous products, including grass and vegetable seeds, and so forth.

Furthermore, the offering of this tremendous supply of cheap products from abroad injured the market for our own products, so that our farmers received lower prices for their products than otherwise would have been the case. The value of agricultural imports, excluding forest products, increased from $701,780,000 during the fiscal year 1909 to $2,173,568,000 in 1929, or approximately three times the amount in 1909.

Livestock producers were suffering from increased imports in meat and live cattle; dairy farmers were suffering from large importations of cream, cheese, and butter; poultry producers found their markets reduced for their surplus eggs by the heavy importations of dried and frozen eggs from China; wool growers, producing 365,000,000 pounds of wool, were confronted with an importation of 277,000,000 pounds, or about three-sevenths of the total domestic consumption. Producers of dried peas and dried beans were suffering from competition of cheap beans from the Orient; onion growers were suffering from competition from Egypt and Spain; nut growers were suffering from low-priced imports from southern Europe and the Orient. Our flaxseed industry, abundantly able to supply all of our domestic requirements, was restricted to about one-half of the domestic consumption by reason of the importation of cheap flaxseed and linseed oil from Argentina. Our dairy industry was denied an adequate outlet for its surplus skim milk for the manufacture of casein because of the virtual monopoly of the domestic market enjoyed by the Argentine casein industry.

In addition to the severe competition encountered by our farmers directly by imports from abroad American agriculture also suffered severely from the importation of a wide range of substitute articles which displaced American products, which otherwise might have been used for the same purposes, such as tropical oils and fats; such as coconut oil, palm oil, palm-kernel oil, produced under primitive conditions in the Tropics. These tropical products have displaced large quantities not only of domestic butter but also of numerous other domestic oils and fats which otherwise might have been utilized in the manufacture of soaps, lard substitutes, and butter substitutes.

In fact, the importations of agricultural products had grown so large that they exceeded in value the exports of agricultural products. In the fiscal year 1929 the total value of agricultural imports was $2,178,568,000, whereas the total value of agricultural exports of domestic agricultural products was $1,847,216,000. In other words, we were importing much of our surplus, either directly or indirectly. For example, we had an exportable surplus of wheat, while at the same time we were importing half of our flaxseed requirements and the major portion of our sugar requirements. There is no reason why we can not produce our entire domestic consumption of flaxseed and sugar in the United States. All that is needed is adequate tariff protection to make it possible for domestic producers to compete successfully in our own markets with the foreign supply offered for sale there. With adequate protection on these products, farmers could transfer a large amount of acreage from the production of wheat to the production of flaxseed and sugar beets, thereby reducing the surplus of wheat.

As the farmers saw the situation becoming more and more acute, they began to demand immediate relief through an upward revision of tariff rates. Practically all of the national farm organizations and a great number of State and regional organizations passed resolutions requesting Congress to revise farm tariff rates upward. The American Farm Bureau Federation, representing approximately 1,000,000 members in 1,800 county farm bureaus in forty-odd States, adopted the following resolution at its annual convention in 1928:

The crises of the last 10 years have brought all citizens to realize that agriculture in our Nation is facing conditions similar to those which existed in England when the corn laws were repealed, since which time farmers in that country have striven against insurmountable odds. Tariffs are international issues and have for farmers in the United States constantly increasing world-wide significance. International loans by a creditor nation such as ours have come to contain no promise of benefit to agriculture. If our money is marketed abroad, the unavoidable conclusion must be that repayment will be made largely by the importation into our Nation of agricultural commodities.

Our home market is always our best market, both for agriculture and industry, whether the commodity marketed is money or the products of the factory and the farm. This market must be held inviolate for the benefit of our own citizens.

Rates of duty on foreign-grown farm commodities which seek markets in our country must be adequate to permit our farmers to enjoy that profit which guarantees the American standard of living. Various commodities which are directly or indirectly competitive with our domestic farm crops should carry high rates of duty. The rates of duty should be based on the value of farm crops to the American producers thereof and should be of such nature that as the value increases the rate of duty automatically will increase.

It is indispensably necessary that flexibility be provided in tariff rates, no matter how accurately such rates may be estimated in the writing of a tariff act. Economic conditions change, which require an elasticity which will permit corresponding changes in the rates of duty. There must be continuously in the Federal Government a tariff commission under the administration of which this elasticity can be secured. This commission should be nonpartisan and the members thereof should be appointed for such a term of years as will give continuity in the carrying out of the policies of our tariff laws and will secure eventually scientific and economic revision of tariff rates rather than revision of a political nature, which has been up to the present time too much in evidence.

The National Grange, representing approximately 800,000 members in thirty-odd States, adopted the following resolution at its annual convention in 1928:

Therefore be it

Resolved, That the National Grange recommends as sound national policy four essentials:

First. Tariff schedules should be revised in order to give American farmers full benefit of the American market for all agricultural products produced in this country and for all articles manufactured from such products;

Second. The export debenture plan is the most efficient and effective means of bringing an end to the depression in the price of products having exportable surpluses;

Third. A national land policy meeting present conditions requires a cessation of expenditures of public funds in bringing new land into cultivation;

Fourth. A competent board given adequate power, sufficient funds, and suitable functions should be created to promote cooperative marketing and to aid in protecting the interest of farmers in the development of these policies.

In my own State the legislature adopted a joint memorial to Congress complaining that the existing rates were inadequate to protect agriculture and appealing for increases in the rates as submitted by the Idaho State tariff committee. The resolution of the Idaho Legislature was as follows:

To the Senate and House of Representatives of the United States of America, in Congress assembled:

Your memorialists, the Legislature of the State of Idaho, respectfully represent: That

Whereas Idaho is principally an agricultural State and many of her products come in direct competition with those imported from foreign countries; and

Whereas on account of the low tariff some of our products are being sold at pre-war prices; and

Whereas the present tariff rates do not give sufficient protection to allow our products to successfully compete with the cheap labor of foreign countries: Now, therefore, be it

Resolved by the Senate of the State of Idaho (the House of Representatives concurring), That we most respectfully urge the Congress of the United States of America to give careful consideration to the report submitted by the Idaho State tariff committee and now on file with the House Committee on Ways and Means in the Congress of the United States, to the end that the proposed schedules therein shall be adopted, all of which we fully indorse and heartily recommend; and be it further

Resolved, That the secretary of state of the State of Idaho is hereby instructed to forward this memorial to the Senate and House of Representatives of the United States of America and that copies hereof be sent to the Senators and Representatives in Congress from this State.

This senate joint memorial passed the senate on the 5th day of February, 1929.

W. B. KINNE,
President of the Senate.

This senate joint memorial passed the house of representatives on the 5th day of February, 1929.

D. S. WHITEHEAD,
Speaker of the House of Representatives.

I hereby certify that the within senate joint memorial No. 2 originated in the senate during the twentieth session of the Legislature of the Senate of Idaho.

CARL C. KITCHEN,
Secretary of the Senate.

Heeding the widespread and growing demands of farmers for tariff relief, the platforms of both political parties promised such relief in the presidential campaign of 1928. Not only did the platforms of the Democratic and Republican Parties both promise this relief, but the presidential candidates of both parties also gave such promises repeatedly in their campaign addresses. The Republican platform promised:

A protective tariff is as vital to American agriculture as it is to American manufacturing. The Republican Party believes that the home market, built up under the protective policy, belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it. Agriculture derives large benefits not only directly from the protective duties levied on competitive farm products of foreign origin but also indirectly from the increase in the purchasing power of American workmen employed in industries similarly protected. These benefits extend also to persons engaged in trade, transportation, and other activities.

The Democratic platform likewise promised—

Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate. * * * Wage earner, farmer, stockman, producer, and legitimate business in general have everything to gain from a Democratic tariff based on justice to all.

So, regardless of which party had been elected, either would have been compelled by platform promises to bring about an upward revision of the tariff wherever necessary. There have been few times, if any, in the history of this country when the sentiment for an upward revision of tariff rates was more widespread and more insistent than it was in 1928 and 1929.

Acting in accordance with platform pledges and campaign promises, President Hoover called Congress into special session in the summer of 1929 to consider farm-relief legislation and tariff readjustment. For more than a year Congress gave extended consideration to the question of tariff readjustment and finally agreed upon the tariff act of 1930.

It will be recalled by Senators that at the opening of the discussion my colleague the senior Senator from Idaho [Mr. BORAH] offered a resolution asking that the tariff adjustment be limited to agriculture. To the disappointment of many of us that resolution was defeated by a single vote.



What benefits did that act confer upon agriculture? It is perhaps too soon after the passage of the act to accurately appraise its value. Particularly is this true because the world-wide economic depression has created such abnormal conditions that it is difficult to obtain an accurate measuring stick with which to evaluate the effect of the tariff during this period.

The farm tariff rates in the act of 1930 are the highest ever enacted in the history of the United States. The average ad valorem rate on agricultural products was increased from 22.07 per cent in the act of 1922 to 33.94 per cent in the act of 1930. In this classification of agricultural products only products in the crude state are included. If the first processed form of these agricultural products be included, the average on agricultural products plus these first processed forms was increased from 34.17 per cent in the act of 1922 to an average rate of 45.12 per cent in the act of 1930. In comparison with these increases in the rates on agricultural products the average ad valorem rate on industrial products, including processed forms of agricultural products, was raised from 37.35 per cent in the act of 1922 to 42.83 per cent in the act of 1930. If the first processed forms of agricultural products be excluded from industrial products, the average ad valorem rate on industrial products was raised from 33.65 per cent in the act of 1922 to 37.42 per cent in the act of 1930.

Comparing the increases given on some of the principal groups of agricultural products and their first processed forms, the average ad valorem rate on livestock, meat, and meat products was increased from 5.38 per cent in the act of 1922 to 18.34 per cent in the act of 1930. The average rate on dairy products was increased from 24.35 per cent in the act of 1922 to 36.09 per cent in the act of 1930; poultry and poultry products, from 32.54 per cent to 40.48 per cent; field and grass seeds, from 19.24 per cent to 35 per cent; wool, from 49.89 per cent to 59.48 per cent; sugar and molasses, from 68.66 per cent to 77.85 per cent.

In the face of these figures I think no one can reasonably contend that Congress was not generous in the rates which it provided on farm commodities. This does not mean that Congress provided all that was needed in every instance. There were several cases in which subsequent experience has shown that higher rates were amply justified and should have been provided. No one contends, however, that this tariff measure was perfect in all respects. We have never had a perfect tariff bill and perhaps never will, but there can be little doubt that the increased rates on farm commodities have proved to be a bulwark of protection to the American farmers during one of the most distressing and trying periods in the history of this country.

Visualize, if you will, what the effect would have been upon our farmers, during the past two years of ruinously low prices, if our domestic markets had been flooded with the farm products of foreign countries. We must not forget that despite the low prices that have prevailed in the United States for farm products, prices of similar products in foreign countries have been still lower. Take corn, for example. When farm leaders proposed an increase in the tariff on corn from 15 cents to 30 cents per bushel, there were some in Washington who were disposed to make light of this recommendation and to point with scorn at such a move as being worthless. Subsequent events have shown the wisdom of this recommendation. Despite the low price of corn in the United States, if it had not been for the increase in the tariff to 25 cents per bushel in the tariff act of 1930, there would have been a very heavy importation of corn into the United States from Argentina. Even with a tariff wall of 25 cents per bushel and a low domestic price, a considerable increase in the importation of corn from Argentina was registered in 1930. For the year ending June 30, 1931, the average price of corn at Buenos Aires, Argentina, was 33 cents per bushel cheaper than the price of No. 3 yellow corn at Chicago, the most comparable grade, and corn can be shipped cheaper by about 10 or 15 cents a bushel from Buenos Aires to Pacific coast ports than it can be shipped to the same ports from Chicago. Without the tariff protection afforded by the tariff act of 1930 the corn growers of the United States would have taken a materially lower price for their entire crop of corn than they did secure, because the cheaper Argentine corn would undoubtedly have depressed the price of the entire domestic market had it been possible to sell the Argentine corn in our markets without paying the tariff.

There are two yardsticks by which we may measure the benefits of a tariff—first, the extent to which it assures producers of the benefits of the domestic market; and, second, the extent to which it is effective in maintaining the prices in domestic markets at higher levels than prices for similar commodities in foreign countries.

Measured by the first yardstick, the tariff act of 1930 has been of tremendous benefit to American agriculture in assuring it the benefits of the domestic market. In all of the discussion about the exportable surplus let us not forget that when all is said and done the domestic market is predominately our best market. This is true not only for American agriculture but for American industry. According to statistics published by the United States Department of Commerce in its annual Yearbook, slightly more than 90 per cent of the total value of all products produced in the United States are sold in domestic markets. In the case of foodstuffs manufactured, approximately 95 per cent of the total value of goods produced in the United States is sold in domestic markets. The tariff act of 1930 has been an important factor in reducing the competition from abroad encountered by our farmers in our own markets. I have here a table comparing the physical volume of imports of the principal farm commodities during the year following the passage of the tariff act of 1930 with the year preceding its passage. This tabulation shows in a striking way the marked reduction in imports which took place in the year following its passage as compared with the preceding year. Out of 73 articles or groups of articles listed in this table, all except 22 show a decrease in the volume of imports. These figures are all the more impressive because they are based upon the quantities imported rather than the value. There has been an even larger decline in the total values of imports on account of the falling price level. I ask that the table may be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Imports of selected agricultural products into United States

Commodity	Imports, year ending June 30[1]		Tariff rates[2]	
	1930	1931	Act of 1922	Act of 1930
Cattle (except for breeding)	410,000 head	78,000 head	Weighing less than 1,050 pounds, 1½ cents per pound; weighing 1,050 pounds or more, 2 cents per pound.	Weighing less than 700 pounds, 2½ cents per pound; weighing 700 pounds or more, 3 cents per pound.
Hogs	555,000 pounds	59,000 pounds	½ cent per pound	2 cents per pound.
Butter	2,851,000 pounds	1,329,000 pounds	12 cents per pound	14 cents per pound.
Casein or lactarine	25,416,000 pounds	4,703,000 pounds	2½ cents per pound	5½ cents per pound.
Swiss cheese	1,142,000 pounds	15,772,000 pounds	7½ cents per pound but not less than 37½ per cent ad valorem.[3]	7 cents per pound but not less than 35 per cent ad valorem.[3]

[1] From Foreign Crops and Markets, Nov. 9, 1931, vol. 23, No. 19, pp. 705-723.
[2] From tariff act of 1922 and tariff act of 1930.
[3] Duty raised from 5 cents per pound but not less than 25 per cent ad valorem by presidential proclamation issued June 8, 1927.

Imports of selected agricultural products into United States—Continued

Commodity	Imports, year ending June 30		Tariff rates	
	1930	1931	Act of 1922	Act of 1930
Other cheese	77,119,000 pounds	42,200,000 pounds	5 cents per pound but not less than 25 per cent ad valorem.	[7] cents per pound but not less than 25 per cent ad valorem.
Milk and cream:				
Condensed and evaporated	1,760,000 pounds	1,442,000 pounds	From 1 to 1¼ cents per pound.	From 1.8 cents to 2¼ cents per pound.
Cream	2,474,000 gallons	844,000 gallons	30 cents per gallon [4]	36.6 cents per gallon.
Milk	3,314,000 gallons	1,190,000 gallons	3¾ cents per gallon [5]	6½ cents per gallon.
Dried eggs:				
Albumen	4,363,000 pounds	2,219,000 pounds	18 cents per pound	15 cents per pound.
Yolk	7,819,000 pounds	6,069,000 pounds	do	Do.
Whole	1,839,000 pounds	822,000 pounds	do	Do. [1]
Frozen eggs	14,254,000 pounds	1,167,000 pounds	7½ cents per pound [7]	11 cents per pound
Shell eggs	337,000 dozen	301,000 dozen	8 cents per dozen	10 cents per dozen.
Calfskins	44,501,000 pounds	24,319,000 pounds	Free	10 per cent ad valorem.
Cattle hides	294,832,000 pounds	91,107,000 pounds	Free	Do.
Beef and veal	38,470,000 pounds	4,121,000 pounds	3 cents per pound	6 cents per pound.
Lamb	1,238,000 pounds	136,000 pounds	4 cents per pound	7 cents per pound
Pork	6,186,000 pounds	3,835,000 pounds	¾ cent per pound	2½ cents per pound
Poultry (except turkeys):				
All other	607,000 pounds	272,000 pounds	8 cents per pound	10 cents per pound
Prepared or preserved	519,000 pounds	803,000 pounds	35 per cent ad valorem	Do.
Oils and fats, animal:				
Edible	924,000 pounds	2,612,000 pounds	From ½ cent to 1 cent per pound.	From ½ cent to 1 cent per pound.
Tallow, inedible	1,240,000 pounds	412,000 pounds	½ cent per pound	½ cent per pound.
Clothing and combing wool	77,330,000 pounds	45,286,000 pounds	From 30 cents to 31 cents per pound.	From 27 cents to 37 cents per pound.
Honey	118,000 pounds	184,000 pounds	3 cents per pound	3 cents per pound.
Long-staple cotton	108,000 bales	3,000 bales	Free	7 cents per pound.
Figs, dried	21,917,000 pounds	14,825,000 pounds	2 cents per pound	5 cents per pound.
Raisins and other dried grapes	1,431,000 pounds	1,975,000 pounds	From 2 cents to 2½ cents per pound.	From 2 cents to 2½ cents per pound.
Cherries, sulphured or in brine	22,362,000 pounds	7,926,000 pounds	Pitted, 3 cents per pound; unpitted, 2 cents per pound. [8]	Pitted, 9½ cents per pound; unpitted, 5½ cents per pound.
Grapefruit	9,965,000 pounds	8,939,000 pounds	1 cent per pound	1½ cents per pound.
Lemons	90,952,000 pounds	25,889,000 pounds	2 cents per pound	2½ cents per pound.
Limes	4,917,000 pounds	5,276,000 pounds	1 cent per pound	2 cents per pound.
Grapes	223,000 cubic feet	237,000 cubic feet	25 cents per cubic foot of such bulk or of capacity of package.	25 cents per cubic foot of such bulk or of capacity of package.
Corn	496,000 bushels	1,747,000 bushels	15 cents per bushel	25 cents per bushel.
Oats	152,000 bushels	638,000 bushels	do	16 cents per bushel.
Rice	27,951,000 pounds	32,768,000 pounds	From 1 cent to 2 cents per pound.	From 1¾ cents to 2½ cents per pound.
Wheat	12,948,000 bushels	19,053,000 bushels	42 cents per bushel [9]	Rate of 42 cents per bushel specified in act.
Almonds:				
Shelled	18,304,000 pounds	13,241,000 pounds	14 cents per pound	16½ cents per pound.
Unshelled	5,503,000 pounds	78,000 pounds	4¼ cents per pound	5½ cents per pound.
Brazil nuts:				
Shelled	4,090,000 pounds	3,174,000 pounds	1 cent per pound	4½ cents per pound.
Unshelled	19,079,000 pounds	22,730,000 pounds	do	1½ cents per pound.
Filberts:				
Shelled	4,503,000 pounds	4,596,000 pounds	5 cents per pound	10 cents per pound.
Unshelled	5,756,000 pounds	5,659,000 pounds	2½ cents per pound	5 cents per pound.
Peanuts:				
Shelled	8,001,000 pounds	5,430,000 pounds	6 cents per pound [10]	7 cents per pound.
Unshelled	2,910,000 pounds	4,283,000 pounds	1½ cents per pound [11]	4½ cents per pound.
Pecans	124,000 pounds	506,000 pounds	From 3 cents to 6 cents per pound.	From 5 cents to 10 cents per pound.
Walnuts:				
Shelled	17,278,000 pounds	16,326,000 pounds	12 cents per pound	15 cents per pound.
Unshelled	7,024,000 pounds	3,552,000 pounds	4 cents per pound	5 cents per pound.
Oil cake and oil-cake meal	324,988,000 pounds	112,549,000 pounds	Free	Three-tenths of 1 cent per pound.
Palm oil	237,860,000 pounds	313,940,000 pounds	do	Free.
Linseed oil	5,416,000 pounds	256,000 pounds	3.7 cents per pound [12]	4½ cents per pound.
Palm-kernel oil	41,380,000 pounds	17,196,000 pounds	Free	1 cent per pound.
Peanut oil	1,964,000 pounds	21,163,000 pounds	4 cents per pound	4 cents per pound.
Perilla oil	9,204,000 pounds	9,652,000 pounds	Free	Free.
Soybean oil	13,333,000 pounds	5,915,000 pounds	2¼ cents per pound	3½ cents per pound, but not less than 45 per cent ad valorem.
Flaxseed	19,652,000 bushels	7,813,000 bushels	56 cents per bushel [13]	65 cents per bushel.
Perilla and sesame seed	19,275,000 pounds	150,165,000 pounds	Free	Free.
Alfalfa seed	455,000 pounds	167,000 pounds	4 cents per pound	8 cents per pound.
Alsike seed	7,292,000 pounds	94,000 pounds	do	Do.
Crimson clover seed	3,190,000 pounds	3,320,000 pounds	1 cent per pound	2 cents per pound.
Red clover seed	2,357,000 pounds	2,249,000 pounds	4 cents per pound	8 cents per pound.
Cane sugar (from Philippines and Virgin Islands)	814,000 short tons	863,000 short tons	Free	Free.
Maple sugar and maple sirup	12,392,000 pounds	1,572,000 pounds	4 cents per pound	From 5¼ cents per pound to 8 cents per pound. [14]
Tobacco, unmanufactured	63,181,000 pounds	75,426,000 pounds	From 35 cents per pound to $2.75 per pound.	From 35 cents per pound to $2.92½ per pound
Beans, dried	152,035,000 pounds	60,778,000 pounds	1¾ cents per pound	3 cents per pound.
Farinaceous substances (sago, tapioca, etc.)	148,175,000 pounds	62,249,000 pounds	Free	Free.
Peas, dried	20,750,000 pounds	7,688,000 pounds	1 cent per pound	1¾ cents per pound.
Potatoes, white or Irish	360,362,000 pounds	343,757,000 pounds	50 cents per 100 pounds	75 cents per 100 pounds.
Tomatoes:				
Fresh	139,886,000 pounds	113,480,000 pounds	½ cent per pound	3 cents per pound.
Canned	147,429,000 pounds	75,173,000 pounds	15 per cent ad valorem	50 per cent ad valorem.
Tomato paste	16,547,000 pounds	11,605,000 pounds	40 per cent ad valorem	Do.
Hay	54,000 short tons	121,000 short tons	$4 per long ton	$5 per short ton.
Starch	29,240,000 pounds	14,458,000 pounds	From free to 1¾ cents per pound.	From 1½ cents per pound to 2½ cents per pound.

[4] Duty raised from 20 cents per gallon by presidential proclamation May 14, 1929.
[5] Duty raised from 2½ cents per gallon by presidential proclamation issued May 14, 1923.
[6] Duty raised to 27 cents per pound by presidential proclamation issued June 24, 1931.
[7] Duty raised from 6 cents per pound by presidential proclamation issued Feb. 20, 1929.
[8] Duty raised from 2 cents per pound by presidential proclamation issued Dec. 3, 1927.
[9] Duty raised from 30 cents per bushel by presidential proclamation issued Mar. 7, 1924.
[10] Duty raised from 4 cents per pound by presidential proclamation issued Jan. 19, 1929.
[11] Duty raised from 3 cents per pound by presidential proclamation issued Jan. 19, 1929.
[12] Duty raised from 3.3 cents per pound by presidential proclamation issued June 25, 1929.
[13] Duty raised from 40 cents per bushel by presidential proclamation issued May 14, 1929.
[14] Duty decreased to 4 cents and 6 cents per pound by presidential proclamation issued Feb. 2, 1931.

Mr. THOMAS of Idaho. Mr. President, the imports in the fiscal year ending 1931 were strikingly reduced. To cite a few of the specific commodities, the importation of cattle during the fiscal year ending 1931 was the smallest quantity imported since 1906–7; meat imports were only one-fifth the total during the preceding year; canned meats were less than one-fourth the quantity during the preceding year and the smallest in amount during the last five years; imports of unmanufactured wool in 1931 were the lowest in value since 1910–11 and 32 per cent smaller in volume than during the previous year; the imports of dried beans were 47 per cent lower than the preceding year; the imports of casein were lower than any year since 1909–10; the imports of fresh cream and milk were lower than any year since the World War; the imports of nuts were the lowest since 1917.

In sharp contrast with the decline in imports in these commodities which received substantial increases in tariff rates, is the situation relative to other products upon which little or no increases in tariff protection were given. Practically all of the 22 articles or groups of articles which failed to show decreases in the volumes of exports following the passage of the tariff act of 1930 are commodities on which the duties either were not raised or were not raised in adequate amount. For example, the importation of dutiable sugar, on which the tariff rate was increased in the act of 1930, was the smallest in 1931 of any year since 1919, whereas the importation of duty-free sugar from the Philippines increased in amount over the importation in 1930, the largest quantity ever brought over from the Philippines and three times the average importation for the period 1921–1925. Shipments of duty-free sugar from Hawaii and Porto Rico were also the highest on record in 1931. Another striking comparison is afforded by the situation concerning the importation of dried eggs and frozen eggs. In 1931 the imports of frozen eggs were the lowest since they were first separately reported in 1923–24, whereas the imports of dried egg yolk were larger in amount in 1931 than in any year since 1923–24 with the exception of 1929–30. It is significant to note that the rate on dried eggs was left unchanged in the act of 1930, whereas the duty on frozen eggs was increased from 7½ cents per pound to 11 cents per pound. Unquestionably the effect of the tariff is reflected definitely in the decline in imports of frozen eggs and the increase in imports of dried egg yolks.

A similar situation is shown in the case of vegetable oils. Palm oil, which was left free of duty; peanut oil, on which the duty was left unchanged; perilla oil, which was left free of duty, showed increases in the volume of imports in the year following the passage of the act of 1930 compared to the preceding year, whereas palm-kernel oil, which was removed from the free list and made dutiable at 1 cent per pound, showed a decline in imports from 41,000,000 pounds to 17,000,000 pounds; soybean oil, on which the duty was increased from 2½ cents to 3½ cents per pound, but not less than 45 per cent ad valorem, showed a drop in imports from 13,300,000 pounds to 5,900,000 pounds. Flaxseed, on which the duty was increased from 56 cents to 65 cents per bushel, showed a drop in imports from 19,600,000 bushels to 7,800,000 bushels; whereas perilla and sesame seed, which were left on the free list, showed a remarkable increase in imports from 19,300,000 pounds to 130,000,000.

Using the second yardstick, the tariff act of 1930 has been effective in maintaining the prices of various domestic farm products at a higher level than the prices of similar commodities in foreign countries. For example, according to comparative price data compiled by the Bureau of Agricultural Economics, the average price of stocker and feeder steers for the 11 months following the passage of the act of 1930 was $3.19 per hundred pounds higher at St. Paul, Minn., than at Winnipeg, Canada. Good beef, all weights, on May 15, 1931, was $6.41 per hundred pounds higher at Chicago than the average export price from New Zealand during May. No. 3 yellow corn at Chicago for the year ending June 30, 1931, was 33 cents per bushel higher than corn at Buenos Aires. No. 1 dark northern spring wheat for March, April, and May, 1931, was 27 cents per bushel higher than No. 3 Manitoba northern wheat at Winnipeg, Canada. Domestic frozen turkeys during July, August, and September, 1931, were 6.5 cents per pound higher at New York than the average price of Argentine turkeys of a similar grade at New York, duty paid. Wool (medium grades) in January, 1931, was 33.4 cents per pound higher at Boston than at London (fine grades 36 cents per pound higher). White potatoes in December, 1930, were $1.12 per hundred pounds higher at New York than at Toronto, Canada. Red clover seed in January, 1930, was $6.26 per hundred pounds higher at Chicago than the export price in France, c. i. f.; but in January, 1931, after the duty had been raised from 4 cents to 8 cents per pound, the price at Chicago was $13.23 per hundred pounds higher at Chicago than the export price in France.

Since that time there has been a reduction in the price, but I want to call attention to the fact also that the price in foreign lands has been reduced. Sugar to-day is selling for 74 cents per hundred pounds in Cuba. One of my friends from the State of Arizona sold a clip of wool the other day in Boston for 48 cents per pound clean content. That same wool would have been quoted in London at 24 cents a pound clean content. We hear so much about wheat, and in the Northwest we produce a good deal of high-protein wheat which comes within the grade of No. 1 northern wheat. On March 11 it was quoted at 76 cents a bushel at Minneapolis, cash wheat, while No. 3 Manitoba wheat was quoted at 53 cents per bushel in Winnipeg.

While it is not contended that the tariff is entirely responsible for maintaining these favorable price margins, it must be conceded that without the tariff American farmers would have been forced to accept the world price levels for these commodities, because any attempt to raise domestic prices above the world level without a tariff would immediately invite the importation of goods from abroad at the world price, thereby forcing the domestic price down to the world level.

We hear it frequently charged, however, that our tariff has promoted tariff retaliation in foreign countries, and thereby has destroyed our foreign markets for our farm products. There is no question but that since the close of the World War there has been a definite nationalistic trend in most countries throughout the world, which has been reflected in increased tariff rates. The motivating purpose, however, back of most of these tariff raises seems to have been just as it was in our own case, to assist domestic producers and to promote domestic industries with a view toward becoming as nearly self-sufficing as possible. In fact, so far as farm products are concerned, they have gone a great deal farther than we have in protecting their farmers from foreign competition. For example, in France the duty on wheat on May 22, 1930, was 85.35 cents per bushel; in Germany, on October 26, 1930, the duty was $1.62 per bushel; in Italy, on December 2, 1931, the duty was $1.07 per bushel.

In this connection it is significant to compare the prices of wheat in the free-trade market of Liverpool, England, with the domestic prices of wheat in the highly protected markets of Paris, France; Milan, Italy; and Berlin, Germany. I have here a table, giving such a comparison for the period September, 1930, through October, 1931, which shows forcefully the tremendous effect of the tariff in maintaining the high domestic prices for wheat in France, Germany, and Italy above the world level. I ask that this table may be printed in the RECORD in connection with my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table is as follows:

Wheat—Comparative prices at Liverpool, Paris, Milan, and Berlin, weekly, September, 1930–October 30, 1931

Date	Domestic prices at [1]—			
	Liverpool, England [2]	Paris, France	Milan, Italy	Berlin, Germany
1930	*Cents*	*Cents*	*Cents*	*Cents*
September:				
First week	96	168	181	162
Second week	96			

[1] Data supplied by Bureau of Agricultural Economics.
[2] Prices from World Wheat Prospects (WH-67), Bureau of Agricultural Economics. All sales of imported parcels.

Wheat—comparative prices at Liverpool, etc.—Continued

Date	Domestic prices at—			
	Liverpool, England	Paris, France	Milan, Italy	Berlin, Germany
1930				
September—Con.	*Cents*	*Cents*	*Cents*	*Cents*
Third week	91	176	181	148
Fourth week	84	174	176	150
October:				
First week	85	173	176	148
Second week	88	168	175	146
Third week	84	175	175	144
Fourth week	88	175	172	152
November:				
First week	84	176	168	156
Second week	81	178	163	162
Third week	76	174	155	161
Fourth week	80	176	155	161
December:				
First week	77	176		163
Second week	74	176	152	157
Third week	74	176	151	160
Fourth week	77	176	149	162
1931				
January:				
First week	67			
Second week	70	178	150	168
Third week	70	180	153	165
Fourth week	60	179	153	169
Fifth week	72	180	155	172
February:				
First week	67	184	156	173
Second week	66	186	159	174
Third week	73	188	159	176
Fourth week	75	188	159	185
March:				
First week	67	188	156	189
Second week	67	191	155	191
Third week	67	191	153	185
Fourth week	70	190	150	182
April:				
First week	67	194	153	187
Second week	69	197	156	189
Third week	69	200	160	187
Fourth week	72	202	161	185
May:				
First week	72.6	196	167	184
Second week	74.6	196	170	185
Third week	73.3	195		186
Fourth week	66.4	194	163	177
June:				
First week	66.2	195	157	174
Second week	68.6	199	155	176
Third week	64.6	202	153	177
Fourth week	67.2	204	145	178
July:				
First week	64.7	191	134	172
Second week	64	190	134	162
Third week	62	190	136	163
Fourth week	60.9	182	134	
Fifth week	59	167	130	129
August:				
First week	51.4	167	130	120
Second week	57.4	170	131	132
Third week	54.3	173	130	145
Fourth week	49.4	180	132	137
September:				
First week	49.6	[1]168	[1]130	[1]131
Second week	50.4	170	139	136
Third week	53.1	170	137	135
Fourth week	52.0	170	133	134
Fifth week		165	132	133
October:				
First week	55.3	165	134	135
Second week	54.4	167	134	132
Third week	57.3	166	138	135
Fourth week	61.5	162	141	

[1] Conversions at current rates of exchange from this date on, par being used previously.

Mr. THOMAS of Idaho. The question remains, To what extent have the increased tariff barriers abroad destroyed the foreign markets for our farm products? A survey of the situation shows that in the case of our principal exportable products we still have large important outlets for our farm products, and foreign tariff barriers have not destroyed to any large extent our foreign markets. The increases in tariff barriers have been most prominent in France, Germany, and Italy, so far as it affects our exports of farm products. The free-trade market of England is still open to most of our farm products, the new tariff act specifically exempting from duty most of them. Even if they had not been exempted, the new duty being only 10 per cent ad valorem, is merely a revenue duty and not a protective duty. I have here a table showing how little the foreign market for wheat has been injured by increasing tariff barriers since the passage of the act of 1930. As shown in this table, the imports of countries collecting no duty, or purely a revenue duty on wheat, constitute almost as large a market for wheat as they did prior to the passage of the tariff act of 1930. I have a table showing those imports, which I ask to have printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The table referred to is as follows:

Foreign markets for wheat

Country	Net imports, fiscal year ending June 30 [1]	
	1930	1931
Unprotected markets: [2]	*Bushels*	*Bushels*
United Kingdom	201,903,000	220,836,000
Belgium	42,573,000	45,134,000
Netherlands	30,131,000	35,402,000
China	47,258,000	21,962,000
Irish Free State	17,916,000	18,996,000
Switzerland	16,914,000	18,389,000
Denmark	7,770,000	11,411,000
Norway	7,130,000	8,274,000
Cuba		
Austria	18,398,000	
Total	389,947,000	380,404,000
Protected markets:		
Germany	60,755,000	30,028,000
Italy	43,427,000	83,607,000
France	20,416,000	44,815,000
Brazil	33,889,000	30,708,000
Japan	13,753,000	17,390,000
Greece	21,521,000	24,081,000
Czechoslovakia	12,286,000	15,312,000
Egypt	11,994,000	9,678,000
Sweden	7,287,000	5,437,000
Union of South Africa	4,709,000	3,458,000
Finland	5,623,000	4,878,000
Spain	4,771,000	
Syria and Lebanon	1,282,000	168,000
Latvia	2,521,000	1,944,000
New Zealand	502,000	751,000
Indo-China	1,210,000	1,008,000
Estonia	1,218,000	880,000
Austria		15,399,000
Total	246,263,000	289,542,000
Total for all of the principal importing countries	636,210,000	669,946,000
Percentage of total foreign market represented by unprotected markets	61.20	56.78

[1] Source, Bureau of Agricultural Economics.
[2] Countries permitting free entry, or assessing a duty of 15 per cent or less.

Mr. THOMAS of Idaho. A similar situation is shown in the following table concerning cotton, except to an even greater degree. All of the countries listed below still allow free entry to cotton except Italy, with a duty of 44 cents per hundred pounds; Switzerland, with a duty of 2 cents per hundred pounds; and Poland, with a duty of 5 cents per hundred pounds if imported through Polish ports:

Net imports of cotton in principal importing countries, year beginning July 1

Country	1929–30	1930–31 [1]
	Bales	*Bales*
United Kingdom	2,645,000	2,172,000
Japan	2,859,000	2,777,000
Germany	1,387,000	1,287,000
France	1,600,000	1,621,000
Italy	1,101,000	790,000
Czechoslovakia	517,000	449,000
Belgium	414,000	320,000
Poland	225,000	282,000
Canada	218,000	209,000
Netherlands	213,000	214,000
Austria	118,000	99,000
Switzerland	136,000	123,000
Sweden	105,000	96,000
Finland	30,000	26,000
Hungary	60,000	61,000
Estonia	23,000	18,000
Denmark	27,000	26,000
Norway	9,000	10,000
Total	11,696,000	10,502,000

[1] Preliminary.
Supplied by Bureau of Agricultural Economics.

Mr. President, it is easy to deal in generalities in discussing the tariff and to make all sorts of claims—that it is of no value to the farmers, that it has destroyed our foreign markets, and so forth; but a careful analysis of the facts of the situation fails to support such contentions.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. THOMAS of Idaho. I would prefer not to yield until I get through with my remarks.

The PRESIDENT pro tempore. The Senator from Idaho declines to yield.

Mr. THOMAS of Idaho. Mr. President, the evidence is overwhelming that the tariff, measured either by the yardstick of maintaining a higher domestic price than the world price or by the yardstick of maintaining the benefits of the domestic market for domestic producers, has been of incalculable benefit to American farmers. They have been saved from a flood of foreign competition at a time when they could least afford to suffer such competition. There are still some loopholes which need to be stopped in order to give agriculture adequate protection. The average rate on agricultural products should be raised somewhat higher still in relation to the industrial rate in order to bring agriculture to a basis of equality with industry in tariff protection. But if there is to be any change in our tariffs, it must be upward rather than downward, so far as farm rates are concerned. To lower farm rates would work incalculable harm, particularly at this time when agriculture is staggering under such a heavy burden that it can bear no more. The way to aid agriculture is not to destroy her protection, but to conserve it, simply giving the American farmer complete control of the American market.

INTERNATIONAL ECONOMIC CONFERENCE

Another proposal in the pending tariff bill which is unwise and dangerous in its possible effects is the provision for the participation of the United States in an international economic conference. This conference would have for its purpose, under the language of the proposed bill, first, the lowering of tariff duties and the elimination of other economic barriers affecting international trade; second, prevention of retaliatory tariff measures and economic wars; and third, the promotion of trade and commercial relations between nations.

I have no quarrel with some of the announced objects of this conference, such as the improvement of international trade, the elimination of unfair and discriminatory practices in international trade, and the prevention of tariff wars, or even the reduction of tariffs wherever they are excessive and can be reduced without injury to domestic industries needing such protection.

But I am afraid of the practical effects and the actual operation of such a conference, if once initiated. In the first place, the language plainly intends that such a conference would be a continuing body when once established, because the duties and objectives described are too broad and too much of a continuing nature to be accomplished in a single meeting of a few weeks or a few months.

What would be the practical working of such a conference? It would simply involve the United States in another foreign entanglement. We would have another repetition of the League of Nations. Such a conference would be in reality a tariff league of nations in which Uncle Sam would be expected by the rest of the nations of the world to be their economic Santa Claus, so far as Uncle Sam's tariff rates are concerned, and to be a party to the tariff disputes and tariff wars of continental Europe, Latin America, and the Far East.

It is part and parcel of the greedy ambitions of the international bankers, with huge foreign investments. They want us to cancel all our debts which foreign governments owe us; and now it is proposed to strike down our tariff barriers so foreign countries can unloose a flood of their merchandise into our markets—all in the name of promoting international trade and international harmony, but in actuality to promote the financial interests of the international bankers, the importing interests, and the foreign producers.

What could we hope to gain if we sat down in such a conference with the nations of the world? Could we afford to surrender our historic policy that the fixing of tariffs on imports is a domestic matter in which foreign countries have no right to meddle? What could we gain through dickering with all the other countries of the world in the fixing of tariff rates? Does anyone seriously contend that a nation such as ours, which is so nearly self-sufficing, could be the gainer from tariff bargaining? Over 90 per cent of our total production is sold in the home market. It is our best market. Suppose we sat down with other nations and began to bargain in tariff rates; what would be the result? The American farmer would be the goat of such negotiations. Canada, with her vast frontiers, would want to ship us cattle, potatoes, butter, cheese, milk, cream, wheat, flour, maple sugar, and maple sirup. Italy would want to sell us canned tomatoes and tomato paste, cherries, olives, olive oil, cheese, and nuts. Cuba would want to sell us her sugar and her fresh vegetables. Argentina would want to sell us enormous quantities of wool, flaxseed, linseed oil, corn, wheat, hides, beef, and casein. China would want to sell us her dried and frozen eggs, her soybeans, her peanuts, her soybean oil and peanut oil, and purchase mainly our industrial products. In other words, these nations would want us to lower our tariffs on farm products so they could dump their surpluses of farm products on our markets in competition with our farmers, and in return they would gladly reduce their tariffs on manufactured articles which are produced but little in their borders.

Although I regard the tariff as of tremendous benefit to agriculture, I do not hold that it is a panacea for all the ills of agriculture any more than it is a panacea for all the ills of industry. I would go still further and say that there are certain of our farm crops concerning which it is difficult to obtain the full benefit of the tariff without some supplementary machinery. This is particularly true in the case of the farm products of which we produce a surplus in excess of domestic requirements.

Farmers, by the very character of their industry, are unable unaided to follow the same course that manufacturers pursue in segregating their exportable surplus from their domestic sales and disposing of this surplus in such a way as not to injure the price received in domestic markets for domestic sales. Manufacturers have long followed this policy of selling their surplus abroad at the world price in order to maintain a domestic price on the bulk of their production as nearly as possible at a level equal to the world price plus the tariff. The loss on the small portion sold abroad could be more than offset by the gains on the greater portion sold in domestic markets under this plan.

The farmers are asking that the same plan be made possible for their products. It is impossible for them to take advantage of this plan without legislation. The manufacturing industry is highly concentrated, particularly in the export business, and, therefore, it is much easier for the small group of manufacturers involved to get together and proceed with such a program. With 6,000,000 producing units in agriculture, distributed among 48 States, concerted action in such a program is obviously impossible of attainment without legislative assistance.

The farmers through their national farm organizations have agreed upon a joint program of legislation to bring relief to the distress of agriculture. They are standing with united front in these critical times. They are looking to this Congress to give them immediate and effective relief. We must not fail them.

Their program was summarized in a series of resolutions adopted by the executive officers of the three national farm organizations, the National Grange, the American Farm Bureau Federation, and the National Farmers Union. I quote from their resolutions, as follows:

AGRICULTURAL MARKETING

We insist that the agricultural marketing act shall be continued in force as a principal method of stimulating cooperative marketing and advancing the cause of disposing of surpluses so that they will not depress the domestic price.

The marketing act should be amended immediately by the inclusion of the debenture plan, equalization fee, or any other method which will make it effective in controlling surpluses, in making tariffs effective on farm crops, and in securing for American farmers cost of production on those portions of their crops

sold for consumption in our own Nation; nothing less is a remedy for the agricultural marketing problem.

The first proposal in this joint program of organized agriculture asks for amendments to the agricultural marketing act to include "the debenture plan, the equalization fee plan, or any other method which will make it effective in controlling surpluses, in making tariffs effective on farm crops, and in securing for American farmers cost of production on those portions of their crops sold for consumption in our own Nation." They tell us that "nothing less is a remedy for the agricultural marketing problem." They do not want the agricultural marketing act repealed, but they say they want it continued in force and made stronger and more useful.

There is no need for me to enter into an explanation of either the debenture plan or the equalization-fee plan and other related measures referred to in this resolution. The Senate has previously approved the debenture plan and Congress has twice approved the equalization-fee plan.

Let us not delay action any longer to our farmers, but let us give early approval to their program. It will encourage them to know that Congress has their welfare deeply at heart and is unwilling to see our agriculture destroyed or even permanently crippled.

American agriculture is passing through what is probably the most severe depression in the memory of this generation. Loaded with a staggering burden of debt contracted in a time of inflated price levels, and burdened by an unparalleled load of taxes, agriculture is making a desperate struggle to maintain itself as our basic industry. But we must do more than maintain our agriculture. In justice to the farmers we must assist them to maintain the American standard of living on the farm just as we have assisted industry and labor to maintain the American standard of living in the cities and towns.

Let us not forget that this Congress is faced with the terrible conditions now prevailing on the American farms throughout the country. We have voted more credit for the farmer, made it easier for him to borrow money, but we should do something to make it easier for him to pay his debts. He can not pay his debts on the basis of existing price levels of farm commodities with a level of farm prices at 60 per cent of the pre-war level and the level of nonfarm prices at 120 per cent of the pre-war level. He can not pay them with a farm dollar of 50 cents. The only adequate solution is to bring about an increase in the price level of farm commodities. If we will do this, we will make it possible for the farmer to meet his debts with the banks and other credit agencies, pay the interest, and ultimately pay the principal.

If we will restore the purchasing power of American agriculture, we will have gone a long way in ending the national depression. Restore the farmers' purchasing power, and you will at once start the wheels of industry in motion producing fence material, lumber, paint, fertilizers, clothing, radios, automobiles, and a vast number of other products which the farmers and their families would be consuming to-day if they had funds with which to purchase.

We have passed emergency legislation to relieve the banks, the railroads, and other industries, and to provide additional credit for agriculture. The farmers have presented their program to Congress. They are united, standing shoulder to shoulder in this hour of emergency. Let us be true to the trust imposed in us by enacting into law this program for the relief of agriculture.

AMENDMENT OF TARIFF ACT OF 1930

The Senate resumed the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

Mr. THOMAS of Oklahoma obtained the floor.

Mr. FESS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Johnson	Pittman
Austin	Couzens	Jones	Reed
Bailey	Dale	Kean	Robinson, Ark.
Bankhead	Davis	Kendrick	Robinson, Ind.
Barbour	Dickinson	Keyes	Schall
Barkley	Dill	King	Sheppard
Bingham	Fess	La Follette	Shipstead
Black	Fletcher	Lewis	Shortridge
Borah	Frazier	Logan	Smoot
Bratton	George	Long	Steiwer
Brookhart	Glass	McGill	Thomas, Idaho
Broussard	Goldsborough	McKellar	Thomas, Okla.
Bulkley	Gore	McNary	Townsend
Bulow	Hale	Morrison	Trammell
Byrnes	Harrison	Moses	Tydings
Capper	Hastings	Neely	Vandenberg
Caraway	Hatfield	Norbeck	Wagner
Carey	Hawes	Norris	Walcott
Connally	Hayden	Nye	Walsh, Mass.
Coolidge	Hebert	Oddie	Walsh, Mont.
Copeland	Hull	Patterson	Watson

The PRESIDENT pro tempore. Eighty-four Senators have answered to the roll call. A quorum is present.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I do.

Mr. LONG. Mr. President, I am sorry the Senator from Idaho has left the Chamber. I desire, however, to put in the RECORD, in connection with his speech exhibiting considerable solicitude for the welfare of the farmer and apparently some indignation at the opposition of certain financial interests of the East to the farmer, the fact that the farmers of the country are very much concerned with the tariff on oil. Many of them own lands from which they have oil royalties. Oil in the Tropics and in the countries north of the Tropics, produced for all the way from 10 to 15 or 20 cents a barrel, is brought in here by the hundreds of thousands of barrels and unloaded at the ports on the Pacific coast, the Gulf coast, and the Atlantic coast, practically destroying the livelihood and the market the farmer has for his oil.

I was hoping that the distinguished Senator from Idaho—who is not here, but who, I hope, may see fit to read the question which I raise now—would also express his solicitude and his indignation with regard to the opposition made by the financial interests of the East in seeing that the farmers of this country who are interested in oil are given fair treatment in that regard along with the other products that he mentioned.

Mr. THOMAS of Oklahoma. Mr. President, as the hours pass by perhaps it would not be amiss occasionally to state the question before the Senate.

As I understand the question, it is H. R. 6662, reported here unfavorably. At a later date unanimous consent was granted to have substituted for this bill an amendment in the nature of a substitute offered by the Senator from Mississippi [Mr. HARRISON]. I understand that there is pending a motion to displace the Harrison substitute by a second substitute, offered by the junior Senator from Michigan [Mr. VANDENBERG], and that is the question now before the Senate. If I am in error, I yield for a correction from the Chair.

The PRESIDENT pro tempore. The Senator is correct.

Mr. THOMAS of Oklahoma. Mr. President, under existing law the Tariff Commission and the President have been delegated and constituted the special agents of the Congress to make tariff rates. It is now proposed by the bill sent to us by the other branch of Congress to change that system and to place back under the Congress the power of making tariff rates. The issue joined here is whether the Congress shall make tariff rates or whether the Tariff Commission and the President shall make tariff rates.

Upon this issue I take the side that the Congress, under the Constitution, should make these rates. I am now ready to vote; but, seeing no indication of a desire on the part of my colleagues to have a vote, and desiring to refer to another matter, I take advantage of this occasion to do so.

Mr. President, we have heard much in the last few days about history—ancient history. We have heard much about

the Constitution. The Constitution is divided into three parts. The first part is devoted largely to the powers of the Congress. The second part is devoted to the powers of the Chief Executive. The third part is devoted to the powers of the judiciary. An investigation discloses that some 65 per cent of the text of our Constitution is devoted to the powers of the Congress. These powers come first. So I hold that the makers of the Constitution had in mind that the Congress should be the real governing power of this Republic.

Does anyone challenge that statement? Yet, Mr. President, in the brief years that our Government has existed, we have seen the practice change, until to-day most of our laws are not made by the Congress. Most of our laws are made in the departments, through regulations and rules. Others of the laws considered by Congress are suggested by the departments; and to-day, instead of the Congress being the chief lawmaking power, we have, in my judgment, so delegated our powers that to-day such power is not upon Capitol Hill; it is down at the other end of Pennsylvania Avenue.

Instead of many of these laws being suggested and virtually agreed upon on Capitol Hill, in the Capital of the Nation, they are agreed upon and decided upon at White House breakfasts.

Mr. President, I am not going to criticize the departments for suggesting legislation. Frequently we ask them for their opinions and their views and are glad to get them. Frequently the President is consulted. He has a constitutional duty to advise the Congress of the state of the Union when Congress convenes. He sends messages here frequently, and we are glad to have those messages. But I hold it to be bad taste in a department of the Government to criticize a law which has been passed by Congress. The departments are the agents of this Government, they are the agents of the Congress, the policy-making department, as I have said, under the Constitution.

On yesterday I took occasion to criticize the Secretary of Agriculture for criticizing a law we passed during the present session. Just a day or two ago the President saw fit to veto in advance a bill which is pending in the House and in the Senate. Under the Constitution the President has a right to veto a measure when it is submitted to him, but I suggest that it is hardly proper to veto a bill in advance of the hearings upon the bill and in advance of the passage of the bill by the Congress.

When a department of the Government sees fit to criticize an act of Congress and when the President sees fit to veto a bill before it is passed, then I hold it not out of order to challenge that premature veto message.

The veto was not sent to us; it was given to the public press and carried broadcast throughout the Nation. The veto message, as I so designate it, is a veto of the proposed payment of the balance due the veterans of the Nation. It is true that bills are pending here proposing to pay the balance due the soldiers. It is true that bills are pending in the House proposing to pay the balance due the veterans. The Congress heretofore has committed itself that certain amounts of money are due these soldiers.

Last year the Congress saw fit to make available some funds from which the veterans might borrow, and this year there was no demand made at the beginning of the session for the payment of the balance due the veterans. The demand did not become audible until Congress proceeded to pass a bill making available $2,000,000,000 for loans to big business.

There was no commitment in favor of big business. There was no commitment in favor of making loans in the millions to the railroads. There was no commitment in favor of making loans in the millions to the life-insurance companies. There was no commitment in favor of making loans in the millions in favor of the banks. But the Congress, in the first days of the session, had presented to it a bill; and I well remember that the Senate was kept in session for hours each day, and one night we were kept here until 11 o'clock, in order that we might make available $2,000,000,000 to be loaned to these gigantic institutions to whom no commitments had been made.

When Congress passed that bill, the veterans having commitments could not understand why it was that Congress would stay in session until almost midnight to pass a bill making loans to these gigantic business concerns and, at the same time, would give him no consideration. Then their voice became audible.

I know that the American Legion convention at Detroit last year went on record against the payment of the balance due the veterans. I do not criticize the convention. It had that question before it; it had a responsibility; but the men who attended the Detroit convention were men who had money enough to pay their car fare there and back, and to pay their expenses while in Detroit. They may or may not have fairly represented the masses of the veterans of the several States, men who did not have enough money to pay their fares to Detroit, to pay their expenses while there, and to pay their fares back home.

So, when the veterans saw that the Congress was liberal and generous in making appropriations in the way of loans to the extent of millions and tens of millions to those to whom no commitments had been made, they began to wonder why it was that they could not have paid to them the small pittance still due.

Mr. SHIPSTEAD. Mr. President, I beg to remind the Senator that the commitments to big business are standing commitments; they are permanent.

Mr. LONG. Mr. President, that has been proved during the last three administrations, as I understand it.

Mr. THOMAS of Oklahoma. So, Mr. President, there is the record before the country that these bills were passed by the Congress; and, let me say now, that I did not vote for those bills. I did not vote for the moratorium, I did not vote for the Reconstruction Finance Corporation act; but the bills were passed. The veterans saw those bills enacted into law, and then they began to make demands upon their Representatives and upon their Senators, asking why it was that they could not have the small amounts still due them.

The demands came to us in such volume that when the hearings begin before the Ways and Means Committee of the House of Representatives more than 2,000,000 petitions will be presented asking that committee to recommend favorably a bill proposing to pay the balance due the veterans of the World War.

Mr. President, in some quarters the agitation for the payment of the balance due has apparently become embarrassing. Evidently the Chief Executive has been advised that the bill is likely to pass, and in an effort to stop its passage, and to serve notice on the Senate and the House that in the event the bill does pass it will meet with a veto, the Chief Executive vetoes the bill in advance.

I now call the attention of the Senate to the veto message. It appeared in the public press of March 30. It is entitled "President's Statement in Opposition to the Bonus" and reads:

> The President yesterday issued the following statement:
>
> Informal polls of the House of Representatives have created apprehension in the country that a further bonus bill of $2,000,000,000, or thereabouts, for World War veterans will be passed.
>
> I wish to state again that I am absolutely opposed to any such legislation.
>
> I made this position clear at the meeting of the American Legion in Detroit last September 21, and the Legion has consistently supported that position. I do not believe any such legislation can become law.

Mr. President, we are advised by the Chief Executive, as if we were his agents, that no such bill can become law. Perhaps he is right; but under the Constitution we have the power to pass legislation. When it is passed, we have the power to send it to the other end of Pennsylvania Avenue, and the President, under the Constitution, has the right to approve the bill or to veto it. If he sees fit to veto it, he sends the bill back to the body where it originated, with his veto. Then we have the further constitutional right to consider the veto message in connection with the bill, and to proceed to vote again, and if a constitutional majority of this body and the other vote in favor of the bill, notwithstanding the veto of the President, then the legislation thus sustained becomes the basic law of this Republic.

We are told here that such legislation can not become law. That raises the question, Is the President the agent of the Congress, or is the Congress the agent of the President?

I want to remind the Senate and the country that from my viewpoint we have not yet fallen to that low estate when the Chief Executive or anyone else is our superior. He is our equal. We are not his agents. We do not seek to make him our agent. He has his constitutional duty to perform; we have ours. I assert here in the Senate, if I may, that the responsibility rests upon the shoulders of the Members of this body and of the body at the other end of the Capitol, for the initiation and passage of legislation, and the responsibility rests upon the Chief Executive for the approval or disapproval of that legislation.

I read further from the statement, the veto message:

Such action would undo every effort that is being made to reduce Government expenditures and balance the Budget.

Mr. President, we are told that if we make available money with which to pay the soldiers, where a commitment has been made, the Budget will be unbalanced. Did we hear, when the Reconstruction Finance Corporation bill to make available $2,000,000,000 was before this body, that the Budget was about to be unbalanced? Not a word. But now, when we propose to pay an obligation, to fulfill a commitment, we are admonished that if we propose to fulfill that obligation the Budget will be unbalanced.

Mr. President, if I were the head of this great Republic, and if, after three years' time, the Budget under my administration were found in the condition in which we find the Budget to-day, I think I would be silent and not suggest that some legislation might unbalance the Budget.

I read further:

The first duty of every citizen of the United States is to build up and sustain the credit of the United States Government. Such an action would irretrievably undermine it.

Mr. President, these veterans for whom I presume to speak number something like four and a half million. They are located in every State of the Nation. They are located in every city of the country, in every county, and in every hamlet. These veterans have families, fathers and mothers, brothers and sisters, and wives. So these four and a half million veterans in my humble judgment represent directly perhaps one half of the citizens of the United States.

Are they divided upon this issue of the payment of the balance due them? I can not speak for other States, but I presume to speak for one sovereign State—the State of Oklahoma—and I have no hesitancy in saying that the ex-soldiers in my State are practically unanimous in favor of the payment of the balance due them upon their certificates.

I exhibit to the Senate 658 ballots. These ballots were voted by the ex-soldier boys in one of the American Legion posts in the capital of my State. Oklahoma City has several Legion posts. Here are 658 ballots from the boys representing just one of those American Legion posts. These ballots contain the name and address of every voter. These ballots, 658 in number, without exception favor the full payment of the balance due them under the commitments made back in 1924.

I have ballots from various Legion posts in my State, and I am safe in saying that at least 99 per cent of the veterans who hold certificates are in favor of provision being made that they be paid the balance due them. I can not speak for other States, but my information is that the ratio is about the same. So I think I am safe in drawing the conclusion that the veterans of the World War, almost 4,500,000 of them, are practically unanimous in favor of having paid to them the amount remaining due upon their certificates.

If that is a fair statement, how can we construe the veto message of the President? He tells the 4,500,000 boys, their friends, and their families, "Veterans, your bill can not pass." There is the issue.

At this point, in verification of statements just made about the particular Legion post in my capital city, I ask to place in the RECORD a letter from the post commander of Capitol Hill Post, No. 13, American Legion, Oklahoma City, and ask that that part indicated be incorporated in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter is as follows:

This is to inform you that on our regular Friday meeting, February 12, we had a good-sized crowd out. A ballot was given to each service man and a ballot was taken and tabulated on the following veterans' legislative movements:

Payment remainder of adjusted-service certificates.
Cancellation of interest on bonus loans.
Payment of pensions to widows and orphans.
Additional hospital facilities.

The total voting was 658, all casting a "Yes" for these movements, a wonderful expression for these movements with this unanimous vote.

I am sending these ballots by parcel post to you to bear out my statement. These ballots are all signed by the individual and their addresses given on the ballot for further evidence.

Mr. THOMAS of Oklahoma. Mr. President, I wonder why the President, the distinguished senior Senator from Pennsylvania [Mr. REED]—and I will come to him in a moment—and others are opposed to this proposal? Can some one give me a reply? They state that if we make possible the payment to these soldier boys the credit of the Nation will be destroyed. We hear that the credit of the Government must not be impaired. No one wants to impair the public credit. No one, to my knowledge, has made a proposal to destroy that credit. But we are face to face with facts, not with theories. What are the facts? This country faces a $4,000,000,000 deficit. Taxes are not being paid. Schools are being closed. Banks have failed and are failing. Industries are bankrupt. If we can not pay our private debts it follows naturally that we can not pay our public debts.

The United States is on the road to bankruptcy.

That is from the Nation's Business. Those are not my words. Those are the words of a leading editorial in the magazine speaking for big business, the United States Chamber of Commerce.

"The United States is on the road to bankruptcy," says Nation's Business. Debts, public and private, are the most burdensome in history. Not only do we owe the largest number of dollars, but each dollar represents the highest value and buying power recorded in a century.

It is now generally conceded that we can never pay our massed debts with dollars of the present buying power. It is those who have their wealth in fixed investments who are demanding that our credit be not impaired. The holders of deposits—bills, notes, and bonds—will do well if they can collect dollars—dollars of the value loaned or invested, and not dollars of the highest buying power in history.

Mr. President, I call the attention of the Senate to a newspaper. The newspaper I hold in my hand and exhibit to the Senate is yellow with age. It is dated August 30, 1918. On one page I find a photograph of a number of American soldiers standing at the grave of Lieut. Quentin Roosevelt in France. I have stood at that grave myself. Lieutenant Roosevelt was buried where he fell. He was shot down in the air. When the plane fell it burned, and on that spot is the tomb of Lieut. Quentin Roosevelt. Around this little mound is a wooden picket fence. Inside that little square area inclosing this little mound is a wooden cross. When I was there in 1927 indistinct letters upon the cross told the story that at that point one of the brave American soldiers fell. Around this little plot, away from the city, back in the interior on the banks of a little ravine surrounded by poppies, is an American shrine. I exhibit to the Senate a picture of that shrine.

Mr. President, at another place in this newspaper I find where General Pershing, the leader of the American forces in France, sent a telegram back to America. I read that telegram:

In the camps and villages of France we have been training and preparing these many months for the supreme test. In the ports and along the roads that reach from the sea to the battle front we have been organizing, constructing, achieving. We have toiled cheerfully against the day of battle, and the spirit that has urged

us on through the discomforts and drudgery of the winter, in muddy fields and sodden trench, in storm-swept ports, in rain and sunshine, has been the determination to be worthy of those whom we left behind when we crossed the sea.

At another point I find a news story about a great American who went across to visit some of the soldiers themselves. He took with him some messages from America. Those messages were to be delivered to soldiers on the western front, to cheer them if they could be cheered, and to give them some assurance that the people back home had not forgotten them. I desire to read from this news story:

These messages, from Maine to California, are of every length and phrase, but they all voice the same glowing pride, the same hearty support, the same jubilant anticipation of the greatest welcome ever known when Johnny comes marching home.

"Say to them that when they return the State will belong to them."

That is what Governor Holcomb, of Connecticut, says in so many words, but that is what they all say in effect. Here is the message from Senator BORAH, of Idaho.

I shall place this in the RECORD and not take the time to read it now.

Farther on we have a message from the great war Governor of Illinois; we have a message from the great war Governor of Kansas, Gov. ARTHUR CAPPER, who now graces this body with his presence. Then we have a message from Massachusetts and a message from my distinguished colleague from my State [Mr. GORE], at that time a Member of this body. Then we have a message from John Sharp Williams, of Mississippi. We have a message from former Senator James W. Wadsworth, of New York. We have a message from Governor McCall, of Massachusetts, and Governor Goodrich, of Indiana. I ask unanimous consent to incorporate this news story at this point in my remarks in full.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Without objection, it is so ordered.

The matter is as follows:

WORDS OF CHEER BROUGHT TO AMERICAN EXPEDITIONARY FORCE FROM BACK HOME—GOVERNORS AND SENATORS SEND MESSAGES OF CONGRATULATION—STATE IS YOURS, SAYS ONE—MISSISSIPPI STATESMAN PRAISES THE "JOHNNY YANKS OF OUR INDISSOLUBLE UNION"

A sheaf of letters and telegrams has just arrived in France which were written in America by our governors and Senators as messages of congratulation and good cheer to the soldiers from their home States. They will be delivered as occasion offers by Julius Rosenwald, of the Council of National Defense, who has come to France on a special mission for the Secretary of War.

These messages, from Maine to California, are of every length and phrase, but they all voice the same glowing pride, the same hearty support, the same jubilant anticipation of the greatest welcome ever known when Johnny comes marching home.

"Say to them that when they return the State will belong to them."

That is what Governor Holcomb, of Connecticut, says in so many words, but that is what they all say in effect. Here is the message from Senator BORAH, of Idaho:

ON ENEMY'S CHOSEN FIELD

"That men could be taken from the peaceful avocations of a peace-loving nation and in so short a time and with such hurried training, with such endurance, valor, and success meet the most thoroughly trained and disciplined soldiers in the annals of war is one of the marvels of warfare. And as that splendid courage has been displayed on the enemy's own chosen battlefield and as the news has come back laden with the report of their united and individual daring, you could feel the bonds of national unity tightening and the spirit of national pride and purpose growing stronger day by day. Please say to them that language is inadequate to express to them our gratitude and our pride."

"Tell the men of Illinois," writes Governor Lowden, "that we rejoice with solemn pride in their achievement and know that the honor of Illinois is safe in their hands. We shall have a welcome for those who return to us such as only a free nation can give to its brave defenders."

"The years that this war takes from your life will not be wasted years." So runs the pledge from Governor CAPPER, of Kansas. "We will care for your loved ones while you are away, shielding, protecting, and comforting them; and when victory is at last won, we will welcome you back home with all the honor that is due the true man who has offered his all to his country."

NEW HAMPSHIRE'S MESSAGE

"Tell them, please," says New Hampshire, through Governor KEYES, "that their old home State fully appreciates the magnificent way in which they are upholding her honor; that we at home are not only willing but anxious to do everything we can to aid in accomplishing that grand result in which the final factor will be the American Army, as fine a fighting force as the world ever saw."

This is from Senator GORE, of Oklahoma:

"The deeds of those who fall in battle, as the deeds of those who survive, will be commemorated by your countrymen so long as valor is sustained a virtue and so long as heroism is honored among the sons of men."

"Tell my Mississippians," writes Senator John Sharp Williams, "that here at home we are 'holding our hearts up higher for those who are fighting afar,' and that such wisdom as lies in our poor gray heads is behind the strong hands and brave hearts of all our boys, whether Johnnies or Yanks—our noblest and most loved and bravest and truest, as they are—the new Johnny-Yanks of our indissoluble Union of indestructible States."

"Tell the men," wires Senator Wadsworth, of New York, "that we are tremendously proud of them, and that the Congress and the country will stand by them through thick and thin. America has just commenced the fight."

KNEW BOYS WOULD MAKE GOOD

"We knew our boys would make good, and they have fully come up to expectations," says Governor Burnquist, of Minnesota. "Tell them that the folks at home will go the limit to back them up."

"The splendid traditions of our State have been nobly upheld by you and a luster added."—Governor McCall, of Massachusetts.

"Some day they will return to us as the conquering heroes of the great war of the twentieth century."—Governor Goodrich, of Indiana.

"Pennsylvania is constantly thinking of her boys."—Governor Brumbaugh.

"To the boys from South Dakota, let me say that the folks back home are eagerly and fondly watching you at a great distance. Their admiration is supreme."—Senator Johnson.

"Say to them that every man, woman, and child in America is proud beyond all words of the magnificent record they are making."—Senator SHEPPARD, of Texas.

"OUR EVERLASTING GRATITUDE"

"Our everlasting gratitude goes out to you; and, because of your deeds, we, every one, are increasingly proud that we are Americans."—Senator Lenroot, of Wisconsin.

"Tell them that Arkansas has unbounded faith in their ability to lick the Huns and that we know, before they return to us, that the principles and teachings of the Potsdam dynasty will have been blotted from the face of the earth."—Governor Brough.

"Say to our boys that Alabama stands behind their heroic service to the last man and our last dollar."—Senator Underwood.

Mr. THOMAS of Oklahoma. Mr. President, the distinguished senior Senator from Texas [Mr. SHEPPARD] at the moment presides over this Chamber. Let me at this point invite his attention and the attention of the Senate to a letter received this day from one of his constituents. The letter is written from Dallas, Tex., dated March 29. It may be interesting. I will read only a part of it:

Congress has now been in session for several months, and, speaking as one of the masses, I should like for you to tell me what it has done to relieve the middle and poor classes of this country. You may reply that it requires time and thought and delay to work out these problems. Grant that it does. It only took you fellows a few hours to vote a moratorium granting the foreign countries more time on their debts to the United States. Did you at the same time consider a moratorium for the American home owner? Was any action taken to prevent the mortgage companies all over this country from foreclosing on the small farmer and small home owner?

The Reconstruction Finance Corporation was created on short notice to save the big banks and the railroads. What kind of financial relief was created for the millions of unemployed and their families who are suffering for food and clothing and are being ejected from their homes for failure to pay mortgage interest and high taxes?

You say the farmers are being extended small loans with which to buy seed. Where is the constructiveness in this plan, when the farmer can't sell his last year's crop with a profit?

Again I quote from the letter:

The masses have always looked to and depended upon our Congress to guide them in governmental affairs, and for generations past it has been the custom of voters to select the kind of representatives whom they believe to be interested in the people's welfare; but since our Government has resolved itself into a "government for the rich and for big business," the common people have lost confidence in their representatives and in their Government, and now, instead of resorting to the old system of trying to correct the evil by going to the polls and voting, the average man tries to believe and has an open ear to bolshevism, communism, or some other kind of "ism."

Mr. President, I do not like those words "bolshevism, communism, fascism, or any other kind of 'ism'." Let me remind the Senate that on the day we opened this building

was almost surrounded by 1,500 unemployed, who came to Congress with a petition asking for aid. They left, and two weeks thereafter another delegation came to Washington. Not 1,500, but 15,000 came. They likewise had a petition for relief. They had to return without assistance.

Then, only a few days ago in this city there was a riot. Men and women are in the city jail because of having participated in that riot. They are called "communists." Perhaps they are. I do not know these citizens, but no doubt they are citizens of the United States.

Not so long ago in the city of Pittsburgh there was assembled in the stadium of that city, so I am advised, 55,000 unemployed, citizens of Pittsburgh and vicinity, asking and petitioning Congress to do something to provide those who are unemployed the means of subsistence.

I saw in the public press only last night that in a far western city some 1,500 unemployed marched upon the city hall and the county courthouse demanding that relief in some form be granted.

I am advised that the same citizen who was instrumental in getting 55,000 assembled at Pittsburgh is now planning to lead a million men to St. Louis in July or August, and the plan is, so I am advised, to have those million unemployed wear a particular garb, a blue shirt. Mr. President, what does that signify to the Senate? What does the blue shirt signify? May it not portend a duplication of what happened in Italy?

Only a short time ago in Italy an unknown newspaper man began to organize black-shirted unemployed to march upon Rome. He had his organization so perfect that those from the north came to Rome, those from the east came to Rome, and those from the west and south also came. They all arrived there at the same time, and this at that time almost unknown Italian was elevated to the leadership of those black-shirted men in Italy; he was made their spokesman. He went to the ruling power and presented his demands. The ruling power knew what it all meant, and immediately Mussolini was recognized; he was placed in control of the city; he was placed in control of Italy. He went back to his black-shirted marchers and sent them home; and from that day unto this Mussolini has been the Government of Italy. Do we see any connection between that historic episode and those million men marching on St. Louis? If this march succeeds, where will the next march lead? The future alone can answer.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I take it—in fact, I know that the Senator from Oklahoma is a highly educated man and is familiar with the Scriptures. In the circumstances which the Senator has recited as to present-day conditions does he not find in the Scriptures warning to every nation as to what would happen if they allowed such conditions to come about?

Mr. THOMAS of Oklahoma. Mr. President, the Senator is eminently correct. I am trying to call attention to what is happening in the United States now, and, using what has happened as a guide to what may happen, I am asking the Senate to "stop, look, and listen."

Mr. President, let me call attention to another news story that appeared in the public press just a few days ago. This story appeared before the President vetoed this bill, and the public press carried a statement of the amount of loans made to big business. I want to place the figures in the RECORD. Those loans were made through the agency of this Congress, and yet, while we are preparing to loan $2,000,000,000 to aid big business, when the four and one-half millions of soldiers come before Congress, even before they are heard, they are told that their bill can not pass. A portion of the story is as follows:

President Hoover's announcement revealed that, through the Reconstruction Finance Corporation, a total of 587 banks and trust companies have received $126,895,073, the average loan to banks and trust companies being $216,162; that building and loan associations totaling 18 have received $2,917,000, an average of $162,055 per association; that a total of 13 insurance companies have received loans of $5,765,000, or an average loan per company of $443,461; that 13 railroads have received $46,975,557, the average loan being $3,613,504.

Mr. President, this Congress has already appropriated money to be loaned to industry to the extent of more than $2,000,000,000, and yet a soldier boy who has a certificate and commitment from the Government stating that there is due him $300, $500, $700, or $1,000 is told that he must wait until 1945 before he can realize on such certificate.

The newspaper story further sets forth that two joint-stock land banks have received $775,000, and three mortgage loan companies have received $1,362,000, in addition to $50,000,000 turned over to the Secretary of Agriculture for agricultural loans, and that the Reconstruction Finance Corporation has loaned $292,084 to one livestock credit association.

Mr. President, that appeared in the public press. One of my constituents saw it and I want to read to the Senate and for the RECORD his reaction. Here is what he says:

I am attaching hereto article cut out of the Oklahoma City Times, and if this is true, that the vast sum of money appropriated by the Government some time ago is to be loaned to corporations to pay off their bankers, why can not I borrow just enough money from this Reconstruction Finance Corporation to pay my 1931 taxes and interest on my farm loan? Please let me know just what would be necessary for me to do to get a loan from this Finance Corporation.

Mr. President, I should like to ask some one who can tell me what he can do to get a loan from the Reconstruction Finance Corporation. I can not answer him. There is no money in the Reconstruction Finance Corporation for this farmer save for feed and seed and fertilizer. There is no money in it for him to enable him to pay his taxes; there is no money in it for him to enable him to pay the interest upon his farm loan; he has no help, he has no aid; there is not a dollar in that fund for this constituent of mine and he wonders why.

Mr. LONG. Mr. President, will the Senator pardon a further interruption?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. It has been suggested that he might buy a railroad and in that way qualify under the act.

Mr. THOMAS of Oklahoma. Perhaps the Senator is correct.

Mr. President, the Chief Executive is not the only one who is worried about this matter. A few nights ago the distinguished senior Senator from Pennsylvania [Mr. REED], the spokesman of the administration and representing in part the great State to our north, had the privilege of making a radio address and, no doubt, he spoke to a very large audience. I have here as an exhibit what purports to be a copy of the address of the distinguished Senator, and I want to read one or two paragraphs from this most remarkable radio broadcast. I read as follows:

There are three sorts of remedies suggested.

Presumably these are remedies which the Senator suggests for the ills which afflict the country.

One group says we can let things slide and borrow money and make up the shortage—

He is talking about the deficit—

but the plain truth is we can not sell Government bonds in sufficient amount.

Mr. President, the distinguished Senator from Pennsylvania tells America over a nationwide radio hook-up that we can not sell Government securities.

Furthermore—

Says the senior Senator from Pennsylvania—

Congress is talking about putting out $2,000,000,000 of bonds to pay in advance the balance of the soldiers' bonus, and there seems to be a very real danger that this bill will pass.

Well, Mr. President, in view of the veto message of the President, coming at a time when the bill was not even being considered, and the radio address by the senior Senator from Pennsylvania, I am justified in the conclusion that there is alarm somewhere that the bonus bill is going to pass, and they are telling the people in advance that if the bonus bill shall pass the credit of this great Nation will be destroyed.

I am surprised, Mr. President, at this conclusion coming from the distinguished senior Senator from Pennsylvania. He is one of the best-informed Members of the Senate. I can not say that he does not know better, but I can not believe that this is his deliberate judgment. He knows too much about finance, Mr. President, to make such a statement deliberately. The senior Senator from Pennsylvania knows that our credit at this time is not impaired.

Mr. President, we have to-day in the Treasury of the United States and in the Federal reserve system more than $4,300,000,000 of gold. That is almost half of all the gold in the world. We have enough gold in our Treasury and in the Federal reserve system to place 85 cents in gold behind every dollar that is in circulation. We are practically able to supplant every piece of money that is in circulation with gold; and yet the distinguished Senator makes the statement that to pass a bill paying a commitment of $2,000,000,000 will destroy the credit of the Government!

Mr. President, we have only about five and a half billion dollars in circulation. The law requires only 40 per cent of gold, and we have now some laws whereby money may be issued without any gold whatever. There is no gold necessary to be placed behind the credit the Reconstruction Finance Corporation is issuing. That corporation could issue bonds, hypothecate those bonds with the Treasury or the Federal reserve system and get credit, and there would be no need of a single penny's worth of gold behind the credit obtained through that sort of a transaction. However, disregarding that for the moment, we have enough gold in the Treasury and in the Federal reserve system to stand behind $10,000,000,000 of circulation. Yet we are advised and the country is advised that if we issue more credit we will be driven off the gold standard and the credit of the United States will be impaired.

I read further from the radio address of the senior Senator from Pennsylvania:

I want to tell you solemnly—

The senior Senator from Pennsylvania is now speaking to millions of American citizens over a nation-wide hook-up, and he says to them—

I want to tell you solemnly that if we try to float $2,000,000,000 of bonds for that purpose and another $2,000,000,000 to pay this year's deficit, we are going to meet the disaster of our lifetime. Who will buy these bonds? I can not.

Says the Senator from Pennsylvania—

I venture to say that you can not.
My bank can not.
And I do not believe that your bank can. What is worse is that the effort to sell these bonds will knock the bottom out of the market for the bonds now outstanding.

There is the meat in the Senator's radio address. If you issue additional bonds, you knock the bottom out of the bonds now outstanding; and I venture the suggestion that the Chief Executive of this Nation and the distinguished Senator from Pennsylvania have but one small group in mind. That is the small group who to-day have in their safe-deposit boxes the bonds and the securities of the people of this Nation. In a moment I want to call attention to the amount of those bonds, but I want first to complete one other paragraph from the remarks of the distinguished Senator from Pennsylvania. He is going to tell now another phase of why this bonus bill should not pass.

Now, there is just one way for you to make that decision felt.

That is this decision about not issuing any more bonds, a decision to keep the dollar we have at that high buying power, a dollar that buys 3 bushels of wheat; a dollar that buys 5 bushels of corn; a dollar that buys 20 pounds of cotton; a dollar that during the past six months bought 10 barrels of oil. The Senator from Pennsylvania exhorts his radio audience to get busy, to write their Senators and their Congressmen protesting against a cheapening of that dollar.

Again I read:

Now, there is just one way for you to make that decision felt. Let your Congressman and two Senators know what you think, and do it now. The verdict is trembling in the balance, and America is truly at the crossroads.

Mr. President, save for the last minute before adjournment for the holiday recess, I have heard no suggestion come from the distinguished Senator from Pennsylvania that we were at the crossroads or that the Nation was trembling in the balance; but now, when it is proposed to interfere with the buying power of the dollar, and proposed to cheapen somewhat the bonds we are admonished that we are at the crossroads. America is trembling.

The Senator from Pennsylvania exhorts his radio listeners to write their Senators and their Congressmen protesting against the cheapening of the dollar.

Don't allow yourselves—

Says the Senator—

to be put off with the statement that the trouble can be cured by raising taxes on the big incomes.

There is another significant statement. He tells his radio listeners:

Do not be put off with the theory that we can balance the Budget and raise these necessary taxes by raising the rates on big incomes.

Another matter that is particularly touchy to the distinguished Senator from Pennsylvania. Listen to what he says, now:

I myself am in favor of doing that, but I know that it will not begin to yield the necessary revenue.

Mr. President, a moment ago I referred to the debts of the country. I have heard the statement made, in and out of the Senate, that we owe a large sum of money. We do owe a large sum of money. The Federal debt is heavy and the State debts are likewise heavy. I desire at this point to incorporate in the RECORD a statement from a governmental department showing the amount, itemized, of the massed debts of the people of this Nation.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

Total loans and discounts of 21,301 banks, Sept. 29, 1931	$33,752,000,000
Outstanding loans of Federal land banks, Dec. 31, 1931	1,167,898,205
Outstanding loans of joint stock banks, Dec. 31, 1931	[1] 538,361,083
Resources of building and loan associations, December, 1930	8,828,000,000
Current debt statistics	
I. Federal Government: Net debt, including matured interest obligations, Oct. 31, 1931	17,144,685,837.46
II. State debts: Net debt of 48 States, end of fiscal year, 1929	1,661,686,056.00
III. Cities of 30,000 population or more: Net debt of 250 cities, close of fiscal year, 1929	6,130,259,000.00
IV. Total local indebtedness: No official estimates National Industrial Conference Board's estimate of "local net bonded debt" (1928)	11,106,400,000.00
V. Farm mortgages: Estimated total of farm mortgage debt in the United States, 1928	9,468,526,000.00
VI. Real estate mortgages on dwellings: No official estimate for recent years	[2]
VII. Corporate indebtedness: Bonded debt and mortgages of 584,548 corporations (out of 443,611 corporations which filed returns) which submitted balance sheets with their income-tax returns to the Federal Government for 1928	42,943,300,573.00

[1] Includes loans of $6,556,208 of one bank in receivership.
[2] No data.

VIII. Current debts of American families:

No official estimates	
Estimate by Franklin W. Ryan—	
Open account debts	3,000,000,000.00
Installment debts	2,000,000,000.00
Short-term cash credit	2,620,000,000.00
Life insurance policy loans	4,000,000,000.00
	144,361,146,784.46

Mr. THOMAS of Oklahoma. These debts are staggering. The information from which I quote is a letter from the Department of Commerce, Bureau of Foreign and Domestic Commerce of date March 23, 1932. Our massed debts to-day total more than $150,000,000,000.

Mr. President, how are the people of America going to pay debts in the vast sum of $150,000,000,000? But here are the figures.

We owe the banks of the country—national, State, and private—a total sum of $33,752,000,000.

The people, some of them, owe the Federal land banks a total sum of $1,167,898,205.

The people, some of them, owe the joint-stock banks the total sum of $538,361,083.

The people, some of them, owe the building and loan associations the massed sum of $8,828,000,000.

Mr. President, the Federal Government is not out of debt. Our national debt, hanging over all the people, embodied in the various forms of Federal securities, totaled on October 31, 1931, the sum of $17,144,000,000. I will omit the thousands and hundreds.

The States, massed, owed on that date a total sum of $1,661,000,000.

Cities of over 30,000 population on that date, massed, owed $6,130,000,000.

Smaller subdivisions, municipalities under 30,000, counties and cities and districts and townships, and so forth, massed together, owed a total debt of $11,106,000,000.

Farm mortgages—the farmers of the country at that time owed $9,468,000,000.

The department has no record of how much money has been loaned upon dwellings in the cities, in the nature of private loans or private mortgages; so on this item we have no statistics, but we know that it is considerable. It is more than millions; it is billions. I will not attempt to make an estimate.

Then we have the corporate indebtedness—that is, the indebtedness of railroads, the indebtedness of corporations of various kinds and character, the identical corporations to which $2,000,000,000 is to be loaned under appropriations made by this Congress. These companies already have mortgage bonded indebtedness in the total sum of $42,943,000,000.

Then the debts of the families of the Nation are considerable. According to this estimate, the families of the country have open-account debts in the total massed sum of $3,000,000,000. They have installment debts of $2,000,000,000. They have short-term cash credits of $2,620,000,000. Then they have borrowed on life-insurance policies a total sum of $4,000,000,000.

These are not all the debts that the people owe. We have overdue taxes, we have past-due rents, we have past-due insurance premiums; and the estimate is that these together would total the sum of $1,000,000,000.

Then we have loans to friends and relatives in an estimated sum of $500,000,000.

Then we have short-term personal loans in the estimated amount of $2,600,000,000.

Mr. President, these various figures, itemized as I have just stated them, make the gigantic total of $148,458,000,000.

How can we pay this massed debt of $150,000,000,000, because when we add the items that are not mentioned here to the total I have mentioned, it will total far above $150,000,000,000. How can the people pay these gigantic debts on the basis of the present buying power of the dollar? How can the farmers pay their loans with cotton selling at 5 cents a pound, wheat selling at 30 cents a bushel, corn selling at 17 cents a bushel, oats selling at 11 cents a bushel, and other things in proportion? And yet the distinguished Senator from Pennsylvania begs his radio audience—

> Whatever you do, write your Congressmen and Senators and petition them not to cheapen the buying power of the dollar. If you do, you will hurt the holders of bonds. You will interfere with the market price of Federal, public, and private securities.

Mr. President, at this point I desire to call the attention of the Senate to a statement appearing in the press recently over the signature of Dr. Irving Fisher. I read:

> The national debt is the biggest it has ever been.

The national debt is only $17,000,000,000. Adding what we owe currently, it might make it eighteen or eighteen and a half billion dollars. When the war was over, back there in 1920, we owed $26,000,000,000; yet Doctor Fisher says that the debt to-day is the biggest it has ever been. Can that be true?

Yes, Mr. President; it is true. It is all too true. Measured in the buying power of the farmer's commodities, measured in the buying power of the laborer's wages, the public national debt to-day is by far greater than it was back yonder in 1920, when the debt was $26,000,000,000. I can prove that in just a moment.

Take wheat, for example. In 1920, wheat was selling for $3 a bushel. At that time it would have taken only a little more than 8,000,000,000 bushels of wheat to pay the entire national debt. Since then we have paid 10 years on the national debt; we have it down now to $17,000,000,000; and yet to-day, if we tried to pay the balance due on the national debt in wheat, how much wheat would it take? To ascertain, multiply 17 by 3, and you will find how much wheat it would take to pay the balance due on the national debt. It would take 51,000,000,000 bushels to pay the balance, when only 10 years ago we could have paid the whole debt with 8,000,000,000 bushels of wheat!

The same thing is true of corn. The same thing is true of cotton. The same thing is true of oil. The same thing is true of cattle. The same thing is true of hogs. The same thing is true of everything that the real producers of the Nation have to sell with which to get money to pay their taxes, and to pay their interest, and to pay their debts, and to live.

Mr. President, when the Chief Executive challenges the right and the power of the Senate and the House to pass a bill and vetoes it in advance, I hold that it is not out of place to take issue with the Chief Executive. That is what I am presuming to do; and before I shall conclude I hope I shall have made my case.

Mr. FESS. Mr. President, does the Senator wish to suspend his remarks at this time?

Mr. THOMAS of Oklahoma. I do not wish to do so, but I yield.

Mr. FESS. If the Senator desires to go on now, I will not interrupt him.

Mr. THOMAS of Oklahoma. If I yield now I shall want the floor in the morning to finish what I have to say.

The PRESIDENT pro tempore. That is one of the motions which may be made by the Senator from Ohio. If the Senator from Ohio moves that the Senate take a recess, the Senator from Oklahoma will have the floor automatically in the morning.

Mr. FESS. If the Senator desires to continue to-morrow rather than to go on now, I will make that motion.

Mr. THOMAS of Oklahoma. Mr. President, no one has to stay here. I am ready to proceed; but, at the same time, I yield to the distinguished leader of the majority.

EXECUTIVE SESSION

Mr. FESS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

Mr. ODDIE reported favorably, from the Committee on Post Offices and Post Roads, sundry nominations of postmasters.

Mr. JOHNSON reported favorably, from the Committee on Commerce, sundry nominations in the Coast Guard.

TREATIES

The legislative clerk proceeded to read Executive KK, a treaty of friendship, commerce, and consular rights between the United States and Norway.

Mr. BORAH. Mr. President, Executive KK and Executive A may be passed over, at the request of the senior Senator from Montana [Mr. WALSH].

The PRESIDENT pro tempore. Those treaties will be passed over.

MANUFACTURE AND DISTRIBUTION OF NARCOTIC DRUGS

The Senate, as in Committee of the Whole, proceeded to consider Calendar No. 10, a convention for limiting the manufacture and regulating the distribution of narcotic drugs, signed at Geneva, July 13, 1931, which had been reported favorably from the Committee on Foreign Relations with reservations and understandings.

The treaty is as follows:

CONVENTION FOR LIMITING THE MANUFACTURE AND REGULATING THE DISTRIBUTION OF NARCOTIC DRUGS

The President of the German Reich; the President of the United States of America; The President of the Argentine Republic; the Federal President of the Austrian Republic; His Majesty the King of the Belgians; the President of the Republic of Bolivia; the President of the Republic of the United States of Brazil; His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India; the President of the Republic of Chile; the President of the Republic of Costa-Rica; the President of the Republic of Cuba; His Majesty the King of Denmark and Iceland; the President of the Polish Republic, for the Free City of Danzig; the President of the Dominican Republic; His Majesty the King of Egypt; the President of the Provisional Government of the Spanish Republic; His Majesty the Emperor and King of the Kings of Abyssinia; the President of the French Republic; the President of the Hellenic Republic; the President of the Republic of Guatamela; His Majesty the King of Hejaz, Nejd and Dependencies; His Majesty the King of Italy; His Majesty the Emperor of Japan; the President of the Republic of Liberia; the President of the Republic of Lithuania; Her Royal Highness the Grand Duchess of Luxemburg; the President of the United States of Mexico; His Serene Highness the Prince of Monaco; the President of the Republic of Panama; the President of the Republic of Paraguay; Her Majesty the Queen of the Netherlands; His Imperial Majesty the Shah of Persia; the President of the Polish Republic; the President of the Portuguese Republic; His Majesty the King of Roumania; I Capitani Reggenti of the Republic of San Marino; His Majesty the King of Siam; His Majesty the King of Sweden; the Swiss Federal Council; the President of the Czechoslovak Republic; the President of the Republic of Uruguay; the President of the United States of Venezuela—

Desiring to supplement the provisions of the International Opium Conventions, signed at The Hague on January 23rd, 1912, and at Geneva on February 19th, 1925, by rendering effective by international agreement the limitation of the manufacture of narcotic drugs to the world's legitimate requirements for medical and scientific purposes and by regulating their distribution,

Have resolved to conclude a Convention for that purpose and have appointed as their Plenipotentiaries:

The President of the German Reich:

M. Werner Freiherr von Rheinbaden. "Staatssekretär" z. D.

Dr. Waldemar Kahler, Ministerial Counsellor at the Ministry of Interior of the Reich.

The President of the United States of America:

Mr. John K. Caldwell, of the Department of State;

Mr. Harry J. Anslinger, Commissioner of Narcotics;

Mr. Walter Lewis Treadway, M. D., F. A. C. P., Assistant Surgeon-General, United States Public Health, Service Chief, Division of Mental Hygiene.

Mr. Sanborn Young, Member of the Senate of the State of California.

The President of the Argentine Republic:

Dr. Fernando Perez, Ambassador Extraordinary and Plenipotentiary to His Majesty the King of Italy.

The Federal President of the Austrian Republic:

M. Emerich Pflügl, Envoy Extraordinary and Minister Plenipotentiary, Permanent Representative accredited to the League of Nations;

Dr. Bruno Schultz, Police Director and "Conseiller aulique", Member of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs.

His Majesty the King of Belgium:

Dr. F. de Myttenaere, Principal Inspector of Chemistry at Hal.

The President of the Republic of Bolivia:

Dr. M. Cuellar, Member of the Advisory Committee on Traffic in Opium and Other Dangerous Drugs.

The President of the Republic of the United States of Brazil:

M. Raul do Rio Branco, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.

His Majesty the King of Great Britain, Ireland and the British Dominions Beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League of Nations:

Sir Malcolm Delevigne, K. C. B., Permanent Deputy Under-Secretary in the Home Office.

For the Dominion of Canada:

Colonel C. H. L. Sharman, C. M. G., C. B. E., Chief Narcotic Division, Department of Pensions and National Health;

Dr. Walter A. Riddell, M. A., Ph. D., Dominion of Canada Advisory Officer accredited to the League of Nations.

For India:

Dr. R. P. Paranjpye, Member of the Council of India.

The President of the Republic of Chile:

M. Enrique Gajardo, Member of the Permanent Delegation accredited to the League of Nations.

The President of the Republic of Costa Rica:

Dr. Viriato Figueredo Lora, Consul at Geneva.

The President of the Republic of Cuba:

M. Guillermo de Blanck, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations;

Dr. Benjamin Primelles.

His Majesty the King of Denmark and Iceland:

M. Gustav Rasmussen, Chargé d'affaires at Berne.

The President of the Polish Republic:

For the Free City of Danzig:

M. Francois Sokal, Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.

The President of the Dominican Republic:

M. Charles Ackermann, Consul-General at Geneva.

His Majesty the King of Egypt:

T. W. Russell Pasha, Chief of Police of Cairo and Director of the Central Bureau for Information with regard to narcotics.

The President of the Provisional Government of the Spanish Republic:

M. Julio Casares, Head of Section at the Ministry for Foreign Affairs.

His Majesty the Emperor and King of the Kings of Abyssinia:

Count LaGarde, Duke of Entotto, Minister Plenipotentiary, Representative accredited to the League of Nations.

The President of the French Republic:

M. Gaston Bourgois, Consul of France.

The President of the Hellenic Republic:
M. R. Raphaël, Permanent delegate accredited to the League of Nations.
The President of the Republic of Guatemala:
M. Luis Martinez Mont, Professor of Experimental Psychology in Secondary Schools of State.
His Majesty the King of Hejaz, Nejd and dependencies:
Cheik Hafiz Wahba, Envoy Extraordinary and Minister Plenipotentiary to His Britannic Majesty.
His Majesty the King of Italy:
Mr. Stefano Cavazzoni, Senator, Former Minister Labour.
His Majesty the Emperor of Japan:
M. Setsuzo Sawada, Minister Plenipotentiary, Director of the Japanese Bureau accredited to the League of Nations;
M. Shigeo Ohdachi, Secretary of the Ministry for Home Affairs, Head of the Administrative Section.
The President of the Republic of Liberia:
Dr. Antoine Sottile, Envoy Extraordinary and Minister Plenipotentiary, Permanent Delegate accredited to the League of Nations.
The President of the Republic of Lithuania:
Dr. Dovas Zaunius, Minister for Foreign Affairs.
Her Royal Highness the Grand Duchess of Luxemburg:
M. Charles Vermaire, Consul at Geneva.
The President of the United States of Mexico:
M. Salvador Martinez De Alva, Permanent Observer accredited to the League of Nations.
His Serene Highness the Prince of Monaco:
M. Conrad E. Hentsch, Consul-General at Geneva.
The President of the Republic of Panama:
Dr. Ernesto Hoffmann, Consul-General at Geneva.
The President of the Republic of Paraguay:
Dr. Ramon V. Caballero de Bedoya, Envoy Extraordinary and Minister Plenipotentiary to the President of the French Republic, Permanent Delegate accredited to the League of Nations.
Her Majesty the Queen of the Netherlands:
M. W. G. van Wettum, Government Adviser for International Opium Questions.
His Imperial Majesty the Shah of Persia:
M. A. Sepahbodi, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council, Permanent Delegate accredited to the League of Nations.
The President of the Polish Republic:
M. Witold Chodźko, Former Minister.
The President of the Portuguese Republic:
Dr. Augusto de Vasconcellos, Minister Plenipotentiary, General Director of the Portuguese Secretariat of the League of Nations;
Dr. Alexandro Ferraz de Andrade, First Secretary of Legation, Chief of the Portuguese Office accredited to the League of Nations.
His Majesty the King of Roumania:
M. Constantin Antoniade, Envoy Extraordinary and Minister Plenipotentiary accredited to the League of Nations.
I Capitani Reggenti of the Republic of San Marino:
Professor C. E. Ferri, Advocate.
His Majesty the King of Siam:
His Serene Highness Prince Damras, Envoy Extraordinary and Minister Plenipotentiary to His Britannic Majesty, Permanent Representative accredited to the League of Nations.
His Majesty the King of Sweden:
M. K. I. Westman, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.
The Swiss Federal Council:
M. Paul Dinichert, Minister Plenipotentiary, Chief of the Division for Foreign Affairs of the Federal Political Department;
Dr. Henri Carriere, Director of the Federal Service of Public Health.
The President of the Czechoslovak Republic:
M. Zdeněk Fierlinger, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council, Permanent Delegate accredited to the League of Nations.
The President of the Republic of Uruguay:
Dr. Alfredo de Castro, Envoy Extraordinary and Minister Plenipotentiary to the Swiss Federal Council.
The President of the United States of Venezuela:
Dr. L. G. Chacín-Itriago, Chargé d'Affaires at Berne, Member of the Medical Academy of Caracas.

Who, having communicated to one another their full powers, found in good and due form, have agreed as follows:

Chapter I.—Definitions

ARTICLE 1

Except where otherwise expressly indicated, the following definitions shall apply throughout this Convention:

1. The term "Geneva Convention" shall denote the International Opium Convention signed at Geneva on February 19th, 1925.

2. The term "the drugs" shall denote the following drugs whether partly manufactured or completely refined:

Group I.

Sub-group (a):

(i) Morphine and its salts, including preparations made directly from raw or medicinal opium and containing more than 20 per cent of morphine;

(ii) Diacetylmorphine and the other esters of morphine and their salts;

(iii) Cocaine and its salts, including preparations made direct from the coca leaf and containing more than 0.1 per cent of cocaine, all the esters of ecgonine and their salts;

(iv) Dihydrohydrooxycodeinone (of which the substance registered under the name of eucodal is a salt); dihydrocodeinone (of which the substance registered under the name of dicodide is a salt), dihydromorphinone (of which the substance registered under the name of dilaudide is a salt), acetyldihydrocodeinone or acetyldemethylodihydrothebaine (of which the substance registered under the name of acedicone is a salt); dihydromorphine (of which the substance registered under the name of paramorfan is a salt), their esters and the salts of any of these substances and of their esters, morphine-N-oxide (registered trade name genomorphine), also the morphine-N-oxide derivatives, and the other pentavalent nitrogen morphine derivatives.

Sub-group (b):

Ecgonine, thebaine and their salts, benzylmorphine and the ethers of morphine, and their salts, except methylmorphine (codeine), ethylmorphine and their salts.

Group II.

Methylmorphine (codeine), ethylmorphine and their salts.

The substances mentioned in this paragraph shall be considered as drugs even if produced by a synthetic process.

The terms "Group I" and "Group II" shall respectively denote Groups I and II of this paragraph.

3. "Raw opium" means the spontaneously coagulated juice obtained from the capsules of the Papaver somniferum L., which has only been submitted to the necessary manipulations for packing and transport, whatever its content of morphine.

"Medicinal opium" means raw opium which has undergone the processes necessary to adapt it for medicinal use in accordance with the requirements of the national pharmacopœia, whether in powder form or granulated or otherwise or mixed with neutral materials.

"Morphine" means the principal alkaloid of opium having the chemical formula $C_{17}H_{19}O_3N$.

"Diacetylmorphine" means diacetylmorphine (diamorphine, heroin) having the formula $C_{17}H_{17}O_3N(C_{17}H_{17}(C_2H_3O)_2O_3N$.

"Coca leaf" means the leaf of the Erythroxylon Coca Lamarck and the Erythroxylon novogranatense (Morris) Hieronymus and their varieties, belonging to the family of Erythroxylaceæ and the leaf of other species of this genus from which it may be found possible to extract cocaine, either directly or by chemical transformation.

"Cocaine" means methyl-benzoyl laevo-ecgonine ([α] D 20°=—16°4) in 20 per cent solution of chloroform of which the formula is $C_{17}H_{21}O_4N$.

"Ecgonine" means laevo-ecgonine ([α] D 20°=—45°6 in 5 per cent solution of water), of which the formula is $C_9H_{15}O_3N.H_2O$, and all the derivatives of laevo-ecgonine which might serve industrially for its recovery.

The following drugs are defined by their chemical formulæ as set out below:

Dihydrohydrooxycodeinone	$C_{18}H_{21}O_4N$
Dihydrocodeinone	$C_{18}H_{21}O_3N$
Dihydromorphinone	$C_{17}H_{19}O_3N$
Acetyldihydrocodeinone or acetylde-methylodihydrothebaine	$C_{20}H_{23}O_4N$ $(C_{18}H_{20}(C_2H_4O)O_3N)$
Dihydromorphine	$C_{17}H_{21}O_3N$
Morphine-N-Oxide	$C_{17}H_{19}O_4N$
Thebaine	$C_{19}H_{21}O_3N$
Methylmorphine (codeine)	$C_{18}H_{21}O_3N$ $(C_{17}H_{18}(CH_3O)O_3N)$
Ethylmorphine	$C_{19}H_{23}O_3N$ $(C_{17}H_{18}(C_2H_5O)O_3N)$
Benzylmorphine	$C_{24}H_{25}O_3N$ $(C_{17}H_{18}(C_7H_7O)O_3N)$

4. The term "manufacture" shall include any process of refining.

The term "conversion" shall denote the transformation of a drug by a chemical process, with the exception of the transformation of alkaloids into their salts.

When one of the drugs is converted into another of the drugs this operation shall be considered as conversion in relation to the first-mentioned drug and as manufacture in relation to the other.

The term "estimates" shall denote estimates furnished in accordance with Articles 2 to 5 of this Convention and, unless the context otherwise requires, shall include supplementary estimates.

The term "reserve stocks" in relation to any of the drugs shall denote the stocks required

(i) For the normal domestic consumption of the country or territory in which they are maintained,

(ii) For conversion in that country or territory, and

(iii) For export.

The term "Government stock" in relation to any of the drugs shall denote stocks kept under Government control for the use of the Government and to meet exceptional circumstances.

Except where the context otherwise requires, the term "export" shall be deemed to include re-export.

Chapter II.—Estimates

ARTICLE 2

1. Each High Contracting Party shall furnish annually, for each of the drugs in respect of each of his territories to which this Convention applies, to the Permanent Central Board, constituted under Chapter VI of the Geneva Convention, estimates in accordance with the provisions of Article 5 of this Convention.

2. In the event of any High Contracting Party failing to furnish, by the date specified in paragraph 4 of Article 5, an estimate in respect of any of his territories to which this Convention applies, an estimate will, so far as possible, be furnished by the Supervisory Body specified in paragraph 6 of Article 5.

3. The Permanent Central Board shall request estimates for countries or territories to which this Convention does not apply to be made in accordance with the provisions of this Convention. If for any such country estimates are not furnished, the Supervisory Body shall itself, as far as possible, make the estimate.

ARTICLE 3

Any High Contracting Party may, if necessary, in any year furnish in respect of any of his territories supplementary estimates for that territory for that year with an explanation of the circumstances which necessitate such supplementary estimates.

ARTICLE 4

1. Every estimate furnished in accordance with the preceding Articles, so far as it relates to any of the drugs required for domestic consumption in the country or territory in respect of which it is made, shall be based solely on the medical and scientific requirements of that country or territory.

2. The High Contracting Parties may, in addition to reserve stocks, create and maintain Government stocks.

ARTICLE 5

1. Each estimate provided for in Articles 2 to 4 of this Convention shall be in the form from time to time prescribed by the Permanent Central Board and communicated by the Board to all the Members of the League of Nations and to the non-member States mentioned in Article 27.

2. Every estimate shall show for each country or territory for each year in respect of each of the drugs whether in the form of the alkaloid or salts or of preparations of the alkaloids or salts:

(a) The quantity necessary for use as such for medical and scientific needs, including the quantity required for the manufacture of preparations for the export of which export authorisations are not required, whether such preparations are intended for domestic consumption or for export;

(b) The quantity necessary for the purpose of conversion, whether for domestic consumption or for export;

(c) The amount of the reserve stocks which it is desired to maintain;

(d) The quantity required for the establishment and maintenance of any Government stocks as provided for in Article 4.

The total of the estimates for each country or territory shall consist of the sum of the amounts specified under (a) and (b) of this paragraph with the addition of any amounts which may be necessary to bring the reserve stocks and the Government stocks up to the desired level, or after deduction of any amounts by which those stocks may exceed that level. These additions or deductions shall, however, not be taken into account except in so far as the High Contracting Parties concerned shall have forwarded in due course the necessary estimates to the Permanent Central Board.

3. Every estimate shall be accompanied by a statement explaining the method by which the several amounts shown in it have been calculated. If these amounts are calculated so as to include a margin allowing for possible fluctuations in demand, the estimates must indicate the extent of the margin so included. It is understood that in the case of any of the drugs which are or may be included in Group II, a wider margin may be necessary than in the case of the other drugs.

4. Every estimate shall reach the Permanent Central Board not later than August 1st in the year preceding that in respect of which the estimate is made.

5. Supplementary estimates shall be sent to the Permanent Central Board immediately on their completion.

6. The estimates will be examined by a Supervisory Body. The Advisory Committee on the Traffic in Opium and other Dangerous Drugs of the League of Nations, the Permanent Central Board, the Health Committee of the League of Nations and the Office international d'Hygiène publique shall each have the right to appoint one member of this Body. The Secretariat of the Supervisory Body shall be provided by the Secretary-General of the League of Nations, who will ensure close collaboration with the Permanent Central Board.

The Supervisory Body may require any further information or details, except as regards requirements for Government purposes, which it may consider necessary, in respect of any country or territory on behalf of which an estimate has been furnished in order to make the estimate complete or to explain any statement made therein, and may, with the consent of the Government concerned, amend any estimate in accordance with any information or details so obtained. It is understood that in the case of any of the drugs

which are or may be included in Group II a summary statement shall be sufficient.

7. After examination by the Supervisory Body as provided in paragraph 6 above of the estimates furnished, and after the determination by that Body as provided in Article 2 of the estimates for each country or territory on behalf of which no estimates have been furnished, the Supervisory Body shall forward, not later than November 1st in each year, through the intermediary of the Secretary-General, to all the Members of the League of Nations and non-member States referred to in Article 27, a statement containing the estimates for each country or territory, and, so far as the Supervisory Body may consider necessary, an account of any explanations given or required in accordance with paragraph 6 above, and any observations which the Supervisory Body may desire to make in respect of any such estimate or explanation, or request for an explanation.

8. Every supplementary estimate sent to the Permanent Central Board in the course of the year shall be dealt with without delay by the Supervisory Body in accordance with the procedure specified in paragraphs 6 and 7 above.

Chapter III.—Limitation of Manufacture

ARTICLE 6

1. There shall not be manufactured in any country or territory in any one year a quantity of any of the drugs greater than the total of the following quantities:

(a) The quantity required within the limits of the estimates for that country or territory for that year for use as such for its medical and scientific needs including the quantity required for the manufacture of preparations for the export of which export authorisations are not required, whether such preparations are intended for domestic consumption or for export;

(b) The quantity required within the limits of the estimates for that country or territory for that year for conversion, whether for domestic consumption or for export;

(c) Such quantity as may be required by that country or territory for the execution during the year of orders for export in accordance with the provisions of this Convention;

(d) The quantity, if any, required by that country or territory for the purpose of maintaining the reserve stocks at the level specified in the estimates for that year;

(e) The quantity, if any, required for the purpose of maintaining the Government stocks at the level specified in the estimates for that year.

2. It is understood that, if at the end of any year, any High Contracting Party finds that the amount manufactured exceeds the total of the amounts specified above, less any deductions made under Article 7, paragraph 1, such excess shall be deducted from the amount to be manufactured during the following year. In forwarding their annual statistics to the Permanent Central Board, the High Contracting Parties shall give the reasons for any such excess.

ARTICLE 7

There shall be deducted from the total quantity of each drug permitted under Article 6 to be manufactured in any country or territory during any one year:

(i) Any amounts of that drug imported including any returned deliveries of the drug, less quantities re-exported.

(ii) Any amounts of the drug seized and utilised as such for domestic consumption or for conversion.

If it should be impossible to make any of the above deductions during the course of the current year, any amounts remaining in excess at the end of the year shall be deducted from the estimates for the following year.

ARTICLE 8

The full amount of any of the drugs imported into or manufactured in any country or territory for the purpose of conversion in accordance with the estimates for that country or territory shall, if possible, be utilised for that purpose within the period for which the estimate applies.

In the event, however, of it being impossible to utilise the full amount for that purpose within the period in question, the portion remaining unused at the end of the year shall be deducted from the estimates for that country or territory for the following year.

ARTICLE 9

If at the moment when all the provisions of the Convention shall have come into force, the then existing stocks of any of the drugs in any country or territory exceeds the amount of the reserve stocks of that drug, which, according to the estimates for that country or territory, it is desired to maintain, such excess shall be deducted from the quantity which, during the year, could ordinarily be imported or manufactured as the case may be under the provisions of this Convention.

Alternatively, the excess stocks existing at the moment when all the provisions of the Convention shall have come into force shall be taken possession of by the Government and released from time to time in such quantities only as may be in conformity with the present Convention. Any quantities so released during any year shall be deducted from the total amount to be manufactured or imported as the case may be during that year.

Chapter IV.—Prohibitions and Restrictions

ARTICLE 10

1. The High Contracting Parties shall prohibit the export from their territories of diacetylmorphine, its salts, and preparations containing diacetylmorphine, or its salts.

2. Nevertheless, on the receipt of a request from the Government of any country in which diacetylmorphine is not manufactured, any High Contracting Party may authorise the export to that country of such quantities of diacetylmorphine, its salts, and preparations containing diacetylmorphine or its salts, as are necessary for the medical and scientific needs of that country, provided that the request is accompanied by an import certificate and is consigned to the Government Department indicated in the certificate.

3. Any quantities so imported shall be distributed by and on the responsibility of the Government of the importing country.

ARTICLE 11

1. No trade in or manufacture for trade of any product obtained from any of the phenanthrene alkaloids of opium or from the ecgonine alkaloids of the coca leaf, not in use on this day's date for medical or scientific purposes shall take place in any country or territory unless and until it has been ascertained to the satisfaction of the Government concerned that the product in question is of medical or scientific value.

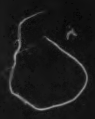
In this case (unless the Government determines that such product is not capable of producing addiction or of conversion into a product capable of producing addiction) the quantities permitted to be manufactured, pending the decision hereinafter referred to, shall not exceed the total of the domestic requirements of the country or territory for medical or scientific needs, and the quantity required for export orders and the provisions of this Convention shall apply.

2. Any High Contracting Party permitting trade in or manufacture for trade of any such product to be commenced shall immediately send a notification to that effect to the Secretary-General of the League of Nations, who shall advise the other High Contracting Parties and the Health Committee of the League.

3. The Health Committee will thereupon, after consulting the Permanent Committee of the Office international d'Hygiène publique decide whether the product in question is capable of producing addiction (and is in consequence assimilable to the drugs mentioned in Sub-group (*a*) of Group I), or whether it is convertible into such a drug (and is in consequence assimilable to the drugs mentioned in Sub-group (*b*) of Group I or in Group II).

4. In the event of the Health Committee deciding that the product is not itself a drug capable of producing addiction, but is convertible into such a drug, the question whether the drug in question shall fall under sub-group (*b*) of Group I or under Group II shall be referred for decision to a body of three experts competent to deal with the scientific and





technical aspects of the matter, of whom one member shall be selected by the Government concerned, one by the Opium Advisory Committee of the League, and the third by the two members so selected.

5. Any decisions arrived at in accordance with the two preceding paragraphs shall be notified to the Secretary-General of the League of Nations, who will communicate it to all the Members of the League and to the non-member States mentioned in Article 27.

6. If the decisions are to the effect that the product in question is capable of producing addiction or is convertible into a drug capable of producing addiction, the High Contracting Parties will, upon receipt of the communication from the Secretary-General, apply to the drug the appropriate régime laid down in the present Convention according as to whether it falls under Group I or under Group II.

7. Any such decisions may be revised, in accordance with the foregoing procedure, in the light of further experience, on an application addressed by any High Contracting Party to the Secretary-General.

ARTICLE 12

1. No import of any of the drugs into the territories of any High Contracting Party or export from those territories shall take place except in accordance with the provisions of this Convention.

2. The imports in any one year into any country or territory of any of the drugs shall not exceed the total of the estimates as defined in Article 5 and of the amount exported from that country or territory during the year, less the amount manufactured in that country or territory in that year.

Chapter V.—Control

ARTICLE 13

1. (a) The High Contracting Parties shall apply to all the drugs in Group I the provisions of the Geneva Convention which are thereby applied to substances specified in its fourth Article (or provisions in conformity therewith). The High Contracting Parties shall also apply these provisions to preparations made from morphine and cocaine and covered by Article 4 of the Geneva Convention and to all other preparations made from the other drugs in Group I except such preparations as may be exempted from the provisions of the Geneva Convention under its eighth Article.

(b) The High Contracting Parties shall treat solutions or dilutions of morphine or cocaine or their salts in an inert substance, liquid or solid, which contains 0.2 per cent or less of morphine or 0.1 per cent or less of cocaine in the same way as preparations containing more than these percentages.

2. The High Contracting Parties shall apply to the drugs which are or may be included in Group II the following provisions of the Geneva Convention (or provisions in conformity therewith):

(a) The provisions of Articles 6 and 7 in so far as they relate to the manufacture, import, export and wholesale trade in those drugs;

(b) The provisions of Chapter V, except as regards compounds containing any of these drugs which are adapted to a normal therapeutic use;

(c) The provisions of paragraphs 1 (b), (c) and (e) and paragraph 2 of Article 22, provided:

(i) That the statistics of import and export may be sent annually instead of quarterly, and

(ii) That paragraph 1 (b) and paragraph 2 of Article 22 shall not apply to preparations containing any of these drugs.

ARTICLE 14

1. Any Government which has issued an authorisation for the export of any of the drugs which are or may be included in Group I to any country or territory to which neither this Convention nor the Geneva Convention applies shall immediately notify the Permanent Central Board of the issue of the authorisation; provided that, if the request for export amounts to 5 kilogrammes or more, the authorisation shall not be issued until the Government has ascertained from the Permanent Central Board that the export will not cause the estimates for the importing country or territory to be exceeded. If the Permanent Central Board sends a notification that such an excess would be caused, the Government will not authorise the export of any amount which would have that effect.

2. If it appears from the import and export returns made to the Permanent Central Board or from the notifications made to the Board in pursuance of the preceding paragraph that the quantity exported or authorised to be exported to any country or territory exceeds the total of the estimates for that country or territory as defined in Article 5, with the addition of the amounts shown to have been exported, the Board shall immediately notify the fact to all the High Contracting Parties, who will not, during the currency of the year in question, authorise any new exports to that country except:

(i) In the event of a supplementary estimate being furnished for that country in respect both of any quantity over-imported and of the additional quantity required; or

(ii) In exceptional cases where the export in the opinion of the Government of the exporting country is essential in the interests of humanity or for the treatment of the sick.

3. The Permanent Central Board shall each year prepare a statement showing, in respect of each country or territory for the preceding year:

(a) The estimates in respect of each drug;
(b) The amount of each drug consumed;
(c) The amount of each drug manufactured;
(d) The amount of each drug converted;
(e) The amount of each drug imported;
(f) The amount of each drug exported;
(g) The amount of each drug used for the compounding of preparations, exports of which do not require export authorisations.

If such statement indicates that any High Contracting Party has or may have failed to carry out his obligations under this Convention, the Board shall have the right to ask for explanations, through the Secretary-General of the League of Nations, from that High Contracting Party, and the procedure specified in paragraphs 2 to 7 of Article 24 of the Geneva Convention shall apply in any such case.

The Board shall, as soon as possible thereafter, publish the statement above mentioned together with an account, unless it thinks it unnecessary, of any explanations given or required in accordance with the preceding paragraph and any observations which the Board may desire to make in respect of any such explanation or request for an explanation.

The Permanent Central Board shall take all necessary measures to ensure that the statistics and other information which it receives under this Convention shall not be made public in such a manner as to facilitate the operations of speculators or to injure the legitimate commerce of any High Contracting Party.

Chapter VI.—Administrative Provisions

ARTICLE 15

The High Contracting Parties shall take all necessary legislative or other measures in order to give effect within their territories to the provisions of this Convention.

The High Contracting Parties shall, if they have not already done so, create a special administration for the purpose of:

(a) Applying the provisions of the present Convention;

(b) Regulating, supervising and controlling the trade in the drugs;

(c) Organising the campaign against drug addiction, by taking all useful steps to prevent its development and to suppress the illicit traffic.

ARTICLE 16

1. Each High Contracting Party shall exercise a strict supervision over:

(a) The amounts of raw material and manufactured drugs in the possession of each manufacturer for the purpose of the manufacture or conversion of any of the drugs or otherwise;

(b) The quantities of the drugs or preparations containing the drugs produced;

(c) The disposal of the drugs and preparations so produced with especial reference to deliveries from the factories.

2. No High Contracting Party shall allow the accumulation in the possession of any manufacturer of quantities of raw materials in excess of those required for the economic conduct of business, having regard to the prevailing market conditions. The amounts of raw material in the possession of any manufacturer at any one time shall not exceed the amounts required by that manufacturer for manufacture during the ensuing six months, unless the Government, after due investigation, considers that exceptional conditions warrant the accumulation of additional amounts, but in no case shall the total quantities which may be accumulated exceed one year's supply.

ARTICLE 17

Each High Contracting Party shall require each manufacturer within his territories to submit quarterly reports stating:

(a) The amount of raw materials and of each of the drugs received into the factory by such manufacturer and the quantities of the drugs, or any other products whatever, produced from each of these substances. In reporting the amounts of raw materials so received, the manufacturer shall state the proportion of morphine, cocaine or ecgonine contained in or producible therefrom as determined by a method prescribed by the Government and under conditions considered satisfactory by the Government;

(b) The quantities of either the raw material or the products manufactured therefrom which were disposed of during the quarters;

(c) The quantities remaining in stock at the end of the quarter.

Each High Contracting Party shall require each wholesaler within his territories to make at the close of each year a report stating, in respect of each of the drugs, the amount of that drug contained in preparations, exported or imported during the year, for the export or import of which authorisations are not required.

ARTICLE 18

Each High Contracting Party undertakes that any of the drugs in Group I which are seized by him in the illicit traffic shall be destroyed or converted into non-narcotic substances or appropriated for medical or scientific use, either by the Government or under its control, when these are no longer required for judicial proceedings or other action on the part of the authorities of the State. In all cases diacetylmorphine shall either be destroyed or converted.

ARTICLE 19

The High Contracting Parties will require that the labels under which any of the drugs, or preparations containing those drugs, are offered for sale, shall show the percentage of the drugs. These labels shall also indicate the name of the drugs as provided for in the national legislation.

Chapter VII.—General Provisions

ARTICLE 20

1. Every High Contracting Party in any of whose territories any of the drugs is being manufactured or converted, at the time when this Convention comes into force, or in which he proposes either at that time or subsequently to authorise such manufacture or conversion, shall notify the Secretary-General of the League of Nations indicating whether the manufacture or conversion is for domestic needs only or also for export, the date on which such manufacture or conversion will begin, and the drugs to be manufactured or converted, as well as the names and addresses of persons or firms authorised.

2. In the event of the manufacture or conversion of any of the drugs ceasing in the territory of any High Contracting Party, he shall notify the Secretary-General to that effect, indicating the place and date at which such manufacture or conversion has ceased or will cease and specifying the drugs affected, as well as the names and addresses of persons or firms concerned.

3. The information furnished under this Article shall be communicated by the Secretary-General to the High Contracting Parties.

ARTICLE 21

The High Contracting Parties shall communicate to one another through the Secretary-General of the League of Nations the laws and regulations promulgated in order to give effect to the present Convention, and shall forward to the Secretary-General an annual report on the working of the Convention in their territories, in accordance with a form drawn up by the Advisory Committee on Traffic in Opium and other Dangerous Drugs.

ARTICLE 22

The High Contracting Parties shall include in the annual statistics furnished by them to the Permanent Central Board the amounts of any of the drugs used by manufacturers and wholesalers for the compounding of preparations whether for domestic consumption or for export for the export of which export authorisations are not required.

The High Contracting Parties shall also include a summary of the returns made by the manufacturers in pursuance of Article 17.

ARTICLE 23

The High Contracting Parties will communicate to each other, through the Secretary-General of the League of Nations, as soon as possible, particulars of each case of illicit traffic discovered by them which may be of importance either because of the quantities involved or because of the light thrown on the sources from which drugs are obtained for the illicit traffic or the methods employed by illicit traffickers.

The particulars given shall indicate as far as possible:

(a) The kind and quantity of drugs involved;

(b) The origin of the drugs, their marks and labels;

(c) The points at which the drugs were diverted into the illicit traffic;

(d) The place from which the drugs were despatched, and the names of shipping or forwarding agents or consignors; the methods of consignment and the name and address of consignees, if known;

(e) The methods and routes used by smugglers and names of ships, if any, in which the drugs have been shipped;

(f) The action taken by the Government in regard to the persons involved, particularly those possessing authorisations or licences and the penalties imposed.

(g) Any other information which would assist in the suppression of illicit traffic.

ARTICLE 24

The present Convention shall supplement the Hague Convention of 1912 and the Geneva Convention of 1925 in the relations between the High Contracting Parties bound by at least one of these latter Conventions.

ARTICLE 25

If there should arise between the High Contracting Parties a dispute of any kind relating to the interpretation or application of the present Convention and if such dispute cannot be satisfactorily settled by diplomacy, it shall be settled in accordance with any applicable agreements in force between the Parties providing for the settlement of international disputes.

In case there is no such agreement in force between the Parties, the dispute shall be referred to arbitration or judicial settlement. In the absence of agreement on the choice of another tribunal, the dispute shall, at the request of any one of the Parties, be referred to the Permanent Court of International Justice, if all the Parties to the dispute are Parties to the Protocol of December 16th, 1920, relating to the Statute of that Court, and, if any of the parties to the dispute is not a party to the Protocol of December 16th, 1920, to an arbitral tribunal constituted in accordance with the Hague Convention of October 18th, 1907, for the Pacific Settlement of International Disputes.

ARTICLE 26

Any High Contracting Party may, at the time of signature, ratification, or accession, declare that, in accepting the present Convention, he does not assume any obligation in respect of all or any of his colonies, protectorates and overseas territories or territories under suzerainty or mandate, and the present Convention shall not apply to any territories named in such declaration.

Any High Contracting Party may give notice to the Secretary-General of the League of Nations at any time subsequently that he desires that the Convention shall apply to all or any of his territories which have been made the subject of a declaration under the preceding paragraph, and the Convention shall apply to all the territories named in such notice in the same manner as in the case of a country ratifying or acceding to the Convention.

Any High Contracting Party may, at any time after the expiration of the five-years period mentioned in Article 32, declare that he desires that the present Convention shall cease to apply to all or any of his colonies, protectorates and overseas territories or territories under suzerainty or mandate, and the Convention shall cease to apply to the territories named in such declaration as if it were a denunciation under the provisions of Article 32.

The Secretary-General shall communicate to all the Members of the League and to the non-member States mentioned in Article 27, all declarations and notices received in virtue of this Article.

ARTICLE 27

The present Convention, of which the French and English texts shall both be authoritative, shall bear this day's date, and shall, until December 31st, 1931, be open for signature on behalf of any Member of the League of Nations, or of any non-member State which was represented at the Conference which drew up this Convention, or to which the Council of the League of Nations shall have communicated a copy of the Convention for this purpose.

ARTICLE 28

The present Convention shall be ratified. The instruments of ratification shall be transmitted to the Secretary-General of the League of Nations, who shall notify their receipt to all Members of the League and to the non-member States referred to in the preceding Article.

ARTICLE 29

As from January 1st, 1932, the present Convention may be acceded to on behalf of any Member of the League of Nations or any non-member State mentioned in Article 27.

The instruments of accession shall be transmitted to the Secretary-General of the League of Nations, who shall notify their receipt to all the Members of the League and to the non-member States mentioned in that Article.

ARTICLE 30

The present Convention shall come into force ninety days after the Secretary-General of the League of Nations has received the ratifications or accessions of twenty-five Members of the League of Nations or non-member States, including any four of the following:

France, Germany, United Kingdom of Great Britain and Northern Ireland, Japan, Netherlands, Switzerland, Turkey, and the United States of America.

Provided always that the provisions of the Convention other than Articles 2 to 5 shall only be applicable from the first of January in the first year in respect of which estimates are furnished in conformity with Articles 2 to 5.

ARTICLE 31

Ratifications or accessions received after the date of the coming into force of this Convention shall take effect as from the expiration of the period of ninety days from the date of their receipt by the Secretary-General of the League of Nations.

ARTICLE 32

After the expiration of five years from the date of the coming into force of this Convention, the Convention may be denounced by an instrument in writing, deposited with the Secretary-General of the League of Nations. The denunciation, if received by the Secretary-General on or before the first day of July in any year, shall take effect on the first day of January in the succeeding year, and, if received after the first day of July, shall take effect as if it had been received on or before the first day of July in the succeeding year. Each denunciation shall operate only as regards the Member of the League or non-member State on whose behalf it has been deposited.

The Secretary-General shall notify all the Members of the League and the non-member States mentioned in Article 27 of any denunciations received.

If, as a result of simultaneous or successive denunciations, the number of Members of the League and non-member States bound by the present Convention is reduced to less than twenty-five, the Convention shall cease to be in force as from the date on which the last of such denunciations shall take effect in accordance with the provisions of this Article.

ARTICLE 33

A request for the revision of the present Convention may at any time be made by any Member of the League of Nations or non-member State bound by this Convention by means of a notice addressed to the Secretary-General of the League of Nations. Such notice shall be communicated by the Secretary-General to the other Members of the League of Nations or non-member States bound by this Convention, and, if endorsed by not less than one-third of them, the High Contracting Parties agree to meet for the purpose of revising the Convention.

ARTICLE 34

The present Convention shall be registered by the Secretary-General of the League of Nations on the day of its entry into force.

IN FAITH WHEREOF the above-mentioned Plenipotentiaries have signed the present Convention.

DONE at Geneva the thirteenth day of July, one thousand nine hundred and thirty-one, in a single copy, which shall remain deposited in the archives of the Secretariat of the League of Nations, and certified true copies of which shall be delivered to all the Members of the League and to the non-member States referred to in Article 27.

Germany
FREIHERR VON RHEINBABEN
Dr KAHLEY
United States of America
JOHN K. CALDWELL
HARRY J. ANSLINGER
WALTER LEWIS TREADWAY
SANBORN YOUNG

(1) The Government of the United States of America reserves the right to impose, for purpose of internal control and control of import into and export from territory under its jurisdiction, of opium, coca leaves, all of their derivatives and similar substances produced by synthetic process, measures stricter than the provisions of the Convention.

(2) The Government of the United States of America reserves the right to impose, for purposes of controlling transit through its territories of raw opium, coca leaves, all of their derivatives and similar substances produced by synthetic process, measures by which the production of an import permit issued by the country of destination may be made a condition precedent to the granting of permission for transit through its territory.

(3) The Government of the United States of America finds it impracticable to undertake to send statistics of import and export to the Permanent Central Opium Board short of sixty days after the close of the three-months period to which such statistics refer.

(4) The Government of the United States of America finds it impracticable to undertake to state separately amounts of drugs purchased or imported for Government purposes.

(5) Plenipotentiaries of the United States of America formally declare that the signing of the Convention for Limiting the Manufacture and Regulating the Distribution of Narcotic Drugs by them on the part of the United States

of America on this date is not to be construed to mean that the Government of the United States of America recognises a regime or entity which signs or accedes to the Convention as the Government of a country when that regime or entity is not recognised by the Government of the United States of America as the Government of that country.

(6) The plenipotentiaries of the United States of America further declare that the participation of the United States of America in the Convention for limiting the Manufacture of and regulating the Distribution of Narcotics Drugs signed on this date, does not involve any contractual obligation on the part of the United States of America to a country represented by a regime or entity which the Government of the United States of America does not recognise as the Government of that country until such country has a Government recognised by the Government of the United States of America.

J. K. C.
H. J. A.
W. L. T.
S. Y.

Argentine Republic
Ad referendum
FERANDO PEREZ
Austria
E. PFLÜGL
Dr BRUNO SCHULTZ
Belgium
Dr F. DE MYTTENAERE
Bolivia
M. CUELLAR
Brazil
RAUL DO RIO BRANCO
Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League of Nations.
MALCOLM DELEVINGNE
Canada
C. H. L. SHARMAN
W. A. RIDDELL
India
R. P. PARANJPYE
Chile
ENRIQUE J. GAJARDO V.
Costa Rica
VIRIATO FIGUEREDO LORA.
Cuba
G. DE BLANCK
Dr B. PRIMELLES
Denmark
GUSTAV RASMUSSEN
Free City of Danzig
F. LOKAL
Dominican Republic
CH. ACKERMANN
Egypt
T. W. RUSSELL
Spain
JULIO CASARES
Abyssinia
Cte LAGARDE DUC D'ENTOTTO
France
The French Government makes every reservation, with regard to the Colonies, Protectorates and Mandated Territories under its authority, as to the possibility of regularly producing the quarterly statistics referred to in Article 13 within the strict time-limit laid down.
G. BOURGOIS
Greece
R. RAPHAËL
Guatemala
LUIS MARTINEZ MONT.
Hejaz, Nejd and Dependencies
HAFIZ WAHBA
Italy
CAVAZZONI STEFANO
Japan
S. SAWADA
S. OHDACHI
Liberia
Dr. A. SOTTILE
Subject to ratification by the Senate of the Republic of Liberia.
Lithuania
ZAUNIUS
Luxemburg
CH. G. VERMAIRE
Mexico
S. MARTINEZ DE ALVA
Monaco
C. HENTSCH.
Panama
Dr ERNESTO HOFFMANN.
Paraguay
R. V. CABALLERO DE BEDOYA
The Netherlands
V. WETTUM
Persia
H. SEPAHBADI
Poland
CHODZKO
Portugal
AUGUSTO DE VASCONCELLOS
A. M. FERRAZ DE ANDRADE
Roumania
C. ANTONIADE
San Marino
FERRI CHARLES EMILE
Siam
DAMRAS
As our Harmful Habit-forming Drugs Law goes beyond the provisions of the Geneva Convention and the present Convention on certain points, my Government reserves the right to apply our existing law.
Sweden
K. G. WESTMAN
Switzerland
PAUL DINICHERT
DR. H. CARRIÈRE
Czechoslovakia
ZD. FIERLINGER
Uruguay
ALFREDO DE CASTRO
Venezuela
Ad referendum
L. G. CHACIN ITRIAGO

Certified true copy.
For the Secretary-General:
J. A. BUERS,
Legal Adviser of the Secretariat.

PROTOCOL OF SIGNATURE

I. When signing the Convention for limiting the manufacture and regulating the distribution of narcotic drugs dated this day, the undersigned Plenipotentiaries, duly authorised to that effect and in the name of their respective Governments, declare to have agreed as follows:

If, on July 13th, 1933, the said Convention is not in force in accordance with the provisions of Article 30, the Secretary-General of the League of Nations shall bring the situation to the attention of the Council of the League of Nations, which may either convene a new Conference of all the Members of the League and non-member States on whose behalf the Convention has been signed or ratifications or accessions deposited, to consider the situation, or take such measures as it considers necessary. The Government of every signatory or acceding Member of the League of Nations or non-member State undertakes to be present at any Conference so convened.

II. The Japanese Government made the following reservation, which is accepted by the other High Contracting Parties:

Crude morphine resulting from the manufacture of prepared opium in the factory of the Government-General of Formosa and held in stock by that Government shall not be subjected to the limitation measures provided for in this Convention.

Such stocks of crude morphine will only be released from time to time in such quantities as may be required for the manufacture of refined morphine in factories licensed by the Japanese Government in accordance with the provisions of the present Convention.

IN FAITH WHEREOF the undersigned have affixed their signatures to this Protocol.

DONE at Geneva, the thirteenth day of July, one thousand nine hundred and thirty-one, in a single copy, which will remain deposited in the archives of the Secretariat of the League of Nations; certified true copies will be transmitted to all Members of the League of Nations and to all non-member States represented at the Conference.

Germany
FREIHERR VON RHEINBABEN
Dr. KAHLER
United States of America
JOHN K. CALDWELL
HARRY J. ANSLINGER
WALTER LEWIS TREADWAY
SANBORN YOUNG.
Argentine Republic
Ad referendum
FERNANDO PEREZ
Austria
E. PFLÜGL
BRUNO SCHULTZ
Belgium
Dr. F. DE MYTTENAERE
Bolivia
M. CUELLAR
Brazil
RAUL DO RIO BRANCO
Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League of Nations.
MALCOLM DELEVINGNE
Canada
C. H. L. SHARMAN.
W. A. RIDDELL
India
R. P. PARANJPYE
Chile
Enrique J. GAJARDO V.
Costa Rica
Viriato FIGUEREDO LORA.
Cuba
G. DE BLANCK
Dr. B. PRIMELLES.
Denmark
Gustav RASMUSSEN.
Free City of Danzig
F. TOKAL
Dominican Republic
Ch. ACKERMANN
Egypt
T. W. RUSSELL
Spain
Julio CASARES
Abyssinia
Cte LAGARDE duc d'ENTOTTO
France
G. BOURGOIS
Greece
R. RAPHAËL
Gautemala
LUIS MARTINEZ MONT
Hejaz, Nejd and dependencies
HAFIZ WAHBA
Italy
CAVAZZONI STEFANO
Japan
S. SAWADA
S. OHDACHI
Lithuania
J. SAKALAUSKAS
Luxemburg
CH. G. VERMAIRE
Mexico
S. MARTINEZ DE ALVA
Monaco
C. HENTSCH
Panama
Dr. ERNESTO HOFFMANN
Paraguay
R. V. CABALLERO DE BEDOYA
The Netherlands
My signature is subject to the reserve made by me on § 2 of Article 22 in the morning meeting of July 12th, 1931[1].
V. WETTUM
Persia
A. SEPAHBODI
Poland
CHODZKO
Portugal
AUGUSTO DE VASCONCELLOS
A. M. FERRAZ DE ANDRADE
Roumania
C. AUTONIADE
San Marino
FERRI CHARLES EMILE
Siam
DAMRAS
Sweden
K. T. WESTMAN
Switzerland
PAUL DINICHERT
Dr H. CARRIÈRE
Uruguay
ALFREDO DE CASTRO
Venezuela
Ad referendum
L. G. CHACÍN ITRIAGO

Certified true copy.
For the Secretary-General:

J. A. BUERO,
Legal Adviser of the Secretariat.

Mr. BORAH. Mr. President, this is a treaty which has for its purpose the limiting of the manufacture of narcotics to the demands of medicine and science. The Committee on Foreign Relations, after hearing the experts of the Government, unanimously agreed to report the treaty.

There are six reservations to be incorporated in the resolution of ratification. These reservations were made by the negotiators of the treaty, and came to the committee on the recommendation of the Secretary of State. The committee approves of the reservations. I think it is an exceedingly important treaty. I shall not go into details unless some one desires to ask questions.

The treaty was reported to the Senate.

The PRESIDENT pro tempore. The question is, Does the Senate advise and consent to the ratification of the treaty with the following reservations, which shall be incorporated in the resolution of ratification? The clerk will read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive G, Seventy-second Congress, first session, a convention for limiting the manufacture and regulating the distribution of narcotic drugs, signed at Geneva July 13, 1931, subject to the following reservations and understandings which are hereby made a part and condition of this resolution, namely:

(1) The Government of the United States of America reserves the right to impose, for purpose of internal control and control of import into and export from territory under its jurisdiction, of opium, coca leaves, all of their derivatives and similar substances produced by synthetic process, measures stricter than the provisions of the convention.

(2) The Government of the United States of America reserves the right to impose, for purposes of controlling transit through its territories of raw opium, coca leaves, all of their derivatives and similar substances produced by synthetic process, measures by which the production of an import permit issued by the country of destination may be made a condition precedent to the granting of permission for transit through its territory.

(3) The Government of the United States of America finds it impracticable to undertake to send statistics of import and export to the permanent central opium board short of 60 days after the close of the 3-month period to which such statistics refer.

(4) The Government of the United States of America finds it impracticable to undertake to state separately amounts of drugs purchased or imported for Government purposes.

(5) The plenipotentiaries of the United States of America formally declare that the signing of the convention for limiting the manufacture and regulating the distribution of narcotic drugs by them on the part of the United States of America on this date is not to be construed to mean that the Government of the United States of America recognizes a régime or entity which signs or accedes to the convention as the government of a country when that régime or entity is not recognized by the Government of the United States of America as the government of that country.

(6) The plenipotentiaries of the United States of America further declare that the participation of the United States of America in the convention for limiting the manufacture of and regulating the distribution of narcotic drugs, signed on this date, does not involve any contractual obligation on the part of the United States of America to a country represented by a régime or entity which the Government of the United States does not recognize as the government of that country, until such country has a government recognized by the Government of the United States of America.

Mr. ROBINSON of Arkansas. Mr. President, I think it should be stated to the Senate that the treaty is believed to represent a distinct forward movement in the control of the manufacture of narcotic drugs and the distribution of such drugs through the channels of commerce. The principal process is the requirement that no shipment shall be received in the territory or jurisdiction of the respective signatories except upon certificate showing that the amounts so received are limited to the medicinal requirements of the country. There are some important considerations connected with the reservations which I do not deem it necessary at this time to discuss.

The PRESIDENT pro tempore. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to, and the Senate advises and consents to the ratification of the treaty.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ODDIE. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and all postmaster nominations on the calendar are confirmed en bloc.

RECESS

Mr. PESS. As in legislative session, I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 50 minutes p. m.) took a recess until to-morrow, Friday, April 1, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 31 (legislative day of March 23), 1932

POSTMASTERS

MINNESOTA

Philip P. Palmer, Backus.
Paul B. Sanderson, Baudette.
Martin Leet, Blackduck.
Agnes Doyle, Bovey.
Henry H. Lukken, Boyd.
Carl Adams, Brainerd.
Nellie M. Watkins, Clinton.
Eva Cole, Delavan.
Edith B. Triplett, Floodwood.
Nels O. Strommen, Halstad.
Olaf Syverson, Hancock.
Herbert L. McChesney, Hewitt.
Gay C. Huntley, Hill City.
George W. Pfeiffer, Holloway.
Lewis H. Merrill, Hutchinson.
Louis W. Galour, Iona.
Adolph C. Gilbertson, Ironton.
Olaf T. Mork, Madison.
Clara M. Hjertos, Middle River.
Francis S. Pollard, Morgan.
Louis Vinje, Morris.
John A. Hilden, Oslo.
Frank X. Virnig, Pierz.
Lucien M. Helm, Tower.

UTAH

Walter S. Joseph, Beaver.
Joseph W. Johnson, Layton.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 31, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most Gracious God and Father, do Thou grant us a large portion of Thy wisdom that we may do the work intrusted to us; to fulfill our duty is a morality that has its own value. Thy laws are just and holy, and to violate them is to involve our souls in guilt. The Lord God forgive and bless us with that gladness and satisfaction that come from renewed thought, power, and desire. May we this day give full proof of our integrity and of a conscience that needeth not to be ashamed. O fill us with the visions, the charities, and the enthusiasms of a new life. Crown us with the conquering energy of truth that vindicates itself, setting forth commanding ideals from which spring the power that changes man and remodels society. Do Thou dominate us this day by the sovereign love and wisdom of grace divine, and unto Thee be eternal praises. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following concurrent resolution, in which the concurrence of the House is requested:

S. Con. Res. 23. Concurrent resolution requesting the President of the United States to return to the Senate the enrolled bill (S. 3322) entitled "An act to transfer certain jurisdiction from the War Department in the management of Indian country."

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. Evidently there is not.

Mr. CRISP. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Abernethy	Chindblom	Douglas, Ariz.	Igoe
Beam	Chiperfield	Douglass, Mass.	Johnson, Ill.
Beck	Clancy	Eaton, N. J.	Kading
Beedy	Cochran, Pa.	Free	Karch
Beers	Collier	Freeman	Keller
Britten	Connery	Goldsborough	Kelly, Ill.
Brumm	Cooke	Granata	Kendall
Burdick	Crump	Hancock, N. C.	Kennedy
Cable	Curry	Hart, Mich.	Kurtz
Chapman	De Priest	Houston	Lewis
Chase	Dieterich	Hull, William E.	Lindsay

McFadden	Palmisano	Selvig	Tinkham
McMillan	Partridge	Shannon	Tucker
Magrady	Reid, Ill.	Smith, W. Va.	Underwood
Manlove	Sabath	Snell	Vestal
Miller, Ark.	Sanders, N. Y.	Snow	Watson
Nelson, Me.	Schuetz	Strong, Pa.	Weeks
Owen	Seger	Tilson	Wood, Ga.

The SPEAKER. Three hundred and sixty-one Members have answered to their names, a quorum.

Mr. CRISP. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

ELECTION TO COMMITTEES

Mr. CRISP. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 176

Resolved, That L. RUSSELL ELLZEY, of Mississippi, be, and he is hereby, elected a member of the following-named standing committees of the House of Representatives: Education, Labor, Claims, and Civil Service.

The resolution was agreed to.

REVENUE ACT OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the revenue bill, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. CULLEN. Mr. Chairman, when the House adjourned last night there was an agreement in regard to the amount of time that was to be used in the discussion of the amendment respecting the stock-transfer tax. Since that time I have found that several members of the New York delegation and others desire to discuss the amendment at some length. I am just as anxious as any man in the House not to waste a moment of time, but to get the bill out of the House and over to the Senate as quickly as possible. However, I ask the acting chairman of the committee, whether, owing to the importance of this problem and what it means to the great financial institutions of New York City, he would not be willing to at least give us 40 minutes instead of 20 minutes in which to discuss the amendment?

Mr. CRISP. Mr. Chairman, the committee yesterday by a vote closed debate on this amendment in 30 minutes. Ten minutes of that time were consumed yesterday, which leaves 20 minutes. I realize the importance of this amendment to the gentlemen from New York. Therefore I ask unanimous consent that the time for debate be extended from 20 minutes to 40 minutes.

The CHAIRMAN. Is there objection?

Mr. BLANTON. I reserve the right to object.

Mr. LAGUARDIA. Mr. Chairman, reserving the right to object, will that be 20 minutes on a side?

Mr. CRISP. Twenty minutes on a side, the debate to be closed on that amendment and all amendments thereto.

Mr. LAGUARDIA. I have an amendment to offer. If the pending amendment is adopted, I have an amendment which is quite important and I hope the gentleman's motion will simply apply to the pending amendment.

Mr. CRISP. The motion was made last night and agreed to that all debate close on this amendment and all amendments thereto in 20 minutes. That will not prevent the gentleman from offering his amendment.

Mr. BLANTON. Mr. Chairman, I reserve the right to object. I have a bona fide perfecting amendment to offer to the committee amendment, and I shall want not over two minutes of time.

The CHAIRMAN. The Chair will recognize the gentleman from Texas for that purpose.

Mr. CRISP. I myself shall not ask for a moment of time.

The CHAIRMAN. Is there objection?

Mr. CELLER. Mr. Chairman, reserving the right to object, will the gentleman tell me whether or not there will be time accorded to members of the New York delegation, so that those who have already spoken on the amendment shall not be given any more time?

Mr. CRISP. The distinguished Chairman of the Committee of the Whole is fair, and recognition will be entirely in his discretion.

Mr. LAGUARDIA. I have an amendment which will meet the threat now being made to transfer activities to other countries, and I think I ought to have a few moments in which to explain it to the House.

Mr. CRISP. I hope the gentleman will be recognized for that purpose.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BLANTON. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: In line 3 of the Crisp amendment strike out the words "one-fourth of."

Mr. BLANTON. Mr. Chairman, I desire only two minutes. The purpose of my amendment is to make the tax on gambling transactions on stock exchanges 1 per cent instead of the one-fourth of 1 per cent proposed by the committee. In my judgment the gambling transactions on Wall Street and the stock exchanges are more responsible for the general depression and for the breaking of banks all over the United States than all other causes combined. Banks have broken everywhere, either because their customers, who owed them money and who borrowed money for that purpose, have been gambling on the stock exchanges or else because the bank officials themselves have been doing so.

I do not believe that a tax of 1 per cent would be unreasonable. I do not believe that a tax of 1 per cent would stop one single gambling transaction on any stock exchange. You will be placing the tax and the burden of taxation where it rightfully belongs and where it will be the least felt.

There is never any complaint from any gambler as to what the kitty takes out of the pot. This is taking out of the pot for the kitty and the kitty is the Government of the United States.

My amendment, instead of producing merely the $65,000,000 suggested by the committee, would produce revenue of at least $250,000,000, and we certainly need revenue.

I hope my amendment will pass.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BACON] for five minutes.

Mr. BACON. Mr. Chairman, I do not live in New York City; I have no connection with any banking house, brokerage house, or with the New York Stock Exchange. I have never sold a share of stock on margin, either long or short, in my life—I do not pretend to be an expert on this subject.

I do, however, want to draw two matters to your attention. First of all, I want to challenge the amount of suggested revenue that this tax will bring in. I understand that the gentleman from Arkansas yesterday suggested that it might bring in $75,000,000. However, I believe that the law of diminishing returns will begin to operate if this tax is adopted, because of excessive costs and a decrease in turnover. I want to show you the effect of the increase in the New York State tax from 2 cents to 4 cents, which increase went into effect on the 1st of March. This morning I received accurate figures for January, February, and March showing the total volume in value of sales on the New York Stock Exchange. These figures conclusively prove that there was a decrease of 30 per cent in March over the month of February, evidently directly due to the increase in the New York tax from 2 to 4 cents.

Mr. RAGON. Will the gentleman yield?

Mr. BACON. Gladly.

Mr. RAGON. I would suggest to the gentleman that during the last week of February, before the new tax rates went into effect, the sales were smaller than they were the first two weeks in the month of March. That was admitted the other night by the attorney of the New York Stock Exchange. He said that the first two weeks under that new law showed a greater volume of sales than during the last week in February, before the new law went into effect.

Mr. BACON. I am drawing a comparison between the total business month by month. In January it was $1,566,000,000; in February, $1,649,000,000; and in March, $1,178,000,000, or a decline of over 30 per cent in March over February. This decline is directly attributed to the increase in the New York State tax from 2 cents to 4 cents.

I submit that if you adopt this proposed tax, which in some cases will increase the present Federal tax from 100 to over 1,200 per cent, you will have a further decrease in volume; and the most conservative estimate is that this tax will hardly bring in the same amount of money that the present Federal 2-cent tax brought in during 1931. In 1930, for example, the 2-cent tax brought in $46,500,000, and in 1931 the 2-cent tax brought in $25,500,000. Theoretically, if you double the 2-cent tax and the volume remains the same, you might expect to provide $50,000,000 of revenue; but the law of diminishing returns will apply, and I feel sure that even a 4-cent tax would result in a 30 per cent decrease in the volume of business on top of the 30 per cent decrease caused by the increased New York tax. I prophesy here and now that you will be lucky if you get as much out of this contemplated tax as you are getting from the present 2-cent tax, or approximately $25,000,000.

This curtailment of business on the exchanges of the country will be brought partially, but very directly, through the curtailment of transactions in American securities for the account of foreign investors. A large volume of business on the New York Stock Exchange is done for purely foreign account, and not domestic account. All of the stocks listed on the New York Stock Exchange are also listed on the London Stock Exchange. It is reasonable to suppose and expect that most of this foreign business that is now going to the New York exchange will gravitate to the London exchange, and thus add to the decreased volume that will be brought about by contraction of the domestic business.

After all we want to raise money; we want to raise revenue. I want to balance the Budget. I honestly believe that the way to raise money out of the security exchanges of this country is by a reasonable tax that will not cause a decrease in the volume of business. You can not get a tax out of destroyed business. A small tax and a big volume of business will yield more money than a high tax and a small volume of business.

This tax will not be paid by the broker or member of the exchange but will be paid by the individual investor or business corporation, commercial banks, savings banks, insurance companies, and the like, throughout the country. Some people have the mistaken notion that the security-exchange business practically all originates in New York. Let me point out here that it is conservatively estimated that not more than 30 per cent of the transactions on the New York Stock Exchange originate in New York. The remaining 70 per cent originates in the other States of the Union as well as in foreign countries. The individual who has money to invest will not be inclined to invest it in the business life of the country, represented by the securities listed on the exchanges throughout the land, if you are going to ask him to pay practically a confiscatory tax. The net result will be that capital so needed in the business life of the country will not be forthcoming and the volume of business in the security markets will decrease to a minimum.

As a revenue producer, this tax, it is my prediction, will be a failure.

This brings me to the second point I wish to discuss, namely, the unemployment situation which will be brought about by the imposition of this suggested tax. Very few security-exchange houses, I am informed, are to-day more than meeting expenses. This added tax burden will have the effect of forcing many of them out of business entirely. Others will have to curtail largely their overhead which will mean the forced and reluctant dismissal of thousands of employees.

This tax will not only affect brokerage houses but it will affect every essential business interested in the sale and purchase of securities. And besides that, it will affect adversely every instrumentality that has contributed to making this country the leader of the world's security business. It will tend to destroy one of the finest organizations ever brought together. The telephone companies, the telegraph companies—and these two agencies perform a tremendously important part in the business of security exchanges—insurance companies, savings banks, commercial banks, trust companies, and many other businesses will be very adversely affected by this tax. This again will add to unemployment. The family of people supported by the security-exchange business of the United States is a very large one. I am not objecting to a reasonable tax, but I am objecting to a tax that will fail of its purpose and force the disintegration of one of the finest organizations in the world with tremendous hardships to the thousands that will be forced out of employment.

As you all know, there is great unemployment to-day in New York, particularly in the so-called white-collar class. This tax will put thousands more of this long-suffering group out of employment.

Any tax that increases the present rates from 100 per cent to 1,200 per cent and over certainly approaches confiscation. It dries up the business on which it is supposed to feed, and in this case I do not believe it will add anything to the revenues of the Government. This tax will prolong rather than shorten the depression. I am not thinking of the simple annoyance that such a tax on business may provoke, because I would be in favor of any tax that would not decrease or hurt the business affected if it raised the necessary revenue; however, this tax goes much farther and will tremendously curtail if not practically destroy a legitimate and necessary service to the business life of the country and without, in my estimation, bringing the Government an added dollar of revenue.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, I rise in opposition to the amendment taxing transactions of the stock exchanges of the country. I desire the membership of the House to realize that the stock exchanges are in many cities other than New York. They are in Philadelphia, Baltimore, Buffalo, Cleveland, Pittsburgh, Cincinnati, San Francisco, Los Angeles, Detroit, St. Louis, New Orleans, Milwaukee, Minneapolis, and Seattle.

We have heard it repeated for weeks that all taxes are unpopular. Some taxes are mean, however. Some taxes are nothing more or less than an assault on some kind of business. Some taxes are conceived in a spirit of meanness, a spirit of envy, or a spirit of destruction. If taxation can destroy, of all the taxes suggested in this bill, this is one of them that may destroy and is intended to destroy.

Practically every Member stood up the other day and agreed to balance the Budget. Everybody is for that. There are countless ways you can balance the Budget. Some are fair. Others are grossly unfair. I will tell you one way you can balance the Budget. Tax everybody in New York City, the 6,000,000 people there, $200 apiece and you will get $1,200,000,000 and balance your Budget. You are nearly doing that with your special excise taxes and postage increase.

There have been frequent boasts that this bill "soaked the rich." A tax like this item is soaking business as conducted in the metropolitan centers of the country.

This is not a tax on stock-exchange transactions. I want the Members of the House to get this definitely. This is an indirect attempt, a subterranean attempt, to stop short selling on the market. When the Judiciary Committee of this House is considering that problem right now, this is an

attempt by taxation to destroy something that committee has not yet found to be improper.

If in the stock exchanges of this country they are conducting their business improperly or illegally, why do you not go right after it and pass a law to stop it? Why do you try by indirection to tax them out of business?

Now, here is what is happening, and I direct this particularly to the Members from the mining country. The quotations on practically every mining stock are from 4 to 10 cents, yet there will be a tax of 12 cents on each share, 4 cents State transfer, 4 cents Federal transfer, and 4 cents on the transaction under this amendment. Surely that will destroy all transactions in mining shares.

Mr. RAGON. If the gentleman will permit, we have an amendment that will be brought forward following this amendment that will take care of that situation.

Mr. O'CONNOR. I hope so.

This amendment will destroy all arbitraging in the market. While many people think arbitraging a matter of buying rights and selling stock, arbitraging in the market is often necessary to sustain our domestic markets against London, Berlin, and other foreign markets. In arbitraging there is rarely more than one-eighth of a point margin in such a transaction.

Now, here is what is going to happen if you pass this amendment. Stocks will not be quoted 60 to 60⅛, for instance, but they will be quoted 60 to 64. They will be quoted like bank stocks. There will have to be a wide margin between the bid and asked price. Furthermore, there will be no dealing on the floor of the exchange between brokers to maintain the liquid value of stocks, which is an important part that the exchanges play in this country.

I believe this is the most important tax item in the tax bill, important because of its effect on the business of the country. Dealings on the stock exchanges between brokers where there is only one-eighth of a point involved, is one of the foundations of sustaining the business values of this country. These dealings sustain the liquid value of the securities of the country and enable the carrying on of business. You now propose to destroy these dealings because the margin will be wiped out by taxation.

Furthermore, there are other inequalities in the amendment. A man who buys a $100 share of stock pays 25 cents in this tax. A man who buys a $10 share pays 4 cents. Yet a man who buys ten $10 shares pays 40 cents, as against the 25 cents which the other man pays on one $100 share.

This inequality shows, and I say this respectfully, ill consideration of the matter and an absolute misconception of the transaction of business on the exchanges of this country.

Furthermore, it is well known that all the exchanges have been as hard hit in the employment situation as almost any of the industries of the country, and this tax will cause further unemployment.

I appeal to you Members who come from the great metropolitan business centers of this country to stand up and defeat this unfair and pernicious item of taxation. [Applause.]

Mr. STOKES. Mr. Chairman, I hope we shall pass the committee amendment. I believe if the higher charges were put on transfers of stocks and bonds, it would prove to be a lower revenue producer, because instead of going to New York or Philadelphia, the stock transfers would go to London or Montreal, where they have a lower tax. So in the end we would have a lesser revenue than if we charged a lower amount. [Applause.]

Mr. CELLER. Mr. Chairman, analyzing the amendment that has just been brought in by the subcommittee of the Ways and Means Committee, we find this situation: Whereas under the present statute the tax on a transfer of one share worth $100 is 2 cents, under this proposed subcommittee amendment it would be 25 cents, which would multiply the tax twelve and a half times. A stock worth $50 would bear a tax of six and a quarter times the present tax. The 17,000,000 security holders of this country—and there are more than 17,000,000—will suffer a dreadful disadvantage if you place this heavy burden of taxation upon them.

This subcommittee is ill-advised. It is enthusiastically misguided. I venture the assertion that its proposal was not adequately and fully considered by the full Ways and Means Committee. It can not be properly, in this short debate, considered by the Committee of the Whole.

We know that most of the securities of the large corporations have a very wide distribution. For example, the American Telephone & Telegraph Co. in 1931 had over 642,000 shareholders. The Pennsylvania Railroad Co. in 1931 had over 243,000 shareholders, and all the large corporations have just as vast a number of shareholders scattered throughout the land, and you are laying the heavy hand of taxation upon all of them.

The total value of all the securities on the various 25 exchanges in 1931 was over $60,000,000,000—let these figures sink in—over $60,000,000,000 on all securities on these exchanges. As soon as you pass this one-fourth of 1 per cent provision, you reduce that value immediately by almost one-fourth of 1 per cent, or almost $150,000,000. Just by one fell swoop you reduce the value of all securities by approximately $150,000,000, let alone the liquidations that will follow in the train of this tax.

You watch the stock-exchange transactions to-morrow and the day after, and you will see whether or not there will not be a tremendous liquidation of all the stocks and all manner of securities, as the result of this tax. You can not expect to be relieved of the baneful effects of the depression, unless and until men with wealth, men with money, are willing to come back and put their money into industry. You put this tax on, and you frighten these men, you prevent their coming back into industry and trade, and in that sense you further continue the depression. How can you attract men of power and wealth away from their tax-exempt securities and induce them to invest in securities of large mills and factories—securities of corporations employing myriads of employees?

England, when she balanced her budget, did not put one cent of tax on the transfer of shares. England, wiser than we, with an older civilization than ours, was faced with difficulties far greater than ours, was faced and is faced with embarrassments, financial and political, at home and abroad, yet it never sought to tax security transfers where the stock was payable to bearer. It did put a trifling tax where the securities were registered in the name of the owner. We might well take a page out of England's book. She realizes that free and easy transfer of securities is necessary for the life of trade and to encourage commerce and industry.

Canada has the same difficulty as we, and her taxes are less than ours to-day.

Mr. DICKSTEIN. Will the gentleman yield?

Mr. CELLER. I yield.

Mr. DICKSTEIN. When a merchant desires to transfer his stock, to put it into legitimate business, he would be penalized.

Mr. CELLER. No doubt about it.

Most of those advocating this stupendous increase are interested not so much in revenue as they are in embarrassing if not preventing short selling. This is manifest from the remarks of some of the gentlemen, like Mr. McCLINTIC of Oklahoma.

All economists recognize the efficacy of short selling to stabilize and cushion the market (grain, cotton, stocks) and to prevent precipitous declines. There may have been some abuses in the practice. But here you penalize the benefactors and malefactors alike.

Let me illustrate the penalty you place upon short selling. Broker A is authorized by his customer X to sell 100 shares of Steel short. Say, Steel is quoted at $100, making the amount $10,000. A has not the stock. He borrows it from broker B. Under the amendment A pays 4 cents per share, or $4 on the hundred shares. On the borrowing of stock the one-fourth per cent does not apply. It can not, because no value is given, as in a sale. A now has the stock. He sells it to broker C. On that sale there is

a tax of one-fourth per cent, or $25 (one-fourth per cent of $10,000. After a time—a week or a month—broker B demands of broker A the return of the 100 shares borrowed. A must go into the market and buy. He buys 100 shares of Steel from broker D. On that purchase the amendment impresses a tax of one-fourth per cent, or $25. On this transaction of short sale of 100 shares of Steel there has been imposed first $4, then $25, and then $25 again as tax, $54 in all. Short selling can not live, much less thrive, under such conditions.

Every time the Government interferes with short selling the cure becomes worse than the disease.

In 1896 the German Government, heeding a hysterical cry against short selling, placed heavy burdens upon that practice in the form of taxes and otherwise. What was the result? Bootleg brokers continued their short selling in concert halls and in other places where they could foregather in groups. They formed "rump" exchanges; the Government lost the taxes, legitimate traders were unable to compete and transferred their business to other marts and exchanges, namely, to Paris, London, and Brussels. Germany was compelled to repeal the statute. But the Berlin exchanges never recovered their lost prestige. The business never came back. In 1864 the United States tried it. Secretary of the Treasury Chase induced the Congress to prevent short selling in gold futures. The charge was made that short selling was boosting the price of gold unduly (it is a strange anomaly that at the present moment people are complaining that short selling has depressed prices, whereas in 1864 they blamed short selling for increasing prices). The bill against gold futures made confusion worse confounded. Within a brief period after the statute was passed Chase went back to Congress begging for a repeal of the statute; it had proved of no avail. Congress repealed the act. New York tried the experiment also. It passed a prohibition against short selling in 1812. It soon recognized its error, however, and repealed the statute.

Every dozen years or so there is a howl against short selling, and then the howl dies down. Short selling always becomes the scapegoat. There was a fierce hue and cry against short selling just after the panic of 1907. Governor Hughes, of New York State, now Chief Justice of the United States Supreme Court, appointed a committee to investigate speculation on the security and commodity exchanges. This is what the committee stated about short selling:

> We have been strongly urged to advise the prohibition or limitation of short sales, not only on the theory that it is wrong to agree to sell what one does not possess but that such sales reduce the market price of the securities involved. We do not think that it is wrong to agree to sell something that one does not now possess, but expects to obtain later. Contracts and agreements to sell and deliver in the future, property which one does not possess at the time of the contract, are common in all kinds of business. The man who has "sold short" must some day buy in order to return the stock which he has borrowed to make the short sale. Short sellers endeavor to select times when prices seem high in order to sell, and times when prices seem low in order to buy, their action in both cases serving to lessen advances and diminish declines of price. In other words, short selling tends to produce steadiness in prices, which is an advantage to the community. No other means of restraining unwarranted marking up and down of prices has been suggested to us.

The Senate and two committees—Judiciary and Agriculture—have had bills affecting short-sale restrictions; no action has been taken. Now, without hearings, heedless of results, you pell-mell rush headlong to tax short sales so high as to make the practice almost prohibitive.

I call that a stab in the dark.

TRADING WILL BE TRANSFERRED TO OTHER COUNTRIES

The grain futures act transferred trading to Winnipeg. Interfere with cotton futures in America and trading will be transferred to Liverpool. Merchants and brokers properly will do business where it may be done with least expense, least tax, least restrictions.

When New York State taxed stock transfers 2 cents per share, New York lost and Chicago gained. Much of the trading went to the Chicago Board of Trade. New York has now doubled the tax. It is now 4 cents. More trade will be lost.

Fifty per cent of clerks, messengers, bookkeepers, accountants, stenographers, telephone operators, telegraphers formerly employed at stock exchanges are now out of employment.

By this legislation you will cut business in half, resulting in more unemployment—more depression.

The exchanges afford: (1) An active market to insure ready sale and purchase—insures liquidity, for millions of securities held by 17,000,000 security holders, banks, insurance companies; (2) an active market for sale of issues to raise necessary capital for business and manufacturing and railroads.

Securities have never in recent years been lower. New York Central is to-day selling at 24, whereas in 1929 it was selling at 240.

Tax of one-fourth of 1 per cent will greatly narrow the active market by reducing trading. Liquidation will be tremendous; stocks will go lower; depression will be prolonged.

I am strongly of the opinion that such a tax would not only fail, in so far as the amount of revenue received is concerned, but would also have the tragic result of drying up the securities markets to such an extent that investors who would want to sell would be forced to sacrifice their holdings, and in case they want to buy, would be forced to pay sharp advances in order to obtain the securities they want.

Any tax to be successful taxation must bring in revenue. It must not be so great that it would cause the transaction taxed to disappear or be reduced to such small volume as to make the tax unproductive.

In my opinion, the present volume of transactions on the securities exchanges is composed very largely of purchases and sales made by professional or semiprofessional operators, traders who buy and sell securities, striving for small profits, such as one-eighth of a point to 1 point. The operations of these operators make it possible for investors to buy or sell securities without undue fluctuations in prices, and they are, therefore, responsible, to a large degree, for the maintenance of a broad market, so essential to investors.

The tax of one-fourth of 1 per cent on 100 American Telephone & Telegraph, selling at, say, 110, would be $27.50, or equivalent to a fluctuation of more than one-fourth dollar per share (other stocks in proportion).

It is easy to see that the operators above referred to could not function if they were forced to pay that amount of tax in addition to the $6 per 100 Federal and State taxes already assessed. If the object of Congress is to dry up the securities markets, the proposed tax would probably do it—causing, possibly, further liquidation and still lower prices—but as a tax for revenue it certainly would fail, as there would soon be very few transactions to tax.

Rant and rail at the speculators all you wish, but remember they make for a wide and free market. Banks, for example, must be able to sell at all times at all levels. They could not unless speculators were always in the market to buy, ready to risk their judgment against the market. If investors want to buy, the speculators are there ready to sell—again risking their judgment against that of the purchasers.

Professor Hadley, of Yale, in his notable work on economics, made the following observations:

> The industrial development of the last three or four hundred years, rightly interpreted, is an account of the reasons which have led society to put the control of its industry into the hands of a body of speculative investors.

This brief summary from such an authority should furnish convincing evidence that speculation was not devised as an instrument to indulge the sporting instincts of adventurous individuals. Organized speculation, as it is conducted on the exchanges of the world to-day, performs a function that results in vast economies for the financing of modern industry. In the case of commodities, it furnishes the producer, merchant, and manufacturer with the means for insurance against unfavorable price changes, and thus it permits the transaction of business at a greatly reduced cost

of distribution, with enormous benefit to both producer and consumer.

Unfortunately, Wall Street is a barometer. It should not be. I warn the gentleman, let stocks drop lower and you will rue the day. The public will judge general conditions by Wall Street prices. Depression will become a panic—deep, abysmal panic.

Thank goodness, the Senate must pass upon all this. I hope better counsels will prevail there and that this proposal will be ditched.

This tax is a capital levy on gains and losses.

It is no tax on consumption or income.

It has no relation to ability to pay.

It makes no distinction between distressed seller or profit taker, between investors or gamblers; all pay alike.

It ought not pass.

Mr. HARLAN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. HARLAN. I rise to ask unanimous consent to withdraw my amendment as a substitute for the committee amendment introduced last night.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

Mr. FULLER. Mr. Chairman and members of the committee, about two weeks ago I made a speech here advocating one-half of 1 per cent. I am not very much of an authority on the stock exchange, but I have given it some consideration and some thought. I think the amendment brought in by the committee will not hurt them and should be adopted.

Under the law the State of New York tax is 4 cents on $10 stocks. The Government takes 2 cents, and we are doubling the Government rate. That will make 8 cents. That will be 8 cents on a $10 share. You are talking about taxing hundred-dollar shares. Those shares on the stock exchange are almost as scarce as hen's teeth, but that tax would amount to 29 cents, being 25 cents for the United States and 4 cents for the State of New York.

If New York can afford to collect her tax, can not the United States afford to collect its tax. Of course, we do not expect the New York delegation to stand up and defend this tax. All this talk about the exchanges going to Canada is tommyrot. It is not going to hurt legitimate business in any way. If I, for instance, send in a telegram to a broker and tell him to buy me $1,000 worth of General Motors, he would do it and pay the tax of $2.25, and he would then pass it on to me. Here is the only way that it is liable to hurt a broker, and any one of them will tell you so. They do business among themselves. The members of stock exchanges feel the effect of the hard times as well as everybody else, and they go into the market, buy from one another, buy short, trying to make a profit of a quarter, a half, or three-quarters of a cent in order to make expenses. Of course, they can not do quite as much buying and selling to one another as they would do otherwise, but it will not injure legitimate business.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. FULLER. Yes.

Mr. BACON. I believe this increased tax will make it very much more difficult for business concerns throughout the country, manufacturers and others, to raise necessary money.

Mr. FULLER. What particular business?

Mr. BACON. Any business.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. FULLER. In order to reply to my colleague?

Mr. LaGUARDIA. In order to reply to my colleague. This would not affect an original issue.

Mr. FULLER. I can not see why any legitimate business would be hurt. The only man who could be hurt would be a man who has some stock selling at about a dollar per share, and he is so small that he ought not to be on the market, anyway. He would have to pay 8 cents on every $1 share. The average stock being sold on the stock exchange runs about $17 a share, and on the curb it averages $11 a share. Nobody is going to be hurt by a little thing like this. They will pass it on just like they pass these excise taxes on.

Mr. BACON. It is estimated that less than 30 per cent of the business on the New York Stock Exchange originates in New York City.

Mr. FULLER. That is true. They are bleeding the people all over the country. Some people think it would be a good idea if there were no stock exchanges. There is a diversity of opinion on that question, but I am not going to argue that question for the purpose of sustaining the contention of the committee. Their business comes from the people out in my country and all over this country—suckers who do not know anything about the market and who are anxious to take a gamble and speculate. Of course, brokers can act legitimately in transactions, and most of them do. At the same time they manipulate the market. If I wire in to them and they know my standing is good, and I send them a check and produce the money, they do not care whether I am a sucker or not. If I send them stock to sell, they act as brokers and charge me the Government tax on the sale. As brokers they pay no tax, simply collect it for the Government.

Mr. BLACK. I want to say the gentleman is no sucker himself after getting that drought relief bill for Arkansas.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLARD. Mr. Chairman, I hope the amendment will not prevail. I am opposed to this amendment. Within the last hour I have received 100 letters and 50 telegrams. I represent the first district outside of the city of New York—the counties of Rockland and Westchester. The people in my district are of the highest intelligence. I have received letters from people in every walk of life—bankers, brokers, clerks, stenographers—and they all say the same thing. The trend of thought in these letters and telegrams is that the stock exchange can not stand this extra tax, that business there can not stand the strain of the extra tax on securities. Here is a sample telegram and also a sample letter:

NEW YORK, N. Y., *March 30, 1932.*

Hon. CHARLES D. MILLARD,
House of Representatives, Washington, D. C.:

Business can not stand strain of increased tax on security sales. This feature, if enacted, will defeat its own purpose, as shrinkage in volume will offset tax increase with result of no increase in revenue. Tens of thousands of clerks will lose jobs. Situation will become worse than ever.

——

MARCH 30, 1932.

The Hon. CHARLES D. MILLARD,
Office of House of Representatives, Washington, D. C.

DEAR SIR: I am a resident of Larchmont, Westchester County, N. Y., where I own my home and vote. I also own and pay taxes on some seventy-odd acres at Croton Lakes, Westchester County, N. Y., which is also in your district.

I have been an employee in the stock-brokerage business for over 30 years and because of that long experience I feel that my opinion may be of some value to you.

I wish to enter a most emphatic protest against the possible passage of the bill calling for a quarter of 1 per cent tax on stock sales, as I am confident that if it is adopted there will be hundreds of thousands of men and women employed by stock brokers thrown out of work and that it will also definitely stifle any attempt to raise new money for general commercial purposes, which, in my opinion, will be a blow to our hope of overcoming the present terrific depression from which, I believe, our country can not recover.

Mr. Chairman, I wish to protest strongly against the provision in the proposed revenue bill levying a tax of one-fourth of 1 per cent on stock transfers. The tax will raise but little revenue, as such a heavy impost would be prohibitive of all except a very small volume of stock sales; that it would so restrict our existing security markets as to seriously affect the liquidity of bank loans and greatly contract the market for all securities, including Government securities. It would also accentuate a grave situation by increasing the number of unemployed by the thousands of employees who would be thrown out of work all over the country by the virtual paralysis of the security exchanges and relative businesses. I sincerely believe that this provision in the revenue bill should not be adopted.

Mr. LAGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LAGUARDIA. Is the amendment offered by the gentleman from Arkansas an original amendment, or is it an amendment to the amendment?

The CHAIRMAN. The parliamentary situation is that there is a committee amendment pending offered by the gentleman from Arkansas. To that the gentleman from Texas [Mr. BLANTON] has offered a perfected amendment.

Mr. LAGUARDIA. Would an amendment to the amendment offered by the gentleman from Arkansas be now in order?

The CHAIRMAN. An amendment to the Blanton amendment would not be in order at this time.

Mr. STAFFORD. Mr. Chairman, I ask for a vote on the Blanton amendment.

The CHAIRMAN. The gentleman from Wisconsin demands the regular order, which will be a vote on the Blanton amendment. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment to the amendment, which I have sent to the desk and ask to have read.

The Clerk read as follows:

(b) The tax provided for in subsection (a) shall be imposed on all sales, agreements to sell, and/or memoranda of sale or delivery consummated entirely within the United States or between citizens or residents of the United States; and in addition, such tax shall also be imposed upon the seller or transferor resident in or a citizen of the United States when the buyer or transferee is not a citizen or resident of the United States. When the seller or transferor is not a citizen or resident of the United States and does not pay the tax imposed by subsection (a), the buyer, if a citizen or resident of the United States, shall be liable for the full amount of such tax subject to the provisos and penalties set forth under subsection (a). A resident or citizen of the United States, acting through a broker or agent abroad, shall be liable for the full amount of the tax provided in subsection (a) as though buying, selling, receiving, or transferring without the intervention of such broker or agent. A broker or agent resident in or a citizen of the United States shall be liable for the full amount of the tax provided in subsection (a) notwithstanding that his principal is or may be a resident or citizen of a foreign country. In all cases where sales or transfers of stock taxable under subsection (a) are consummated through dummies or by ruse or device designed to evade the tax provided in subsection (a), the parties shall be liable for the full amount of the tax as though such dummies, ruse, or device were not employed: *Provided*, That nothing in this sentence shall be construed to relieve the parties from the operation of the penalties provided under subsection (a).

Mr. RAGON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAGON. Does the gentleman from New York offer his amendment as an amendment to the committee amendment?

Mr. LAGUARDIA. Yes.

Mr. RAGON. Does not the gentleman think it would be better to insert his amendment as a subhead?

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that I may withdraw the amendment—it having been read for information—with notice that I shall offer it if the Ragon amendment is adopted by the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, this amendment may seem a little crude, but it must be crude to meet crude, threatening tactics. There has always been opposition to a tax on stock transfers, ever since the suggestion was made to enact such a tax. However, such a suggestion did not originate this year, last year, or the year before, but it has been before the Congress for many years.

I want to say to the gentleman from Georgia that the country will owe him an everlasting debt of gratitude for bringing in this bill without a rule, because it is due to the absence of a rule the House of Representatives is permitted to vote on this particular and important amendment. [Applause.] Had we operated under a gag rule preventing the opportunity of offering amendments and full discussion we would never have had this opportunity.

Gentlemen, it has been repeatedly stated that stock brokers have threatened to move to Canada and transact their business in a foreign country to avoid this tax. This amendment puts sufficient teeth into the law and serves notice that if any such policy is adopted we will find the ways and means to enforce the law and collect the tax no matter what they may attempt to do.

I want to say it comes with very poor grace at this time, when Congress is struggling to balance the Budget, for anyone doing business and making money from nonproductive activities to threaten to disrupt the revenue plan by taking their business out of the country. My amendment will prevent such evasion of taxes.

In reply to the suggestion made by my colleague from New York, Mr. CELLER, and my colleague from New York, Mr. BACON, and others, that this tax would prevent money going into new enterprises, permit me to call their attention to the fact that this tax does not apply to original issues at all. Surely they should have known that. There is a tax on original issues in the bill. It has already been approved. This has nothing to do with original issues. This is a tax on transfers of stock. This is a tax on speculation. This is a tax on gambling. This will in no way take one cent from legitimate industrial purposes, but it will tax all transactions and speculation on the various stock exchanges. So I insist this will have very little, if any, relation to the industry and commerce of the country. I know how powerful the New York Stock Exchange is. The House has evidence of that fact right here now.

The stock exchanges have had their day on the floor of this House for the last 50 years. To-day, for the first time, we have an opportunity to test the sentiment of the House in connection with a tax on the transfers of stock. I know of no other provision in this bill which will meet with more general approval throughout the country than this tax. The people of the country have been wondering for years why we did not tax this source of revenue. I am indeed gratified over the fight some of us have waged to bring the stock-transfer tax before the House.

I want to say, gentlemen, that this country must get back to a normal condition. If this country does not get back to a normal condition, all the revenue bills we can write will not produce enough revenue with which to run the Government. As soon as the country gets back to a normal condition this tax alone will furnish a source of revenue so large and easily collected as to make possible the elimination from the law of all the nuisance taxes which we have been compelled to put in by reason of necessity. [Applause.]

Mr. BLACK. Mr. Chairman and gentlemen of the committee, the gentleman from Arkansas suggested that there were a great number of people in the country who would like to get rid of the stock exchanges. Well, I think that might be so; but I think that if you would take the number of people who want to get rid of the stock exchanges and put them against the number of people who want to get rid of Congress that the number who want to get rid of Congress would trump the others. There are a great many people who want to get rid of Arkansas; there are a great many people who want to get rid of New York; there are a great number of people who wanted to get rid of liquor about 12 years ago, and now they are sorry, because they are beginning to pay real taxes.

This bill is not going to do away with the stock exchanges, but this bill is going to affect every white-collar worker employed by stock-exchange houses in New York, in all of the eastern cities, and in all of the branch offices in the West and South. This bill is not aimed at the stock exchange, but it is aimed at the white-collar workers. In this bill we have done everything we could to save skilled labor. Everything has been done in the interest of the American skilled worker, and yet we now have before us an amendment which is aimed at one of the largest divisions of the white-collar workers of the country.

The men and women engaged on the clerical staff of various stock-exchange houses are the only ones who are going to be affected by this bill.

It is not going to kill short selling. There is nothing in the amendment that is going to stop short selling. Short-selling raids have been pretty effectually stopped by a new rule adopted by the New York Stock Exchange.

As to original issues, the gentleman from New York [Mr. LAGUARDIA] says this does not affect original issues. Well, original issues do not stay original issues for 24 hours. Original issues come to the stock exchange not to rest in the stock exchange but to pass out to the world. The stock of industry in this country passes out to the world through the medium of the New York Stock Exchange, and money flows from the world into the New York Stock Exchange and then out to the rest of the country. The New York Exchange is really the heart of industry in this country. It is the real circulating medium of money, the lifeblood of industry. The original issue goes into the stock exchange and then is traded in and is no longer an original issue, and it bears a tax and it bears an increased tax under this amendment, and the increased tax under this amendment is a tax on money needed for the industry of the country.

This is a shortsighted amendment. The Committee on Ways and Means knows that the members of the New York delegation have gone with the committee on nearly every proposal, and the Committee on Ways and Means ought to understand that when the New York delegation almost unanimously opposes an amendment it opposes it because it thinks it is against the interests of the business of the country.

I do not believe this amendment is going to have the effect, as far as revenue raising is concerned, that some of you folks think. It is going to decrease trading, and by decreasing trading it decreases itself. By decreasing trading it decreases the flow of money into this country.

What built up your West? What built up your South? It was money that came from New York through the New York Stock Exchange. The railroads of the West that built up your farming country, the factories of the West, the factories of the South, and the factories all over the country went to New York, and went where? To the stock exchange, and put out their issues. The money did not stay there. The commissions stayed there, but the money went back to develop the country.

This is a futile and short-sighted attack on the New York Stock Exchange that is not going to help the country. It suggests a patient who, when the physician puts a thermometer in his mouth and takes it out and says that he has a high fever, grabs the thermometer and throws it on the floor and breaks it. The New York Stock Exchange, so far as this depression is concerned, is an indication of the extent of the depression. It is an indication of the rise and fall of business. [Applause.]

Mr. GOSS. Mr. Chairman, if this amendment or the committee amendment passes it will be in violation of one of the fundamental principles of free bargaining in this country. It is an attack to-day upon the stock exchange; but there is not a commercial producing business in this country that could survive without short selling. You can not buy a pair of shoes from the manufacturer that are not sold by short selling, because the company might not have the hides to make them when they sell them. You can not buy copper pipe without short selling, because the copper may not be delivered to the plant in which that copper pipe is being manufactured, and, in my judgment, both of these amendments are simply attacks on short selling, one of the fundamental principles of free bargaining that this country has always maintained; and if we start with the stock exchange there is no telling when we will end or where we will end in respect to other business.

If it is fair to tax the stock exchanges in this regard, then we ought to go all the way down the line and tax every industry and every business in the United States alike, so that we will at least be consistent.

Why, my friends, you can not buy a thing from manufacturers that is not sold by short selling. The producers of any material, even the oil people, sell oil before they get it into the refined stage. There is not a single thing that we buy from manufacturers that is not sold on the basis of short selling, and when I asked last night the gentleman from New York to please tell the House what effect this attack on short selling would have, he very cleverly evaded the question, and every other speaker has done the same thing. None of them has answered this question for the benefit of the House. [Applause.]

Mr. JOHNSON of Oklahoma. Judging from the heavy bombardment turned loose here to-day by the light artillery from New York, one unfamiliar with the history of this amendment to tax sales of stock exchanges of Wall Street and elsewhere might think it altogether a new proposal.

Late yesterday when the amendment proposing a one-fourth of 1 per cent tax on all sales of stock exchanges was first reached Members from the great State of New York expressed extreme surprise and pleaded for additional time, which the chairman of the committee was very generous in granting, else this item would have been voted on yesterday. The fact is that unsuccessful efforts have been made to tax these damnable stock exchanges for the past 40 or 50 years. If I were permitted to write this amendment, I would go farther than is proposed in this provision; I would not hesitate to tax sales of stock exchanges 1 per cent or four times the amount proposed in the committee amendment. If one-quarter of 1 per cent would bring $75,000,000 to $100,000,000 to the Treasury, four times that amount, together with amendments heretofore adopted, would more than balance the Budget and it would not be necessary to increase the postage rate to 3 cents nor add many other very burdensome taxes proposed in this bill. [Applause.]

The delegation from the great State of New York, that perhaps votes more nearly as a unit than any other delegation in this House, evidently failed to get together on the line of argument to be pursued against this amendment. For example, the able and distinguished Mr. O'CONNOR laid great stress on his allegation that this small tax on Wall Street would destroy short selling and put the stock exchanges out of business. He did not mince words in his denunciation of this proposal, so sure was he that it would destroy his stock exchanges or force them to cross the line into Canada. Then another affable gentleman representing the great metropolitan city of New York [Mr. BLACK] comes along and contradicts the statement of his colleague and admits that this insignificant tax will not begin to put the stock exchanges out of business. Let me say frankly I only wish that the tax proposed to be imposed on the stock gamblers could be placed so high that it would not only curb short selling but stop gambling on products of the farm. If that could be accomplished, Mr. Chairman, it would be the most far-reaching and beneficial legislation ever passed by this or any other Congress. [Applause.] Speculation on the New York Stock Exchange by white-collared parasites who toil not nor spin not is largely responsible for our financial troubles. These Wall Street gamblers do not confine themselves to intangible stocks, mythical securities, and bogus memorandums, but they gamble to the tune of billions of dollars on commodities they never see but which are produced by the sweat of the brows of millions of honest, hard-working farmers of America. Instead of prices of farm commodities being based on the law of supply and demand, they are too often controlled by and held at the mercy of Wall Street stock gamblers. [Applause.]

"Oh," but say the gentlemen from New York, "you will force our stock exchanges across the line to Montreal." If they do not want to obey the laws—and they have shown that they do not—let them move; but, of course, the gentleman is not serious in saying that a tax of one-fourth of 1 per cent would stop a single sale or drive any of his gamblers or stock exchanges into Canada. The LaGuardia amendment, which I feel sure this House will adopt, will

prevent any possibility of the stock exchanges moving across the line into Canada.

This Congress is faced with a problem of balancing the Budget, which means the raising of additional revenue. This is one tax that will get the money and can not possibly be passed on. I submit that it is just, fair, and equitable. The proposed tax on stock exchanges is not as much as it ought to be, but it is a great step in the right direction, and I submit is one of the fairest taxes in this revenue bill.

Let us hope that some future Congress will materially increase the tax on stock exchanges and give Wall Street, that in a large measure is responsible for the economic depression throughout this land, to understand that it must pay a more just share of the burdens of Government. [Applause.]

[Here the gavel fell.]

Mr. BOYLAN. Mr. Chairman and members of the committee, I believe, as many gentlemen have stated on the floor, that we ought to balance the Budget. I am in favor of balancing the Budget. I have gone along with the committee from the very beginning, and I hope to finish with them a winner. I have tried to expedite the progress of the bill in every way possible.

But I must say that this morning when I reached my office I was inundated by a flood of letters and telegrams from constituents of mine in opposition to this proposed amendment.

We have been told this morning that this amendment is hoary headed, that it comes to us with long whiskers, which evidently shows the good judgment of other Congresses in the past in failing to act on it.

There are men in this House coming from the great arid districts of our country, from the Great Plains, men who never have seen the city of New York. One man recently told me that he had been here for 12 years and had never been as far out of Washington as New York.

New York appears to them as a great monster. They used to tell little children in up-State New York that if they did not go to bed early some of those terrible people from the city of New York would get them. And in that way they frightened them and sent them to bed early. [Laughter.]

Now, it has been estimated that practically 85 per cent of the stock transactions in this country is carried through the New York Stock Exchange. What does that mean? It means that people all over the country telegraph or write their broker in New York to buy or sell certain stocks. This is a great American habit. We all plead guilty, and we do not deny it. How are your orders carried out? Our stock-exchange firms have built up in the city of New York a splendid organization to take care of your business that is sent into them by wire or by mail.

Now, we have in connection with this stock exchange thousands of men and women employed by the stock-exchange houses to faithfully carry out the orders that you send in. These men and women we draw on from all over the Union as clerks, as telegraph operators, as stenographers, statisticians, as librarians, all making up a splendid organization. They are a white-collared force, and in behalf of that great white-collared force I ask you this morning to reject this amendment of the committee or materially modify it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. O'CONNOR) there were 207 ayes and 39 noes.

So the amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I now offer my amendment.

The Clerk read as follows:

Page 259, after line 10, add a new subsection to read as follows:

"(b) The tax provided for in subsection (a) shall be imposed on all sales, agreements to sell, and/or memoranda of sale or delivery consummated entirely within the United States or between citizens or residents of the United States; and, in addition, such tax shall also be imposed upon the seller or transferor resident in or a citizen of the United States when the buyer or transferee is not a citizen or resident of the United States. When the seller or transferor is not a citizen or resident of the United States and does not pay the tax imposed by subsection (a), the buyer, if a citizen or resident of the United States, shall be liable for the full amount of such tax subject to the provisos and penalties set forth under subsection (a). A resident or citizen of the United States, acting through a broker or agent abroad, shall be liable for the full amount of the tax provided in subsection (a) as though buying, selling, receiving, or transferring without the intervention of such broker or agent. A broker or agent resident in or a citizen of the United States shall be liable for the full amount of the tax provided in subsection (a) notwithstanding that his principal is or may be a resident or citizen of a foreign country. In all cases where sales or transfers of stock taxable under subsection (a) are consummated through dummies or by ruse or device designed to evade the tax provided in subsection (a), the parties shall be liable for the full amount of the tax as though such dummies, ruse, or device were not employed: *Provided*, That nothing in this sentence shall be construed to relieve the parties from the operation of the penalties provided under subsection (a)."

Mr. CELLER. Mr. Chairman, is it in order to make a point of order against the amendment which has been previously read?

The CHAIRMAN. It is.

Mr. CELLER. I make the point of order that it is not germane to the bill.

The CHAIRMAN. The amendment was read for information. It could not be offered at that time. It is now being offered and read for the first time.

Mr. DOWELL. Mr. Chairman, the amendment is germane. It carries out the purpose of the bill, and the point of order comes too late.

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. CELLER. Mr. Chairman, the amendment of the gentleman from New York seeks to set up some method of procedure which, in effect, would be to invoke the Federal power for the purpose of reaching out for a tax on sales in another country. For that reason, such legislation would be unconstitutional, not within the jurisdiction of the Federal Government, and therefore it is not germane, because anything unconstitutional is or at least should not be germane. I am aware that it has often been ruled that the constitutionality or unconstitutionality of an amendment is not the basis of germaneness of an amendment. Yet there is nothing to prevent the chairman from courageously departing from these precedents.

The CHAIRMAN. The Chair is ready to rule.

Mr. DOWELL. This amendment is just to prevent an evasion of the amendment of the gentleman from Arkansas. It will enforce the collection of the tax on sales on the exchange. It is germane and should be adopted.

The CHAIRMAN. The point of order is overruled. That is on the merits of the question before the House, and not on the point of order. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

(b) Subsection (a) shall take effect on the fifteenth day after the date of the enactment of this act.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 259, after line 12, insert a new subsection, as follows:

"(c) Effective July 1, 1934, such subdivision 3, as amended by subsection (a) of this section, is amended by striking out '4 cents' wherever appearing in such subdivision and inserting in lieu thereof '2 cents,' and by striking out the following: 'in no case shall the tax imposed by this subdivision be less than one-fourth of 1 per cent of the selling price, if any, of such shares, certificates, or rights: *Provided further*, That.'"

Mr. CRISP. Mr. Chairman, the effect of this amendment is simply to provide that after July 1, 1934, this special tax shall be repealed and the old law of 2 cents a share restored. The committee, in all of these excise taxes, has been making them special for the emergency in order to raise money to balance the Budget. This is a question for the House to determine, as to its policy, whether or not it desires to make this amendment just adopted permanent or

not. The committee, in keeping with all other excise taxes, has recommended the amendment I have just sent to the desk. If it is the wish of the House to treat this as other amendments, the amendment should be adopted.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. O'CONNOR. In the discussion between the committee and the representatives of the exchanges, was anything said with reference to this? Did they go away with the understanding that it is a temporary matter?

Mr. CRISP. I do not know. This matter was handled by a subcommittee. I was not present at the meetings of that subcommittee.

Mr. O'CONNOR. Some of them say that they were not violently opposed to this, because they understood it would be in the category of the other taxes.

Mr. RAGON. They were not given any assurance, but the committee understood, at least I did, that it would be an emergency matter.

Mr. O'CONNOR. I think they did, too.

Mr. LAGUARDIA. Mr. Chairman, there is a great deal of force in what the gentleman from Georgia has said, that this tax ought to be treated as all of the other special taxes adopted in lieu of the sales tax. Therefore, in keeping with the other provisions in the bill, that the period of limitation should be written into this section, I am willing to have the amendment agreed to. I know that it is the sentiment of this House that this tax is going to be part of the permanent taxing policy of the Government, and while it is all right to write this limitation in at this time, as it will give an opportunity to work out the proper administration of the law, just as sure as we are sitting here I feel that before the limitation fixed by the amendment expires this Congress will make it permanent.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. RANKIN. Then why should we put any limitation on? Why not let the law go on as written? If it is not satisfactory, we can repeal it later.

Mr. LAGUARDIA. That would be my inclination, but the committee has cooperated with us in bringing out this stock-transfer tax amendment, for which we have been fighting for years; they have been very helpful in working it out and having it approved, and I want to keep my promise of cooperation.

Mr. McKEOWN. Does not the gentleman think it will be better policy to try the effect of this for this emergency?

Mr. LAGUARDIA. Yes.

Mr. KVALE. Does the gentleman think the committee will be deeply grieved if the amendment is rejected?

Mr. LAGUARDIA. We said we would go along, and I think we ought to.

Mr. BACON. Does not the gentleman think all should be treated alike?

Mr. LAGUARDIA. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 112, noes 14.

So the amendment was agreed to.

Mr. CRISP. Mr. Chairman, I ask the Chair to recognize the gentleman from Kentucky [Mr. VINSON] to offer an amendment.

Mr. VINSON of Kentucky. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Kentucky: Page 256, line 7, strike out "of shares of stock, or of certificates of profits" and insert "of shares or certificates of stock, or of profits."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 259, after line 12, insert a new section to read as follows:

"SEC. —. Stamp tax on sales of produce for future delivery—

"(a) Subdivision 4 of Schedule A of Title VIII of the revenue act of 1926 is amended by striking out '1 cent' wherever appearing in such subdivision and inserting in lieu thereof '5 cents.'

"(b) Subsection (a) shall take effect on the fifteenth day after the date of the enactment of this act.

"(c) Effective July 1, 1934, such subdivision 4, as amended by subsection (a) of this section, is amended by striking out '5 cents' wherever appearing in such subdivision and inserting in lieu thereof '1 cent.'"

Mr. VINSON of Georgia. Mr. Chairman, the amendment which I sent to the Clerk's desk is the same as the amendment offered by the committee. I gave notice yesterday that I proposed to offer an amendment making it 10 cents a hundred, but finding that the committee had reached a conclusion that 5 cents a hundred was more equitable, and in order to expedite the consideration of the bill, I ask unanimous consent to withdraw my amendment, and I am heartily in accord with the committee amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Chairman, this amendment increases the present tax of 1 cent to 5 cents.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. JOHNSON of Washington. It increases all transfers on the produce exchanges from 1 cent to 5 cents?

Mr. CRISP. Yes.

Mr. JOHNSON of Washington. Does that include grain?

Mr. CRISP. Yes. Grain, cotton, and everything.

Mr. JOHNSON of Washington. Is that a 400 per cent increase?

Mr. CRISP. The gentleman is a better mathematician than I am, and he can figure it out. It increases it from 1 cent to 5 cents.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. VINSON of Georgia. As I understand, this amendment will bring in approximately $7,500,000 or $8,000,000 in revenue. Under the law to-day, as stated by the acting chairman of the committee, there is a 1-cent tax on each $100 transaction on the commodity exchanges, and this is merely along the same principle that was applied to the stock exchanges a moment ago.

Mr. JOHNSON of Washington. Mr. Chairman, I rise in opposition to the amendment; but in reality for the purpose of inquiry and to make a few observations. This tax bill having been torn to pieces a few days ago is now being remade piecemeal. We were warned by members of the Ways and Means Committee as to what would happen. It did happen, and now there seems nothing to do but to take this "catch as catch can" bill and go along with this badly overworked committee, which is doing the best it can do, and which does not deserve to be chided or criticized. But we can make some observations and then hope that somewhere along the line before the final enactment attention will be given to some of these amendments which at this time are riding high, wide, and handsome.

This particular amendment taxes movements on the grain exchanges. I take it that this tax affects futures and deals and also actual sales. I do not know much about the grain exchanges, especially the grain exchange in the great center of Chicago, but I do know a little about the efforts in the North Pacific part of the United States to export durum wheat, macaroni wheat, as they call it. Members from the Central States in the past have wanted a special tariff on every kind of wheat and favored treatment from the Farm Board, but not on durum wheat. However, it is sold around the world. It is exported from Puget Sound, Tacoma, and Seattle, and from the Columbia River ports—Portland and Astoria, Oreg.; Longview and Vancouver, Wash. Many ship cargoes of it go from those ports. It is a commodity, with money exchanges in connection therewith. Liverpool prices

prevail and futures are dealt in. Chicago prices do not prevail.

That export business as between the ports of British Columbia, mainly Vancouver, British Columbia, and those of Puget Sound and the Columbia River are in competition. I predict that many a deal will be made by telephone through Vancouver, British Columbia. This tax is higher than war-time tax, which was 2 per cent. In my opinion it will send business, credits, money, and bills of lading, as well as selling for future delivery, to Vancouver, British Columbia, and to Winnipeg, Manitoba, and will increase the export shipping business of the port of Vancouver, British Columbia.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes; certainly.

Mr. VINSON of Kentucky. The gentleman referred to the war-time tax. Has the gentleman distinguished between and taken into consideration the decrease in the prices of commodities?

Mr. JOHNSON of Washington. I am not an expert, and I am merely making this statement for the purpose of calling it to the attention of others who may have something to do with this bill later. We all know that this bill is going to be rewrittten in another body. We do not even have these amendments here in type.

Mr. VINSON of Kentucky. If you take into consideration the decrease in the prices of commodities with a 50 per cent decrease, a 2-cent tax would be equivalent to a 4-cent tax at this time.

Mr. JOHNSON of Washington. Yes; of course, if wheat is selling low, the tax on the actual commodity will be less. Some one tells us every day if this or that goes up, this or that will go down. We all know that if we pull the bedcovers too high about our necks, we will uncover our feet.

In another legislative body, hearings will be arranged, and experts may appear and give their views on many of these items as to whether we have gone so high as to decrease business and then, of course, lose the very taxes we desire to raise.

Take the other tax just adopted to stop trading in securities. Of course, it will stop trading in a quick market. Stock trading, if taxed too high, will take on the methods of real-estate transfers—a slow and cautious method. Perhaps that is what is desired, instead of actual tax money. A new line of bootlegger is likely to develop—bootlegging in securities. More and more people will have to sell. The stock-security bootlegger will find a way to dodge a big tax on $100 shares selling at $6 or $7. But, as I said, I am making this speech primarily to spot the subject for the future. I do not press the amendment.

Mr. HAWLEY. Mr. Chairman, the result of this tax is this: If a carload of 1,000 bushels of wheat enters Chicago to be sold through the exchange and the price at which it is sold is $1 per bushel, that cargo of wheat would pay 50 cents. It is not a question of the difference between the existing law and the proposed amendment. The question is whether the tax proposed is out of line with other taxes imposed by the bill or whether at the rate proposed the tax will be passed back.

Answering the gentleman from Washington, if the farmers of eastern Oregon should collect their wheat at Takoma or Seattle in grain elevators, transport it from the elevators to ships, and ship it abroad it would pay no tax. This tax is imposed on future sales.

Mr. JOHNSON of Washington. Does the gentleman doubt the statement I made that there would be competition between the Puget Sound ports and the Vancouver (British Columbia) ports for this wheat?

Mr. HAWLEY. Those exchanges or those ports would not be affected at all by the tax unless the grain passes through some produce exchange as a future sale.

Mr. JOHNSON of Washington. That is what I am talking about. It will pass through a produce exchange.

Mr. THATCHER. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. THATCHER. I have received a number of telegrams from grain dealers in my home city of Louisville in opposition to this particular provision, saying, among other things, that it would be burdensome on the farmers of the country. What is the gentleman's answer to that statement?

Mr. HAWLEY. I answered that once a moment ago and took wheat as an illustration. A carload of 1,000 bushels all sold on the exchange would pay 50 cents if the price of wheat were $1. This would be 50 cents on $1,000 or one two-thousandths of a cent on each bushel of wheat. How are you going to pass that anywhere? It must be absorbed.

Mr. THATCHER. And that will apply to all kinds of grain?

Mr. HAWLEY. Yes; it applies equally to all kinds of produce traded in on the produce exchanges.

Mr. JOHNSON of Washington. Does the gentleman know that they have a grain exchange in Winnipeg for western shipments?

Mr. STAFFORD. Winnipeg has a grain market and a very substantial one.

Mr. HAWLEY. Then there would be no advantage as between the two countries, provided the rate is the same.

Mr. HOPE. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. HOPE. Does not this tax apply only to future transactions and therefore would not apply at all to the transaction mentioned by the gentleman from Washington? As I understand, it applies only to sales for future delivery.

Mr. HAWLEY. Only transactions for future delivery; that is right.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. EATON of Colorado. Is not this the fact: No matter how you may figure, whether it is 50 cents for a thousand-bushel car or otherwise, you are now multiplying the present tax on that kind of sale by five?

Mr. HAWLEY. That is true; and then the question is whether this tax is out of line in comparison with the others that we levy, and excessive.

Mr. EATON of Colorado. And it is true that it is 50 cents on $100 worth of grain instead of 20 cents?

Mr. HAWLEY. No; it would be 5 cents on $100 and it is now 1 cent on $100.

Mr. EATON of Colorado. And 50 cents on $1,000 worth of grain?

Mr. HAWLEY. Yes.

Mr. EATON of Colorado. It is now 1 cent in the committee's bill, and the amendment provides for 5 cents?

Mr. HAWLEY. Certainly.

Mr. MAAS. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. MAAS. Can the gentleman give us any assurance that this will not drive the produce business to Canada?

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two more minutes in order to reply to some of these questions.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAAS. There is a great deal of alarm because this may drive the produce business out of this country. Can the gentleman give us any assurance that it will not drive the business to exchanges in other countries?

Mr. HAWLEY. We made inquiry as to that matter of the experts in the Department of Agriculture and we reached the conclusion, which was unanimous, that it would have no such effect. The amount per unit of transaction is very small.

Mr. MAAS. Winnipeg has no tax at all, has it?

Mr. HAWLEY. I am informed they have no tax.

Mr. MAAS. If it does drive the business out of this country, then we would not only lose the business but we would lose the expected revenue. Is there not some way we could be protected against that?

Mr. LaGUARDIA. I would suggest that if the committee would adopt the amendment which the House approved and where I referred to section (a) they could also apply to this section, or whatever section it may be that will cover it.



Mr. MAAS. Twenty-five per cent of our business is export business, and that may go to these other places.

Mr. HAWLEY. We did not find reason to believe that the business would leave this country.

Mr. MAAS. And the gentleman's opinion is this will not drive the domestic business away?

Mr. HAWLEY. My opinion is it will have no such effect.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR as a substitute for the committee amendment: Page 259, line 12, insert a new section to read:

"(a) Subdivision 4 of schedule (a) of title 8 of the Revenue Act of 1926 is amended by inserting '25 cents' in lieu of '1 cent' wherever '1 cent' appears in such subdivision.

"(b) Subsection (a) shall be effective on the 30th day after the approval of this act."

Mr. O'CONNOR. Mr. Chairman, I offer this amendment for the purpose of testing the attitude of the House in respect to discrimination between exchanges.

On Tuesday, when it was announced that these special excise and other taxes were to be offered, I asked if the cotton and grain exchanges were also to be affected, and while I was not told that transactions on those exchanges would bear the same tax as those on stock exchanges, I had reason to understand it was on the same basis of one-fourth of 1 per cent. Yesterday the Ways and Means Committee announced on the floor the tax was going to be only 10 cents a hundred and further, to my surprise, to-day it is reduced to 5 cents a hundred.

I realize the distinction between commodities and certificates of stock, but to say that the cotton exchanges or the grain exchanges deal in commodities is only one-half of 1 per cent true at the most. They do not deal in cotton or grain. They deal in memoranda. They deal in futures. They do not deal with the actual commodity any more than the stock exchange deals with a piece of steel when they sell a stock certificate in United States Steel Co.

What I especially object to is this discrimination. I surmise the reason for it—hatred of the urban population and subjection to the rural. Again we have legislation in the special interest of the farmer. "Soak the city, but save the farm." I have been voting for the farmer for 10 years.

I know a number of men here agree with me. I know men from the South and West who agree with me. The rate of tax should be the same on all the exchanges. Twenty-five cents a hundred you put on stock transactions in addition to the 8 cents a share. In transactions on commodity exchanges you have placed no stamp tax on the memorandum which designates the sale or purchase of cotton or grain, for instance. As a matter of fact, the selling of cotton and grain on the exchange amounts to the same thing as far as a transaction is involved. Why, there is more short selling on the cotton and grain exchange than there is on the stock exchange. Everybody knows that. I therefore offered this amendment to see if all exchanges would be treated on a parity and no discrimination made in the conduct of business on the exchanges of the country.

What would the tax proposed by the committee of 5 cents on each 100 of value of commodities amount to? Take 100 bales of 6-cent cotton, for instance. Three thousand dollars would be the total of the transaction. The total tax would be $1.50, or 1½ cents a bale, or 0.03 of a mill a pound. The increased tax I propose would amount to 0.15 of a mill a pound, an inconsequential amount.

Yet a transaction of $3,000 on the stock exchange, involving the sale of 300 shares at $10 each, would cost $24 in transfer stamps and $12 in tax, a total of $36, or twenty-four times the tax on cotton. Is this fair?

[Here the gavel fell.]

Mr. RAGON. Mr. Chairman and members of the committee, the gentleman from New York [Mr. O'CONNOR] evidently misunderstood yesterday, perhaps from me, as a member of the committee, that this rate would be 10 cents on a hundred-dollar transaction. The gentleman from Georgia [Mr. VINSON] suggested that he would offer an amendment to that effect, but the committee has never agreed to accept an amendment to that effect, and, in fact, our rate has always been 5 cents.

My friend further confuses the difference between the character of the two exchanges. One of them deals with produce of all kinds and descriptions. The other deals in stocks. This amendment affects only the produce and grain exchanges of the country. The amendment my friend refers to touches every bank, corporation, and anybody in any section of the country that in any way deals or sells or transfers stock.

Mr. O'CONNOR. If the gentleman will yield, my amendment only applies——

Mr. RAGON. I am not talking about the gentleman's amendment. I am referring to the amendment with relation to stock transfers.

Now, with reference to the produce exchanges of the country. We called on the Secretary of Agriculture and asked him to send us the most efficient man he had in the department along that line. He sent a man by the name of Duvel who told us that any rate higher than one-twentieth of 1 per cent, 5 cents on a hundred-dollar transaction would not injure the farmer, but there was a remote possibility that it might affect the price of the commodity. I asked him this exact question, Did he think that 5 cents tax on every hundred-dollar transaction would affect the price to the producer? He seemed to be a very cautious man, but one of the fairest experts that I ever came in contact with. He said it would not affect, in his opinion, in the slightest degree, the market price of the product.

Then, here is a remarkable piece of information. He said that on the produce market there was not more than one-half of 1 per cent actual transactions in produce.

What about this 5-cent tax that some of my friends have complained about? My friend from Texas [Mr. KLEBERG] a moment ago handed me a telegram from a gentleman in Texas which said that that would amount to 2 cents a bale on cotton. What a small amount. This would not even touch the farmer or producer. My friend here from Kansas [Mr. HOPE] a moment ago suggested to me that on a carload of wheat, if it was effective to the producer, it would be only 41 cents. I think the gentleman from Oregon a moment ago said it would be less than 50 cents.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. HOPE. Supplementing what the gentleman has said, figured out on the present price of May futures in Chicago, a bushel of wheat taxed at this rate would pay one thirty-sixth of a cent a bushel.

Mr. VINSON of Georgia. In reference to what it would cost on a contract of cotton, let us see what it would be. On the New York and New Orleans Cotton Exchanges, they deal in hundred-bale lots, known as a contract of cotton. That cotton is worth about $3,000 at the present time. Five cents a hundred dollars would amount to $1.50 on a contract.

Mr. RAGON. I was referring to the telegram that Mr. KLEBERG handed me. I may be wrong in my calculation, but we figured it out, on one of these transactions, figured on the bale unit that it would amount to only 1 cent.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. BURTNESS. I am wondering whether the committee gave careful consideration to what if any effect it would have on the necessary insurance or hedging operations of elevators?

Mr. RAGON. We did that.

Mr. BURTNESS. I would like to have the gentleman's opinion with reference to that. If there is any question about the advisability of this tax, it would resolve itself around the possible increase in the cost of legitimate insurance or hedging operations.

Mr. RAGON. We took that into consideration, and that is one of the fine things that these exchanges do. They provide an opportunity for the farmer and the merchant and the traders in this produce to protect themselves through hedging transactions. But this gentleman who was sent to us assured us that that will not affect them in the remotest.

Mr. EATON of Colorado. What is all this scare about sending all this grain business to Winnipeg?

Mr. RAGON. I do not believe that that would affect it a bit. I can not conceive how it would. They say that Winnipeg has no tax. I do not know, but one-twentieth of 1 per cent tax, it strikes me, answers any argument that it would drive business out of this country.

Mr. JOHNSON of Washington. We hope it will not drive business out, but we think we have the right to make the inquiry.

Mr. RAGON. Certainly, and all inquiries are welcome.

Mr. CELLER. The Federal Farm Board made an announcement that where there was hedging it would make loans up to 90 per cent, and where there was no hedging, loans would be made only up to 75 per cent. When you increase the tax on futures of grain or cotton, do you not to that extent discourage the hedging, which involves these transfers with these extra burdens of taxation?

Mr. RAGON. I hardly think so. The tax is so small, only one-twentieth of 1 per cent, that I can not conceive for the life of me where that would affect hedging or the price of produce. The gentleman to whom I refer is an acknowledged expert, and he says it will not do it, and I am taking his word just as I took the word of the New York Stock Exchange men who came here that certain rates would ruin their business.

Mr. ADKINS. Mr. Chairman, if this will not raise any money or cost anybody anything, I do not see the need of the tax. First of all, there is now a 1-cent tax on future trade. It is proposed to raise that about 500 per cent. When the tax bill came in here I listened to all of the argument of the committee, and decided any tax that we fixed would be unpopular, and that I would go along with them unless somebody proposed something better, and nobody did. I went along with them. The next thing is to go along with them on something else. But you take this 1-cent tax on our grain market, for instance, for future trading, and gentlemen should not get the idea that that is not reflected back to the man who sells the commodity. What is the psychological effect going to be? One very objectionable tax came in here to the farm interests of the country, and that is a tax on automobile trucks, and so forth, but the farmer has to pay that. Then you come in and increase the tax on future trading of all of the commodities of the farmer, and that goes back to him, and what is the psychological effect of it going to be, with a very low market at the present time? Just because they are hard up is no reason why they should not pay a tax, because everybody is hard up, but if you would make it 2 cents you would be doing pretty well. Take our present market now, and it is all based on our future market trading.

Mr. CANFIELD. The gentleman refers to 1 per cent. The new tax will be one-twentieth of 1 per cent.

Mr. ADKINS. The present tax is 1 cent on a hundred dollars, and the next will be 5 cents. If you do not raise any money, there is no use in levying any tax. The point I am making is that if you increase it 100 per cent and apply it to all of the farm commodities of the country that would have a bad psychological effect; especially if you increased it 500 per cent. We have come along now and necessarily levied taxes on a great many things. We had to do that. Bear in mind that this will be reflected in the farmers' commodities, when you increase the tax 200 per cent. When you increase it from 100 per cent to 500 per cent you have placed an extra burden on every farm commodity sold on our exchanges. If you do not make the increase too much, there will not be any trouble about balancing the Budget. I do not think the grain trade or the farmers would object to helping balance the Budget, even if there was an added tax, but when you increase it so much I think that is going too far.

Mr. Chairman, I move as a substitute for all other motions that you strike out the figures "5 and 25 cents" and insert in lieu thereof "2 cents."

The CHAIRMAN. That amendment can not be offered at this time.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DICKINSON. Mr. Chairman, I do not care to take up the time of the committee, but in view of the fact that I have just received a telegram from a grain company in Kansas City, in my section of Missouri, in relation to this subject, I will ask that it be read to the committee.

The CHAIRMAN. Without objection, the Clerk will read the telegram.

There was no objection.

The Clerk read as follows:

KANSAS CITY, MO., *March 30, 1932.*

C. C. DICKINSON,
Congressman, Washington, D. C.:

I take it from the papers that it is proposed by the Ways and Means Committee to increase tax on all produce sales on exchanges, such as wheat, cotton, etc., from 1 cent per hundred dollars to 5 cents per hundred or an increase of 400 per cent. It seems to us that this would be an additional tax to farmers whose main problems are now taxes, as, on account of the low prices of grain, their taxes are very burdensome. It would also defeat its purpose of raising more revenue because it is bound to kill the trade, whereas the present tax brings in very substantial revenue to the Government. Also want to call your attention to the fact that there is no tax in the Winnipeg market which would greatly benefit by an increase in the tax in this country. Hate to bother you with such a lengthy message, but this is exceedingly important for the entire southwestern country, and hope you will use your influence to oppose this tax.

PAUL UHLMANN,
Vice President Uhlmann Grain Co.

Mr. SHANNON. Mr. Chairman, the gentleman from Arkansas said they were seeking information. The community I represent is perhaps one of the greatest grain centers in the world. To-day I have heard from approximately 200 of those engaged in the trade. The protest is the same in every case. Let this be sufficient for all. Here is a telegram from Mr. James N. Russell, who has been engaged in the trade for some 40 years. He says:

Government meddling has about ruined our grain business already. Proposed 400 per cent tax increase for commodity trading on exchanges is prohibitive. Farmers will indirectly suffer, and our business will go to Canadian markets. Please oppose.

Mr. OLIVER of New York. Mr. Chairman, I am opposed to the amendment introduced by my colleague [Mr. O'CONNOR]. I believe the amendment was introduced in a spirit of retaliation for the defeat of the contention of the New York delegation a few moments ago with reference to the stock exchange. I do not believe we should vote in revenge or in retaliation in the matter of taxation. New York is not here to destroy anybody. We are not here to get square with anybody. We were built by America. We tear ourselves down if we injure any part of the country.

I voted against the proposal of the committee in connection with the New York Stock Exchange because I saw it had widespread effects. The vote came so suddenly that no one seemed to have reliable information as to its effect. The stock exchange is the greatest credit institution in America. Men who voted to-day to punish the exchange for what happened up to 1929 shot wide of the mark. The business to-day, instead of being inflated by the wild promotions of the gamblers, as it was up to 1929, is, it seems to me, prompted in the largest degree by legitimate traders in securities endeavoring to keep their stocks in a liquid position for the benefit of the commerce of the Nation. If we destroy by taxation their effort to give securities a liquid value, we strike a deadly blow at both values and credit. Men representing great corporations are obliged to buy and sell 10 or 15 times a day their own securities. In this way they keep open opportunity for the liquidation

of securities in the hands of American investors. In this way, by the power of their purchases, they maintain the price of their stocks, upon which their credit at the banks is based. To-day we are taxing, not gambling, but the effort of business men to save their enterprises from financial collapse. The personal-income tax, the corporation tax, every other tax in this bill is dependent in the end upon the maintenance of the value of securities.

Once the tax on a turnover of securities chills or checks trade, at that moment the foundation of the whole bill falls. If securities ever become frozen like real estate, which has no daily market place, but which depends on the passer-by, no man can tell to what depths values will fall. Mr. LAGUARDIA's amendment is based upon the theory that if this tax drives trade in securities to Canada and other nations, then the Government which drives them out by the tax should follow them with the tax as a punishment for leaving. I do not know the full effect of the tax we have levied. But I do know it is levied in bad times on a delicate and important piece of financial machinery. It is not a weight on the muscles of trade but on the arteries of trade. A man can stand pressure on his biceps which he can not allow to be put on his jugular vein. A tax on commerce must be reckoned in a different way from a tax on credit.

For the same reason that caused me to vote against Mr. LAGUARDIA's amendment, I oppose the suggestion of my colleague from New York [Mr. O'CONNOR]. I shall not vote a tax as a penalty or as a retaliatory measure. The amendment proposing an increased tax on the trade in commodities is unsound.

New York is the greatest consumer of foodstuffs in the world. The minute we attempt to levy a tax on foodstuffs that minute we are levying something on the stomachs of our own poor.

I have voted consistently in this Congress to aid the farmer. New York is the greatest customer of the farmer, and the farmer is our greatest friend. I believe this would be a harsh blow to the farmer. I do not know whether the committee's amendment hits the farmer hard or not, but I do believe that the amendment of my colleague would do so, and therefore I oppose it as strenuously as I can. [Applause.]

Mr. NOLAN. Mr. Chairman, I appreciate the difficulty the committee has in finding sources of revenue, but at the same time I am fearful this amendment to increase the tax on these transactions 400 per cent will not bring the revenue which is expected, and that we would get just as much revenue by a more reasonable increase of 100 per cent, in accordance with the amendment offered by the gentleman from Illinois, increasing this from 1 cent to 2 cents.

Now there is a feeling, I imagine, that this tax is going to be levied upon speculative transactions on the grain exchanges. As a matter of fact, these grain exchanges are very necessary parts of our system of marketing. The grain farmer sells his grain to a local elevator and in most instances throughout the Northwest, these are cooperatively-owned elevators. The elevator must protect the producer by hedging upon every bushel it buys, otherwise it would be impossible for the elevator to do business on the small margin which it does. Any extra charge that is imposed upon the marketing of grain must be reflected in the price the producer gets for the grain he sells at the elevator.

In so far as the effect upon the grain exchanges is concerned, we know in my own city of Minneapolis that a large part of the business of the grain exchange has gone from Minneapolis to the city of Winnipeg because of legislation that has been passed by Congress handicapping and harassing the grain exchanges to no good purpose, and this excessive tax will send more of that business across the line. We are not going to abolish the grain exchanges. Our marketing act has not abolished them. As a matter of fact, the marketing organization set up under the marketing act makes use of these exchanges as a method of selling the grain, and they have not found anything as a substitute for them. They are a necessary and important part of our marketing system, and I leave it to the consideration of this committee if we probably can not get as much revenue by reasonable increase of this tax of 100 per cent. If we go too far we will probably defeat the very purpose of the tax.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, the other day I voted against the sales-tax feature of this bill because I believed it would be passed on to a people that are unable to pay same.

I believe on account of the lack of information this House will perhaps vote down the amendment of the gentleman from New York. I want to say to you that the transactions on the New York Cotton Exchange during any one year will amount to around 125,000,000 bales of cotton. In the meantime, less than one-half of 1 per cent of actual cotton is delivered on the New York Cotton Exchange.

Why, just about two months ago speculators on this exchange put out some propaganda in connection with the war between Japan and China, and were able to put cotton up, purely as a matter of speculation, about 1½ cents a pound. Since that time, and quite recently, they have put out propaganda as to the actions of this Congress in passing on this tax bill, and cotton has gone down 1½ cents a pound or below the lowest market price during this entire fall in the marketing of cotton.

My friends, here you have an opportunity to tax a class of people that are absolutely destroying the grain and cotton people of this country, and I hope the House will vote for the amendment of the gentleman from New York.

Mr. RAGON. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. RAGON. I just want to correct a statement I made a while ago. I think in the first of my statement I said 1 mill when I should have said one cent and a half on a $30 bale and two and a half cents on a $50 bale.

Mr. FULMER. Yes. May I say to you that the tax under the committee amendment will amount to about three one-hundredths of a mill, and under the amendment of the gentleman from New York it will amount to less than one-fourth of a mill per pound.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. VINSON of Georgia. Does the gentleman think this tax can be passed on to the producers?

Mr. FULMER. My friends, even under the 25-cents amendment as offered by the gentleman from New York, it would be impossible to pass it on to the producer of cotton. I hope the committee will vote for the amendment of the gentleman from New York and let us raise this revenue which is so very necessary to balance the Budget of the Government. [Applause.]

Mr. HOPKINS. Mr. Chairman, I just want to take a minute to point out to you what I feel is an unfair discrimination against an industry that is already on its knees and crippled. I refer to the grain trade, farmers and commission men alike.

I realize in drafting a tax bill we are going to levy many taxes that are not going to be welcomed by most of those who pay the tax, but we must try to stay within reasonable limits. We have heard it said here by the proponents of both of these amendments that this tax will not be passed on to the consumer or charged back to the producer. I do not think this will be true in all cases, but if it is true, then it means this tax is going to be paid by the man who deals on the grain exchanges. It is going to be paid by the man who buys and sells wheat for the millers, farmers, and so forth.

Let us take a minute to consider this. The present brokerage commission on the grain exchanges is about one-fourth of 1 per cent; in other words, they get 25 cents on each $100 worth of transactions. Now, this proposed tax is 5 cents per $100. This means that if the tax is not going to be passed on, the grain-exchange members are going to pay 20 per cent of their income as a direct tax. I submit that this is an unreasonable tax.

Now, would it not be more reasonable to accept the amendment suggested or presented by the gentleman from Illinois or the amendment as it will probably be presented later, and make it 2 cents or even 3 cents. In this way it will take

only about 10 per cent of the gross income of every broker dealing upon our exchanges.

I do not have to take the time of this House to point out to you the great value of free, open, and competitive marketing as maintained by our exchanges. This tax will be a direct handicap to the entire grain trade. These people are good citizens and patriotic. They do not object to paying their share. But to increase the present tax by 400 per cent is going too far. It will work a great handicap on the grain sections of our country. I hope the House will reject the committee proposal and accept our substitute.

Mr. HART. Mr. Chairman and members of the committee, I not only represent an agricultural district, but I am perhaps the largest grower of wheat in my district. In addition to that I have had 30 years' experience in the marketing of grain. I do not mean on the exchange, but marketing cash grain. I say to you that the grain exchanges are as necessary to trade as the lifeblood of an individual is to his welfare. They can not operate without it.

I think I can show you in less than 1 minute that your tax will be passed on into your loaf of bread. Take the large miller operating in my State or anywhere else, selling 20,000 barrels of flour. This represents approximately 100,000 bushels of wheat. They immediately hedge that sale on the exchange in Chicago or Minneapolis, and the cost of hedging that sale, with the price of the wheat, goes into the cost of the flour and is passed on to the consumer. They can not operate in any other way. If you place this tax on the grain exchanges I assure you that it will go into the price of your loaf of bread.

The CHAIRMAN. The question is on the amendment of the gentleman from New York to the committee amendment.

The question was taken, and the amendment was rejected.

Mr. ADKINS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. ADKINS to the committee amendment: Line 5 of the committee amendment, strike out the figure "5" and insert the figure "2."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. ADKINS) there were 35 ayes and 75 noes.

So the amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The question was taken, and the committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, by direction of the committee, I offer the following amendment:

The Clerk read as follows:

Committee amendment: Page 260, after line 12, insert a new section, as follows:

"SEC. —. STAMP TAX ON CONVEYANCES

"Schedule A of Title VIII of the revenue act of 1926 is amended by adding at the end thereof a new subdivision to read as follows:

"'8. Conveyances: Deed, instrument, or writing, delivered on or after the 15th day after the date of the enactment of the revenue act of 1932 and before July 1, 1934, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $100 and does not exceed $500, 50 cents; and for each additional $500 or fractional part thereof, 50 cents. This subdivision shall not apply to any instrument or writing given to secure a debt.'"

Mr. CRISP. Mr. Chairman, this is another one of the taxes that we reluctantly had to recommend to you to raise money to balance the Budget. The amendment explains itself. It is a tax on real-estate transfers, 50 cents for each $500. It is the same law that was enacted in the 1924 act. This amendment further provides that this is an emergency matter and ends on July 1, 1934, and it is estimated that it will yield $10,000,000.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. LAGUARDIA. Listening to the reading of the amendment, it seems to me that I should call the gentleman's attention to the fact that I do not believe it is sufficiently broad to cover cases of leaseholds. For instance, in large cities it is customary for property to be leased for 99 years or for a hundred years. In our State everything over one year is a deed and must be recorded. Whether the wording of the gentleman's amendment is broad enough to cover conveyances of that kind, I do not know. I wanted to call the gentleman's attention to it, because I am sure it is in the contemplation of the gentleman's amendment to cover transactions of that kind.

Mr. CRISP. I thank the gentleman; we will look into it, and if necessary the committee will offer a further amendment.

Mr. PATTERSON. Will the gentleman yield? There was so much confusion during the reading of the amendment that I did not catch the whole of it. I would like to ask the gentleman if it covers mortgage notes?

Mr. CRISP. In estimating the value to which the 50 cents per $500 shall apply, the amount of mortgages and deeds is deducted, and they are free from paying this tax.

Mr. THATCHER. Where deeds are made with purchase-money loan, the deduction would be made just the same as in a mortgage bank?

Mr. CRISP. Yes.

Mr. THATCHER. And what is the yield?

Mr. CRISP. Ten million dollars.

Mr. McGUGIN. Mr. Chairman, if there is any part of this tax which should be opposed on principle, it is this amendment we are now considering. I realize that the rate is small. However, it is a penalty on the transfer of real estate. Of all the provisions of this entire tax bill which to my mind is an insult to principle and common fairness, it is this provision. Here we find the Government of the United States coming just as near as it can to taxing real estate. It is reaching out now to tax the conveyance of it. I can not see how those of you who could not bear the thought of a manufacturers' tax of 2¼ per cent, on the basis of keeping faith with your principle against the sales tax, can swallow this provision. What are the facts? Throughout the breadth and length of our land to-day real estate is being confiscated by taxation. Local taxes on real estate are far in excess of any form of tax in the country to-day. We find farms and homes by the countless thousands to-day sold under forced sale; and where mortgages are not foreclosed, the poor victims are trying to get out what they can, selling their equities at forced sale, and they are the ones who will be penalized by this tax. As the amount of the tax is small in each instance, likewise I bring to your attention that the amount of the revenue, $10,000,000, is small. I appeal to this House, while we are thinking something about principle in writing a tax bill, not to reach out and take the last few pennies from some one who is now being forced to sell his farm or home at bankrupt prices. Here is the great Congress of the United States trying to reach out and gather $10,000,000 from whom? The real-estate owners of this country who are forced to sell. No one will sell real estate on the depressed market of to-day and for the coming two years except that he is forced to do so. This comes just as near to taking the coppers off a dead man's eyes as it is possible for us to do it in writing a tax bill.

Mr. GLOVER. Mr. Chairman, the principle was laid down the other day by our distinguished leader on taxation which I have thought much of since he made the declaration. He said that after 25 years of experience in writing tax bills that the way to do it was simple, and that he would give the remedy to this House. He said that after he gave it to us we could apply it as well as he could. You remember what it was. He said to pick the goose that would squawk the least. You have practiced that in many instances in this bill. Of course, you got hold of a goose a little while ago—the exchanges—that did some squawking and it squawked considerable, but you plucked it, and I think justly so.

In this bill you have taxed the baby's chewing gum, you have taxed its candy, you have taxed matches, and you have taxed practically everything that enters into the home, and now you have put a little tax on cotton when sold through exchanges, and you propose to get that fellow

who is oppressed to where he can not get out from under the burden that he is in with the conditions as they are, and he is going to be forced to sell his land. When he is forced to sell it you are going to reach your hand in and take a piece of that away from him. We had a bill here on the floor the other day that you ruthlessly killed, and some of the gentlemen on this side declared it was the most vicious bill that has been brought into this House. There are hundreds and thousands of farmers involved in that section who will have to sell their land, and when they do, under this provision you are going to reach your hand in a little farther and take away from that fellow a little bit of that which he is forced to sell it for. I do not believe this Government is in a position now where we are forced to go to this kind of legislation. I hope some of the amendments that have been adopted here to this bill will be voted down when we get into the House. I tried to get recognition against the 3-cent postage. I am bitterly opposed to that. It will not raise as much revenue as we have now from a 2-cent postage. I say when you go out into this field for taxes and tax the poor man who is forced to sell his property that is under mortgage, as many will have to do, you are doing an absolutely irreparable injury to the man who can not help himself.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. GLOVER. Yes.

Mr. RANKIN. What is the gentleman's understanding of this amendment—that this would tax a transfer where land was sold under a mortgage?

Mr. GLOVER. I understand it affects the value and taxes him 50 cents for every $500 worth of value when he sells it.

Mr. RANKIN. In my State and in a great many other States we use a deed of trust instead of a mortgage. That transfers title to a trustee. Would he have to pay a tax on that? If a man who has to borrow money on his land to get provision to make a crop is going to be compelled to pay a tax, why do we let these foreign corporations go free?

Mr. GLOVER. I understand this amendment provides for a tax only with reference to sales.

Mr. RANKIN. That is a sale, a transfer.

Mr. GLOVER. It is hypothetically so, but it is not a sale in fact.

Mr. COX. Will the gentleman yield?

Mr. GLOVER. Yes.

Mr. COX. The amendment reads as follows:

Deed, instrument, or writing, delivered on or after the fifteenth day after the date of the enactment of the revenue act of 1932 and before July 1, 1934, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in—

And so forth. The gentleman, of course, is familiar with the practice that has grown up in the last several years whereby equitable mortgages are given in lieu of statutory liens?

[Here the gavel fell.]

Mr. GLOVER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COX. Conveyances of the character referred to by the gentleman from Mississippi convey the title to the property itself, which is a better security than a mere mortgage lien. Is the gentleman certain that on such a conveyance as that this proposed amendment would not impose a tax?

Mr. GLOVER. That might be, because I have not studied it. We have not had an opportunity to have any knowledge whatever about the amendments of this character which were to be offered. We should have had prints which would have given us some idea about the amendments proposed to be offered, so that we might have studied them ourselves. There is not a man on this floor—and I speak advisedly—unless it be the members of the committeee, who knows what is in this bill now.

Mr. COX. Let me say to the gentleman it was evidently the intention of the committee that deeds given as security for borrowed money should not be taxed; but under the language as I was able to follow it, I am not sure but that it does reach that kind of a transaction.

Mr. GLOVER. From what I could gather from it after one reading of it it is my understanding that it would apply only to sales, but if you go that far you are going to reach a class that ought not to be taxed.

Mr. CRISP. Will the gentleman yield?

Mr. GLOVER. Yes.

Mr. CRISP. The amendment proposes and specifically says:

This subdivision shall not apply to any instrument or writing given to secure a debt.

Mr. GLOVER. That is my understanding, as I caught the reading of the amendment. But we have not reached a point in the United States Government where we are forced to go out with a dragnet of this kind and try to get taxes. I regret very much many of the expressions that have been made on the floor of this House with reference to the credit of this great Nation of ours. I do not believe we are insolvent. I do not believe we are in danger of bankruptcy or anything of that kind. That is talk put out for the purpose of putting a revenue bill over.

Mr. YON. Will the gentleman yield?

Mr. GLOVER. Yes.

Mr. YON. The Government might not be bankrupt, but most of its citizens are.

Mr. GLOVER. Oh, yes. They are not only that, but when you put through these taxes they are going to be worse off than they are now.

Mr. CRISP. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. RANKIN. Mr. Chairman, on the face of it, this tax on land transfers looks like a very small tax, but in fact it is going to be a very heavy burden on the man who to-day is in debt and who has to sell his land in order to meet his obligations. For instance, on the first $500 he pays 50 cents and for each additional $500 or fractional part thereof 50 cents. As a rule the farmers of this country are already bankrupt. They went bankrupt first, and, as I have said before, you are not going to end this depression until you restore their prosperity.

The average man with a farm valued at $10,000 has no more than a $1,000 equity in it. When he sells it in order to straighten it out he must pay this tax on the whole $10,000.

We had this trouble during the war, and above all things this is the most burdensome tax that has been proposed on the man who is to-day forced to sell off a part of or all of his land in order to straighten out his debts. When he is put in that position you come along and place a tax on him which is a terrific burden.

Mr. BACON. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. BACON. How about the man who has a few shares of stock or a few bonds?

Mr. RANKIN. I have not much sympathy with those people who are engaged in gambling in stocks and bonds.

Mr. BACON. I am not talking about Wall Street gambling.

Mr. RANKIN. I have not much sympathy with the men who went into Wall Street during the inflation of 1929, engaged in the most vicious kind of gambling, and induced innocent people to invest all they had in stocks that were practically worthless. I am rather getting a little "malignant pleasure" out of seeing them have to pay a little tax, because they are largely responsible for bringing about this condition.

Mr. GILCHRIST. Does the gentleman think there is any difference between selling stocks on the market and going out and selling a man's home which must be sold in order to redeem it from the sheriff?

Mr. RANKIN. Of course I do. Besides, when he sells his home he has no home, but when he is selling stocks on the exchange he is invariably selling stocks that never existed.

Besides, this is an entirely different proposition. As I have said, this is the most burdensome tax you have put on the farmers since this Congress convened. I know, because I saw men pay it before, when they had to pay on the entire amount specified in the transfer when they invariably had hardly enough equity in the land to pay the tax.

Mr. GILCHRIST. Will the gentleman yield further?

Mr. RANKIN. Yes.

Mr. GILCHRIST. Assuming a farmer has a mortgage of $20,000 and he has a chance to redeem it within a week and he goes to the banker, then what does this tax do to him? It simply taxes him, in spite of the little equity he has, on the $20,000 in order that he may get a chance to get something out of his home.

Mr. RANKIN. Yes; he will pay the tax on $20,000 when he hardly has enough equity in it to pay the tax. This tax is unreasonable, and if it goes in the bill I shall have the roll called on it in the House, if I can, and try to strike it out.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, the proposed amendment seeks to levy a tax of one-tenth of 1 per cent on the equity that a man may have in real estate when he sells it—no more, no less—one-tenth of 1 per cent is sought to be levied on the landed gentry of this country on the equity he may have when he sells it.

Mr. HASTINGS. Is there a minimum charge here?

Mr. STAFFORD. There is; not less than 50 cents on every $500 of valuation.

Now, the chairman of the committee has pointed out that this does not apply to conveyances in the form of mortgages. It is specifically applicable to sales of real estate. So far as the farming districts of my State are concerned, the farmers are not disposing of their lands. They are not selling their land, and generally it is not in the rural districts where these transactions largely take place. These transactions in much greater proportion take place in the cities and again, as in the case of the postage-stamp proposal, that burden of 50 per cent added tax, as I said on yesterday, is to be borne largely by the cities, because the mercantile centers of the country support the first-class mail to the extent of 75 or 80 per cent.

So here, again, we have a false alarm upon the part of the so-called friends of the farmer who think they may be pinched just a little in this dire extremity of raising taxes.

Now, I know there are some Representatives from States that lose representation, and they are rather uneasy of mind on every occasion, and they will have to rise up here and speak for the people. We have had that kind of agitation in times past in my State—speaking for the people.

Mr. WITHROW rose.

Mr. STAFFORD. I yield to my colleague, who in times past may have risen on the rostrum to speak for the people.

Mr. WITHROW. The gentleman from Wisconsin comes from the city and does not have any farms in his district.

Mr. STAFFORD. Yes; I come from the city; and I am contending that there are more real-estate transactions in the city per valuation than in the farming communities, and in Waukesha County, adjoining Milwaukee, I will make the assertion that the transfers of real estate are infinitesimal, and further that they are but a vulgar fraction of the number of transfers as compared to the cities. Why, the far greater proportion of this tax will come from the large cities. The tax is considerable on the transfer of a large mercantile or office building. I venture the statement that the value of the Empire Building is more than the assessed valuation of real property in some agricultural States. At least is of greater value than the value of all the land transactions in a year in some States.

We had this law in effect here from 1917 to 1924. It was not an onerous tax. I never heard any persons who had anything to sell complaining of a little one-tenth of 1 per cent tax on the value of the property sold.

If there is anything consistent with our policy of taxing those who can afford to be taxed, it is the man who has real estate, and in this proposal we are only seeking to tax the equity in the property.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STAFFORD. I yield to my colleague.

Mr. WOODRUFF. The gentleman from Oklahoma asked a moment ago if there were a minimum fee, and the gentleman from Wisconsin stated there was. I will ask the gentleman from Wisconsin if that minimum fee is applied to any real-estate transaction involving less than $500?

Mr. STAFFORD. Where it exceeds $100 but does not exceed $500 the fee is 50 cents, or at the rate of $1 per thousand. One dollar per thousand, if my mathematics is correct, is one-tenth of 1 per cent.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the adoption of the committee amendment.

Mr. JOHNSON of South Dakota. Mr. Chairman, I desire to oppose the amendment and ask unanimous consent to proceed for 10 minutes out of order.

Mr. CRISP. I shall have to object, Mr. Chairman.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 118, noes 45.

Mr. RANKIN. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Mississippi demands tellers. All those in favor of taking this vote by tellers will rise and stand until counted. [After counting.] Eleven Members have risen, not a sufficient number, and tellers are refused.

So the committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 259, after line 12, insert a new section to read as follows:

Committee amendment: Page 259, after line 12, insert a new section to read as follows:

"SEC. —. STAMP TAX ON TRANSFER OF BONDS, ETC.

"(a) Schedule A of Title VIII of the revenue act of 1926 is amended by adding at the end thereof a new subdivision to read as follows:

"'9. Bonds, etc., sales or transfers: On all sales, or agreements to sell, or memoranda of sales or deliveries of, or transfers of legal title to any of the instruments mentioned or described in subdivision 1, whether made by any assignment in blank or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale (whether entitling the holder in any manner to the benefit of such instrument or not), on each $100 of face value or fraction thereof, 2 cents: *Provided*, That in no case shall the tax imposed by this subdivision be less than one-eighth of 1 per cent of the selling price, if any, of such instrument: *Provided further*, That it is not intended by this title to impose a tax upon an agreement evidencing a deposit of instruments as collateral security for money loaned thereon, which instruments are not actually sold, nor upon the delivery or transfer for such purpose of instruments so deposited: *Provided further*, That the tax shall not be imposed upon deliveries or transfers to a broker for sale, nor upon deliveries or transfers by a broker to a customer for whom and upon whose order he has purchased same, but such deliveries or transfers shall be accompanied by a certificate setting forth the facts: *Provided further*, That where the change of ownership is by transfer of the instrument the stamp shall be placed upon the instrument; and in cases of an agreement to sell or where the transfer is by delivery of the instrument assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. Any person liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person, who makes any such sale, or who in pursuance of any such sale delivers any certificate or evidence of the sale of any such instrument, or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000, or be imprisoned not more than six months, or both.'

"(b) Subsection (a) shall take effect on the fifteenth day after the date of the enactment of this act.

"(c) Subdivision 9 of Schedule A of Title VIII of the revenue act of 1926, added to such schedule by subsection (a) of this section, is repealed effective July 1, 1934."

Mr. CRISP. Mr. Chairman and gentlemen, this amendment levies a tax on the transfer of bonds. The amendment

provides that there shall be one-eighth of 1 per cent tax on the transfers, and in all cases at least 2 cents on a hundred dollars. It is estimated to yield $13,000,000, and under the terms of the amendment it expires on July 1, 1934, as an emergency matter.

Mr. RANKIN. Will the gentleman yield?

Mr. CRISP. Certainly.

Mr. RANKIN. Is this tax on the face value of the bonds?

Mr. CRISP. It is one-eighth of 1 per cent on the selling value of the bonds, because some bonds might have a par value of $100 and sell for much less.

Mr. COX. This amendment extends the principle of the other amendment—the tax on the transfer of other property. Let me ask the gentleman this question: Why do you levy a heavier tax on this species of property than you did on land?

Mr. CRISP. Because, as a rule, we are trying to levy a tax on those best able to pay the tax.

Mr. PATTERSON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. PATTERSON. The gentleman has not inserted the same provision with regard to the expiration of the tax in other amendments.

Mr. CRISP. Yes; in every one of the amendments.

Mr. PATTERSON. Then I overlooked it.

Mr. CRISP. In every one of these special cases there is a provision for it to expire on July 1, 1934.

Mr. FULLER. Will the gentleman yield?

Mr. CRISP. I will.

Mr. FULLER. Would this cover an escrow contract for the sale of land?

Mr. CRISP. No.

Mr. CELLER. Will not this tax on bonds and debentures and securities of that sort have a tendency for the broker to make his transfers outside of the country—Montreal, or other places?

Mr. CRISP. I do not think so. I am not going to attribute to these gentlemen who operate the stock exchange, and brokers, a want of patriotism, a desire to evade taxes levied upon them to help maintain their Government. I am going to give them credit for honesty and patriotism until the contrary is proved.

Mr. CELLER. I do not quite agree that a man is unpatriotic because he seeks to lessen the cost of transfer any more than I would make the charge against a man who wants to use some method to reduce his income tax.

The gentleman from New York [Mr. LAGUARDIA] offered an amendment which sought to tax those who make transfers out of the country. Does the gentleman think that amendment is workable in taxing transfers outside of the country?

Mr. CRISP. Let me say to the gentleman that I really have not had time to consider that amendment. I do not know, and therefore have no opinion whatever. The gentleman from New York [Mr. LAGUARDIA] courteously showed me the other day a copy of the amendment, but you gentlemen who have been here know that I have had no chance to consider these matters or look up the law on the subject.

Mr. CELLER. Mr. Chairman, I move to strike out the last word. I do not wish to take up the time of the committee unduly, but, gentlemen, you have heard the distinguished acting chairman of the Committee on Ways and Means state that he has been overburdened with duties, that it has been difficult for him to properly digest these amendments as they have been carried in this House, and I say most assuredly that it is a sad commentary upon the proceedings of the House when we pass an amendment of the character of that offered by the gentleman from New York [Mr. LAGUARDIA] without mature deliberation, without even knowledge on the part of some of the members of the Ways and Means Committee as to what the amendment imports or what it means. Of all the half-baked, illogical, ill-considered amendments that I have ever heard of, it is the worst. I refer to his amendment concerning taxing transfers made in Canada.

Mr. LAGUARDIA. The gentleman has not even read it.

Mr. CELLER. Oh, I have read the amendment most carefully. It was put into the RECORD last Saturday.

Mr. LAGUARDIA. I bet the gentleman can not give the substance of it now.

Mr. CELLER. I can give it, but I am not going to take up the time of the others Members of the House to do it. I read it very carefully. It is long and involved, and was characterized by the gentleman himself to-day as "crude." Yet we have willy-nilly passed that amendment. It will not stand muster in the Senate. If you pass amendments of that character for the sake of dumping the situation into the lap of the Senate, I grant that that may be proper, as far as the gentleman from New York may be concerned. I have nothing personal against the gentleman from New York. He and I differ frequently, not only across the committee table but in the House, but passing heedlessly such an amendment ought to be a warning to us not to take these amendments and swallow them hook, line, and sinker without knowing what they are all about.

This tax that the committee offers on the transfer of debentures and bonds is perfectly proper in the sense that you passed a similar tax, twice in amount, on the transfers of securities. One is complementary to the other, and I say that these men who want to transfer their securities are going to transfer them in the cheapest possible way, and we can not attribute to these men unpatriotic motives. We can not stop them from effecting transfers in Montreal. It is a matter of business. If I had a large number of debentures that I wanted to transfer and I could go to the Royal Bank of Canada or Bank of Montreal and transfer my securities through either bank, I defy any man to say that I am unpatriotic because I am saving the taxation by making that kind of transfer.

Mr. LAGUARDIA. My amendment will not permit the gentleman to do it.

Mr. CELLER. Your amendment is meaningless. It could not be administered. It would not work. It would be thrown out by all courts.

Mr. HARLAN. Is it not a fact that the Montreal Exchange places a straight tax of 3 cents a hundred on bonds?

Mr. CELLER. I do not think that is the case. I may be wrong. I have not looked it up in the last day or two, but the hearings show that the tax on security transfers is less in Canada than here.

Berlin tried the same thing in 1906; that is, taxed transfers unduly, and what happened? All of the business went to London and Paris, and in a short time they repealed the tax on transfers and attempted to get back their lost prestige. They did not succeed. The business lost stayed lost.

New York likewise taxed unduly and lost out to Chicago.

Mr. CRISP. Mr. Chairman, I move that all debate upon this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 260, after line 12, insert a new part, as follows:

"PART —. TAX ON TRANSPORTATION OF OIL BY PIPE LINE

"SEC. —. TAX ON TRANSPORTATION OF OIL BY PIPE LINE

"(a) There is hereby imposed upon all transportation of oil by pipe line originating on or after the fifteenth day after the date of the enactment of this act and before July 1, 1934—

"(1) A tax equivalent to 8 per cent of the amount paid on or after the fifteenth day after the date of the enactment of this act for such transportation, to be paid by the person paying for such transportation and to be collected by the person furnishing such transportation.

"(2) In case no charge for transportation is made, either by reason of ownership of the commodity transported or for any other reason, a tax equivalent to 8 per cent of the fair charge for such transportation, to be paid by the person furnishing such transportation.

"(3) If (other than in the case of an arm's length transaction) the payment for transportation is less than the fair charge there-

for, a tax equivalent to 8 per cent of the difference between such fair charge and the amount paid for such transportation, to be paid by the person furnishing such transportation.

"(b) For the purposes of this section the fair charge for transportation shall be computed—

"(1) From actual bona fide rates or tariffs, or

"(2) If no such rates or tariffs exist, then on the basis of the actual bona fide rates or tariffs of other pipe lines for like services, as determined by the commissioner, or

"(3) If no such rates or tariffs exist, then on the basis of a reasonable charge for such transportation, as determined by the commissioner.

"(c) Every person collecting the tax imposed under subsection (a) (1) and every person liable for the tax imposed under subsection (a) (2) or (3) shall make monthly returns under oath in duplicate and pay such taxes to the collector for the district in which is located his principal place of business, or, if he has no principal place of business in the United States, then to the collector at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

"(d) The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax, interest at the rate of 1 per cent a month from the time when the tax became due until paid.

"(e) Any person making a refund of any payment upon which tax is collected under this section may repay therewith the amount of the tax collected on such payment; and the amount so repaid may be credited against amounts included in any subsequent monthly return.

"(f) The provisions (including penalties) of section 1114 of the revenue act of 1926 shall be applicable with respect to the taxes imposed by this section.

"(g) The commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this section."

Mr. CRISP. Mr. Chairman, this amendment levies a tax upon the transportation of oil through pipe lines, the tax being 8 per cent of the charge for the service of transporting the oil, those receiving the service to pay the tax. The amendment further provides that where the owners of the oil themselves own the pipe line and use their own line to transport the oil they must pay the same tax. This amendment is estimated to yield $15,000,000, and under the terms of the amendment it also expires by operation of law on July 1, 1934.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. Is there to be any tax on the transportation of oil by rail, or has the committee considered that?

Mr. CRISP. So far as I know, the committee has not made any recommendation.

Mr. BLANTON. For instance, there are many oil fields that are served both by pipe lines and by railroads, where the pipe lines take a certain portion and the railroads handle thousands of tank cars from the fields.

Mr. CRISP. I do not want the gentleman to take all of my time.

Mr. BLANTON. Why discriminate in favor of railroads and against the pipe-line companies, that are helpful to the oil field and oil production?

Mr. CRISP. I do not yield any further. The answer is that the pipe-line companies are making money and the railroads are going into the hands of receivers and many of their employees are without a job.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. HOCH. Can the gentleman tell us what the average transportation charge per barrel is?

Mr. CRISP. I am sorry to say that I do not know.

Mr. HOCH. I am trying to get at what the tax per barrel would be on an average under this amendment.

Mr. CRISP. I am sorry that I can not answer the question. The tax is 8 cents on the carrying charge. How much that would be on a barrel I am unable to answer.

Mr. HOCH. In order to estimate $15,000,000 some one must have estimated the average transportation charge per barrel.

Mr. CRISP. The experts advised me that they took into consideration the amount the tax brought before and they made this estimate based on that, allowing for the depreciation in business and the present economic condition.

Mr. HOCH. The attitude of some of us toward this amendment would depend a great deal on how much of a tax that is.

Mr. CRISP. I appreciate that, and I regret I can not answer my friend's question.

Mr. CROWTHER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. CROWTHER. In connection with the question asked by the gentleman from Texas, is it not true there is a differential in rates between railroads and pipe lines? Are not the railroad rates fixed by the Interstate Commerce Commission?

Mr. CRISP. Exactly.

Mr. GLOVER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. GLOVER. Does this amendment affect the carrying of natural gas through pipe lines?

Mr. CRISP. No; it does not.

Mr. GLOVER. Does the gentleman intend to offer any amendment to that effect?

Mr. CRISP. The gentleman's colleague is the chairman of this subcommittee and his colleague, the chairman of the subcommittee, together with his associates, recommended this amendment to the full committee, and the full committee approved it. That subcommittee is still in existence and may make other recommendations. However, I can not be sure what they are going to do.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. EATON of Colorado. How can the gentleman justify an 8 per cent tax in this case, when the other taxes were one-tenth of 1 per cent and one-fourth of 1 per cent?

Mr. CRISP. I will say to my friend there never has been and never will be a tax law that is absolutely perfect or equitable. The taxes in this bill are not uniform. Some of them go as high as 10 per cent, others are 5 per cent, and others 3 per cent.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I hold no brief for the pipe lines. They doubtless deserve all the criticism heaped upon them. But I do have the right to speak for the independent oil producers of the country, many of whom are my constituents and live and do business in my district.

Why should you tax the transportation charges of oil in a pipe line and not tax the transportation charges by rail? You take the trunk-line Texas & Pacific Railroad Co. Until the big oil fields were established in western Texas it was not paying a dividend; it could hardly pay expenses, but as soon as those oil fields were opened up they began to carry many thousands upon thousands of tank cars of oil for long hauls, and it was not long until it rehabilitated its entire system and it paid big dividends for the first time in its history.

Why should you grant a discrimination in favor of the railroads as against the pipe lines?

I want to go along with the committee in framing a bill that will balance the Budget and that will produce all the revenue needed. If they will treat the railroads in the same way they are treating the pipe lines, certainly this provision would be a good one and there would be no argument against it, but there ought not to be this discrimination against pipe lines in favor of the railroads.

What is it about the railroads that they should be able to come into Congress and ask everything of the Congress and get everything? One day they get a bill passed that grants them $2,000,000,000. They are going to gobble up most of it, and it has been said on the floor that in a few years the Government of the United States will own every busted railroad in the country and the Government will be called upon to operate them at great expense.

Mr. DIES. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. DIES. The gentleman realizes there is this difference: The Federal Government has its money invested in the rail-

roads, and if we put this tax on the pipe lines, it will mean that the small royalty owner and producer will have to pay it.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LaGUARDIA. I will say this to the gentleman, that if this committee amendment is approved by the committee there is no argument left against the tariff put on oil.

Mr. BLANTON. Mr. Chairman, I offer a perfecting amendment to the committee amendment by inserting the words "and railroads" after the words "pipe line" wherever those words appear in the committee amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Wherever the words "pipe line" occur in the committee amendment insert the words "and railroads."

Mr. RAYBURN. Mr. Chairman, I want to say just a word with reference to the amendment offered by my colleague from Texas. A long time ago I came to the conclusion that if there is a tax on earth that is not justified it is that on transportation. Especially is that true with reference to railroad transportation.

The Interstate Commerce Commission does not fix the rate on pipe lines, but it does fix the rate on every railroad. It fixes those rates, under the law, at what are presumed to be just and reasonable rates.

Mr. BLANTON. Will the gentleman yield in that connection?

Mr. RAYBURN. Yes.

Mr. BLANTON. On interstate traffic in oil through pipe lines the Interstate Commerce Commission does fix the rate.

Mr. RAYBURN. That is not my understanding.

Mr. BLANTON. Our railroad commission in Texas has control over the pipe lines in Texas.

Mr. RAYBURN. I understand that, of course.

But the Interstate Commerce Commission, allow me to repeat, under the law, is supposed to fix a rate that is just and reasonable, not to be below what is just and reasonable to the railroads and not to be above what is just and reasonable to the shipper.

If the Interstate Commerce Commission has its mass of rates throughout the country fixed at this time at what it believes is just and reasonable to the shipper and just and reasonable to the railroads, as it must be under the law or the railroads will go into the courts and set them aside, then if you put a tax or an additional charge upon transportation, the only thing under the law the Interstate Commerce Commission can do—and the railroads can force them into the courts to do—is to raise the rates up to where they would earn what is supposed to be a just and reasonable return.

Mr. KVALE. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. KVALE. Will not the committee amendment standing by itself reduce the differential between the cost of transportation by rail and by pipe line?

Mr. RAYBURN. I do not know that I understand the gentleman's question.

Mr. KVALE. Will not the committee amendment standing by itself, without the amendment proposed by the gentleman from Texas [Mr. BLANTON], reduce the differential in cost of transportation by rail and by pipe line?

Mr. RAYBURN. That may be true; and allow me to say also that we have had before our committee for the last month Commissioner Eastman, and nobody thinks that Commissioner Eastman is prorailroad. Nobody who has heard him before the committee but that thinks he is a very careful man. Commissioner Eastman has been very frank with our committee in saying that this great railroad industry at this time is upon the verge of bankruptcy. Some of the vast systems in the country are crumbling on the brink of receiverships; and I do not think this Congress could do a more unfortunate thing, especially at this time, than to put an additional charge upon transportation.

For this reason I trust the amendment of my colleague may not be adopted.

Mr. STAFFORD. Will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. STAFFORD. The gentleman is an authority on transportation matters, and the gentleman has stated that transportation by pipe line is not subject to the jurisdiction of the Interstate Commerce Commission, or, rather, that transportation of oil by pipe line has not been supervised as to their rates by the Interstate Commerce Commission.

Mr. RAYBURN. That is true.

Mr. STAFFORD. The gentleman from Georgia presents the fact that the transportation of oil by pipe lines has been very profitable; and why? As I surmise, because they reduce their rates just slightly below those for the carriage of oil by railroads so as to capture the business. If this is a tax on a profitable conveyance, are we not indirectly helping the railroads out of their prospective receiverships by taxing the unregulated transportation of oil by pipe line, which industry is making hundreds of thousands of dollars? Why should we not tax them? I am in sympathy, I will say to the gentleman, with his position that we should not tax transportation, but here we are taxing income for the benefit, indirectly, of the flattened railroads.

Mr. RAYBURN. And I will say to the gentleman from Wisconsin that some of the pipe lines in this country that file reports with the Interstate Commerce Commission made as high as 400 per cent on their valuations last year.

Mr. HASTINGS. And, of course, the pipe lines would just raise the price 8 per cent and pass it on to the producers of oil.

Mr. STAFFORD. No; they will absorb it, because their rates are determined by the rates the railroads are compelled to charge.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes.

Mr. JOHNSON of South Dakota. Mr. Chairman, reserving the right to object, I want three additional minutes. I have not talked on the tax bill yet, and I would like to have eight minutes.

Mr. CRISP. Mr. Chairman, I hope my friend from South Dakota will not object. Gentlemen, may I say that it is my earnest desire that we go on with this bill to-night until we complete its consideration in Committee of the Whole and begin to-morrow to take votes on it. I am going to ask the committee to sit until we do make substantial progress with the bill, if it takes until 10 or 11 or 12 o'clock to-night. [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. HOCH. Mr. Chairman, I am not authorized in any sense to speak for the oil industry, but I think I know the men engaged in this industry well enough to know that if it is essential to the balancing of the Budget they are willing to pay a reasonable tax upon the sale of oil; but the trouble about this amendment, which is sprung upon us here without any advance notice, is that the committee itself can not tell us anything at all about how much of a tax this is.

I submit we should not be asked, without notice, to vote on such an amendment when the committee itself can not tell us whether it is 1 cent a barrel or 5 cents a barrel or 10 cents a barrel. If the committee will submit an amendment that is definite and provides a temporary rate of, say, 2 cents a barrel, which would raise a considerable amount of revenue, I do not believe the oil people would seriously object, because they appreciate the revenue emergency which confronts the Government. But until we can have some definite information as to what this amendment means we ought not to be asked to vote upon it.

Since my colloquy with the gentleman from Georgia a moment ago one of the experts attending the committee informed me that, in his opinion, the average transportation cost is about 25 cents or 30 cents a barrel; but this is

just a guess. If it is an average of 25 cents a barrel, that would be 2 cents a barrel, and under all the circumstances that would be a tax to which I think they would make no strong objection if the import duty of 42 cents a barrel is retained. But if he is wrong and the average is 50 cents a barrel, that is an entirely different matter.

I hope the committee will withdraw this amendment until it can at least get some definite information to present to us so that we may know what we are voting upon.

There is involved also in the proposal the very serious constitutional question of whether you can levy a tax upon one kind of interstate transportation and not levy it upon a competing kind of transportation. Certainly, this question is open to very serious doubt, and I do not have any doubt but what the pipe-line companies—and the members of the committee know the remarks I have made with reference to pipe-line companies and their unconscionable profits—but I would guess that an amendment in this form will be resisted by the pipe-line companies on the ground that you can not tax them without also taxing their competitors in interstate transportation.

Mr. PARSONS. Will the gentleman yield?

Mr. HOCH. Yes.

Mr. PARSONS. What is the average price per barrel for the transportation of oil through a pipe line?

Mr. HOCH. That is the information I have been trying to get from the committee.

Mr. HASTINGS. Of course, that depends on the distance. It might be only a few miles, at a small cost, and it might be half way across the continent. For that reason no definite information can be given.

Mr. HOCH. That is, of course, true; but they might give us an estimate so we would know about what the average tax would be.

Mr. VINSON of Kentucky. I would like to suggest in regard to the constitutionality question, and what has been said about shippers resisting payment, that the proposed legislation is taken from the act of 1918, which was in force for a number of years. Certainly, if it was subject to a constitutional objection, they had an opportunity to voice their sentiments.

Mr. HOCH. Is the gentleman certain that the 1918 act did not apply to all transportation of oil?

Mr. VINSON of Kentucky. My understanding is that this legislation is from the act of 1918.

Mr. HOCH. The gentleman says his understanding is that it is the 1918 act.

Mr. VINSON of Kentucky. I did not sit down and take a pencil and compare the two.

Mr. HOCH. It is important to be certain about it.

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise in support of the amendment. As little as I like to support this amendment, I am forced to do so. I know that the amendment ought not to be adopted, because no amendment indorsed by a disorganized mob can be for the good of the country.

On December 7 the House of Representatives was organized by the alleged Democrats. On December 8 they revised the rules. On December 9 the demagogy started.

Up to that date the people of the country had some hope that Representatives fresh from the people would have some constructive policy.

After one look at the new organization I doubted it, and on December 9, I said:

> Frankly, I feel sorry for anybody who tries to lead the Democratic side during the next year, because it is the most disorganized group, politically, that has ever yet been disorganized. I have grave doubts about your Democratic leadership, because the Democrats will be like an army; and you can not make an army out of a disorganized mob going in different directions, thinking different things, and having different equipment.

Mr. CRISP. Mr. Chairman, I make the point of order that the gentleman is not speaking to the amendment.

Mr. JOHNSON of South Dakota. I am discussing the reasons for my position——

Mr. CRISP. If the gentleman from South Dakota loves his country, as I know he does, why try to stir up and try to inject politics into this discussion?

Mr. JOHNSON of South Dakota. I am more in order than the Democratic majority and am not trying to inject politics.

The CHAIRMAN. The gentleman from South Dakota will proceed in order.

Mr. JOHNSON of South Dakota. Replying to the gentleman from Georgia, I was in order in giving the general reasons why I can not support the amendment. As a matter of fact, this matter must be brought before the House; and if I am the only one, I will demand a separate vote on the Doughton amendments, so that some of these iniquitous taxes will not be imposed upon the people. If we can not succeed in that, I will be one, for the good of the country, forced to accept taxes which are unfair and unjust—as unfair and unjust as taxing children half a cent on their 10-cent package of candy.

I could carry that on ad infinitum. At some other time, when I shall be speaking exactly in order, and much more in order than this disorganized majority can ever be, I shall proceed with some further discussion along this line, and that discussion will be exceedingly apropos of the situation that will develop throughout the entire lifetime of this Congress. It was disorganized in the beginning, and it will always be disorganized; and that is something that we can not help, because it is so constituted.

Mr. YON. The gentleman complains about a half-cent tax on a stick of candy, and is criticizing the majority for knocking out the sales tax, when the tax on that stick of candy under that probably would have been a half a cent.

Mr. JOHNSON of South Dakota. The probability is that it would come in under foodstuffs and would not pay anything. I am serving notice that I shall ask for a vote on the Doughton amendment, so that there can be a record vote, and so that we can decide definitely whether the burden of taxation is to be spread equitably throughout the entire citizenship of the United States or whether this disorganized group is going to pick out a few individuals and impose on them the unfair taxes.

Mr. McGUGIN. Mr. Chairman, I am sorry to intrude on the time of the House as often as twice in the same day; however I do want to discuss this proposed tax on oil through pipe lines. In the first place, let us have no misunderstanding about the pipe-line end of the oil industry. That is the iniquitous end of the industry. That is the part of the industry that is in a position to rob the man who produces and to rob the man who buys the gasoline. There is no argument about that. Do not think that because you levy a tax on a pipe line you are going to get one penny of it out of the pipe-line companies. They have a corner on the transportation of oil. They are powerful enough to-day to bear down the price of oil and run up the price of gasoline. When oil goes down, do transportation charges go down? No. Does gasoline necessarily go down when the price of oil goes down? No. That is the set-up in the oil business, the pipe-line end of it. The Tariff Commission has just found that it costs 91 cents per barrel to deliver a barrel of Midcontinent oil to the Atlantic seaboard. I know that is an unreasonable charge, and everybody knows it is, but what are you going to do about it? The Standard of New Jersey and the Standard of Indiana were cruel enough and avaricious enough in the conduct of their pipe-line business to destroy two of their sister companies, the Prairie Pipe Line and the Prairie Oil & Gas Cos. This is going to cost 6.4 cents a barrel to deliver the oil from the Midcontinent to the Atlantic seaboard. The pipe-line companies are not going to pay it. They may write the check that goes to the Federal Treasury, but do not be so foolish as to think that that monopoly will pay that tax. They are strong enough to run up the price to the consumer or run it down on the producer.

Mr. PARSONS. Is it not a fact that the pipe-line companies usually buy the oil and transport it themselves and pay the pipe-line company, not the subsidiary oil company,

the rates for transportation, and it does not come out of the local producer?

Mr. McGUGIN. I think so. They are powerful enough to control this transportation. Do not think for a moment that they are going to pay this tax.

Mr. THATCHER. What are the respective percentages of oil transported from the field to the market or refinery by rail and pipe line?

Mr. McGUGIN. Much the larger part of it is by pipe line.

Mr. THATCHER. It is the cheaper form of transportation?

Mr. McGUGIN. Yes. In this instance I can not go along with my friend from Texas [Mr. BLANTON] who wants to tax the transportation of oil by the railroads. The railroads are broke and on their knees at this time, while the pipe-line companies are among the highbinders of the country. The mistake we are making is that we think we can reach monopoly by taxation. You can not do it. If you want to get at the pipe-line companies, get at them through the enforcement of the monopoly laws and not through the process of taxation, because the endeavor to tax them here simply means that either the producer or the consumer is going to be robbed, and I think this tax rate is out of line. If it could be collected from the pipe-line companies, I would not care if it were 16 cents.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. VINSON of Kentucky. Mr. Chairman, in answer to the gentleman from Kansas that the transportation lines will pay no tax, let me give you a concrete instance. We have heard a lot of talk about the oil owned by some parties, which is transported in pipe lines, and the enormous profits made therefrom.

I made the statement that this proposed amendment is verbatim with the 1918 act. I am informed it is not verbatim, but it is substantially the 1918 act with some teeth in it. If the transportation company is in the oil-producing business, the same charge is made to the oil company that is transporting it through their own line that they charge any independent producer. If they have a pipe line transporting their own oil and their oil alone, then, under a new paragraph, a fair and reasonable charge is fixed, and the 8 per cent is levied upon that. That paragraph is No. 3.

Mr. WOLCOTT. Has any consideration been given by the committee to the exports of crude oil by pipe line?

Mr. VINSON of Kentucky. No.

Mr. WOLCOTT. To offset the constitutional provision that there may be no tax on exports?

Mr. VINSON of Kentucky. That constitutional provision always remains.

Mr. McCORMACK. Mr. Chairman, the Committee on Ways and Means dislikes very much to make any of the recommendations they have made to the House yesterday and to-day, but in view of the action of the House sitting in Committee of the Whole in striking out the manufacturers' excise tax as amended by eliminating the tax on necessaries of life, there is nothing else that the committee can do but bring in for your consideration items which will carry out our manifest determination to balance the Budget.

The pending amendment is a fair tax under the conditions which exist and the emergency that confronts us. Everybody concedes that the pipe lines are making profits. In 1930 or 1931, I am not sure which year, they paid anywhere from 40 to 400 per cent dividends. The gentleman from Kansas, who so ably represents his people, and properly so, frankly admits that this is one sphere of activity with reference to oil where they are making tremendous profits. If that is so, in this emergency, they ought to contribute something toward raising the sum necessary to balance the Budget.

There have been items adopted to-day to which I am personally opposed, and if they were original propositions, I would oppose them. But in view of the condition that confronts us I do not feel we should refuse to accept the recommendations made by the committee, simply made for the purpose of balancing the Budget.

I do not want to vote for this amendment, but I am constrained to vote for it because it is aimed in a direction where the industry affected can afford to pay the tax. There have been many amendments adopted which I dislike, but this is one amendment which I believe is fair and proper, and which, under the circumstances, might be adopted by the Committee of the Whole. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas to the committee amendment, which the Clerk will again report for the information of the committee.

The Clerk again reported the amendment.

The question was taken, and the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 229, after line 8, insert a new section, as follows:

"SEC. —. TAX ON FIREARMS, SHELLS, AND CARTRIDGES

"There is hereby imposed upon firearms, shells, and cartridges, sold by the manufacturer, producer, or importer, a tax equivalent to 10 per cent of the price for which so sold. The tax imposed by this section shall not apply (1) to articles sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, or the District of Columbia, or (2) to pistols and revolvers."

Mr. CRISP. Mr. Chairman, this amendment proposes to levy a 10 per cent tax on firearms, shells, and cartridges. It does not levy a tax on pistols, because there is already a tax on pistols, and we have no desire to levy double taxes. It is estimated that the amendment will yield $3,000,000 or $4,000,000.

Mr. STRONG of Kansas. Is there any tax on gunpowder?

Mr. CRISP. No; unless gunpowder is in a shell.

Mr. STRONG of Kansas. I have been told that a former Member of this House is lobbying here and saying that, as long as we put a tax on face powder for the women, we ought to put one on gunpowder for the men. [Laughter.]

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. COOPER of Ohio. Is this a tax on imported shells or shells of domestic manufacture?

Mr. CRISP. It applies to both imported and domestic shells. It is an excise tax of 10 per cent in an effort to get money for the Government. All taxes collected under it, whether from imported shells or from shells of domestic manufacture, go into the Treasury of the United States.

Mr. GRANFIELD. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. GRANFIELD. I understand pistols and revolvers are excepted from this amendment.

Mr. CRISP. The amendment specifically exempts pistols and revolvers from paying the tax provided in this amendment. The reason for that is that they are already taxed under existing law, and we did not think it equitable to impose a double tax.

Mr. THATCHER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. THATCHER. Is the tax on pistols and revolvers the same as the tax carried in this amendment?

Mr. CRISP. It is.

Mr. GOSS. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. GOSS. Revolvers are not included in this amendment?

Mr. CRISP. They are not, because, under existing law, they pay a 10 per cent tax. That is what I tried to say as

plainly as I could two or three times, that this amendment does not tax pistols and revolvers.

Mr. HARLAN. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARLAN to the committee amendment: Strike out the word "shells."

Mr. HARLAN. Mr. Chairman and gentlemen, the amendment which I have offered strikes out from the provisions of this tax the word "shells." The reason for that is this: There is now pending before the Ways and Means Committee a bill (H. R. 10604) placing a tax of 1 cent on each shell that is manufactured and sold in the United States. This bill has the backing of all the sportsmen in the United States, and the purpose of it is to raise funds with which to protect our wild life and migratory birds. If this tax goes on—which, by the way, you will notice to be 10 per cent and a very stiff tax as we are levying them now—it will simply make the adoption of the bill (10604) impossible, and the program of the sportsmen of this country will simply be stopped. These men are willing to pay a tax of 1 cent a shell.

Mr. CRISP. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. CRISP. I myself could not support any tax of 1 cent a shell. That clearly would enable those who have means to purchase shells and enjoy shooting, while the average citizen would be absolutely debarred.

Mr. HARLAN. In answer to the gentleman I will say this, that the sporting element and the hunting element of this country are perfectly willing, from the information I have at my hand, to pay this tax of 1 cent a shell, provided the money goes to the use designed by the bill to which I have referred.

Mr. RICH. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. RICH. I might state that a majority of the sportsmen in my district have notified me to oppose this 1-cent tax on shells. They are absolutely opposed to it.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. COOPER of Ohio. I am receiving protests against the 1-cent tax. They claim the money that is collected through that bill for conservation purposes would only affect the duck hunters, and there are not very many poor people who hunt ducks.

Mr. HARLAN. For the gentleman's information I have just been informed by the man who drew the bill that the tax only applies to those shells that are actually used in hunting. The tax is not to be applied to shells used in shooting clay pigeons and things of that kind.

[Here the gavel fell.]

Mr. RAGON. Mr. Chairman, I understand that the bill to which the gentleman refers is pending before another committee of the House.

Mr. HARLAN. No; it was referred to the Committee on Ways and Means.

Mr. RAGON. If it is pending before the Ways and Means Committee of the House, it would only levy a 1-cent tax, and if we ever want to consider that bill we can take the tax we have proposed to levy here into consideration. My understanding of the other bill is that the money which would come as a result of that tax would go to the Department of Agriculture and would be under the direction of the Secretary of Agriculture for the protection of wild life and the protection of a sportsmen's paradise.

I have always been in favor of aiding and assisting causes such as the gentleman from Ohio [Mr. HARLAN] suggests, but we need this money in the Treasury of the United States more than we need bird reserves all over the country; and we do not need it to-morrow; we need it now. For this reason I hope the committee amendment will be adopted.

Mr. GOSS. Mr. Chairman, I want to call the attention of the committee to this question of shells. I know something about the manufacture of shells for ammunition, both large and small, and I want to inquire of the chairman of the committee if the word "shells" refers to the completed article or a shell partly manufactured. There is commonly quoted in the manufacture of munitions the term "shell" or "cup" in the process of making a cartridge case or making small-arms munitions. If it is in connection with the word "shell" as a partly manufactured article, I might say that the United States Government might well be taxed, not intending to, of course, because one manufacturer might blank out of a sheet of metal a cup which is part of the process of forming the shell, and this is commonly known in the trade as a shell. If he sells this partly manufactured shell to another manufacturer who goes on with it, would the tax apply there or would it not?

Mr. CRISP. Mr. Chairman, may I say to my friend that this is on the manufactured shell just as in the case of the 1918 act; and so far as the gentleman's criticism that the United States might be required to pay it, there is no force in that suggestion, because the amendment expressly excepts shells used by the United States or any State or any Territory.

Mr. GOSS. I read that in the bill, but I want to call the gentleman's attention to this fact: Sometimes these shells are sold by the pound or they may be sold by the piece in a partly manufactured form, and it would be very difficult to separate those shells that might ultimately be sold to the Government from those that are sold to private industry for commercial or other purposes.

Mr. CRISP. May I say to my friend that I know he is a business man, and it would be presumptuous for me to think I know more about these manufactured things than the gentleman does. I do not; but this is like it was in the 1918 act, and the Treasury Department administered that provision satisfactorily, and I am sure they can administer this provision satisfactorily, and will administer it just as they administered the other law.

Mr. GOSS. In 1918 these manufacturers were practically on 100 per cent war work, and commercial business did not apply. Would the gentleman be willing to include the words "completed shell," and then we would not get this matter mixed up with the partly manufactured or processed shell? That is all I am trying to do. I am not complaining about the tax, but I do think we ought to have a complete definition.

Mr. CRISP. The committee is content to stand on the amendment as offered.

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio [Mr. HARLAN] to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

VISITORS IN THE GALLERY

Mr. KETCHAM. Mr. Chairman, I desire to submit a unanimous-consent request.

Mr. Chairman, I ask unanimous consent to proceed for one minute out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KETCHAM. Mr. Chairman, in Valparaiso, Ind., there lives a splendid old man, Mr. Simon Fogg, now past 80 years of age, who, like many other grandfathers, has two fine grandsons. These grandsons, one a senior and one a sophomore, are students in the Cassopolis (Mich.) high school. The grandfather wanted to recognize these young men and their fine achievement in some fitting and substantial manner, and so he arranged to pay the expenses of the 70 fine young men and young women of the senior and sophomore classes from Cassopolis, Mich., to Washing-

ton, D. C., by way of Niagara Falls, in recognition of the graduation of one of these young men and the subsequent graduation of the other.

I want to take this one minute to pay tribute to this philanthropic old gentleman who loves his grandchildren so well that he will go down into his pocket and provide about $4,000 to afford an opportunity for these fine young men and women to visit the city of Washington.

I take great pleasure in presenting to the House the senior and sophomore classes of the high school of Cassopolis, Mich., who are here by the courtesy of Mr. Simon Fogg, of Valparaiso, Ind. [Applause.]

THE REVENUE BILL

Mr. NELSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON of Wisconsin: Page 259, after line 12, insert the following new section:

"SEC. 723. INCREASE IN TOBACCO TAX

"Subsection (a) of section 401 of the revenue act of 1926 is amended to read as follows:

"'SEC. 401. (a) Upon all tobacco and snuff manufactured in or imported into the United States, and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by section 401 of the revenue act of 1924, a tax of 21 cents per pound in the case of tobacco, and a tax of 18 cents per pound in the case of snuff, to be paid by the manufacturer or importer thereof: *Provided*, That whenever any manufacturer proves to the satisfaction of the commissioner that manufactured tobacco in respect of which such tax is paid by such manufacturer was manufactured from tobacco purchased from a cooperative association or pool of tobacco growers, such manufacturer shall be entitled to a refund equal to 4 cents for each pound of such manufactured tobacco.'"

Mr. NELSON of Wisconsin. Mr. Chairman, I offered this amendment as a Member of Congress coming from a tobacco-growing district. I have offered it in behalf of my colleagues coming from tobacco-growing districts.

We did partially protest against the proposed enactment before the Ways and Means Committee. We withdraw that now in the support of the committee trying to balance the Budget in this emergency. We are willing to take on this increased tax.

It was recommended by the Secretary of the Treasury, and we are accepting it as tobacco growers. The committee clerk gave me the estimate that it would produce a revenue of $58,000,000. I have just got that estimate from the committee clerk.

The committee gave a very careful hearing, a liberal hearing, and the business director and attorney of the North Wisconsin Tobacco Cooperative Association appeared before the committee. But they did not grant the refund.

Now, we are willing to take this tax, if you will give us this relief.

The tax is grossly excessive. First, let me explain that this association consists of 8,000 members out of 9,400 growers of tobacco in Wisconsin. It was organized 10 years ago, and is succeeding after a tremendous uphill fight in making good, and has justified itself.

It has handled and marketed since its organization 200,000,000 pounds of tobacco. Eighty-five per cent of the tobacco grown in Wisconsin is under contract with this tobacco growers' association. It deserves well of all friends of the farmers in this Congress.

Let me tell you why we hesitated about this excessive tax. Do you know that the Government has collected from these tobacco growers in taxes in the past 10 years $25,000,000? The farmers have received for their crop and labor only $18,250,000. The tax exacted by the Government exceeds the amount paid the growers for their product by $6,750,000. The tax is 130 per cent of what the farmers have received.

The average price realized by the members of the Northern Wisconsin Cooperative Tobacco Pool in the past 10 years has been 9 cents per pound. To-day the price is 7 cents or less per pound. The cost of producing this tobacco, if the farmer is to receive a fair wage for his work, has been estimated at from 11 to 12 cents per pound.

However, on the other hand, the tobacco manufacturers have been reaping huge profits when other business has been suffering distress. In 1931 the American Tobacco Co. made a profit of $48,000,000. The Liggett & Meyer Tobacco Co. had a $23,000,000 profit on a capital of $65,000,000; and the Reynolds Tobacco Co. made a profit of $36,000,000 on a $100,000,000 capital.

These rich companies come into Wisconsin and, in spite of these colossal profits, take the tobacco away from the independent growers at scandalous prices, and refuse to buy it from the pool at the pool's very reasonable prices.

The relief requested by my constituents is that Congress, in order to balance the Budget, increase the tax on manufactured tobacco by one-sixth of the present tax, as recommended by the Treasury Department before the Ways and Means Committee, and that 4 cents per pound on all unmanufactured tobacco hereafter bought from cooperative associations be refunded to manufacturers out of the tax paid by them on the tobacco products. In brief, a preference in tax rate should be given manufacturers on the tobacco purchased from a cooperative. A reduction of the present tax burden on tobacco by the refund requested would help the organized producer, in that the refund would eventually revert to him. Now, this is a reasonable and fair request, for it would not take out of the Treasury any moneys paid into it by any other taxpayer other than the pool itself. It asks only that out of the pool's proportion of the tax paid a refund of 4 cents be allowed on its own product by way of equity and justice.

It would be an encouragement to cooperative marketing. Both the Federal and State Governments have adopted the policy of aiding cooperative marketing to enable farmers to secure a better price for their products. Congress has already helped the wheat farmers through their cooperatives. Why not also help the tobacco cooperatives who ask only for this fragmentary relief?

It would be a motive and means to membership. This tax-reduction refund would materially encourage the organization of cooperative associations through strengthening its membership, for it is only through cooperative membership that the farmer would get the refund requested. This inducement alone would be of inestimable benefit to the forward-looking farmers now struggling bravely to maintain their existence in a well-managed tobacco pool.

It would enhance its bargaining power. The organized producer has by virtue of his tobacco pool bargaining power. He can get a higher price if the tax is lower due to the refund. And the higher the price obtained for his tobacco by reason of the lower tax, the greater the benefit to the producer member. In other words, if a refund is granted to the manufacturer, the producer can demand of the buyer a corresponding higher price for his product.

The independent grower is helpless to market his tobacco to good advantage. He has no bargaining power, he has only one crop, he has little capital and is practically at the mercy of the large buyers. In Wisconsin our tobacco is bought by five large noncompetitive concerns whose combined capital is over $200,000,000.

If Congress would grant the reduction asked for, it would be a practical measure of farm relief for a large group of farmers in this country who at present are in a most serious condition. A refund at the present time would substantially aid the tobacco farmers, for they, like other farmers, have excessive real-estate taxes and payments of interest and principal to make on loans and mortgages, and in addition they have the no less real, if indirect, excise-tax burden. If this excise-tax refund were made effective, it is estimated that from one-half to three-fourths of a million dollars a year would revert to the tobacco growers of my State.

Mr. Chairman, the cooperative growers are willing that the 3-cent tax increase on tobacco be incorporated in the bill. However, justice and equity demand alike that relief in the way of the 4-cent tax reduction prayed for be granted. Personally, I earnestly hope that this provision will be incorporated before the final enactment of this tax bill. The relief would not only be an inestimable benefit as an indirect aid

but would be a means and motive for membership, and a most encouraging incentive to the idea of a successful cooperative marketing by the farmers of our country.

[Here the gavel fell.]

Mr. NELSON of Wisconsin. Mr. Chairman, I ask to proceed for five minutes more.

Mr. DYER. I hope the gentleman will not ask that. We must proceed with this bill. I object.

Mr. CRISP. Mr. Chairman, I hope this amendment will not be agreed to. This amendment is not for the purpose especially of raising revenue, but it is to force the tobacco growers to go into the cooperative associations.

You will note that the amendment provides an increased tax—but if it is purchased from a cooperative association, then you do not get that increase. That is the whole story. The Tobacco Cooperative Association appeared before the Ways and Means Committee and urged this proposition, but the committee turned it down.

I hold no brief for tobacco, but when my good friend—and he is my good friend—there is not a man in the House that I feel more kindly to than I do to him—when my good friend said the amendment would bring in $57,000,000, he was honestly in error.

Mr. NELSON of Wisconsin. I got the figures from the clerk of the committee.

Mr. CRISP. The Treasury Department recommended one-sixth of 1 per cent on tobacco, cigarettes, and manufactured tobacco, and they said that that would yield $57,000,000. This does not apply to that tax on manufactured cigarettes, and there is where your great body of the fifty-seven million comes in. As I started to say, I hold no brief for tobacco, but if there is one commodity in the United States more highly taxed than any other, it is tobacco. Do you realize, and does the public realize that on each packet of cigarettes there is a sales tax of 6 cents, and that the Government taxes tobacco that goes into the manufacture of cigarettes about $3 a pound? I hope the amendment will be rejected.

The CHAIRMAN. All debate upon this amendment, under the rules of the House, has been exhausted.

Mr. AMLIE. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. AMLIE. In support of the amendment.

Mr. WITHROW. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. If the Chair can secure the ear of the acting chairman of the Committee on Ways and Means, he will try to enforce the rules of the House.

Mr. CRISP. Under the rules there are five minutes of debate for and five minutes against.

The CHAIRMAN. The gentleman from Wisconsin is recognized to strike out the last word.

Mr. CRISP. Mr. Chairman, I am not going to make the point of order that the gentleman must confine himself to the last word, but I shall have to do so in the future.

Mr. WITHROW. Mr. Chairman and members of the committee, I realize that the machines on both sides of the aisle are well oiled and that the skids are greased, and that you gentlemen are determined to balance the Budget no matter what the result may be or how much it will cost the American farmer. I sincerely hope that the amendment of my colleague from Wisconsin [Mr. NELSON] will be adopted. This amendment provides for a 3 cents per pound tax on tobacco, but it further provides that on all tobacco purchased from cooperative tobacco organizations there will be a refund of 4 cents per pound which will be paid directly to the tobacco grower in the form of a higher price for his tobacco. This measure will be a great aid to the cooperative tobacco producer and still will raise considerable revenue for the Government. In Wisconsin we have 9,400 farmers who are growing tobacco. Over 8,000 of them belong to what is known as the Wisconsin Cooperative Tobacco Pool, and this is the situation in regard to these growers: The manufacturers buy tobacco from the independents, and they do not buy tobacco from the cooperative unless it is absolutely necessary, regardless of the fine quality of tobacco grown by the cooperative members. It is a discrimination, and leaves these 8,000 farmers, or eight-ninths of all the people who grow tobacco in our State, holding the bag.

Mr. NELSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WITHROW. I yield.

Mr. NELSON of Wisconsin. May I ask the gentleman if this is not the situation that we are confronted with, that we have to sell to about five great corporations whose capital is about $200,000,000?

Mr. WITHROW. Yes.

Mr. NELSON of Wisconsin. And the American Tobacco Co. had profits in 1931 of $48,000,000; that Liggett & Meyers had a profit of $23,000,000 with a capital of $65,000,000; that the Reynolds Tobacco Co. had a profit of $36,000,000 on a hundred thousand dollar capital; so that between taxes on these corporations we are ground between the upper and the nether millstones.

Mr. WITHROW. That is true. Since 1922 the Wisconsin cooperative has paid to the Federal Government in taxes over $25,000,000, and the growers of that tobacco received only a little over $18,000,000 for their product. It is supposed to be the policy of the instrumentalities of government to encourage cooperatives. We are asking you to adopt this amendment in order that this might really be done.

Mr. LONERGAN. Is it not true that tobacco pays in taxes one-eighth of the cost of the United States Government?

Mr. WITHROW. I do not know; but I do know that the manufacturers are rankly discriminating against the cooperative growers of Wisconsin.

Mr. VINSON of Kentucky. The gentleman speaks of his 9,400 farmers. Does he know that there are 415,000 tobacco farmers in the United States, and does he want to discriminate against them in favor of these 9,000?

Mr. WITHROW. Those growers should and are entitled to join cooperatives just as the Wisconsin tobacco growers have. I wish that all of you gentlemen would read the testimony given before the Ways and Means Committee by Mr. Emerson Ela, president of the Wisconsin Cooperative Tobacco Pool, and the brief he filed with the committee. His testimony shows clearly the predicament of the cooperative tobacco growers.

Gentlemen, the tobacco growers, together with all other farmers, have been ruined in the past 10 years by the greedy policies and practices of the big moneyed interests. For years this body has given aid to the farmers only in the titles of the bills. If you gentlemen are honestly attempting to help agriculture, then vote for this measure, because it is an honest and direct aid to agriculture, which is our basic industry.

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I move to close debate upon this amendment and all amendments thereto.

The motion was agreed to.

Mr. JOHNSON of South Dakota. Mr. Chairman, I offer the following amendment, which I have sent to the desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of South Dakota to the amendment offered by Mr. NELSON of Wisconsin: Amend the amendment by striking out on line 11 the proviso.

Mr. JOHNSON of South Dakota. I ask unanimous consent to proceed for one-half minute.

The CHAIRMAN. Is there objection?

Mr. VINSON of Kentucky. I object.

The CHAIRMAN. The question is on the Johnson amendment.

The amendment was rejected.

The CHAIRMAN. The question now recurs upon the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. VINSON of Kentucky. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Kentucky offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. VINSON of Kentucky: Page 24, line 7, after the period insert a new sentence as follows: "In any case in which it is ascertained as a result of development work that the recoverable units are greater or less than the prior estimate thereof, then such prior estimate (but not the basis for depletion) shall be revised and the allowance under this subsection for subsequent taxable years shall be based upon such revised estimate."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, on page 45, at my request lines 19, 20, and 21, covering consolidated returns, were passed over. Now that we have disposed of that, I ask unanimous consent that those three lines be read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

(h) Consolidated returns: For provision as to consolidated returns of affiliated corporations, see section 141.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Will the gentleman from Kentucky briefly explain the purpose of the amendment as to depletion, which was adopted without explanation?

Mr. VINSON of Kentucky. I can explain it by giving an illustration. Assume you have a mining corporation that has 1,000 units that cost $1,000. They have mined out 500 of those units, and, of course, there is a depletion allowance to them in the extent of $500. You have one-half of your units yet unmined. The owner comes in and says, "I should be allowed 500 additional units; I had these units at the time of valuation." It does not come technically within discovery value, but the real merits show that those 500 units should be added. This amendment takes the new units, the unmined units, adds them, and then depletion is figured on the 1,000 unmined units. Then, instead of allowing $1 a unit on depletion, as the operator secured for the first 500 units, you spread the depletion over the 1,000 units, and depletion is allowed at the rate of 50 cents a unit, instead of $1, until the 1,000 units are mined.

Mr. STAFFORD. Is this more liberal to the Government or to the owner?

Mr. VINSON of Kentucky. It does not take one dollar off the operator. It gives to the Treasury more money now. In place of the $1 a unit depletion allowance he would have received on the original unmined units, you would get in depletion 50 cents a unit for the 1,000 units. In other words, the operator secures his proper $500 depletion allowance, but it is allowed at 50 cents per unit.

The pro forma amendment was withdrawn.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. May I inquire whether we have read every paragraph preceding the paragraph at which the Clerk will begin to read at the present time?

The CHAIRMAN. The Chair is informed by the Clerk that section 104 on page 62 was temporarily passed over. The Clerk will read, beginning on page 110.

The Clerk read as follows:

(j) Allocation of income and deductions: For allocation of income and deductions of related trades or businesses, see section 45.

Mr. DYER. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman from Georgia about subsection (f), China Trade Act Corporations. The provision is that these corporations shall not be deemed to be affiliated with any other corporation within the meaning of this section. Will the gentleman state his interpretation of that?

Mr. CRISP. I will say to my friend that the expert says there is no change in existing law. I myself do not know but, of course, I know his information is accurate.

Mr. DYER. May I ask the gentleman, while I have the floor, for the benefit of the committee, when he expects the committee to rise and report this bill to the House?

Mr. CRISP. I will say to my friend that it is my desire, if the membership of the committee will cooperate with me and back me, to keep the committee in continuous session until we practically read through this bill. [Applause.] I am not going to have the last section read because to-morrow it may be necessary to go back into the Committee of the Whole House on the state of the Union for the purpose of considering a few committee amendments, provided the committee desires to recommend any. There will not be any attempt to have record votes to-day in the House, but if you gentlemen will stay with me, we will be in a position to-morrow where we will have record votes and finally dispose of this bill. I believe my colleagues will agree that I ought to be more tired than any man in the committee, but I am willing to stay. [Applause.]

Mr. DYER. Mr. Chairman, I want to say to the gentleman from Georgia [Mr. CRISP] I believe every Member will cooperate with him in his endeavor to proceed expeditiously and get through with this legislation, so far as the Committee of the Whole is concerned, and will also take into consideration the fact that the gentleman from Georgia has had a most difficult position and that we should cooperate with him and assist him in every way. [Applause.]

The Clerk read as follows:

(c) Law applicable to fiduciaries: Any fiduciary required to make a return under this title shall be subject to all the provisions of law which apply to individuals.

Mr. MARTIN of Massachusetts. Mr. Chairman, balance the Budget and protect the American dollar is a sentiment which has echoed and reached throughout the country in the last few days. I am heartily in favor of that purpose. The address of our esteemed Speaker the other day was not necessary to impress upon me that a nation, like an individual, must live within its income or eventually face a judgment day.

Balance the Budget by all means, but let us not do it in a hysterical way. Going along with the need of balancing the Budget is the necessity of relieving unemployment. If you balance the Budget at the expense of adding to the ranks of the unemployed, you have not made much progress in the stabilizing of the country.

The other day a sales tax for many industries was rejected, and yet in the last two days the same House has favored sales taxes, not on the many industries, but on a few selected industries. No consideration was given as to whether these industries could bear the burden. No opportunity was given to these industries to explain their position. Yet everybody knows the unbalanced Budget is in a measure due to the fact many manufacturing industries have been unable to give employment. Anyone who has read the reports of industrial enterprises or who has watched the diminishing returns from income and corporation taxes realizes the serious financial plight of many of these concerns.

They can not, like agriculture, the railroads, or the bankers, go to the Federal Treasury for assistance. They are obliged to stand or fall on their own individual efforts. This being the case, huge taxes should not be imposed without some serious consideration of what is to be the result. Destroy an industrial establishment and you stagnate community life, add to the ranks of the unemployed, and increase the tremendous relief burdens the communities are carrying.

Let me illustrate the effect of these taxes on the jewelry industry in my district, and several other industries stand in a similar light. You place a 10 per cent sales tax on the manufacturing jeweler in the belief it will raise $15,000,000 in revenue, which it will not do. The difficulty in collecting much of the tax will hardly compensate for the yield. The Treasury Department knew this, and for that reason did

not recommend the tax. The very people whom I presume the committee would like to tax will avoid the same. The purchaser of diamonds and the expensive jewelry of gold and platinum is not going to pay this tax. These very expensive pieces of jewelry come from abroad. Those who import them for sale here, generally speaking, are retailers, and as the tax is not due until the sale is consummated, you can understand the difficulty the agent is going to have to get that tax.

No; the burden will not fall upon the wealthy, but upon the stenographer, the poor working girl, or the prudent housewife of moderate means who wishes to buy some jewelry for personal adornment. It will hit the college girl and the college boy. It will be borne by the great army of average men and women. This is the class who will pay this tax.

Now, what is the situation of the industry? Search as far as you may and I hardly believe you can find an industry less able to bear increased burdens. The business situation itself has almost delivered the industry a knockout blow. Short working schedules and drastic reduction in working forces have been the rule for two years. Many concerns have passed out of existence, and others have closed until the future gets a bit brighter.

Let me tell you an example of the seriousness of the depression in one instance. Several months ago one of the oldest and best-known gold houses in this country closed. It had been in operation for 60 years, and its name was an honored one in every retail jewelry store in the country. Its inventory of machinery and dies was valued at $60,000. The concern did not owe a dollar; its members were not obliged to sacrifice their property; and yet they sold the good name, the dies, and the machinery of that concern for $2,500. This reflects the situation in the jewelry industry.

And yet you come here with this tax bill, and this struggling industry must pay a 10 per cent sales tax. The manufacturer will have the cost of his fuel oil or coal bill increased; he must contribute heavily to the increased postage bill, because few industries use direct advertising more than the jeweler. Incidentally, I might add he has had his parcel post bill substantially increased by another branch of the Government.

I repeat, you will not get much of a contribution toward balancing the Budget from this particular item, but you will do what no sound-thinking American wishes to do, and that is to add to the instability and threat which comes from increased unemployment.

I hope when the bill is reported to the House this amendment will be rejected. [Applause.]

The Clerk read as follows:

(1) Requirement of withholding: In any case where bonds, mortgages, or deeds of trust, or other similar obligations of a corporation contain a contract or provision by which the obligor agrees to pay any portion of the tax imposed by this title upon the obligee, or to reimburse the obligee for any portion of the tax, or to pay the interest without deduction for any tax which the obligor may be required or permitted to pay thereon, or to retain therefrom under any law of the United States, the obligor shall deduct and withhold a tax equal to 2 per cent of the interest upon such bonds, mortgages, deeds of trust, or other obligations, whether such interest is payable annually or at shorter or longer periods, if payable to an individual, a partnership, or a foreign corporation not engaged in trade or business within the United States and not having any office or place of business therein: *Provided*, That if the liability assumed by the obligor does not exceed 2 per cent of the interest, then the deduction and withholding shall be at the following rates: (A) 6 per cent in the case of a nonresident alien individual, or of any partnership not engaged in trade or business within the United States and not having any office or place of business therein and composed in whole or in part of nonresident aliens, (B) 13 per cent in the case of such a foreign corporation, and (C) 2 per cent in the case of other individuals and partnerships: *Provided further*, That if the owners of such obligations are not known to the withholding agent the Commissioner may authorize such deduction and withholding to be at the rate of 2 per cent, or if the liability assumed by the obligor does not exceed 2 per cent of the interest, then at the rate of 6 per cent.

Mr. HAWLEY. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the committee a question.

On page 114 of the bill there is an error in line 14. I think that figure should be "7," and in line 18 of page 114 the figures should be "13½," and in line 1 on page 115, the figure should be "7," in order to conform with the amendments already adopted.

Mr. CRISP. Seven is the correct figure, and the figures "13" should be "13½," and I shall ask unanimous consent that the corrections may be made.

Mr. HAWLEY. The figure "7" occurs also in page 115 at the end of line 1.

Mr. CRISP. On page 114, in line 14, "6 per cent" should be "7 per cent." We have raised the normal income-tax rate from 6 to 7 per cent. Then, in line 18, page 114, the rate should be 13½ per cent, which is the corporation rate. We have raised that one-half of 1 per cent since the bill was reported. On page 115, line 1, where 6 per cent occurs, that should be 7 per cent; and I ask that wherever these changes should occur in the bill, the clerk be authorized to make them in order to conform with the action of the committee, to wit, raising the normal income-tax bracket up to 7 per cent and raising the corporation tax from 13 per cent to 13½ per cent.

The CHAIRMAN (Mr. BROWNING). Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PATTERSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are coming close to the time when this bill will be reported back to the House; and I feel that we will have but small opportunity left to say anything upon the bill, and, probably, there has already been said more than should have been said and a great deal of what has been said could well have been left unsaid.

However, there is one thing I want to call attention to. I sincerely hope when we get back into the House we may have a record vote on some amendments that have been agreed to in committee, and I hope they will be voted out of the bill.

I also want to call the attention of the committee to the fact that the way we have proceeded on a number of these important amendments there has been little time given to consider them before voting upon amendments that will raise millions and hundreds of millions of dollars, like the 3-cent postage provision, and no Member of the House, except the members of the Ways and Means Committee, so far as I know, have been able to get definite information about the amendments which are to come up or know beforehand when they were coming up. I have tried again and again to find out what was going to come up in the future and have been unsuccessful, and we do not even know now, so far as I am advised, whether or not we will have the iniquitous amendment proposing a levy of 2 cents on checks brought before the committee. But, of course, I understand this will not come up. There are other things in a similar situation.

This is the condition under which we are laboring, and I do not believe in legislating in this way, and I sincerely hope that the 3-cent postage rate and other similar amendments which I have opposed, when we are able to get a record vote on them, will be voted out of the bill.

I regret that the situation has been brought about as has in this bill. These amendments affecting automobiles, candy, chewing gum, radios, frigidaires, and such like, are in my judgment bad taxes, and I have opposed them and shall continue to do so.

We are told now that they are going to try to vote out the Swing amendment, raising the surtaxes on higher brackets. Well, my reply is we are ready for that vote and any other one which may be demanded. And I will say



further that I believe the country would have been better off if we had had a reasonable tax measure and not tried to drive through all those taxes which, in my judgment, are liable to retard business and will certainly work a hardship on a large number of our citizens and industries. The great masses of our people are overtaxed now, and this bill will further add to this burden. And I repeat what I have said before, that the Budget is not the cause of our trouble, but the shape of the Budget is the result of evils from which we are suffering. My idea is to remedy the evils.

Now I will only say further that all the maligning that I, with other Members, have been subjected to, has had no effect upon my actions, and I hold no resentment against those newspapers and others who have done this, but I have acted conscientiously, and if I had the same to go through with again I would act similarly.

I can say that the members of the Committee on Ways and Means have not done this, and I can say for the gentleman from Georgia [Mr. CRISP] that no one could have been more courteous, patient, and fairer than he, and I respect and love him as I do all other Members. I have only acted—as I feel they have—conscientiously, and find no fault personally, but I differ, and differ with all my might.

One other thing, a crowd of people can not scare me into anything I do not believe in and I feel is not good for my country by manipulating a stock ticker up or down. No; I shall stand by ideals and convictions, and represent our people as I feel will be best for them. I hope that we can yet get many of these amendments out of this bill.

The Clerk read as follows:

(d) Income of recipient: Income upon which any tax is required to be withheld at the source under this section shall be included in the return of the recipient of such income, but any amount of tax so withheld shall be credited against the amount of income tax as computed in such return.

Mr. SWING. Mr. Chairman, I move to strike out the last seven words. I am told that to-morrow, when the bill is reported back to the House, it is the intention of the acting chairman of the Ways and Means Committee to ask a separate vote on my amendment increasing the income tax.

I want to call the attention of the committee to the fact that yesterday I put in the RECORD, at page 7135, a comparison between the tax required to be paid under the 1918 revenue bill—war rates—and the amounts that will have to be paid under the rates in my amendment. This table shows that the surtaxes now in the bill and accepted by the committee are fully 10 per cent below the surtaxes in the 1918 revenue act. Or, if you combine the normal rate with the surtax rates in the bill as it stands to-day, it will be 15 per cent under the combined normal and surtax rates in the 1918 revenue act.

So there is no basis whatever for the charge that has gone out over the country that Congress has enacted confiscatory rates.

I want to embody in my remarks a comparison of the rates of taxation that are actually being paid in England to-day with the surtax rates that are proposed in my amendment, combined with the normal rates in the LaGuardia amendment.

I ask unanimous consent that the comparison of the British tax with the tax in this bill be embodied as a part of my remarks.

Mr. STAFFORD. Reserving the right to object, will the gentleman yield for a question?

Mr. SWING. I yield.

Mr. STAFFORD. I do not object to the gentleman's request, but does the gentleman believe that we should establish in peace time the war-time rate of 80 per cent excess-profit tax and high income surtaxes?

Mr. SWING. If the gentleman had heard what I was saying, he would know that the rates now in this bill are 15 per cent below the war-time rates.

Comparing our proposed rates with those of Great Britain on net incomes between $100,000 and $5,000,000, the taxes that will be paid under this bill are far below those paid in England.

Income tax, individual—Comparison of tax payable in Great Britain and in the United States under the amendment offered by Mr. Swing (combined with the normal tax) by a single person without dependents with maximum earned income on net income of $100,000 (£20,000) and over

Net income	Tax on single person		Amount proposed taxes are below Great Britain
	United States	Great Britain	
$100,000	$26,665	$47,800	$21,135
$150,000	50,165	78,175	28,010
$200,000	74,665	109,925	35,260
$250,000	100,165	141,675	41,510
$300,000	126,665	174,800	48,135
$400,000	181,665	241,175	59,510
$500,000	238,665	307,300	68,635
$750,000	386,165	472,925	86,760
$1,000,000	538,665	638,550	99,885
$1,500,000	853,665	969,800	116,135
$2,000,000	1,178,665	1,301,050	122,385
$3,000,000	1,847,665	1,963,550	115,885
$4,000,000	2,538,665	2,626,050	87,385
$5,000,000	3,248,665	3,288,550	39,885

Now, Mr. Chairman, when the amendment was prepared, I did not have the assistance of the technical force of the Ways and Means Committee, but they have since redrafted my amendment to put it in accord with the form of the committee amendment already in the bill. I ask unanimous consent that this amendment be substituted in place of the amendment offered by me and adopted by the committee.

Mr. CRISP. Mr. Chairman, I join in that request. In other words, the whole scheme of the bill brings forward the amount in cash that you shall pay on that income, and then levies a percentage on that income. When the gentleman from California prepared the amendment he did not have that in mind, but the gentleman has now drawn the amendment to conform with the scheme of the bill.

Mr. STAFFORD. Mr. Chairman, I reserve the right to object. I understand the purported change does not change the rates at all.

Mr. SWING. Not at all.

Mr. STAFFORD. Just the amounts. The gentleman is still adhering firmly to these high rates.

Mr. SWING. Absolutely, because yesterday we moved the surtax from $10,000 down to $6,000 to take in some more of the little fellows. Just as we did on the same day that my amendment was adopted, when 1,700,000 little fellows, making a bare living, were included. Why should not we apply the graduated income-tax rates to those with incomes in excess of $100,000 just like we do to those with incomes below $100,000 instead of according them a flat rate as was first proposed?

The CHAIRMAN. Without objection, this change will be printed in the RECORD.

There was no objection, and the revised amendment is as follows:

Amendment offered by Mr. SWING: Page 14, strike out lines 17 and 18 and insert in lieu thereof the following:

"Net incomes in excess of $100,000 and not in excess of $150,000, 40 per cent in addition of such excess.

"$40,160 upon net incomes of $150,000; and upon net incomes in excess of $150,000 and not in excess of $200,000, 42 per cent in addition of such excess.

"$61,160 upon net incomes of $200,000; and upon net incomes in excess of $200,000 and not in excess of $250,000, 44 per cent in addition of such excess.

"$83,160 upon net incomes of $250,000; and upon net incomes in excess of $250,000 and not in excess of $300,000, 46 per cent in addition of such excess.

"$106,160 upon net incomes of $300,000; and upon net incomes in excess of $300,000 and not in excess of $400,000, 48 per cent in addition of such excess.

"154,160 upon net incomes of $400,000; and upon net incomes in excess of $400,000 and not in excess of $500,000, 50 per cent in addition of such excess.

"$204,160 upon net incomes of $500,000; and upon net incomes in excess of $500,000 and not in excess of $750,000, 52 per cent in addition of such excess.

"$284,160 upon net incomes of $750,000; and upon net incomes in excess of $750,000 and not in excess of $1,000,000, 54 per cent in addition of such excess.

"$469,160 upon net incomes of $1,000,000; and upon net incomes in excess of $1,000,000 and not in excess of $1,500,000, 56 per cent in addition of such excess.

"$749,160 upon net incomes of $1,500,000; and upon net incomes in excess of $1,500,000 and not in excess of $2,000,000, 58 per cent in addition of such excess.

"$1,039,160 upon net incomes of $2,000,000; and upon net incomes in excess of $2,000,000 and not in excess of $3,000,000, 60 per cent in addition of such excess.

"$1,639,160 upon net incomes of $3,000,000; and upon net incomes in excess of $3,000,000 and not in excess of $4,000,000, 62 per cent in addition of such excess.

"$2,259,160 upon net incomes of $4,000,000; and upon net incomes in excess of $4,000,000 and not in excess of $5,000,000, 64 per cent in addition of such excess.

"$2,899,160 upon net incomes of $5,000,000; and upon net incomes in excess of $5,000,000, 65 per cent in addition of such excess."

Mr. FISH. Mr. Chairman, I move to strike out the last two words. This may be an opportune time to say a few words in opposition to the amendment proposed by the gentleman from California, my good friend [Mr. SWING], for whom I have the highest regard, and in whom I have great confidence. He proposes to raise the income taxes to a degree comparable with the high war taxes, or, to be exact, to 65 per cent in the higher brackets, to which must be added 7 per cent in surtaxes, making a total of 72 per cent. In addition to that the State and local taxes, city and county and school taxes, and so on, will take another 15 per cent or more, which makes a total of 87 per cent. If that is not confiscation of property, then the word "confiscation" does not mean anything. Before you vote on any such excessive program of increasing Federal income taxes to 72 per cent, not in war time, when people with money could make enormous returns on their money, and it is probably proper to take a large share of it away from them by legislation, but in times of peace and in times of depression, I think you should think twice. Even the very rich can not make much from their investments in these times, and to come along and take 85 per cent of their property is wrong. If the socialists had a majority in this House, they would not go that far.

Mr. SWING. If they do not make the money, they will not have to pay it.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. COCHRAN of Missouri. Is it not a fact that the gentleman from New York has more millionaires within the boundary of his district than are in any district in the United States?

Mr. FISH. I hope the statement is true; but I regret to say that I do not think it is, and, moreover, most of my former millionaire constituents are broke.

Mr. COCHRAN of Missouri. He has a great many millionaires in his district.

Mr. FISH. I have some millionaires, and I am not ashamed of them. I only wish that we had a few more. This question is one that should be decided purely upon its merits. If you want to raise the inheritance taxes to 50 per cent or more, that is a different proposition, and I might go along with you, because the rich man, like the poor man, must inevitably die, and he can not take his riches with him. There are many conservative Americans who favor high inheritance taxes as constituting the fairest and soundest kind of a tax, and who also believe in bringing about a more equitable division of wealth instead of permitting it to accumulate in the hands of a few. However, to take 72 per cent in Federal income taxes is an entirely different proposition. Every Member of Congress, if he is honest with himself, knows that the very rich will in that event put their incomes in tax-exempt securities, and you can not blame them for doing so.

You will not get any revenue out of this by soaking the rich man who will take his money out of productive industry and buy tax-exempt bonds. You will merely hurt business and further delay our economic recovery. You are simply fooling yourselves and trying to fool the people back home by attempting to soak the rich but in fact causing more unemployment. When the bill came in raising the income tax from 20 to 40 per cent, it was a pretty big step-up in these times when very few of the rich men are making any money. I do not hold any brief for the rich, but I think we ought to be reasonable and understand what the actual result will be. When you take 85 per cent of the fortunes of the wealthy men of America, it means that their money will not go into productive enterprise, which will prolong the industrial depression and delay what we are trying to do to get back to normal conditions and provide employment for millions of American wage earners. We are not going to do it by confiscation of the big fortunes. I hope that the representatives in Congress will think a little bit about helping our return to prosperity and productive enterprise before they vote for confiscation in times of peace of the fortunes of the very wealthy in the United States of America. [Applause.]

The Clerk read as follows:

In the case of foreign corporations subject to taxation under this title not engaged in trade or business within the United States and not having any office or place of business therein, there shall be deducted and withheld at the source in the same manner and upon the same items of income as is provided in section 143 a tax equal to 12 per cent thereof in respect of all payments of income made before the enactment of this act, and equal to 13 per cent thereof in respect of all payments of income made after the enactment of this act, and such tax shall be returned and paid in the same manner and subject to the same conditions as provided in that section: *Provided*, That in the case of interest described in subsection (a) of that section (relating to tax-free covenant bonds), the deduction and withholding shall be at the rate specified in such subsection.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to direct the chairman's attention to the paragraph which is under consideration, section 144, payment of corporation income tax at its source. The bill as reported from the committee changed the existing law from 13½ to 12 per cent. Again, in the second line below, it changed the rate from 12 to 13 per cent. Should those rates be changed in view of the change in the corporation tax at which we have arrived?

Mr. CRISP. I will say to my friend that leave was given to make this change wherever it occurs in the bill.

Mr. STAFFORD. But here we have a peculiar condition. In the existing law the rate was 13½ per cent.

Mr. CRISP. No; it is 12 per cent.

Mr. STAFFORD. According to my copy you change 13½ to 12. Then in line 10 you change existing law from 12 to 13. What should those respective rates be? I do not know, myself. Should they both be 13½, should they remain as they are, or should we pass the paragraph temporarily until the experts have an opportunity to examine it?

Mr. CRISP. The experts advise me that as written in the bill it is absolutely right.

Mr. STAFFORD. Then, as I understand, only 13 in line 10 should be changed to 13½?

Mr. CRISP. Yes. And that has been done by the authority given to us a while ago, for the Clerk to make these changes.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 202. GROSS INCOME OF LIFE-INSURANCE COMPANIES.

(a) In the case of a life insurance company the term "gross income" means the gross amount of income received during the taxable year from interest, dividends, and rents.

Mr. CRISP. Mr. Chairman, I move to strike out the last word. I do this simply to give the committee this information: This is the section that places a tax on life-insurance companies. We have had the same rate on them as other corporations, and we have raised the rate to 13½. While the Committee of the Whole gave authority to change the rate to 13 wherever it appeared necessary in the bill, I felt I ought to call this to the attention of the committee.

Mr. Chairman, on page 136, line 10, I move to amend by striking out "13" and inserting "13½," and in line 12 strike out "13" and insert "13½."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

(2) Reserve funds: An amount equal to 3½ per cent of the mean of the reserve funds required by law and held at the beginning and end of the taxable year plus (in case of life-insurance companies issuing policies covering life, health, and accident insurance combined in one policy issued on the weekly premium-payment plan, continuing for life and not subject to cancellation) 3½ per cent of the mean of such reserve funds (not required by law) held at the beginning and end of the taxable year, as the commissioner finds to be necessary for the protection of the holders of such policies only.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to invite the attention of the chairman of the committee to the change in the amount of percentage which the committee recommends for reserve funds, as found in paragraph 2, page 137. The committee has changed the rate, as in existing law, from 4 per cent to 3½ per cent. I have received some communications from large insurance companies in my home city protesting against that change. It is a technical subject. I must confess I have not a very clear idea of it. These companies represent that it will militate against their policy of paying dividends to policyholders. If the gentleman can do so, will he explain the reason for cutting the amount from 4 per cent to 3½ per cent?

Mr. CRISP. In the interest of the Government. Heretofore they have been allowed a 4 per cent reduction, and this cuts it to 3½ per cent. It is estimated that this change will cost all of the insurance companies in the United States, collectively, $6,000,000.

Mr. STAFFORD. Six million dollars annually?

Mr. CRISP. Yes. I am advised that under a court decision the insurance companies were relieved from the payment of $35,000,000 in the way of refunds to the Government.

This is intended to tighten that up and try to save money to the Government. It does not discriminate against the insurance companies with respect to other corporations. They are simply asked to pay the same corporation income tax rates that other corporations pay.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. As I understand it, formerly insurance companies agreed with representatives of the Government upon the 4 per cent reserve, but under the decision of the Supreme Court there was an $8,000,000 cut of taxes. This case was fought by counsel for the Government, which was provided by the larger insurance companies who wanted to keep their agreement. When we change this from 4 to 3½ we are getting to the point of the agreement heretofore reached, as I understand it.

Mr. STAFFORD. You are not changing the language at all, you are only changing the amount of the reserve?

Mr. VINSON of Kentucky. That is true.

Mr. STAFFORD. If you were changing the language so as to tighten up, I could follow the logic of the gentleman's position. I have heard argued some of these questions of refund in the Supreme Court and I know they are highly technical, but I can not see how you are tightening up for the Government in changing the amount of the reserve.

Mr. VINSON of Kentucky. In changing the provision, you bring into the Treasury the $6,000,000.

Mr. STAFFORD. Then if you changed it to 2 per cent, you would get even more.

Mr. VINSON of Kentucky. Yes; that is true.

Mr. STAFFORD. Why do you not adhere to 4 per cent? Was not that a reasonable reserve?

Mr. VINSON of Kentucky. Because that does not bring in the money the Government expects from the insurance companies. As a matter of fact, the insurance companies under the present provision are paying very little tax at all.

Mr. STAFFORD. It was represented to me by one of the largest insurance companies in the country, located in my home city, that they would be obliged to pay one-half million dollars taxes under this provision, and this is one of the most conservatively managed companies in the country.

Mr. VINSON of Kentucky. Of course, I do not know to what company the gentleman refers——

Mr. STAFFORD. There is only one of that size and standing there, the Northwestern Mutual Life Insurance Co.

Mr. VINSON of Kentucky. That is a very splendid company, and it may be they should pay that amount.

Mr. STAFFORD. If they should pay it, they claim it will affect the dividend payments to policyholders. I am only seeking information to see whether or not this is meritorious, and I can not see the logic in just cutting down the amount to attain a change of law in the administration of this provision.

The Clerk read as follows:

(9) Specific exemption: In the case of a domestic life-insurance company the net income of which (computed without the benefit of this paragraph) is $10,000 or less, the sum of $2,000; but if the net income is more than $10,000 the tax imposed by section 201 shall not exceed the tax which would be payable if the $2,000 credit were allowed, plus the amount of the net income in excess of $10,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last figure.

I assume the committee desires to change the amount of exemption here from $2,000 to $1,000, so as to conform with the general provision heretofore adopted.

Mr. CRISP. Mr. Chairman, the able and distinguished gentleman is quite correct. I was on my feet to ask unanimous consent that wherever these exemptions appear in the bill with respect to these corporations at $2,000 the Clerk be authorized to change them to $1,000, because we have amended the bill, reducing the exemption to $1,000. In this instance it occurs in lines 7 and 10, on page 140.

Mr. LaGUARDIA. The gentleman, as I understand, asks that these corrections may be made at any place in the bill?

Mr. CRISP. That is my request—wherever they may appear in the bill.

The CHAIRMAN (Mr. Browning). Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

(1) In the case of such a domestic insurance company, 13 per cent of its net income;

(2) In the case of such a foreign insurance company, 13 per cent of its net income from sources within the United States.

Mr. CRISP. Mr. Chairman, under the agreement, "13 per cent," appearing in lines 16 and 18, should be changed to "13½ per cent."

The CHAIRMAN. Under the former order, the changes will be made.

The Clerk read as follows:

SEC. 207. COMPUTATION OF GROSS INCOME

The gross income of insurance companies subject to the tax imposed by section 201 or 204 shall not be determined in the manner provided in section 119.

Mr. LONERGAN. Mr. Chairman, the net taxable income of a life-insurance company is determined under present law by a formula, which produces a tax regardless of whether or not the year's operations result in net income. In this respect the treatment of life-insurance companies differs entirely from that of other corporations, the net taxable income of which has a relation to the net income actually earned. Under the present law a life-insurance company may be required to pay a heavy tax in a year, or in a series of years, when the company actually earns no net income. Since the present method of ascertaining net taxable income was enacted in 1921, some companies have paid taxes in years when they earned no net income. This fundamental difference should be borne in mind in any consideration of the taxation of life-insurance companies. Furthermore, while the taxes of other corporations are responsive to the actual net income earned, they are, in addition,

allowed to deduct the net loss of one year from the income earned in a succeeding year. Life-insurance companies, therefore, are not favored by the present method.

Interest, dividends, and rents constitute the gross income of a life-insurance company under the act. Premiums are not included in income on the theory that they are in the nature of capital deposits to be subsequently returned to the policyholders. No deduction is allowed for the ordinary expenses of doing business (other than investment expenses) nor for payments to policyholders. No deduction is allowed for investment losses or bad debts, neither is gain from investments included as a part of gross income. If such items were allowed, the net taxable income would be materially reduced for some years to come. Thus, the Government is highly favored by this exclusion.

The purpose of Congress in adopting this method of establishing the net taxable income of life-insurance companies was to avoid the wide fluctuations in net taxable income experienced in previous years, when the method of determining net taxable income was that applied to other corporations. This result has been achieved.

The original formula enacted in 1921 provided for the deduction of 4 per cent of the mean of the reserve funds required by law (less tax-exempt interest) from gross income. This deduction was arrived at by the Ways and Means Committee after careful consideration of all the factors involved, such as the elimination of capital gains and losses and disregard of whether or not the year's operations actually result in net income. It was the purpose not only to adopt a formula producing a dependable net taxable income, but also one of simple nature, easily checked by the Government, and thus avoiding many of the troublesome questions that resulted in litigation under the former acts. It was necessary to permit the deduction of interest on tax-exempt securities from gross income. To nullify this deduction the act of 1921 provided that 4 per cent of the mean of the reserve funds should be decreased by the amount of such tax-exempt interest before the final deduction from gross income. This nullification of the benefits accruing from the ownership of tax-exempt securities was found unconstitutional by the United States Supreme Court (277 U. S. 508). This decision struck from the act the provision for the deduction of tax-exempt interest from 4 per cent of the mean of the reserves.

When the present method was adopted in 1921 the Ways and Means Committee report contained the following statement of reasons for such action:

> The provisions of the present law applicable to life-insurance companies are imperfect and productive of constant litigation. Moreover, the taxes paid by life-insurance companies under the income tax are inadequate. It is accordingly proposed in lieu of all other taxes to tax life-insurance companies on the basis of their investment income from interest, dividends, and rents, with suitable deduction for expenses fairly chargeable against such investment income. The new tax would yield a larger revenue than the taxes which it is proposed to replace.

It should be noted that the 1921 method was designed to produce more revenue from the life-insurance companies, including the revenue previously derived from other taxes, namely, the war excess-profits tax, the capital-stock tax, and the tax on new policies issued. At the same time other corporations were paying war excess-profits taxes and capital-stock taxes. By 1928 these other corporations had been relieved of war excess-profits taxes and capital-stock taxes and were taxed only upon their net income. Life-insurance companies, however, had not been given any comparable reduction in the method of establishing their net taxable income. Life-insurance companies were then, in 1928, and are now, with the exception of the change resulting from the United States Supreme Court decision, paying taxes on a basis of determining net income which included these other and additional taxes above mentioned. The relief granted to life-insurance companies by the Supreme Court decision, it can be shown, does not entirely compensate for the relief granted by Congress to other corporations. For these additional reasons, therefore, we see no reason why it should now be proposed to deprive life-insurance companies of the benefits of the Supreme Court decision.

The present proposal is not only to increase the life-insurance tax rate from 12 to 13 per cent, the rate proposed for other corporations, but also to increase the tax base by reducing the deduction from 4 to 3½ per cent of the mean of the reserve funds. Life-insurance companies are not objecting to the payment of the proposed 13 per cent tax rate applied to other corporations, but they do protest this increase in the base upon which the tax is determined. By this proposed modificaton of the formula for ascertaining the net taxable income of a life-insurance company the basic net taxable income has been increased in the aggregate by approximately 88 per cent as compared with the present method. The increase in base and increase in rate at the same time would double the aggregate tax of life-insurance companies without there having been any increase in actual net income. We know of no reason why life-insurance companies should be singled out for such an excessive increase in the amount of their taxes.

Life insurance is a means of family protection adopted largely by the wage-earning and small-salaried class and is the only means in the majority of cases of any approach to adequate provision for their families in the event of death. Over 60 per cent of life-insurance policies are carried by persons earning incomes of less than $5,000, it was demonstrated by an investigation completed several years ago. The income of these people has undoubtedly shrunk since then. Life-insurance policyholders do much to relieve the Government of burdens which it is now facing. Yet, these policyholders are not granted the exemptions as to their life insurance which apply to other forms of savings. There is no reason why they should be discriminated against. Life insurance has been a very helpful factor in maintaining business stability during the recent troublesome times. Congress, therefore, should be loathe to impose any unfair burdens on these life-insurance policyholders, for in the end this increased taxation is levied against a form of savings which the Government should encourage, not penalize. [Applause.]

The Clerk read as follows:

(3) Mutual insurance companies other than life and marine: In the case of mutual insurance companies (including interinsurers and reciprocal underwriters, but not including mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

Mr. CRISP. Mr. Chairman, yesterday a committee amendment was adopted on page 109, line 22, in which there was a technical error in describing the section. I ask unanimous consent that this amendment be adopted, which simply describes the section properly.

The Clerk read as follows:

Committee amendment: Page 109, line 22, strike out "prescribed by section 13 (a)" and insert "prescribed by section 13 (a), 201 (d), and 204 (a)" and a comma.

The amendment was agreed to.

The Clerk read as follows:

(a) General rule: In the case of a nonresident alien individual who is not a resident of a contiguous country, the normal tax shall be 6 per cent of the amount of the net income in excess of the credits against net income allowed to such individual.

Mr. CRISP. Mr. Chairman, I offer another amendment to correct a clerical error.

The Clerk read as follows:

On page 79, line 15, after "act," insert "or the revenue act of 1928."

And on line 17, after section 141 (b), insert "of this act or the revenue act of 1928."

The amendment was agreed to.

The Clerk read as follows:

(b) Nothing in this section shall be construed to alter or amend the provisions of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes," approved July 12, 1921, relating to the imposition of income taxes in the Virgin Islands of the United States.

Mr. HAWLEY. On page 115, has the $2,000 been changed to $1,000?

The CHAIRMAN. Under the previous order of the committee, that change will be made.

The Clerk read as follows:

(k) Address for notice of deficiency: In the absence of notice to the commissioner under section 312 (a) of the existence of a fiduciary relationship, notice of a deficiency in respect of a tax imposed by this title, if mailed to the taxpayer at his last-known address, shall be sufficient for the purposes of this title even if such taxpayer is deceased, or is under a legal disability, or, in the case of a corporation, has terminated its existence.

Mr. BRIGGS. Mr. Chairman, I wish to ask the gentleman from Georgia a question. Under the provisions of this act, is there any provision for unusually large refunds that might be made in the future?

Mr. CRISP. There is no change in the existing law in relation to that.

The Clerk read as follows:

(a) For the calendar year 1932 and each calendar year thereafter a tax, computed as provided in section 502, shall be imposed upon the transfer during such calendar year by any individual, resident or nonresident, of property by gift.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word. I think this is the last observation I shall have to make in debate on this bill, but I want to inform the House of the attempts that are being made to avoid taxes before the bill is approved and enacted into law—not by any shyster lawyer, not by any irresponsible citizen, but by great financial institutions.

I have here a letter written by one of the biggest financial institutions in this country, if not the whole world, the Chase National Bank, of New York, written to all of its patrons under date of March 26, 1932. I have purposely deleted the name of the addressee because he is a gentleman of the highest standing, a man of means, but patriotic and willing to pay his share toward balancing the Budget and putting our country back on its feet, but I shall read to you the astounding language of this letter written to all the patrons of this bank. I have quite a collection of these letters. It says:

Albert H. Wiggin, chairman governing board; John McHugh, chairman executive committee; Charles S. McCain, chairman board of directors; Winthrop W. Aldrich, president; Reeve Schley, vice president.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK,
TRUST DEPARTMENT, 11 BROAD STREET,
New York, March 26, 1932.

The proposed Federal estate supertax is leading many of our clients to scrutinize their estate plans very carefully in order to obtain maximum economies. Between now and the effective date of the proposed law it will be possible, in certain instances, to effect maximum economies by setting up irrevocable living trusts, but after the passage of the new revenue bill, which is expected to include the new gift tax, the amount which an estate owner can save by setting up irrevocable living trusts will be substantially reduced.

Since it appears that the new bill does not contain any retroactive clause, those who act at once to create irrevocable living trusts may be able to save the gift-tax levy and at the same time minimize their estate liabilities and income taxes. If you will write us indicating a time and place of appointment, we shall be glad to arrange a meeting between you and a member of our trust department staff to discuss this problem with you.

Very truly yours,

REEVE SCHLEY, *Vice President.*

The chairman of the board of governors of this institution is Mr. Albert H. Wiggin, who is one of the original and prime sponsors of a movement in this country for reducing wages and bringing down the standard of living. This great institution and others have been criticizing Congress for delay in balancing the Budget, and here is an example of their efforts to destroy the work of Congress and defeat the very taxes necessary to balance the Budget.

Mr. Chairman, here is another great institution, the National City Bank of New York City, and I want Members to listen to this most astounding bank practice. I have here a memorandum written by the National City Bank to their attorneys. I shall not mention the name of the bank patron involved, but it is fair to say that he is not an American, he is not a South American, he is not a Canadian, and he is not a European. Every Member would know his name if I mentioned it. I read:

Several times during the past few weeks we have had up with you the matter of the Federal estate tax in connection with the securities accounts standing on the books of the National City Bank in the name of _____ _____ _____ and Madame _____. Our Mr. _____, of _____ division, has this account under his jurisdiction and wishes to submit a suggestion to Mr. _____ regarding the rearrangement of his account so as to avoid, as far as possible, the Federal estate tax. He proposes to suggest that securities having a market value of approximately one-half million dollars be transferred out of his present account and placed in an account to be opened in the name of Madame _____; that a further block of about half a million dollars, market value, be placed in an account to be opened in the name of _____'s children, who we understand are minors, the balance of the account to be carried in his name. It is intended that if _____ acts on this proposal and the two additional accounts are opened, Madame _____ will request the bank to accept such instructions as _____ may wish to give in regard to the disposition of income and the principal, if he should so desire. In order to assist in dealing with the subject he suggests that counsel prepare a letter to be signed by _____ instructing the bank to make the transfers in question. He would also like to get the form of letter which Mrs. _____ should write to the National City Bank instructing it to accept such instructions as he may choose to give with regard to the operation of her account. In the case of the minor children of _____, I take it, it will be sufficient for him to instruct the bank to transfer certain securities out of his joint account into the account to be opened in his name as natural guardian, and that the bank will accept his instructions regarding the operation of this account.

There, Mr. Chairman, it will be seen how necessary it is to legislate carefully to avoid these evasions of the just payment of taxes. I submit again that all this criticism against some of us who opposed the sales tax by these very people who heaped abuse on us for failure of our willingness to balance the Budget comes with very poor grace. Here you have the written evidence of their state of mind; this very act to avoid the law is typical of the policy and practice of these financial institutions. Just imagine, publicly urging Congress to enact a new revenue bill to establish more taxes and at the same time maintaining departments to aid and abet in the evasion of taxes. Oh, yes, gentlemen, they are all in favor of balancing the Budget if we tax the other fellow. In the case of Wiggins, Chase National Bank, and City National Bank the other fellow is the small business man, the honest manufacturer, and the wage earners. "Soak them with a sales tax," says the multimillionaire, "but do not tax us. If you do, we will duck the tax—making money in telling other people how to dodge their taxes." [Applause.]

Mr. CRISP. Mr. Chairman, the gentleman from New York [Mr. LaGUARDIA], who has been very fair and frank, gave the subcommittee this morning the information contained in the letters he has just referred to. I was with the subcommittee. Of course the subcommittee—and the entire House, as far as that matter goes—wishes there was some way by which they could circumvent these attempts to avoid paying taxes, but there is nothing that we can do. The Supreme Court of the United States has decided it is perfectly constitutional to pass a gift tax to take effect from the date of the passage of the act, but it could not be made retroactive. So there is nothing we can do in the premises except to try to speed up the passage of the bill and have it enacted into law as quickly as possible. Then the gift-tax provisions will prevent this sort of fraud. [Applause.]

The Clerk read as follows:

(1) A tax, computed in accordance with the rate schedule hereinafter set forth, on the aggregate sum of the net gifts for such calendar year and for each of the preceding calendar years, over—

Mr. CRISP. Mr. Chairman, may I have the attention of the gentleman from New York? We have disposed of everything up to the place where the Clerk is reading at the present time except section 104. That is a very complicated matter and my friend from New York proposed to offer an amendment to it. It was passed over at his request. He has intimated to me that he would be willing to forego the reading of that section at this time and that he is willing to withdraw his amendment, so that the reading of the bill will be up to the point where we are now.

Mr. Chairman, I ask unanimous consent that section 104 may be considered as having been read, and that the amend-

ment offered by the gentleman from New York may be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. LAGUARDIA. Mr. Chairman, I shall ask unanimous consent to withdraw my amendment. As the gentleman from Georgia says, this is a highly technical matter. It is more a matter of administration than the wording of the statute. I hope that between now and the final passage of the bill we may have further information as to the administration of the law. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

Mr. GOSS. Is this in reference to the amendment we considered in regard to surpluses?

Mr. CRISP. Yes.

The CHAIRMAN. Without objection, the amendment of the gentleman from New York will be withdrawn.

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia that section 104 may be considered as having been read?

There was no objection.

The Clerk read as follows:

GIFT TAX RATE SCHEDULE

Upon net gifts not in excess of $50,000, 1½ per cent.

$750 upon net gifts of $50,000; and upon net gifts in excess of $50,000 and not in excess of $100,000, 3 per cent in addition of such excess.

$2,250 upon net gifts of $100,000; and upon net gifts in excess of $100,000 and not in excess of $200,000, 4½ per cent in addition of such excess.

$6,750 upon net gifts of $200,000; and upon net gifts in excess of $200,000 and not in excess of $400,000, 6 per cent in addition of such excess.

$18,750 upon net gifts of $400,000; and upon net gifts in excess of $400,000 and not in excess of $600,000, 7½ per cent in addition of such excess.

$33,750 upon net gifts of $600,000; and upon net gifts in excess of $600,000 and not in excess of $800,000, 9 per cent in addition of such excess.

$51,750 upon net gifts of $800,000; and upon net gifts in excess of $800,000 and not in excess of $1,000,000, 10½ per cent in addition of such excess.

$72,750 upon net gifts of $1,000,000; and upon net gifts in excess of $1,000,000 and not in excess of $1,500,000, 12 per cent in addition of such excess.

$132,750 upon net gifts of $1,500,000; and upon net gifts in excess of $1,500,000 and not in excess of $2,000,000, 13½ per cent in addition of such excess.

$200,250 upon net gifts of $2,000,000; and upon net gifts in excess of $2,000,000 and not in excess of $2,500,000, 15 per cent in addition of such excess.

$275,250 upon net gifts of $2,500,000; and upon net gifts in excess of $2,500,000 and not in excess of $3,000,000, 16½ per cent in addition of such excess.

$357,750 upon net gifts of $3,000,000; and upon net gifts in excess of $3,000,000 and not in excess of $3,500,000, 18 per cent in addition of such excess.

$447,750 upon net gifts of $3,500,000; and upon net gifts in excess of $3,500,000 and not in excess of $4,000,000, 19½ per cent in addition of such excess.

$545,250 upon net gifts of $4,000,000; and upon net gifts in excess of $4,000,000 and not in excess of $5,000,000, 21 per cent in addition of such excess.

$755,250 upon net gifts of $5,000,000; and upon net gifts in excess of $5,000,000 and not in excess of $6,000,000, 22½ per cent in addition of such excess.

$980,250 upon net gifts of $6,000,000; and upon net gifts in excess of $6,000,000 and not in excess of $7,000,000, 24 per cent in addition of such excess.

$1,220,250 upon net gifts of $7,000,000; and upon net gifts in excess of $7,000,000 and not in excess of $8,000,000, 25½ per cent in addition of such excess.

$1,475,250 upon net gifts of $8,000,000; and upon net gifts in excess of $8,000,000 and not in excess of $9,000,000, 27 per cent in addition of such excess.

$1,745,250 upon net gifts of $9,000,000; and upon net gifts in excess of $9,000,000 and not in excess of $10,000,000, 28½ per cent in addition of such excess.

$2,030,250 upon net gifts of $10,000,000; and upon net gifts in excess of $10,000,000, 30 per cent in addition of such excess.

Mr. RAMSEYER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAMSEYER: Page 191, strike out lines 9 to 24, both inclusive, all of page 192, and lines 1 to 16, both inclusive, on page 193, and in lieu thereof insert the following:

"Upon net gifts not in excess of $10,000, three-fourths of 1 per cent.

"$75 upon net gifts of $10,000; and upon net gifts in excess of $10,000 and not in excess of $20,000, 1½ per cent in addition of such excess.

"$225 upon net gifts of $20,000; and upon net gifts in excess of $20,000 and not in excess of $30,000, 2¼ per cent in addition of such excess.

"$450 upon net gifts of $30,000; and upon net gifts in excess of $30,000 and not in excess of $40,000, 3 per cent in addition of such excess.

"$750 upon net gifts of $40,000; and upon net gifts in excess of $40,000 and not in excess of $50,000, 3¾ per cent in addition of such excess.

"$1,125 upon net gifts of $50,000; and upon net gifts in excess of $50,000 and not in excess of $100,000, 5 per cent in addition of such excess.

"$3,625 upon net gifts of $100,000; and upon net gifts in excess of $100,000 and not in excess of $200,000, 6½ per cent in addition of such excess.

"$10,125 upon net gifts of $200,000; and upon net gifts in excess of $200,000 and not in excess of $400,000, 8 per cent in addition of such excess.

"$26,125 upon net gifts of $400,000; and upon net gifts in excess of $400,000 and not in excess of $600,000, 9½ per cent in addition of such excess.

"$45,125 upon net gifts of $600,000; and upon net gifts in excess of $600,000 and not in excess of $800,000, 11 per cent in addition of such excess.

"$67,125 upon net gifts of $800,000; and upon net gifts in excess of $800,000 and not in excess of $1,000,000, 12½ per cent in addition of such excess.

"$92,125 upon net gifts of $1,000,000; and upon net gifts in excess of $1,000,000 and not in excess of $1,500,000, 14 per cent in addition of such excess.

"$162,125 upon net gifts of $1,500,000; and upon net gifts in excess of $1,500,000 and not in excess of $2,000,000, 15½ per cent in addition of such excess.

"$239,625 upon net gifts of $2,000,000; and upon net gifts in excess of $2,000,000 and not in excess of $2,500,000, 17 per cent in addition of such excess.

"$324,625 upon net gifts of $2,500,000; and upon net gifts in excess of $2,500,000 and not in excess of $3,000,000, 18½ per cent in addition of such excess.

"$417,125 upon net gifts of $3,000,000; and upon net gifts in excess of $3,000,000 and not in excess of $3,500,000, 20 per cent in addition of such excess.

"$517,125 upon net gifts of $3,500,000; and upon net gifts in excess of $3,500,000 and not in excess of $4,000,000, 21½ per cent in addition of such excess.

"$624,625 upon net gifts of $4,000,000; and upon net gifts in excess of $4,000,000 and not in excess of $4,500,000, 23 per cent in addition of such excess.

"$739,625 upon net gifts of $4,500,000; and upon net gifts in excess of $4,500,000 and not in excess of $5,000,000, 24½ per cent in addition of such excess.

"$862,125 upon net gifts of $5,000,000; and upon net gifts in excess of $5,000,000 and not in excess of $6,000,000, 26 per cent in addition of such excess.

"$1,122,125 upon net gifts of $6,000,000; and upon net gifts in excess of $6,000,000 and not in excess of $7,000,000, 27½ per cent in addition of such excess.

"$1,397,125 upon net gifts of $7,000,000; and upon net gifts in excess of $7,000,000 and not in excess of $8,000,000, 29 per cent in addition of such excess.

"$1,687,125 upon net gifts of $8,000,000; and upon net gifts in excess of $8,000,000 and not in excess of $9,000,000, 30½ per cent in addition of such excess.

"$1,992,125 upon net gifts of $9,000,000; and upon net gifts in excess of $9,000,000 and not in excess of $10,000,000, 32 per cent in addition of such excess.

"$2,312,125 upon net gifts of $10,000,000; and upon net gifts in excess of $10,000,000, 33⅓ per cent in addition of such excess."

Mr. RAMSEYER. Mr. Chairman, all this amendment does is this: The Ways and Means Committee reported estate-tax rates and also reported gift-tax rates. The brackets in the estate tax were the same as the brackets in the gift tax. In their respective brackets the gift-tax rates were just three-fourths of the estate-tax rates. The Committee of the Whole House on the state of the Union adopted a new schedule of estate-tax rates which are a little higher than the Ways and Means Committee recommended. The amendment which I now propose has the same brackets as the estate tax, as contained in the amendment adopted Tuesday of last week and in each of the brackets the rates for the gift tax are three-fourths of the rates of the estate tax.

The Committee on Ways and Means has approved this amendment, and as there is no opposition to this amendment it is not necessary for me to take time to explain it further.

Mr. CRISP. Mr. Chairman, this matter was before the Ways and Means Committee and the committee decided that if the rates of the Ramseyer amendment in relation to the inheritance taxes, increasing the committee rates 5 per cent, and also changing the brackets, is to become a law it is perfectly logical that the Ramseyer amendment, increasing the rates of the gift tax proportionately, should be accepted. The Ramseyer amendment, both as to inheritance and estate taxes, changes the committee bill in that the exemption is $50,000 instead of $100,000.

There is also more of a curve in the Ramseyer amendment, in most instances, with respect to both the estate tax and the gift tax. The committee is not going to resist the adoption of this amendment, but if a separate vote should be had in the House, which I am not going to ask for, and one of them is eliminated, I assume the House would eliminate the other.

Mr. RAMSEYER. That would be perfectly logical.

Mr. ALLGOOD. Will the gentleman yield?

Mr. RAMSEYER. I yield.

Mr. ALLGOOD. I would like to know how much revenue this will bring in as an increase over the committee proposal.

Mr. RAMSEYER. That is something that is very difficult to estimate. Under the gift tax we had in 1925 the collection made in 1926, I think, was $3,175,000. That provision was repealed. If those who would be inclined to make gifts should get it into their heads that this gift tax will be repealed in two or three years there will not be many gifts made. It is very difficult to estimate on this kind of a tax.

Mr. RAGON. I will say to the gentleman that Mr. Parker, one of the experts of the committee, estimates that the gentleman's gift taxes will raise $5,000,000 in addition to the amount that would be raised under the gift-tax provision reported by the committee.

The CHAIRMAN (Mr. JONES). The question is on the amendment offered by the gentleman from Iowa [Mr. RAMSEYER].

The amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word for the purpose of directing an inquiry to the gentleman from Georgia, the acting chairman of the committee. I want to find out how late we are going to run to-night.

Mr. CRISP. I have stated on the floor, and I can only repeat, if the membership of the House will stay with me, I am going to ask the committee to stay in continuous session until we have read all of the bill except the last section, and also one matter that I am going to ask be passed over, and I shall state to the gentleman what it is.

The only retroactive provision in this bill is the one dealing with the valuation of estates, on account of the great drop in the price of securities. I think it is important, and I want to give the House all the information I have on it, so that the House can pass upon it. I am going to ask that this be passed over until to-morrow morning; and by the way we have been going lately, I think we ought to accomplish what I am after by 7 o'clock.

Mr. RAMSEYER. In order to make it clear, do I understand the gentleman to say that section 810 will not be taken up this evening?

Mr. CRISP. If that is the correct number—I have described the provision.

The Clerk read as follows:

SEC. 505. DEDUCTIONS

In computing net gifts for any calendar year there shall be allowed as deductions:

(a) Residents: In the case of a resident—

(1) Specific exemption: An exemption of $100,000, less the aggregate of the amounts claimed and allowed as specific exemption for preceding calendar years.

(2) Charitable, etc., gifts: The amount of all gifts made during such year to or for the use of—

(A) the United States, any State, Territory, or any political subdivision thereof, or the District of Columbia, for exclusively public purposes;

(B) a corporation, or trust, or community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals; no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(C) a fraternal society, order, or association, operating under the lodge system, but only if such gifts are to be used exclusively for religious, charitable, scientific, literary, or educational purposes, including the encouragement of art and the prevention of cruelty to children or animals;

(D) posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net earnings inures to the benefit of any private shareholder or individual;

(E) the special fund for vocational rehabilitation authorized by section 12 of the World War veterans' act, 1924.

Mr. RAMSEYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. RAMSEYER: Page 194, line 18, strike out "$100,000" and insert in lieu thereof "$50,000."

Mr. RAMSEYER. Mr. Chairman, this is simply to conform with the other amendment with respect to the gift tax.

Mr. CRISP. I understand.

The amendment was agreed to.

The Clerk read as follows:

Section 301 of the revenue act of 1926 is amended by inserting after subdivision (a) a new subdivision to read as follows:

"(b) (1) If a tax has been paid under Title III of the revenue act of 1932 on a gift, and thereafter upon the death of the donor any amount in respect of such gift is required to be included in the value of the gross estate of the decedent for the purposes of this title, then there shall be credited against the tax imposed by subdivision (a) of this section the amount of the tax paid under such Title III with respect to so much of the property which constituted the gift as is included in the gross estate, except that the amount of such credit shall not exceed an amount which bears the same ratio to the tax imposed by subdivision (a) of this section as the value (at the time of the gift or at the time of the death, whichever is lower) of so much of the property which constituted the gift as is included in the gross estate bears to the value of the entire gross estate.

"(2) For the purposes of paragraph (1), the amount of tax paid for any year under Title III of the revenue act of 1932 with respect to any property shall be an amount which bears the same ratio to the total tax paid for such year as the value of such property bears to the total amount of net gifts (computed without deduction of the specific exemption) for such year."

Mr. VINSON of Kentucky. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Committee amendment: Page 189, strike out lines 19 to 25, both inclusive, and lines 1 and 2, on page 190, and insert in lieu thereof the following:

"(b) (1) If a tax has been paid under Title III of this act on a gift, and thereafter upon the death of the donor, any amount in respect of such gift is required to be included in the value of the gross estate of the decedent for the purposes of this title, then there shall be credited against the tax imposed by section 401 of this act the amount of the tax paid under such Title III with respect to so much of the property which constituted the gift as is included in the gross estate, except that the amount of such credit (A) shall not exceed an amount which bears the same ratio to the tax imposed by section 401 of this act as the value (at the time of the gift or at the time of the death, whichever is lower) of so much of the property which constituted the gift as is included in the gross estate bears to the value of the entire gross estate, and (B) shall not exceed the amount by which the gift tax paid under Title III of this act with respect to so much of the property as constituted the gift as is included in the gross estate exceeds the amount of the credit under section 301(b) of the revenue act of 1926, as amended by this act.

"(2) For the purposes of paragraph (1), the amount of tax paid for any year under Title III of this act with respect to any property shall be an amount which bears the same ratio to the total tax paid for such year as the value of such property bears to the total amount of net gifts (computed without deduction of the specific exemption) for such year."

Mr. VINSON of Kentucky. This amendment is offered to conform with the Ramseyer amendment just adopted.

Mr. RAMSEYER. Will the gentleman state just what the amendment is?

Mr. VINSON of Kentucky. It is an amendment to take care of gifts that are made in their application to the determination of the amount of the estate tax. In other words, if there is a gift made in contemplation of death, this is to take care of the additional estate tax.

Mr. RAMSEYER. A gift in contemplation of death—is there any time limit in it?

Mr. VINSON of Kentucky. No. The Supreme Court in a recent decision passed upon that and voided the congres-

sional mandate, that if a gift was made within two years prior to death, it was conclusive presumption that it was made in contemplation of death.

Mr. RAMSEYER. The decision of the court was against the conclusive presumption.

Mr. VINSON of Kentucky. It voided the conclusive presumption. I will say to the gentleman that we will have an amendment to offer that will apply to the presumptive proposition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The committee amendment was agreed to.

Mr. VINSON of Kentucky. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 100, line 9, after "1926," insert a comma and the following: "except that a return shall be required if the gross estate at the time of the decedent's death exceeds $50,000."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

(a) The first sentence of section 302 (c) of the revenue act of 1926, as amended by the joint resolution of March 3, 1931, is amended to read as follows:

"(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, or of which he has at any time made a transfer by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (1) the possession or enjoyment of, or the right to the income from, the property, or (2) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom; except in case of a bona fide sale for an adequate and full consideration in money or money's worth."

(b) Section 302 (f) of the revenue act of 1926 is amended to read as follows:

"(f) To the extent of any property passing under a general power of appointment exercised by the decedent (1) by will, or (2) by deed executed in contemplation of or intended to take effect in possession or enjoyment at or after his death, or (3) by deed under which he has retained for his life or any period not ascertainable without reference to his death or for any period which does not in fact end before his death (A) the possession or enjoyment of, or the right to the income from, the property, or (B) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom; except in case of a bona fide sale for an adequate and full consideration in money or money's worth; and."

(c) The first sentence of section 315 (b) of the revenue act of 1926 is amended to read as follows:

"(b) If (1) except in the case of a bona fide sale for an adequate and full consideration in money or money's worth, the decedent makes a transfer, by trust or otherwise, of any property in contemplation of or intended to take effect in possession or enjoyment at or after his death, or makes a transfer, by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (A) the possession or enjoyment of, or the right to the income from, the property, or (B) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom, or (2) if insurance passes under a contract executed by the decedent in favor of a specific beneficiary, and if in either case the tax in respect thereto is not paid when due, then the transferee, trustee, or beneficiary shall be personally liable for such tax, and such property, to the extent of the decedent's interest therein at the time of such transfer, or to the extent of such beneficiary's interest under such contract of insurance, shall be subject to a like lien equal to the amount of such tax."

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Has the committee considered at any time reducing the amount of the 80 per cent that we have been giving to the States in inheritance taxes?

Mr. CRISP. The committee did not consider changing it. There was some general discussion, but the committee felt that in levying the supertaxes it did not desire to disturb the present law at all. A number of States passed income tax laws after Congress passed this law permitting them to participate up to 80 per cent, and we did not consider it wise to interfere with that at the present time.

Mr. STAFFORD. I withdraw the pro forma amendment.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CRISP: Page 202, strike out lines 7 to 24, both inclusive, and insert in lieu thereof the following:

"(a) Section 302 (c) of the revenue act of 1926, as amended by the joint resolution of March 3, 1931, is amended to read as follows:

"'(c) To the extent of any interest therein of which the decedent has at any time made a transfer, by trust or otherwise, in contemplation of or intended to take effect in possession or enjoyment at or after his death, or of which he has at any time made a transfer, by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death (1) the possession or enjoyment of, or the right to the income from, the property, or (2) the right, either alone or in conjunction with any person, to designate the persons who shall possess or enjoy the property or the income therefrom; except in case of a bona fide sale for an adequate and full consideration in money or money's worth. Any transfer of a material part of his property in the nature of a final disposition or distribution thereof, made by the decedent within two years prior to his death without such consideration, shall, unless shown to the contrary, be deemed to have been made in contemplation of death within the meaning of this title.'"

Mr. CRISP. Mr. Chairman, the effect of that amendment is to remove from the present law the provision that says that when gifts are made within two years they are conclusively presumed to be made to avoid the estate tax. That is the provision of law that the Supreme Court a few days ago declared unconstitutional. This retains in the law the prima facie evidence that such gifts were made in contemplation of death, and with this amendment the Government will receive either the gift-tax rate or the estate-tax rate on the estate of any decedent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 227, line 12, strike out the semicolon and insert a comma and the following: "and for the purposes of section 336 of such act (the so-called flexible tariff provision) such tax shall not be considered a duty."

Mr. CRISP. Mr. Chairman, it will be recalled that in this bill we have levied several excise duties on imported and also domestic goods. This simply provides that the additional excise import tax levied on imported goods shall not be added to the cost for the Tariff Commission to apply the flexible clause lowering the rate in the tariff 50 per cent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. CRISP: Page 228, line 2, strike out all after "country" down to but not including the period, in line 8.

Mr. CRISP. The effect of this is to strike out some language in the bill that was applicable when the manufacturers' excise title was in it, but that being eliminated, the language is unnecessary. This removes it from the bill.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 260, strike out lines 19 to 24, both inclusive, and insert in lieu thereof the following:

"SEC. —. DEFINITION OF SALE

"For the purposes of this title, the lease of an article shall be considered the sale of such article.

"SEC. —. RETAIL SALES

"If any manufacturer, producer, or importer liable under this title for tax based on the price for which any articles are sold by him customarily sells such articles both at wholesale and at retail,

the tax in the case of any article sold by him at retail shall be computed on the price for which like articles are sold by him at wholesale.

"SEC. —. SALES FOR LESS THAN FAIR MARKET PRICE

"If any person sells an article to any person (otherwise than through an arm's-length transaction) at less than the fair market price, the tax under this title on the sale of such article shall (if based on the price for which sold) be computed on the fair market price of such article.

"SEC. —. CONTRACTS PRIOR TO MARCH 1, 1932

"(a) If (1) any person has, prior to March 1, 1932, made a bona fide contract with another person for the sale, after the tax takes effect, of any article in respect of the sale of which a tax is imposed under this title, or in respect of which a tax is imposed under this subsection, and (2) such contract does not permit the adding to the amount to be paid under such contract, of the whole of such tax, then the vendee shall, in lieu of the vendor, pay so much of the tax as is not so permitted to be added to the contract price.

"(b) The taxes payable by the vendee shall be paid to the vendor at the time the sale is consummated, and shall be collected, returned, and paid to the United States by such vendor in the same manner as provided in section 702.

"SEC. —. RETURN AND PAYMENT OF MANUFACTURERS' TAXES

"(a) Every person liable for any tax imposed by this title on sales by him (except tax under section —, relating to tax on beverages) shall make monthly returns under oath in duplicate and pay the taxes imposed by this title to the collector for the district in which is located his principal place of business, or, if he has no principal place of business in the United States, then to the collector at Baltimore, Md. Such returns shall contain such information and be made at such times and in such manner as the commissioner, with the approval of the Secretary, may by regulations prescribe.

"(b) The tax shall, without assessment by the commissioner or notice from the collector, be due and payable to the collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 1 per cent a month from the time when the tax became due until paid.

"SEC. —. APPLICABILITY OF ADMINISTRATIVE PROVISIONS

"All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the revenue act of 1926, shall, in so far as applicable and not inconsistent with this act, be applicable in respect of the taxes imposed by this title.

"SEC. —. RULES AND REGULATIONS

"The commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title.

"SEC. —. EFFECTIVE DATE

"This title shall take effect on the fifteenth day after the date of the enactment of this act, except that section —, relating to rules and regulations, and this section shall take effect on the date of the enactment of this act. No sale or importation after June 30, 1934, shall be taxable under this title."

Mr. CRISP. Mr. Chairman, the amendment simply provides the regulations for the collection of these special taxes levied in this bill on cosmetics, toilet preparations, automobiles, and sundry and divers other articles. It carries out what has been done all through the bill, provides that they shall cease by operation of law to be subject to the taxes on July 1, 1934, and the regulation provides that these taxes shall go into effect 15 days after the approval of this act.

Mr. KVALE. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. KVALE. Will the gentleman advise me whether that includes oil and coal?

Mr. CRISP. That includes all of the special excise taxes.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Sections 303 (a) (3) and 303 (b) (3) of the revenue act of 1926 are amended by inserting after the first sentence of each a new sentence to read as follows:

"If the tax imposed by section 301, or any estate, succession, legacy, or inheritance taxes, are, either by the terms of the will, by the law of the jurisdiction under which the estate is administered, or by the law of the jurisdiction imposing the particular tax, payable in whole or in part out of the bequests, legacies, or devises otherwise deductible under this paragraph, then the amount deductible under this paragraph shall be the amount of such bequests, legacies, or devises reduced by the amount of such taxes."

Mr. CRISP. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 269, after line 20, insert a new section to read as follows:

"SEC. —. EXTENSION OF TIME FOR PAYMENT

"(a) Section 305 (b) of the revenue act of 1926 is amended to read as follows:

"'(b) Where the commissioner finds that the payment on the due date of any part of the amount determined by the executor as the tax would impose undue hardship upon the estate, the commissioner may extend the time for payment of any such part not to exceed eight years from the due date. In such case the amount in respect of which the extension is granted shall be paid on or before the date of the expiration of the period of the extension, and the running of the statute of limitations for assessment and collection, as provided in sections 310 (a) and 311 (b), shall be suspended for the period of any such extension. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount in respect of which the extension is granted, and with such sureties as the commissioner deems necessary, conditioned upon the payment of the amount in respect of which the extension is granted in accordance with the terms of the extension.'

"(b) Section 308 (1) of the revenue act of 1926 is amended to read as follows:

"'(1) Where it is shown to the satisfaction of the commissioner that the payment of a deficiency upon the date prescribed for the payment thereof will result in undue hardship to the estate, the commissioner, with the approval of the Secretary (except where the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax), may grant an extension for the payment of such deficiency or any part thereof for a period not in excess of four years. If an extension is granted, the commissioner may require the executor to furnish a bond in such amount, not exceeding double the amount of the deficiency, and with such sureties as the commissioner deems necessary, conditioned upon the payment of the deficiency in accordance with the terms of the extension. In such case the running of the statute of limitations for assessment and collection, as provided in sections 310 (a) and 311 (b), shall be suspended for the period of any such extension, and there shall be collected as a part of the tax interest on the part of the deficiency the time for payment of which is so extended at the rate of 6 per cent per annum for the period of the extension, and no other interest shall be collected on such part of the deficiency for such period. If the part of the deficiency the time for payment of which is so extended is not paid in accordance with the terms of the extension, there shall be collected as a part of the tax interest on such unpaid amount at the rate of 1 per cent a month for the period from the time fixed by the terms of the extension for its payment until it is paid, and no other interest shall be collected on such unpaid amount for such period.'"

Mr. CRISP. Mr. Chairman, I think I ought to explain this amendment briefly. Under existing law, when a person dies, the estate has six years in which to pay the tax, when undue hardship would be inflicted on the estate if the tax were required to be paid in a shorter time, discretion being left to the commissioner, with the approval of the Secretary of the Treasury, to determine whether hardship would ensue. On these deferred payments they have to pay 6 per cent interest. On the deficiencies they have, under existing law, two years. The deferred payments bear 6 per cent interest, and a bond is required to guarantee that the Government will collect the amount of the tax plus 6 per cent interest.

It has developed in some of these very large estates that sometimes it would destroy an estate if they were forced to throw it on the market, especially estates consisting of large tracts of land where, possibly, they can not sell the lands at all.

This amendment simply permits, in cases where it would be an undue hardship on the estate to force the payment of the tax within the six years as now required by law, an extension to eight years, giving two years additional within which the amount of the estate tax due the Government may be paid. But let me repeat, before that is done the commissioner and the Secretary of the Treasury must decide it would be an undue hardship on the estate. Then the estate must give a bond for the payment of the tax, and the Government receives 6 per cent interest.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 810. Revaluation of depreciated estates—retroactive.

Mr. CRISP. Mr. Chairman, I think this is an important matter and I want the committee to consider it. I do not want to take it up at this late hour. I am going to be very frank and state that I want to save at least one section of this bill for consideration to-morrow, because I do not desire to get this bill out of committee to-night, for it may be necessary to-morrow for the committee to offer some other amendments, and I want some part of the bill pending so I can return to the committee to-morrow.

Therefore, I ask unanimous consent that this section, 810, be passed over.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

(b) The amendment made by subsection (a) of this section shall not apply in respect of decisions of the Board of Tax Appeals rendered on or before the date of the enactment of this act.

Mr. CRISP. Mr. Chairman, this is the last committee amendment I have to offer to-day.

The Clerk read as follows:

Committee amendment: Page 276, after line 4, insert a new section, as follows:

"SEC. —. SPECIAL DISBURSING AGENTS OF TREASURY

"The Secretary of the Treasury is authorized to designate agents in charge of divisions of internal-revenue agents to act as special disbursing agents of the Treasury for the payment of all salaries and expenses of such divisions, on giving good and sufficient bond in such form and with such security as the Secretary of the Treasury may approve, notwithstanding section 3144, Revised Statutes, as amended."

Mr. CRISP. Mr. Chairman, this does not add any new employees or any expense to the Government. The Treasury Department for years has had a revenue agent designated to act as a disbursing officer to pay the salaries of the employees. The Comptroller General has raised some question as to whether they could have a disbursing agent pay these bills, contending that the collector should be the disbursing officer.

This is in accordance with what has been done in the Treasury Department for years. The Treasury Department has recommended this so as to remove any question that may arise with the comptroller as to whether these revenue agents can be designated to act as disbursing officers for the Treasury. Of course, they are under bond to account for their acts and for any moneys handled or paid out.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 1003. REFUND OF TAXES FOR TAXABLE YEAR 1918

Section 284(h) of the revenue act of 1926 is amended to read as follows:

"(h) Except as provided in subdivision (d) this section shall not (1) bar from allowance a claim for credit or refund filed prior to the enactment of this act which but for such enactment would have been allowable, or (2) bar from allowance a claim in respect of a tax for the taxable year 1918, 1919, or 1920 if such claim is filed before the expiration of five years after the date the return was due."

Mr. BLACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLACK: Insert as part of Title VIII, administrative and general provisions, after item 14 on page 276, a new section, reading as follows:

"SEC. 1003½. CLAIMS BY ALIEN PROPERTY CUSTODIAN

"All claims for the refunding or crediting of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected may be presented by the Alien Property Custodian to the Commissioner of Internal Revenue on or before six months after the passage of this act, or on or before six months after the return of the property held by the custodian, whichever date is later."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order.

Mr. CRISP. Mr. Chairman, I would like to ask my friend from New York if he will not withdraw this amendment. It is a complicated amendment and is one changing the alien property law. A number of lawyers appeared before us and wanted to recommend such amendments on this bill as would open up matters in which they were representing clients. I am not criticizing them at all, but we were so rushed with the revenue bill we could not go into those matters. I know nothing about the amendment, and I am sure the committee does not.

Mr. LaGUARDIA. Mr. Chairman, if the gentleman will permit, why not let us vote it down? That is the most painless death we can give it.

Mr. BLACK. Mr. Chairman, I am going to accede to the suggestion of the chairman of the committee. I have offered this amendment on behalf of my colleague, the gentleman from New York [Mr. CELLER], who, I understand, wanted it read not for the information of this House but the Senate.

I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

SEC. 1006. EFFECTIVE DATE OF ACT

Except as otherwise provided, this act shall take effect upon its enactment.

Mr. HAWLEY. Mr. Chairman, this completes the reading of the entire bill with the exception of section 810?

Mr. CRISP. Yes.

Mr. HAWLEY. And such other amendments as the committee may offer to-morrow?

Mr. CRISP. Under the kind permission of the Committee of the Whole House on the state of the Union, the committee is authorized to return to any part of the bill to-morrow to offer amendments. The subcommittee will meet to-night, will have its experts with them, and will try to check up and go over the bill and see if any clarifying amendments are necessary or whether it will be necessary to recommend other tax items.

I have called a meeting of the full Committee on Ways and Means to meet at 10.30 o'clock in the morning, and I see no reason now in the world why this bill should not be disposed of to-morrow; and if so, the House will adjourn over until Monday and the Members will be given a much-needed rest for two days. [Applause.]

Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. JONES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10236, the revenue bill, and had come to no resolution thereon.

TRANSFER OF JURISDICTION IN MANAGEMENT OF INDIAN COUNTRY

The SPEAKER laid before the House the following Senate resolution:

Senate Concurrent Resolution 23

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 3322) entitled "An act to transfer certain jurisdiction from the War Department in the management of Indian country."

The resolution was agreed to.

EXTENSION OF REMARKS—THE REVENUE BILL OF 1932

Mr. AMLIE. Mr. Speaker, I am availing myself of this opportunity to extend my remarks in the RECORD in view of the fact that it was not possible to secure recognition on the floor and in view of the further fact that the Nelson amendment proposing a rebate of 4 cents a pound on tobacco purchased from farmers' cooperatives was voted down by acclamation.

This vote, of course, was due to the statement on the part of a member of the Committee on Ways and Means that whereas such a measure would help 8,000 farmers in Wisconsin belonging to the Northern Wisconsin Tobacco Pool, it would injure 418,000 farmers of the South who do not belong to any pool.

It is regrettable that no opportunity was afforded to answer this statement, but then, fortunately, the other body of

Congress will have something to say about this tax measure before it is enacted into law. It is to correct this misapprehension that I desire to make the following argument in the RECORD.

It is elementary that when farmers in any line organize into cooperatives for the purpose of securing better prices for their produce that they not only benefit themselves if they are successful, but they benefit the whole industry. This is true of tobacco. In 1922 approximately six cooperatives were organized in the United States. They have all gone out of existence save the Northern Wisconsin Tobacco Pool. This pool controls approximately 3 per cent of the total tobacco produced in the United States.

As a result of this pool, the tobacco buyer knows when he goes out to buy from the independent producer that if he does not succeed in purchasing all the tobacco he will need, it will be necessary for him to pay a higher price for that part of the crop controlled by the farmers' cooperative. The result is that the Wisconsin tobacco pool, if they are successful in raising prices, they succeed in raising the price for the whole crop produced in the United States.

The fact of the matter is that they help the 418,000 farmers through the rest of the United States almost as much as they help themselves. It is of vital interest to these 418,000 farmers that the Wisconsin crop should be held off the market by a strong organization and not dumped in competition with their crop before it is even grown, which would be the case if this pool were destroyed.

Every farmer who knows anything about cooperative merchandizing knows that this is true. It is unfortunate that the member of the committee should not be possessed of this most elementary information regarding the marketing of farm products. As a matter of fact, every Representative from tobacco-producing States should support and work for the Nelson amendment.

According to the figures introduced by Representative NELSON, the great tobacco companies having a total invested capital of $200,000,000 earned in 1931 profits of approximately 50 per cent of their total capital. This shows the power of monopoly.

On the other hand, the farmers who are without any organized bargaining power were compelled to sell their crop for an average of 7 cents per pound, whereas the cost of raising this tobacco averaged 11 cents per pound.

It is true, as the gentleman from Georgia [Mr. CRISP] has stated, that the effect of this measure would be to bring all the tobacco raisers into farmers' cooperatives. This is justified. Both the Republican and Democratic Parties profess to favor the promotion of cooperative marketing on the part of farmers. Still in this instance both parties have voted against this very thing by almost a unanimous vote.

As matters now stand, the Wisconsin tobacco pool is protecting the tobacco market in precisely the same way that the Farm Board is trying to protect the wheat and cotton markets, the only difference being that in the case of wheat and cotton the Federal Government has voted $500,000,000 to buy wheat and cotton in the open market. Most of this money has, of course, been lost.

In the case of the Northern Wisconsin Tobacco Pool the members of this organization have held the tobacco off the market at their own risk and expense and are now left holding the bag. Unless this matter is corrected in the other body, then in fairness to the American farmer, both parties should strike out of their political platforms any reference to the effect that they favor cooperative marketing on the part of farmers.

Mr. CANNON. Mr. Speaker, another assault is being made on the banks of the country.

Smarting under the defeat of the sales tax, the Treasury Department has forwarded to the Committee on Ways and Means a recommendation for a levy of 2 cents on every check and draft. They pass by numerous methods of raising revenue which have already proven their worth, and propose to saddle on the banks and their customers the most irksome and most deadly of all the nuisance taxes imposed during the war.

Many other taxes could be suggested which would bring in more money than the tax on checks and at the same time cause less inconvenience, but the administration seems determined to add to the load of the already overburdened country banks. It is establishing postal savings depositories in the smaller post offices every business day in the year. It is urging by radio, newspaper, and official circular the purchase of baby bonds, transferring funds from the banks to the United States Treasury. And now as a coup de grâce it proposes to discourage bank deposits and put business back on the cash-and-barter basis of the last century by penalizing bank checks.

No more inopportune measure could be adopted. In response to Government admonitions to discontinue real-estate loans our banks have placed their surplus funds in bonds which, however conservatively selected, either yield inadequate returns or involve heavy depreciations, or both. In compliance with State and Federal requirements they have endeavored to "keep liquid" to the inconvenience of their customers and to the loss of their stockholders. In competition with postal savings and Government bond drives they have seen their deposits melting away until their reserves are depleted and their credit impaired. And now in the midst of an unprecedented panic, the Government proposes to further cripple the banks and confuse and complicate the transaction of business by putting a tax on every check issued by a depositor or a cashier. No more ill-advised measure could be suggested. It will retard recovery, stagnate business, and heavily handicap the banks. Hoarding will be revived. Rather than pay such a tax, men will sequester their currency in socks and sardine cans, instead of depositing in the bank, and will pay in cash instead of by check in their daily business transactions.

Banditry will be encouraged by the knowledge that men are carrying cash instead of check books, and that pay rolls are being paid in currency instead of script.

Long-established business methods will be disorganized when checks, formerly relied on as receipts and records of business transactions, are dispensed with and every man becomes his own banker.

In view of the present nation-wide depression a tax on checks and drafts is both unwise and unnecessary, and the House should see that the banking and business communities are spared this last injustice and indignity. In order to balance the Budget let us adopt almost any other form of tax in preference to a tax of checks and drafts.

In keeping the local bank open we are serving every business man and indirectly every citizen of the community.

Let us not add to their burdens and to the inconvenience and expense of their patrons by slapping a nuisance tax on checks.

ADJOURNMENT

Mr. CRISP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p. m.) the House adjourned until to-morrow, Friday, April 1, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, April 1, 1932, as reported to the floor leader by the clerks of the several committees:

JUDICIARY—SUBCOMMITTEE NO. 2

(10 a. m.)

To incorporate the Disabled American Veterans of the World War (H. R. 4738).

DISTRICT OF COLUMBIA—SUBCOMMITTEE ON JUDICIARY

(10.30 a. m.)

Designating June 14 of every year a legal holiday (H. J. Res. 19).

To incorporate the Supreme Council, Illustrious Order Knights of the Cross (H. R. 7752).

To provide a game and bird sanctuary on the Potomac River, etc. (H. R. 10359).

EXECUTIVE COMMUNICATIONS, ETC.

512. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting copies of three resolutions relative to Philippine independence, which have been received from the office of the Governor General of the Philippine Islands, was taken from the Speaker's table and referred to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. LEAVITT: Committee on Indian Affairs. H. R. 4755. A bill for the construction and equipping of a hospital on Crow Indian Reservation; with amendment (Rept. No. 953). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. S. 3570. An act to amend the act entitled "An act confirming in States and Territories title to land granted by the United States in the aid of common or public schools," approved January 25, 1927; with amendment (Rept. No. 956). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10587. A bill to provide for alternate jurors in certain criminal cases; without amendment (Rept. No. 957). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10598. A bill to provide for the transportation of certain juvenile offenders to States under the law of which they have committed offenses or are delinquent, and for other purposes; without amendment (Rept. No. 958). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10589. A bill to amend section 289 of the Criminal Code; without amendment (Rept. No. 959). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10599. A bill to fix the date when sentence of imprisonment shall begin to run, providing when the allowance to a prisoner of time for good conduct shall begin to run, and further to extend the provisions of the parole laws; without amendment (Rept. No. 960). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10640. A bill to provide for the punishment of certain crimes against the United States; with amendment (Rept. No. 961). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SOMERS of New York: Committee on Coinage, Weights, and Measures. S. J. Res. 33. A joint resolution to authorize the President to award gold medals to Wiley Post and Harold Gatty in recognition of their achievement in making an airplane flight around the world in less than nine days; without amendment (Rept. No. 954). Referred to the Committee of the Whole House.

Mr. HARE: Committee on War Claims. H. R. 3626. A bill for the relief of John I. Lowe; with amendment (Rept. No. 955). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 6770) granting a pension to Ida M. Varble, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHAVEZ: A bill (H. R. 11008) granting certain public lands to the State of New Mexico for the use and benefit of the Spanish American Normal School, and for other purposes; to the Committee on the Public Lands.

By Mr. WEAVER: A bill (H. R. 11009) to extend the benefits of the act of May 1, 1926, to persons who were employed as teamsters in the Military Establishment in the war with Spain or the Philippine insurrection; to the Committee on Pensions.

By Mr. SWANK: A bill (H. R. 11010) to amend the statute relating to patent disclaimers; to the Committee on Patents.

By Mr. COCHRAN of Missouri: A bill (H. R. 11011) to establish a public-works administration and transfer to and consolidate and coordinate therein all the public-works activities of the Government; to the Committee on Expenditures in the Executive Departments.

By Mr. SHALLENBERGER: A bill (H. R. 11012) to promote the safety of employees and travelers upon railroads by compelling common carriers by railroad engaged in interstate and foreign commerce to man locomotives, trains, and other self-propelled engines or machines with competent employees, to provide the least number of men that may be employed on locomotives, trains, and other self-propelled engines or machines, to provide qualification for certain employees, and providing a penalty for the violation thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. LUDLOW: A bill (H. R. 11013) to authorize retirement promotion of officers of the Army, Navy, Marine Corps, and Coast Guard in recognition of service in World War, Spanish-American War, Philippine insurrection, and Boxer rebellion; to the Committee on Military Affairs.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 11014) to provide Federal aid for the terracing of lands in the watersheds of the tributary streams of the Mississippi River; to the Committee on Agriculture.

Also, a bill (H. R. 11015) to provide Federal aid for the construction of reservoirs on the tributary streams of the Mississippi River; to the Committee on Flood Control.

By Mr. SIROVICH: A bill (H. R. 11016) to limit the life of a patent to a term commencing with the date of the application; to the Committee on Patents.

By Mr. RICH: A bill (H. R. 11017) permitting single signature in patent applications and validating joint patent for sole invention; to the Committee on Patents.

By Mr. UNDERWOOD: A bill (H. R. 11018) to empower assignee of inventor to file divisional, continuation, renewal, or reissue application; to the Committee on Patents.

By Mr. KELLY of Illinois: A bill (H. R. 11019) to limit inventors to priority of two years before filing applications for patent; to the Committee on Patents.

By Mr. PATMAN: Resolution (H. Res. 177) to direct the Secretary of the Treasury to advise the House of Representatives what steps the Federal Reserve Board has taken to assist member banks of the Federal reserve system, and for other purposes; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KEMP: A bill (H. R. 11020) authorizing the Louisiana Highway Commission to construct, maintain, and operate a free highway bridge across the Pearl River at or near Pearlington, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. BACHMANN: A bill (H. R. 11021) granting an increase of pension to Martha Alice Davis; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 11022) for the relief of Felix Medler; to the Committee on Military Affairs.

Also, a bill (H. R. 11023) granting an increase of pension to John W. Redington; to the Committee on Pensions.

By Mr. CHAPMAN: A bill (H. R. 11024) for the relief of J. H. Trigg; to the Committee on Claims.

By Mr. DAVENPORT: A bill (H. R. 11025) granting an increase of pension to Sarah A. Boyce; to the Committee on Invalid Pensions.

By Mr. DOUGLAS of Arizona: A bill (H. R. 11026) granting an increase of pension to C. W. McFaddin; to the Committee on Pensions.

Also, a bill (H. R. 11027) for the relief of Alice Lovinia Crain; to the Committee on Military Affairs.

Also, a bill (H. R. 11028) for the relief of Aylmer R. Bell; to the Committee on Military Affairs.

Also, a bill (H. R. 11029) for the relief of Hamilton Grounds; to the Committee on Claims.

By Mr. GARRETT: A bill (H. R. 11030) for the relief of Jessie Robinson Coolidge; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 11031) granting an increase of pension to Harriett Rose; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11032) for the relief of G. P. Ponti; to the Committee on Claims.

Also, a bill (H. R. 11033) to correct the naval record of Howard Barras; to the Committee on Naval Affairs.

By Mr. LAMBERTSON: A bill (H. R. 11034) granting an increase of pension to Mary M. Bannon; to the Committee on Invalid Pensions.

By Mr. MAY: A bill (H. R. 11035) for the relief of Price Huff; to the Committee on Military Affairs.

By Mr. NELSON of Wisconsin: A bill (H. R. 11036) granting an increase of pension to Edith Pullen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11037) granting an increase of pension to Martha Frankenfield; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11038) granting an increase of pension to Louisa J. Wagoner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11039) granting an increase of pension to Elizabeth C. Hunter; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 11040) granting an increase of pension to Lois Amelia Wilson; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 11041) for the relief of Lucy H. Doak; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 11042) granting a pension to Alice B. Cook; to the Committee on Pensions.

By Mr. TARVER: A bill (H. R. 11043) granting an increase of pension to Sarah A. Boman; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 11044) for the relief of Lloyd D. Rhodes; to the Committee on Military Affairs.

Also, a bill (H. R. 11045) for the relief of Claude B. Robinson; to the Committee on Naval Affairs.

Also, a bill (H. R. 11046) authorizing the United States Employees' Compensation Commission to consider the claim of O. G. Anderson; to the Committee on Claims.

By Mr. WYANT: A bill (H. R. 11047) granting an increase of pension to Catharine Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11048) granting an increase of pension to Margaret J. May; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11049) granting a pension to Nora Remaley; to the Committee on Invalid Pensions.

By Mr. HILL of Alabama: House joint resolution (H. J. Res. 349) granting permission to Capt. Kinsley W. Slauson, Quartermaster Corps, United States Army, to accept certain medals bestowed upon him by the Government of the Republic of France; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5248. By Mr. BACON: Petition of the Merchants Association of New York, protesting against the enactment of the Glass bill for the amendment of the Federal reserve act, S. 4115; to the Committee on Banking and Currency.

5249. By Mr. BOEHNE: Petition of citizens of Evansville, Ill., requesting Congress to enact a law for the Federal supervision of motion pictures; to the Committee on the Judiciary.

5250. By Mr. BOHN: Petition of Pilgrim Lodge, No. 47, Independent Order of Odd Fellows, Houghton, Mich., requesting the adoption of a protective tariff on copper; to the Committee on Ways and Means.

5251. By Mr. CRAIL: Petition of Hollywood Unit, No. 27, United Veterans of the Republic, of Hollywood, Calif., favoring adequate appropriations for national defense; to the Committee on Military Affairs.

5252. Also, petition of hundreds of firms and citizens of Los Angeles, consisting of 264 telegrams, protesting against the imposition of a tax on the sale of securities on the stock exchange; to the Committee on Ways and Means.

5253. By Mr. GARRETT: Petition of citizens of Katy, Tex., protesting against the repeal of the eighteenth amendment; to the Committee on the Judiciary.

5254. By Mr. GOLDSBOROUGH: Petition of citizens of Salisbury, Md., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5255. Also, petition of citizens of Greensboro, Md., and vicinity, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5256. By Mr. JAMES: Telegram from Leo Robert, member of American Legion, Marquette, Mich., opposing any bill to reduce salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5257. Also, telegram from Dan Vaughan, sr., of Marquette, Mich., protesting against reduction in the wages of the employees in the mail service; to the Committee on Expenditures in the Executive Departments.

5258. Also, telegram from L. A. Beaudry, of Marquette, Mich., opposing Federal employees' salary reduction; to the Committee on Expenditures in the Executive Departments.

5259. Also, telegram from R. L. Kendricks, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5260. Also, telegram from J. L. Fine, of Marquette, Mich., opposing any bill to reduce salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5261. Also, telegram from Andrew E. Peterson, dry-goods merchant, of Marquette, Mich., opposing cut of Federal salaries; to the Committee on Expenditures in the Executive Departments.

5262. Also, telegram from John T. Powers, of Marquette, Mich., opposing reduction of Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5263. Also, telegram from H. H. Pellow, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5264. Also, telegram from L. O. Hadley, of Marquette, Mich., soliciting support in defeating any measure to reduce Government employees' salaries; to the Committee on Expenditures in the Executive Departments.

5265. Also, telegram from Anderson & Luneau Meat Market, of Marquette, Mich., soliciting support in defeating any measure to reduce Government workers' salaries; to the Committee on Expenditures in the Executive Departments.

5266. Also, telegram from August Mellin, of Marquette, Mich., opposing reduction of salaries of Federal employees; to the Committee on Expenditures in the Executive Departments.

5267. Also, telegram from Silas C. Boucher, of Marquette, Mich., opposing reduction of Government salaries; to the Committee on Expenditures in the Executive Departments.

5268. Also, telegram from Flanigan Bros. Storage Co., of Marquette, Mich., protesting against reduction of Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5269. Also, telegram from Felix Lucchesi, of Laurium, Mich., requesting tariff on copper; to the Committee on Expenditures in the Executive Departments.

5270. Also, telegram from Alex Onkka, Calumet Township treasurer, Calumet, Mich., requesting tariff on copper; to the Committee on Expenditures in the Executive Departments.

5271. By Mr. JOHNSON of Texas: Petition of 191 ex-service men and citizens of Corsicana and Navarro County, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5272. By Mr. KELLER: Petition of the John A. Logan Post, No. 347, American Legion, Carterville, Ill., urging the passage of the widows and orphans bill; to the Committee on Pensions.

5273. Also, petition of the Pinckneyville Rotary Club, of Pinckneyvill, Ill., urging the passage of Senate bill 2793; to the Committee on Interstate and Foreign Commerce.

5274. By Mr. KELLY of Pennsylvania: Petition of citizens of Elizabeth, Pa., urging that the eighteenth amendment be maintained; to the Committee on the Judiciary.

5275. By Mr. KINZER: Resolution of citizens of Lancaster County, Pa., opposing excise tax on motor cars or the motor industry; to the Committee on Ways and Means.

5276. Also, resolution adopted by Oakryn Council, No. 196, Fraternal Patriotic Americans, representing 82 members, of White Rock, Lancaster County, Pa., urging support to House bill 9597 and House Joint Resolution 277; to the Committee on Immigration and Naturalization.

5277. By Mr. KVALE: Petition of Swift County Farmers Union, Minnesota, urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

5278. Also, petition of Swift County Farmers Union, Minnesota, urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

5279. Also, petition of Swift County Farmers Union, Minnesota, urging enactment of House bill 1; to the Committee on Ways and Means.

5280. Also, petition of Swift County Farmers Union, Minnesota, urging enactment of veterans' widows and orphans bill; to the Committee on Pensions.

5281. Also, petition of Post No. 227, American Legion, Danube, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5282. Also, petition of Sophia L. Rice Auxiliary, No. 10, of Willmar, Minn., urging enactment of House bill 7230; to the Committee on Pensions.

5283. Also, petition of four American Legion posts in Mille Lacs County, Minn., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5284. Also, petition of four American Legion posts in Mille Lacs County, Minn., urging enactment of House bill 7230; to the Committee on Pensions.

5285. Also, petition of Adwell-Ashely Post, No. 180, Renville, Minn., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5286. Also, petition of Yellow Bank Union of Big Stone City, S. Dak., protesting against the sales tax and urging higher income taxes; to the Committee on Ways and Means.

5287. Also, petition of Messrs. Corbet, Green, Bolter, Soderstrom, Obenauer, Kinney, Jacobs, and Persons, of Minneapolis, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5288. Also, petition of Allied Printing Trades Council of Minneapolis, protesting against reduction of wages of Federal employees; to the Committee on Appropriations.

5289. Also, petition of Chapter No. 203, Association of the Railroad Labor Organization, St. James, Minn., urging enactment of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5290. Also, petition of Associated Brotherhoods, Montevideo, Minn., urging enactment of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5291. By Mr. LAMBETH: Petition signed by 296 ex-service men and business men of Troy, Montgomery County, N. C., favoring immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5292. By Mr. LANKFORD of Georgia: Petition of members of the Woman's Christian Temperance Union of Douglas, Ga., opposing the resubmission of the eighteenth amendment to be ratified by the State conventions or by State legislatures; to the Committee on the Judiciary.

5293. By Mr. ROBINSON: Petition signed by about 70 citizens of the State of Iowa and employees of the Rock Island Railroad, urging the passage of House bill 9891, the railroad employees' national pension bill; to the Committee on Interstate and Foreign Commerce.

5294. Also, petition signed by W. J. Sutcliffe, of Waterloo, Iowa, and 31 other members of the Cedar Falls Gun Club, opposing the 1-cent tax on shells, and urging that same be defeated; to the Committee on Ways and Means.

5295. By Mr. RUDD: Petition of the Exchange Club, New Berlin, N. Y., favoring the passage of House bills 1967 and 5659; to the Committee on the Judiciary.

5296. Also, petition of the New York Typographical Union, No. 6, favoring the passage of House bill 8576, the Romjue bill; to the Committee on Ways and Means.

5297. Also, petition of the New York Tow Boat Exchange, New York City, opposing the transfer to the Administrator of Public Works all authority, duty, and details of the Department of War; to the Committee on Expenditures in the Executive Departments.

5298. Also, petition of the American Fur Merchants Association (Inc.), New York City, opposing the excise tax on furs; to the Committee on Ways and Means.

5299. Also, petition of Markay Waist House, New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

5300. Also, petition of New York State Automobile Association, Albany, N. Y., opposing the tax on gasoline and motor cars; to the Committee on Ways and Means.

5301. Also, petition of Ladies Auxiliary, United National Association of Post Office Clerks, Branch 2, Brooklyn, N. Y., opposing salary reduction of Federal employees; to the Committee on Expenditures in the Executive Departments.

5302. Also, petition of the Bar Association of Erie County, N. Y., 461 members voting in favor of repeal of the eighteenth amendment and Volstead Act and 50 voting against; to the Committee on the Judiciary.

5303. By Mr. SANDERS of New York: Petition of American Legion of Nunda, N. Y., favoring immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5304. By Mr. SCHUETZ: Petition of Group No. 865 of the Polish National Alliance of the United States, memorializing Congress to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

5305. By Mr. WEST: Petition of William Kunkle and 28 other citizens of Columbus, Ohio, asking Congress to enact legislation to curb the activities of the growing monopolistic organizations throughout the country commonly known as the chain-store system; to the Committee on the Judiciary.

SENATE

FRIDAY, APRIL 1, 1932

(Legislative day of Wednesday, March 23, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 23) requesting the President to return to the Senate the enrolled bill (S. 3322) to transfer certain jurisdiction from the War Department in the management of Indian country.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cousens	Kean	Robinson, Ark.
Austin	Dale	Kendrick	Robinson, Ind.
Bailey	Davis	Keyes	Schall
Bankhead	Dickinson	King	Sheppard
Barbour	Dill	La Follette	Shipstead
Barkley	Fess	Lewis	Shortridge
Bingham	Fletcher	Logan	Smoot
Black	Frazier	Long	Steiwer
Borah	George	McGill	Thomas, Idaho
Bratton	Glass	McKellar	Thomas, Okla.
Brookhart	Goldsborough	McNary	Townsend
Broussard	Gore	Morrison	Trammell
Bulkley	Hale	Moses	Tydings
Bulow	Harrison	Neely	Vandenberg
Byrnes	Hatfield	Norbeck	Wagner
Capper	Hayden	Norris	Walcott
Caraway	Hebert	Nye	Walsh, Mass.
Connally	Howell	Oddie	Walsh, Mont.
Coolidge	Hull	Patterson	Watson
Copeland	Johnson	Pittman	White
Costigan	Jones	Reed	

Mr. TOWNSEND. My colleague, the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent. I will let this announcement stand for the day.

Mr. KENDRICK. I desire to announce the absence of my colleague [Mr. CAREY] on official business.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. FESS. The senior Senator from Rhode Island [Mr. METCALF] is necessarily absent because of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

PROTESTS AGAINST TAX ON STOCK TRANSFERS

Mr. COPELAND. Mr. President, before 10 o'clock this morning I had received several hundred telegrams and letters protesting against the proposed tax on stock transfers. It is utterly impossible for me to reply to these. I want the RECORD to show that I have received the letters and telegrams and have noted them, but that it will be impossible to make a personal reply. I dare say that this is true of other Senators. Even with an augmented office force I can not handle the mail coming to my office. On these matters, which are purely protests, I wish to make the announcement that I have received the telegrams and letters, but can not make a personal reply to them.

REPORT OF THE RECONSTRUCTION FINANCE CORPORATION (S. DOC. NO. 75)

The VICE PRESIDENT laid before the Senate the first quarterly report of the Reconstruction Finance Corporation, submitted pursuant to law, covering its operations to and including March 31, 1932, which, with the accompanying papers, was referred to the Committee on Banking and Currency and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from John J. McGinn, of New York City, N. Y., relative to the operation of the eighteenth amendment of the Constitution and the Volstead Act, which was referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the board of supervisors of San Francisco, Calif., favoring the passage of the so-called Bingham bill, permitting the manufacture of 4 per cent beer, which were referred to the Committee on Manufactures.

He also laid before the Senate resolutions adopted by the Brotherhood of the First Presbyterian Church of Long Beach, Calif., indorsing the convention for limiting the manufacture and regulating the distribution of narcotic drugs, signed at Geneva, July 13, 1931, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the City Council of Lynn, Mass., favoring the passage of legislation to authorize payment in full of adjusted-service compensation certificates (bonus), which were referred to the Committee on Finance.

Mr. KEAN presented memorials of sundry citizens of the States of New Jersey and New York, remonstrating against the passage of legislation placing a tax upon sales of stocks and bonds, which were referred to the Committee on Finance.

Mr. ASHURST presented telegrams, in the nature of petitions, from Ernest Graham, sheriff; C. L. Cornwall, treasurer; and Madge U. Munds, school superintendent, all of Mohave County, Kingman, Ariz., praying for the passage of legislation providing for the immediate payment of adjusted-compensation certificates of World War veterans (bonus), which were referred to the Committee on Finance.

Mr. BROOKHART presented a petition of sundry citizens of Oskaloosa, Iowa, praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. KING presented a resolution adopted by the Ogden (Utah) Chamber of Commerce, favoring the passage of legislation repealing the recapture clause of the transportation act of 1920, and making such repeal retroactive, which was referred to the Committee on Interstate Commerce.

Mr. BINGHAM presented the petition of members of the Superintendents' Club, of Stamford, Conn., praying for the passage of legislation providing for the proper investigation and control of individuals and groups whose activities are contrary to the principals of the Constitution, particularly communists, which was referred to the Committee on the Judiciary.

Mr. JONES presented a paper, in the nature of a memorial, from the Spokane (Wash.) Chamber of Commerce, protesting and regretting "the growing tendency to assail, on account of prior decisions made by them, Federal judicial appointees under consideration for confirmation by the Senate," etc., which was referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions of the Woman's Christian Temperance Union and sundry citizens of Stockton and Webster, Kans., praying for the maintenace of the prohibition law and its enforcement, and protesting against the adoption of any measure looking toward its modification, resubmission to the States, or repeal, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of Girard, Kans., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

TAX ON ADMISSIONS TO GAMES AND AMUSEMENTS

Mr. ROBINSON of Arkansas. Mr. President, I present and ask leave to have printed in the RECORD and appropriately referred a brief statement by the president of Hendrix College, in the State of Arkansas, relating to the subject of taxation.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PRESIDENT'S OFFICE,
HENDRIX COLLEGE,
Conway, Ark., March 29, 1932.

Senator JOE T. ROBINSON,
Washington, D. C.

MY DEAR SENATOR ROBINSON: I am advised there is an attempt in pending revenue measures in Congress to restore the 10 per cent tax on admission to games and amusements and to repeal

the former clause that exempts college and university sports from this tax.

If colleges like Hendrix and the institutions in Arkansas have a tax of 10 per cent on admission to games, it will probably require the discontinuance of intercollegiate athletics. It is with the greatest difficulty that Arkansas colleges are able to finance physical education at all, and such a tax would simply mean to kill intercollegiate sport in this State.

Sincerely yours,

J. H. REYNOLDS.

"THE GEORGE WASHINGTON HIGHWAY"

Mr. NEELY presented a letter from Franklin L. Burdette, secretary of the West Virginia Society, Sons of the American Revolution, of Huntington, W. Va., which was referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

WEST VIRGINIA SOCIETY,
SONS OF THE AMERICAN REVOLUTION,
Huntington, W. Va., March 29, 1932.

Hon. M. M. NEELY,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR NEELY: The West Virginia Society, Sons of the American Revolution, through its board of managers, heartily indorses the project to create "The George Washington Highway," a coast-to-coast memorial to the Father of the Republic, as provided in H. R. 9596.

This tribute to Washington, especially fitting in the bicentennial year, will require no appropriation. We most earnestly urge your support of the measure.

Respectfully yours,

FRANKLIN L. BURDETTE,
Secretary, West Virginia Society,
Sons of the American Revolution.

PROHIBITION ENFORCEMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred two communications in the nature of petitions from Kentucky with reference to the prohibition law.

There being no objection, the petitions were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

We, the undersigned, urge that you use your influence and cast your vote in support of the maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal, and that this petition be printed in the CONGRESSIONAL RECORD.

Mrs. A. T. Lyons, Mrs. J. J. Hanners, Mrs. E. Cummins, Mrs. S. E. Eisensmith, Mrs. M. Winstel, Miss Florence Falconer, Mrs. Mary Phillips, J. M. Rogers, Mrs. G. G. Grimm, Mrs. Chas. O. Clark, Ralph W. Rogers, F. A. Rudd, Benj. F. Foster, E. A. Caldwell, Mrs. Anna Allen Davies, Mrs. Myrtie Bryan Norris, Mrs. Clara C. Haines, Fort Thomas, Ky.

We, the undersigned, urge that you use your influence and cast your vote in support of the maintenance of the prohibition law and its enforcement and against any measure looking toward its modification, resubmission to the States, or repeal, and that this petition be printed in the CONGRESSIONAL RECORD.

Mary L. Korn, Mrs. H. R. Jackson, Mrs. F. Listerman, Mrs. H. Kelley, Mrs. C. N. Blennerhassett, Mrs. W. W. Styre, Mrs. Sallie S. Sahnger, Miss Jessie Schriver, Mrs. C. M. Prather, Miss L. C. Lunker, Bertha M. Davies, Mrs. Leroy Velkley, Winford Schnelle, Sylvia Tarvin, Edith Dameron, C. Marshall, Flora Lambert, Pearl Smith, Mrs. Clara C. Haines, Fort Thomas, Ky.

RECIPROCAL TARIFF AGREEMENTS

Mr. WAGNER presented a petition, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PETITION SIGNED BY 800 AMERICAN BUSINESS LEADERS WHO ATTENDED THE NATIONAL BANQUET AND MASS MEETING OF THE WORLD TRADE LEAGUE OF THE UNITED STATES AT THE HOTEL ASTOR, IN NEW YORK, MONDAY, MARCH 21, 1932

It is the sense of this meeting that immediate action should be taken by the Congress of the United States to put into effect a policy of reciprocal tariff agreements enabling our Government to bargain with other countries and, through mutual tariff concessions, thus promote a larger volume of international trade.

In the firm belief that such a policy will prove definitely helpful in restoring jobs to many Americans, increasing industrial activity, and relieving the economic situation of this country, the Congress of the United States is urged to adopt reciprocal tariff measures for the purpose of moderating the barriers that are in restraint of world trade.

WORLD TRADE LEAGUE OF THE UNITED STATES,
NEW YORK SECTION,
GEORGE E. BAUER, *Chairman.*

FEDERAL CONSTRUCTION WORK—RELIEF OF UNEMPLOYMENT

Mr. WAGNER presented a resolution of the New York State Highway Chapter, Associated General Contractors of America (Inc.), Albany, N. Y., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the people of the United States are now suffering from a dangerous economic depression, which is becoming of increasingly ominous proportions, more fraught with national peril and disaster than was threatened by the late Great War, and which is rapidly lowering the morale of many basic industries and the patriotism of millions of representative citizens; and

Whereas the Federal Government saw fit to participate in the late Great War to the extent of many billions of dollars without our ever having been menaced by the perils of war within the borders of this country; and

Whereas postwar Federal bond issues authorized for the relief of situations and conditions caused by the late Great War were quickly and vastly oversubscribed indicating a fundamentally sound financial position in this country; and

Whereas unbiased and nonpartisan economists, as well as simple logic, tell us that necessary and vitally important public improvements carried out on a large scale throughout the United States, with the individual States and the Federal Government participating, would almost immediately relieve the unemployment situation which is now desperately serious, and at the same time restore normal industrial and commercial progress; and

Whereas the very widespread lack of necessary and vitally important public improvements, such as paved highways, modern bridges, flood-control levees, recreation centers, institutions for the care of disabled and defective persons, etc., is annually taking a tragic and tremendous toll of human lives and billions of dollars through fire, flood, famine, and felony: Therefore be it

Resolved, (a) That it is economically, morally, and almost criminally wrong for our State and Federal legislatures and other governmental departments to curtail public improvement programs at this time, or to bicker at this time over legislation which would not only provide immediate productive and constructive employment but also steer us away from the threatening economic evil of the dole, which would place a premium on idleness and result in no constructive or lasting benefits to the public;

(b) That if for no other reason than to stimulate a sagging national morale and patriotism it is particularly the immediate duty of our Federal Government to make available for public construction of all worthy types, by bond issues, advances to States, or other sound financial methods at least one-fourth as many billions of dollars as were spent by this country in its participation in a war that was not nearly so great a menace to our country's civilization as the economic depression which now prevails;

(c) That our Federal legislative and executive bodies, as well as such bodies in some of our States, will be guilty of gross and criminal neglect if they do not at once use their full powers to arrange funds for the immediate execution of such public works that will not only thoroughly relieve the unemployment situation but also contribute to the general welfare of the country by increasing public economies and decreasing public evils;

(d) That copies of this resolution be placed formally in the hands of the President of the United States, the United States Senators and Congressmen from New York, the Governor of New York, and the speakers of the house and the senate in the Legislature of New York.

UTICA, N. Y., *March 9, 1932.*

REPORTS OF COMMITTEES

Mr. BARBOUR, from the Committee on Military Affairs, to which was referred the bill (H. R. 3559) for the relief of Elizabeth Moncravie, reported it without amendment and submitted a report (No. 494) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1752) to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State, reported it with an amendment and submitted a report (No. 495) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 1705) for the relief of Samuel C. Davis, reported it with an amendment and submitted a report (No. 496) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 483) to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River, reported it without amendment and submitted a report (No. 497) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 96) to punish the sending through the mails of certain threaten-



ing communications, reported it without amendment and submitted a report (No. 493) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. REED, from the Committee on Military Affairs, reported favorably sundry nominations of officers in the Regular Army.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 4284) relating to the competency of husband and wife as witnesses; to the Committee on the Judiciary.

By Mr. LEWIS:

A bill (S. 4285) for the relief of George W. McDonald; to the Committee on Military Affairs.

By Mr. HOWELL:

A bill (S. 4286) to authorize credit in the disbursing account of Donna M. Davis; and

A bill (S. 4287) for the relief of Harold W. Merrin (with accompanying papers); to the Committee on Claims.

By Mr. WALSH of Montana:

A bill (S. 4288) to amend section 19 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 4289) to amend the act of February 23, 1927, as amended (U. S. C., title 47, sec. 85), and for other purposes; to the Committee on Commerce.

A bill (S. 4290), relating to loans to railroads, introduced by Mr. COUZENS and referred to the Committee on Banking and Currency, see under a separate heading.)

By Mr. NORBECK:

A bill (S. 4291) to amend section 5219 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

By Mr. KING:

A bill (S. 4292) granting certain lands to the State of Utah for use and benefit of the Utah State Agricultural College; to the Committee on Public Lands and Surveys.

By Mr. GLASS:

A bill (S. 4293) to extend the benefits of the employees' compensation act of September 7, 1916, to Henry Harrison Griffith (with accompanying papers); to the Committee on Claims.

LOANS TO RAILROADS

Mr. COUZENS. Mr. President, I desire to introduce a bill to transfer the provisions of the Reconstruction Finance Corporation act, in so far as that act relates to loans to railroads, to the Interstate Commerce Commission.

I ask that the bill be referred to the Committee on Banking and Currency. I also ask that the bill may be printed in the RECORD, to be followed by an article in the weekly news magazine Time of March 28, 1932, concerning railroad loans, and that the article likewise be referred to the committee.

The bill (S. 4290) to repeal the provisions of the Reconstruction Finance Corporation act relating to loans to railroads, and for other purposes, was read twice by its title, and, with the accompanying paper, referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That so much of sections 5 and 8 of the Reconstruction Finance Corporation act, as relates to the making of loans by the Reconstruction Finance Corporation to aid in the temporary financing of railroads and railways engaged in interstate commerce, to railroads and railways in the process of construction, and to receivers of such railroads and railways, is hereby repealed. Nothing in this section shall be construed to affect in any way any such loan made by the corporation prior to the date of enactment of this act.

SEC. 2. (a) For a period of two years after the date of approval of this act any carrier by railroad subject to the interstate commerce act, as amended, may make application to the Interstate Commerce Commission for a loan from the United States to meet its maturing bonds, debentures, and equipment indebtedness, setting forth the amount of the loan, the term for which it is desired, the present and prospective ability of the applicant to repay the loan, the character and value of the security offered, and the extant to which the public convenience and necessity will be served. The application shall be accompanied by statements showing such facts in detail as the commission may require with respect to the physical situation, ownership, capitalization, indebtedness, contract obligations, operation, and earning power of the applicant, together with such other facts relating to the propriety and expediency of granting the loan applied for, and the ability of the applicant to make good the obligation, as the commission may deem pertinent to the inquiry.

(b) If the commission, after such hearing and investigation, with or without notice, as it may direct, finds that the making, in whole or in part, of the proposed loan by the United States, for one or more of the aforesaid purposes, is necessary to enable the applicant properly to meet the transportation needs of the public, and that the prospective earning power of the applicant and the character and value of the security offered are such as to furnish assurance of the applicant's ability to repay the loan within the time fixed therefor, the commission shall certify to the Secretary of the Treasury its findings of such facts; also the amount of the loan which is to be made; the time, not exceeding three years from the making thereof, within which it is to be repaid; the terms and conditions of the loan, including the security to be given for repayment; that the prospective earning power of the applicant, together with the character and value of the security offered, furnish, in the opinion of the commission, assurance of the applicant's ability to repay the loan within the time fixed therefor and protection to the United States; and that the applicant, in the opinion of the commission, is unable to provide itself with the funds necessary for the aforesaid purposes from other sources.

(c) Upon receipt of such certificate from the commission the Secretary of the Treasury shall immediately, or as soon as practicable, make a loan of the amount recommended in such certificate out of any funds in the revolving fund provided for in this section and accept the security prescribed therefor by the commission. All such loans shall bear interest at the rate of 6 per cent per annum, payable semiannually, to the Secretary of the Treasury, and to be placed to the credit of said revolving fund. The form of obligation to be entered into shall be prescribed by the Secretary of the Treasury, but the time, not exceeding three years from the making thereof, within which such loan is to be repaid, the security which is to be taken therefor, and the terms and the conditions of the loan shall be in accordance with the findings and the certificate of the commission.

(d) The commission or the Secretary of the Treasury may call upon the Federal Reserve Board for advice and assistance with respect to any such application or loan.

(e) There is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $400,000,000, which shall be used as a revolving fund for the purpose of making the loans provided for in this section.

(f) A carrier may issue evidences of indebtedness to the United States pursuant to this section without the authorization or approval of any authority, State or Federal, and without compliance with any requirement, State or Federal, as to notification.

The magazine article is as follows:

[From the issue of Time of March 28, 1932]

NATIONAL AFFAIRS—THE PRESIDENCY—RAIL LOANS UNSNARLED

President Hoover took a hand at straightening out what was threatening to become a serious snarl within Reconstruction Finance Corporation over railroad loans. The trouble started when banks showed a tendency to call their short-term credits to the carriers and leave the full burden of relief up to the Reconstruction Finance Corporation. Estimates of the relief needed by railroads ran as high as a billion dollars for 1932 alone. Reports were concurrent that President Dawes was willing to have Reconstruction Finance Corporation assume this full financial load with no stickling over collateral, whereas Board Chairman Meyer felt that the banks should not "pass the buck" to the Government but continue their credit assistance to the roads. That there was nothing personal in this rift of Reconstruction Finance Corporation opinion was evidenced when, after a board meeting, Mr. Dawes slapped Mr. Meyer on the back and exclaimed: "Gene, you're a brick!"

But the carriers fussed and fumed as uncertainty held up $300,000,000 worth of their Reconstruction Finance Corporation loan applications. President Hoover summoned President Dawes, talked with Chairman Meyer, then held an hour-long conference with 13 rail executives representing such roads as the Pennsylvania, Chesapeake & Ohio, Louisville & Nashville, Northern Pacific, Missouri Pacific, Southern, Union Pacific, New York, New Haven & Hartford, Baltimore & Ohio, and New York Central. Lips sealed, the railroaders emerged from the President's office looking glum and anxious. Next day, having arranged a compromise between Messrs. Dawes and Meyer for rail relief, the President cheerfully announced: (1) The roads' financial problem is "of smaller

dimensions than has been generally believed or reported"; (2) between three and four hundred millions, and not a billion, will be required to help them through the year; (3) of this, Railway Credit Corporation will supply a minimum of $50,000,000. (When Railway Credit Corporation's pool was authorized by the Interstate Commerce Commission it was estimated that $100,000,000 would flow into it from increased freight rates. Traffic declines halved the estimate.) (4) "It is assumed that many bank loans will be continued in the normal way"; (5) "recourse to the Reconstruction Finance Corporation by the railroads will be much less than was originally thought."

CHANGE OF REFERENCE

On motion of Mr. HOWELL, the Committee on Claims was discharged from the further consideration of the bill (S. 4238) for the relief of Mrs. Hugh J. Finn, and it was referred to the Committee on Naval Affairs.

REVENUE AND TAXATION—AMENDMENTS RELATIVE TO PULP, SHINGLES, AND TIMBER

Mr. JONES submitted three amendments intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

CONSOLIDATION OF GOVERNMENT BUREAUS

Mr. LEWIS. Mr. President, I submit a resolution which would authorize the Vice President to name a committee of Senators to ascertain the advisability of the amalgamation of certain departments of the Government in accordance with a plan such as I presented to the Senate the other day. I ask that it may be received and lie on the table for the present.

The resolution (S. Res. 190) was ordered to lie on the table, and it is as follows:

Resolved, That the Vice President of the United States, as presiding officer of the Senate, appoint a committee of Senators not exceeding seven in number, to investigate and report as to the advisability of and the advantages in the consolidation of bureaus of Government, particularly as follows:

(1) The administration of the Department of the Interior consolidated with the Department of Agriculture, carrying with it the Bureau of Indian Affairs and its administration and the consolidation of all bureaus that have to do with the administration of land or its issue—geology, oil, minerals, and all other administrations of land except that necessary to be administered under the laws by the War Department.

(2) The consolidation and amalgamation with the Department of Commerce of all bureaus of transportation by land or water, such as the Shipping Board, and the administrations of all such issues applicable to the boards to be transferred to the administration of the courts—particularly to amalgamate all departments of transportation by land or water not transferred to the courts as the mere adjunct of commerce.

(3) The abolishment of the Interstate Commerce Commission and the transfer of all the duties now defined to that body to the Federal courts, authorizing the Federal courts to take immediate jurisdiction of any dispute as to freight or passenger rates or as to consolidation and amalgamation of lines of railway or shipping The object being to give the courts immediate jurisdiction to investigate and report, decide and decree the equity of rates and the justice of amalgamation, combination, or the issuance of securities or the administration of any measures of finance issuing from the properties of transportation.

(4) The abolishment of the Federal Trade Commission as a bureau and the transfer of its power immediately to the Federal courts of the United States with the power to investigate, decree, and adjudge within the jurisdiction and spirit of existing laws all conflicts of trade, privileges, trade rights, and the equitable reliefs in competition in different forms of commerce merchandise that may be the subject of dispute and controversy now defined for the jurisdiction of the Federal Trade Commission, the object being to bring the dispute at once to the court where it may promptly be heard upon complaint and promptly disposed of within the law and existing statutes and decisions applicable, and avoid the period of time taken before the tribunals at Washington or before commissioners of such bureau, and finally reaching the courts after the loss of much time and expenditure of large sums of money appropriated by the Federal Government.

(5) The amalgamation of all bureaus having to do with the administration of the affairs of children, education, and family, these to be consolidated with the Department of Commerce or the Department of the Interior under branches of the department supervised by the heads of the Department of Commerce, and avoiding the expense of the bureaus now existing for the maintenance of the separate offices and departments designated by different names and having the administration of matters of children, education, and family.

(6) Also, the committee named by the Vice President to be authorized to recommend the amalgamation and consolidation, abolishment, or limitation of what other departments or bureaus as in the judgment of the committee would be advisable as an economic measure of government governing the expenditure of public funds.

REFERENCE OF SENATE BILL 2339 TO THE COURT OF CLAIMS

Mr. STEIWER submitted the following resolution (S. Res. 191), which was referred to the Committee on Claims:

Resolved, That the bill (S. 2339) for the relief of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. Callib, J. J. Beckham, and John Toles, now pending in the Senate, together with all the accompanying papers, be, and the same is hereby, referred to the Court of Claims, in pursuance of the provisions of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; and the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President approved and signed the following acts:

On March 31, 1932:

S. 1590. An act granting certain public lands to the State of New Mexico for the use and benefit of the Eastern New Mexico Normal School, and for other purposes.

On April 1, 1932:

S. 3706. An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law.

OUTLOOK FOR DISARMAMENT

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a speech relative to the outlook for disarmament delivered by Thomas H. Healy, Ph. D., assistant dean of Georgetown University School of Foreign Service, before the Unitarian Laymen's League, at Washington, D. C., on March 3, 1932.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

Genova to-day is the scene of a world conference on disarmament in which some 50 nations are represented. World leaders of every nationality and faith have emphasized the importance of this congress and many of them have predicted that its failure would be an immense blow to modern civilization. President Hoover went so far as to say that of all the proposals for the economic rehabilitation of the world he knew of none which compares in necessity or importance with the successful results of this conference. Secretary of State Stimson said that the United States regards this conference as the most important international discussion in which it was ever prepared to participate.

There is probably no country in the world where the agitation for world peace and reduction of armaments has made greater headway than in the United States. The work is being carried on either directly or indirectly by some 400 organizations whose total membership may number as many as 15,000,000 persons. Their activities have spread to every nook and corner of the United States through conventions, the press, special publications, the radio, and every other possible means.

It is not difficult to understand why the peace movement has made such remarkable strides. The cost of war in lives and property alone is appalling. A recent estimate for the World War gave 26,000,000 soldiers and civilians dead, 20,000,000 wounded soldiers, 9,000,000 war orphans, and 5,000,000 war widows. The immediate economic cost of the World War has been estimated at over $330,000,000,000, which is equal to the entire national wealth of the United States to-day. Ex-President Coolidge is reported to have said that the ultimate total cost of the participation of the United States alone in the World War would be $100,000,000,000. Competent authorities have estimated that about 70 per cent of our total Federal Budget each year is for the direct and indirect costs of past wars and preparation for future wars. The same percentage is believed to hold approximately true for other leading nations.

The World War was hailed far and wide as "a war to end all wars," "to make the world safe for democracy," "to insure world peace," and "to end the enormous waste of armaments." Eighteen years later we find that the world is more an armed camp than ever before. Last year the nations of the world expended approximately $5,000,000,000 on armaments; the signers of the Kellogg peace pact have nearly 6,000,000 men in military service to-day. Warlike operations are being carried on in the Far East on an increasing scale, and Europe itself is a keg of dynamite with smoldering flames getting nearer and nearer to the fuse.

Is there any wonder that millions of Americans realizing the horror of past and present wars and the imminence of new wars

to-day have reached a state of almost religious fanaticism on the subject of world peace and disarmament? If a personal allusion may be permitted, we ourselves saw service in France during the World War; since that time we have devoted our life to the promotion of better international understanding and world peace. We believe that we have a reasonable appreciation of what war means and what a tremendous boon world peace and disarmament would be to the nations of the world to-day, torn as they are by political and economic crises. With all our heart and soul we join with a large number of Americans in their aspirations for real disarmament. However, as a student of the subject we can not help but express a feeling of almost utter hopelessness as to prospects now and for some years to come.

We firmly believe that the United States has done everything in its power in recent years to promote the cause of world peace and the decrease of armaments. We are almost alone among the victorious nations in the World War in refusing to take any territory or reparations (except on a very limited scale). At the Washington arms conference of 10 years ago we set the magnificent example of scrapping approximately $400,000,000 worth of real warships, hoping that our sister nations would follow suit both in the letter and spirit of the conference. Incidentally, while adhering to the letter, some of the other nations availed themselves of the opportunity to increase considerably their armaments as far as they could do so without directly violating the Washington treaties.

We took an active rôle in the London naval conference of two years ago and used every bit of our influence toward the reduction of armaments with results that were little better than those that flowed from the Washington conference. To-day we are probably the only nation in the world that is able to increase its armaments substantially which has shown any particular interest in promoting the Geneva conference. As a matter of fact, some of the leading nations tried their best to postpone the conference, believing it to be unwise and futile at this time.

Our land forces are not much larger than a police force. Germany to-day is supposed to be almost totally disarmed and yet she has more soldiers proportionately than we have. We took an active rôle in promoting the recent 1-year naval shipbuilding holiday, and we have abstained from building our Navy even up to the limits provided by the London naval conference. In this connection it is well to note that recent authoritative estimates show that while Japan is built up to 93 per cent of her allowance and Great Britain more than 90 per cent, the United States is only up to 72 per cent of the London limit.

We have been such consistent advocates of disarmament by practical example that to-day many competent and thoughtful authorities are convinced that our national defense is considerably below even the minimum danger line so that we would be in a very precarious situation in case of a major conflict. In order not to break the logical continuity of this presentation, the detailed discussion of the comparative state of our own national defenses and our contributions to the cause of disarmament is reserved for another occasion.

The United States is a great and powerful Nation and by precept and practice we have promoted, we believe, in every way possible, the cause of disarmament. We are still hoping against hope that our cause will make some progress at Geneva. Unfortunately there are a set of basic facts which can not be ignored by any thinking person, which effectively nullify any hopes that we may have. Many honest students of the subject, both American and foreign, who are lovers of world peace, are firmly convinced that nothing of substantial practical value will come out of the Geneva conference. They, however, are careful to warn us that, as in the case of other recent international conferences, some rather imposing "paper" arrangements will be produced and "ballyhooed" around the world to lead the general public into believing that the practical things which can not be done have been done.

There probably will be some agreements on things which are relatively unimportant; but it is not believed that these items will change in any really substantial way the general armament situation. Furthermore, it is well to remember that even if the nations sign unanimously a treaty at Geneva, this is only the first of many steps before such a treaty really can be made effective. Many treaties are never ratified by the nations which sign them, and still more of them that are ratified are never put into practical effect. Conflicts of interpretation of ratified treaties have more than once wrecked the ostensible purposes of these treaties.

The basic fact which makes the Geneva Conference a pathetic futility is that armament is not the disease, but one of the results of a disease. Little progress can be made in curing the disease until we strike at the cause of it. The real cause is the political and economic turmoil of Europe and the Far East. Until these political and economic troubles are settled, disarmament seems impossible; and even if it were possible, it would not solve the difficulties which menace world peace to-day. If every battleship in the world was sunk, every cannon destroyed, and all armies abolished, the peoples of the world would resort to stones, clubs, or even their finger nails in order to defend what they sincerely consider to be their rights and vital needs.

The existing situation is a highly complicated one with thousands of different factors affecting each other in an important way, although sometimes indirectly. These factors have not sprung into being overnight but are the heritage of a century or more of history. A complete discussion of these factors would require volumes. All that we can do now is to point out a few of the more striking recent ones.

In Europe there are two large irreconcilable groups, one advocating the preservation of the status quo (flowing primarily from the World War treaties) and the other insisting that the status quo must be changed. France and her allies obtained from Germany and her allies vast and rich stretches of territory, inhabited by many millions of persons; the vanquished obligated themselves to pay reparations running into many billions of dollars. The victors are sincerely convinced that the territories, populations, and reparations belong to them in all justice. At the same time they believe that at the first possible opportunity their enemies will seek to overthrow the treaties, regain their lost territory and peoples, and abolish the payment of any further reparations. The French group believe that the only way to prevent this is by having superior armaments. Hence to-day there are close military and economic alliances between France, Belgium, Poland, Czechoslovakia, Rumania, and Yugoslavia, and all of these countries are heavily armed to meet the needs of what they sincerely believe to be their proper self-defense. They believe that it is a case of either "hang together or hang separately"; they have found it necessary to follow the lead of France, the most powerful member of the alliance.

A large part of the German people are sincerely convinced that the World War treaties are both nefarious and an atrocity, that they are immoral and intolerable. They are apparently determined to overthrow these treaties at the first possible moment. They are counting on the close cooperation of Hungary, Austria, and Bulgaria, who also lost heavily as the result of the World War. They are determined either to cut down the armaments of France and her allies or to build up their own so that they can carry on successfully the struggle which they believe is only a few years off.

For many decades Italian national aims have run counter to French national aims. The Italians, who are sincerely convinced of the legitimacy of their own aims, feel that the present predominance of the French in Europe is a grave obstacle to the fulfillment of these aims. At first, Italy tried to do everything in her power to keep up with the French in the armament race and achieve, if possible, naval parity with France. When economic and financial difficulties made this increasingly impossible, Italy found it necessary to line up with the German group and promote whole-heartedly the German thesis of equality in armaments and to a certain extent the revision of the World War treaties.

Great Britain and the United States are steering somewhat of a middle course, but it would seem that most of their advocacy is in favor of the program of Germany and Italy. France and her allies remind us that the gravest possible blow that could be given to international morality would be to impair the sanctity of treaties solemnly signed by large groups of nations. Was not one of the major purposes of the World War to prove to the nations that treaties could not be considered as mere scraps of paper?

When the German group urges that the World War treaties are immoral, having been extorted from them by force, the French group answers that the entire history of Germany and her allies deprives this claim of all validity. They point to another meeting at Versailles which for practical purposes ended the Franco-Prussian War. If more modern examples are needed they cite the treaties of Brest-Litovsk and Bucharest which Germany (then apparently on the high road to victory) forced upon Russia and Rumania during the World War. They believe that the terms of these two treaties were far more onerous and immoral than the treaties finally imposed by the victorious allies.

The French say that they are asking nothing new; they are merely insisting that the status quo provided by solemn treaties be preserved. With this in view they have taken an uncompromising stand on national security to which they think they are rightfully entitled, and they have stated repeatedly that they do not intend to disarm one gun or one man without the equivalent guaranties of security. The nations toward which they look primarily for such guaranties of security are Great Britain and the United States. While we are urging them to disarm, we are neither able nor willing to offer them the security to which they think they are entitled. Hence, they are in no mood to listen to our suggestions, which they consider both impractical and largely in favor of their potential enemies.

Russia, having to-day one of the largest armed forces in the history of the world, has been a potential menace primarily toward France and her allies and the additional threat of a possible anti-French union between Russia and Germany has more than once loomed on the horizon. The French group well realize the danger from this region and this is one of the major reasons why they insist on their present heavy armaments.

This factor has been complicated by the situation in the Far East. Japan has embarked on a carefully planned program of expansion on a vast scale in the Far East. She, too, is sincerely convinced that this program is a legitimate one, and that not only right but necessity demands that she carry it out. Her program of many years' standing is believed to involve inroads not only on Chinese territory but also on parts of Russian territory in Siberia. She feels that superior armaments are absolutely essential to her if this program is to be completed successfully. In spite of official denials, certain Russian observers and others are convinced that France and her allies are sympathetic to the Japanese plans, if not actually cooperating. Therefore, Russia looks with anxiety to the military situation in Europe and the Far East and herself feels compelled to maintain a huge military establishment; otherwise she might be caught in a war both on the western and eastern fronts, which probably would prove disastrous to her.

If the history of Europe and the Far East means anything, it proves that the weaker nation loses territory and the stronger

nation gains territory. France and her allies in Europe believe that they will lose the moment they are weakened and the same thing applies to Russia. Japan is convinced that she will never carry through her program unless she is stronger than her potential enemies. Hence, there seems to be no practical way of convincing these nations to decrease their arms at this time. As long as they do not decrease, the others feel that they can not possibly afford to decrease.

It is true that the Geneva conference has already received a number of plans which seem to promise some hope, but we believe that a careful study of them will show that practically every one of them is based on national interests and designed for the purpose of carrying out their own national objectives. Inasmuch as the present national objectives are in irreconcilable conflict, we see no chance of these plans being put into effect in any really practical way. For example, the German proposition is for drastic reductions in practically every class of armaments, which would naturally be principally in her favor because of her present disarmed state. Great Britain proposes the total abolition of the submarine, but in this connection it is well to remember that this was the one weapon that nearly brought Great Britain to her knees in the World War. Japan is advocating smaller battleships because she does not need large ones and because large ones are what the United States is insisting on because of our own peculiar needs.

The conflicts of interest and of views are so great that we see no practical solution possible for some years to come.

Kindly bear with us a moment while we quote a few statements of world leaders on disarmament. One of them said that "a progressive disarmament should start immediately, because if we are to continue the costly increase of our armies, militarism will win and all attempts to maintain peace will be in vain." Another said that "instead of talking disarmament it would be better to enforce the existing agreements between the powers." Still another urged "the great difficulties of disarmament when the major problems of Europe remain still unsolved and when their solution is harder than ever." Still another felt that "the publicity given to the large standing armies of Europe can in no way help the promotion of friendly relations between the powers." Another leader saw "the difficulty of the problem of disarmament in the impossibility to apply any uniform ratio to the different countries because of special geographic, political, and military conditions in each country." A Frenchman stated "I will reduce the burden of armaments as soon as I shall obtain the guaranty that France is not threatened."

It may surprise readers to learn that these statements were not made at the present world conference on disarmament but were made at a European conference on disarmament held 100 years ago, namely, 1831. The statesmen of Europe to-day are saying almost the identical things that they were saying a century ago. In spite of the lapse of a century the difficulties apparently are still with us. It is well not to delude ourselves into believing that the problems of disarmament are a new question. The recent stand of M. Andre Tardieu, Prime Minister of France to-day, does not differ greatly from the statement of King Louis Philippe, ruler of France a century ago. The problems that a century ago baffled such statesmen as Lord Castlereagh, Prince Metternich, Count Nesselrode, and King Louis Philippe (for these are among the men we have just quoted) can not to-day be solved in a few months or even in a few years.

Some Americans are prone to believe that the peoples of Europe must be bloodthirsty, selfish, obstinate, and stupid to refuse to settle peaceably their disputes and to maintain such heavy armaments in preparation for war. If anyone should know the dread horrors of war, it certainly should be the average European citizen. They are probably no more bloodthirsty and no more anxious to become cannon fodder than the average American is.

The expenses of armament are a much more crushing load on the shoulder of almost every European citizen than on an American. With most of these countries in or near bankruptcy, with grave economic crises and great difficulty in raising funds for the bare necessities of life, they would be delighted if they could rid themselves of the expenses of armaments. Their citizens are certainly not anxious to spend years in armies, suffering the privations that go with that life. This is the great tragedy of the whole thing—Europe as a whole does not want war; she does not want to waste money on armaments. And yet, the complicated situation that exists is such that they feel that the supreme sacrifice may not only be justified but necessary to protect things which they believe to be vital. While the views of the European groups seem to be in irreconcilable conflict, and we may have very definite ideas of our own as to the validity or lack of validity of some of these views, we are not promoting a solution of the difficulties by categorically impugning their sincerity in holding their own views.

As much as we are a lover of world peace and in favor of the promotion of the disarmament program, we can imagine no more inopportune moment than the present to hold an international conference on disarmament. We are inclined to believe that the conference rather than decreasing armaments may have the unfortunate tendency to increase them. With all the good will in the world, we do not see how the United States is going to solve this problem.

While the Far Eastern situation is an important factor in the question of armaments, the principal crux of the problem is in Europe. The prime difficulty is not a moral one, as many Americans are prone to think, but rather political. The principal difficulty in the European situation to-day is that approximately half of Europe wishes a scrupulous observance of the World War treaties, while the other half insists that they be drastically modified. The dilemma thus presented to the United States seems almost hopeless of solution. If we throw our weight in favor of the scrupulous observance of these treaties (and that is where an effective observance of the Kellogg pact and the covenant of the league might lead us), the German group will blame us for perpetuating what they consider to be a nefarious condition and for keeping them in a permanent state of intolerable servitude. If we throw our weight in favor of modifying drastically these treaties (which does not seem to be feasible at this time under the Kellogg pact and the covenant of the league and which probably can be done only by armed force), the French group might logically say that we are not only illegally depriving them of their rights but that we are undermining international morality by violating sacred treaty obligations.

We believe that the best thing that the American people to-day can do is to get down to "brass tacks" and face the real facts, no matter how disagreeable they may be. There is reason for believing that a large proportion of the American advocates of peace and disarmament, starting with fundamentally sound ideals, have been so carried away with an enthusiasm, amounting almost to religious fanaticism, that they are overlooking the fundamental facts of the world's political and economic situation today, and instead of serving the enlightened interest of the United States there are many indications that they are not only endangering the United States but actually retarding the cause of world peace. An excellent illustration of this is the proposed economic boycott of Japan just offered by a large group of American leaders as a "peace" move, whereas many of our most competent authorities on international affairs are convinced that such a boycott would almost inevitably produce war. Our various attempts to promote the ideals of world peace and disarmament, while apparently ignoring practical realities, have served largely to increase the already dangerous friction.

The United States, instead of being a powerful well-armed Nation whose word in the cause of world peace would be listened to with respect, has become so weakened that many of the major nations feel that it is no longer necessary for them to pay much attention to our admonitions in this cause.

Well-meaning Americans have been carried away with the praiseworthy idea that since the World War we have a new and better international morality, that treaty obligations are sacred and will be scrupulously observed, that the nations have effectively agreed to settle all their disputes by peaceful means and that the Kellogg peace pact is more than a mere scrap of paper. Unfortunately, we are almost alone among the major nations of the world in believing these things. If time permitted, numerous examples could be cited to prove that the recent practices of nations do not justify the American hopes in these matters. Recent developments in China indicate what happens to a nation which puts its entire faith in such ideals. It is well to realize that while a number of important nations are cosignatories of the 9-power pact and of the Kellogg peace pact, that these nations, with the sole exception of the United States, have refused to take any drastic stand in favor of China or the preservation of the treaties which they themselves signed.

The Christian Church has been working for 2,000 years to advance the cause of justice and individual morality and yet the great cry of religious leaders to-day seems to be that the world is getting worse instead of better. A recent survey indicates that in the last 3,500 years of recorded history, only 1 out of 18 years could properly be called a complete peace year, while 12 out of 13 have been war years. We can not change human nature overnight and even the catastrophic World War could not change suddenly the unfortunately low standards of international morality.

For the last decade the people of the United States have been busily engaged in carrying out what apparently seems to be a divine mandate to save the world. The present situation shows that we have not saved the world nor made much progress in this respect, and the principal thing that we have received for our pains has been almost universal dislike and criticism. To-day we are being held responsible for many of the major ills of the world. Numerous recent examples could be cited to prove this.

Instead of trying to save the world (which seems to be an almost hopeless and thankless job), we have a huge task on our hands to save the United States, and in this case there is no doubt whatsoever as to a positive mandate. Instead of trying to make the world safe for democracy, we might well concentrate our attention on making democracy safe for the world.

Even among the most ardent advocates of disarmament it is rare to find one who believes that it is wise for the United States to disarm drastically while the other leading nations retain or increase their armaments. The leaders of our Nation, from George Washington and Benjamin Franklin up to the present, have urged this point as being of vital necessity. In his Navy Day speech of October 27, 1931, President Hoover made the following statement:

"The first necessity of our Government is the maintenance of a Navy so efficient and strong that, in conjunction with our Army, no enemy may ever invade our country. * * * Ours is a force of defense, not offense. To maintain forces less than that strength is to destroy national safety. * * *"

Only a few weeks ago, Vice President Charles Curtis made the following statement:

"The words of George Washington [in reference to national defense] are as pertinent to our welfare now as they were then. It was never more necessary that, as Washington advised, the country be kept in a state of complete national defense. It

would be wonderful if the strong nations of the earth would agree upon a plan of disarmament which would reduce their armies and navies to the smallest strength needed for defense. But the fear of offense keeps them from doing so. Unless all will disarm, none will. So we must keep both our Army and Navy strong enough for our complete national defense * * *."

Senator WILLIAM BORAH a few weeks ago made the following public statement:

"In armaments, we can not overlook the fact that the rest of the world is armed. We must proceed toward disarmament in company with the other nations—not by ourselves. We may lead toward disarmament and be a power in advancing the cause of disarmament; we should have a definite program of disarmament and demonstrate its benefits to other nations; but so long as the earth is inhabited by peoples of different views and concepts, ideas and ideals, we can disarm only as others can be induced to disarm with us * * *."

We believe that right-thinking Americans will agree that it is not only our right but our duty to maintain our Military and Naval Establishments on an adequate footing for our national defense, to protect our homes, our families, and our legitimate interests. We suspect that by so doing the United States will be a much more powerful factor in the promotion of world peace and disarmament. We believe that the United States should never undertake aggressive warfare or even prepare with that in view. However, at the same time, we should always be prepared for adequate defense to meet all comers who may have aggressive designs against us. We realize that many respectable authorities insist that our present defense is adequate and, furthermore, that there is no danger of aggression against us. On the other hand, many of our most competent authorities are convinced that our present defenses are in a very precarious condition, and furthermore, that one of the most dangerous fallacies being spread in this country to-day is the theory that, unlike other nations, we should be entirely free from any fear of aggression. Some of our leaders of public thought insist that we have not done our share toward the promotion of world disarmament, while another group denies this absolutely. A proper treatment of the pros and cons of these matters would require a long detailed statement which can not be undertaken at this time. We shall take the occasion to treat these matters at a later date. However, we can say now, that our studies of these questions have led us to believe that our present national defenses are not sufficiently adequate in view of world conditions, that there is serious question as to our freedom from aggression, and that we have done more than our wise share in promoting disarmament.

To sum up matters, it would seem: First, That world conditions preclude any substantial progress in disarmament at the present time; second, that it would be fatal for the United States to proceed with a drastic disarmament program while the other major nations refuse to follow suit; and third, that we should give careful consideration to the question of the present adequacy of our own national defenses. We are not urging that the lovers of peace here and abroad lose all hope or discontinue their activities, but rather that they should work with a realization of the practical difficulties and understand that the struggle for the cause of world peace and disarmament is bound to be a difficult long-drawn-out proposition.

THE TARIFF

Mr. GEORGE. Mr. President, I ask unanimous consent to print in the RECORD an article on the tariff by Charles G. Ross, chief correspondent of the St. Louis Post-Dispatch, published under date of March 13, 1932.

The VICE PRESIDENT. Without objection, that order will be made.

The article is as follows:

[From the St. Louis Post-Dispatch, Sunday, March 13, 1932]

TARIFF ABUSE LEVIES $2,000,000,000 YEARLY TRIBUTE OF THE PUBLIC—ONLY ONE-SEVENTH OF THE INDUSTRIAL WORKERS OF THE COUNTRY CAN DERIVE ANY CONCEIVABLE BENEFIT IN WAGES—FARM POPULATION GAINS NOTHING BY THE TARIFF BUT PAYS IN HIGHER LIVING COSTS

(By Charles G. Ross, chief Washington correspondent of the Post-Dispatch)

WASHINGTON, March 12.—The high tariff in the United States to-day—higher to-day, under the Hawley-Smoot Act passed by Congress and signed by President Hoover in 1930, than it has ever been before—stands indicted on two main counts, among many others:

First, its abuse of the protective policy. It takes from American consumers in normal times an unjustifiable tribute conservatively estimated at $2,000,000,000 a year. This is the amount that consumers pay above and beyond any conceivable requirements of protection for American products against destructive foreign competition.

Second, it gives its benefits into the hands of a favored few and thereby materially heightens that maldistribution of wealth that the Post-Dispatch has shown in its article, The Country's Plight, to be the root cause of our economic ills.

The excessive tariff places the Government in partnership with privileged interests, enabling them to collect a private, concealed tax from the people. Those who benefit from the tariff are a small fraction of the whole people.

Through the passage of the tariff acts of 1922 and 1930 the United States has provoked the erection of higher and ever higher barriers throughout the world. The resulting interference with international trade helped to bring on the world depression and is one of the reasons for its continuance.

Our tariff subsidizes inefficient industry. It contributes to the expansion of industry, with all the inflationary ills that this brings in its wake. It leads workers to migrate from country to city. By causing retaliatory walls to be built by other countries, it drives American industries with foreign markets to establish branch factories abroad and thereby diminishes employment in America. These are some of its evils.

It does not help the farmer but hurts him; it is, indeed, one of the main causes of the depression from which he has suffered for a decade. The claim that it is needed to protect the American wage scale is demonstrably false.

II. Warning of disaster through the tariff which went unheeded

Advocates of lower rates estimate that the Fordney-McCumber Act of 1922 increased the cost of living by $4,000,000,000 a year and that the Hawley-Smoot Act added a potential $1,000,000,000. Even though these figures be heavily discounted, it remains true that what the Government gets from the tariff is but a small part of the total burden. The Fordney-McCumber Act yielded in customs revenues from $500,000,000 to $600,000,000 a year. Whatever it cost in addition to that amount went to the protected interests. Owing to the sharp decline in our imports since 1929, the customs revenues have fallen to about $375,000,000, which is less than the Government receives from the tobacco taxes.

In recent times there has been in Congress no more competent expert on the tariff problem than the late Senator Oscar W. Underwood, of Alabama, whose name is attached to the Democratic tariff act of 1913. During his 30 years in the House and the Senate he made the tariff his main concern. He knew it as a whole, in all its many ramifications, domestic and foreign, and not merely in its relation to a particular section of the country or a particular commodity.

Shortly before his retirement from the Senate, the Post-Dispatch interviewed Underwood on the effects of the law then in force, the Fordney-McCumber Act of the Harding administration. He had just returned from a long trip abroad, in the course of which he had talked with industrial, financial, and political leaders in England, France, Germany, and Italy. This was in 1926. The country was prosperous, and Republican politicians were asserting that the high protective tariff had made it so.

Underwood lifted a warning voice. "Unless," he said, "the excessive Fordney-McCumber rates are revised downward to reasonable competitive figures, the American people can have no right to expect European nations to pay their war debts." Again he said, on the same note of prophecy: "There must be revision of the rates downward, or this country and the world will face distress and disaster."

He was speaking, remember, three years before the great crash of 1929.

"We can not," he continued, "go on lending money to European nations to permit them to buy our goods. We have reached the crest of the wave in those loans. There must be an end to them, and in place of a flow of American money to Europe in the form of loans, there must be a circulation of goods and services between the United States and its European debtors.

"For purely selfish reasons, the United States should be interested in the prosperity of Europe. We must exchange goods with the European nations if they are to get rid of their crushing money debts."

The words of Underwood, like the similar words of others who kept their mental balance in the inflation era, went unheeded. In the campaign of 1928 the Republican Party and its candidate, Herbert Hoover, raised the old familiar banner of "Protection for American industry and the American wage scale," and the Democratic Party, under former Governor Smith and National Chairman Raskob, abandoned the party's historic tariff doctrine and espoused a policy hardly distinguishable from the Republican. The Democratic leaders sought to prove with one breath that the party was liberal and with the next that it was the twin brother of the Republican Party.

Similar tactics with respect to the tariff and some other matters are being used by part of the Democratic high command to-day.

III. A "limited revision" which became an orgy of boosting

The story of those tariff-making days of 1929 and 1930 should not be forgotten. At the call of President Hoover Congress met in special session to write a "limited" revision of the tariff, primarily in the interest of the farmer, secondarily in the interest of those industries that had suffered from destructive foreign competition resulting in unemployment. Such were the terms of the call.

There ensued such an exhibition of human greed as the Capital had never seen. Tariff lobbyists swarmed into Washington. Expensive publicity agents poured out a constant stream of protectionist propaganda. Industries that had been paying large dividends for years, it appeared, were not prosperous at all but were teetering on the verge of ruin. All the familiar arguments were used: Benefits granted to the protected interests would diffuse themselves over the whole body of the people, including, of course, the farmers; the American standard of living and the American wage scale must be protected against the "pauper labor" of Europe; if any rates, perchance, were made too high, they could

and would be reduced by the President under the flexible-tariff section.

If the Republican leaders ever had in mind a "limited" revision of the tariff, they quickly abandoned the idea. The doors were thrown wide open to "Old Joe" Grundy and the rest of the horde of lobbyists. The hearings, as Representative JOHN GARNER, now Speaker of the House, said on the day the bill was finally passed in the House, "degenerated into an orgy of rate boosting for the industrial interests. Never in the history of the American tariff has that spectacle been equaled."

BOOSTING THE RATES

The result was a general upward revision, placing the rates on a level 20 per cent higher than that of the Fordney-McCumber bill. Agriculture, except with regard to a small fraction of its production, received no benefits, but the bill tended to increase the price of nearly everything that the farmer has to buy. Soft-wood lumber was taken off the free list and made dutiable. The same was true of hides and shoes. According to former Tariff Commissioner EDWARD P. COSTIGAN, now a Senator from Colorado, "the law was so framed as to increase the average family's cost for shoes approximately two and one-half times the amount of benefit that family under favorable conditions might expect to receive from the new tariff on hides."

The sugar tariff was raised. A duty was laid on cement for the benefit of an industry that had already grown rich through a practical monopoly of the domestic cement market. Brick manufacturers were given protection against an insignificant amount of imports.

MANY CHANGES MADE

The bill passed made 1,122 changes in rates, of which 887 were upward. Forty-eight items were transferred from the free to the dutiable list. In comparison with an average ad valorem rate of 26.97 per cent in the Underwood (Democratic) tariff bill and 38.22 per cent in the Fordney-McCumber bill, an average rate of 40.80 was provided.

Whereas the Payne-Aldrich Act, which brought about the downfall of the Taft administration, increased the average level of rates in only 6 schedules, the Fordney-McCumber Act increased it in all 15 schedules. This was the "limited" revision for which President Hoover had called.

The increases affected dutiable imports having a value, in 1928, of $917,000,000, or two-thirds of all the dutiable imports of that year.

The increase on farm products from an average rate of 19.86 in the 1922 act to an average of 34—a boost of 71 per cent—looked impressive, but, as will be shown, it was almost wholly a paper increase.

IV. When even business men made protest over mounting rates

Estimating that the Hawley-Smoot Act would add a billion dollars to the cost of living, Senator NORRIS, Progressive Republican of Nebraska, said it would go "down in history as one of the most audacious attempts ever made to levy a tax on the consumption of the entire Nation for the benefit of a few greedy people—many of them rich already beyond the dreams of avarice."

Hundreds of business men, including Henry Ford, came out strongly against the bill. A large section of the regular Republican press denounced it. More than 1,000 of the country's leading economists signed a memorial urging a veto by the President. From all these sources came the prediction that among the evil effects of the bill would be a building of retaliatory barriers by nations throughout the world.

OBJECTIONS OF EXPERTS

There has been no better summing up of the case against the Hawley-Smoot measure than that by the protesting economists. They made these points: That higher tariff rates would increase prices to the consumer; that they would encourage high-cost concerns to undertake production, thereby compelling the consumer to subsidize waste and inefficiency; that the benefits would be extremely limited; that the vast majority of farmers would lose; that the export trade would suffer; that the unemployment problem would be made more difficult; that an international tariff war, not conducive to the growth of world peace, would be provoked.

"There are few more ironical spectacles," said the economists, "than that of the American Government as it seeks, on the one hand, to promote exports through the activity of the Bureau of Foreign and Domestic Commerce, while, on the other hand, by increasing tariffs it makes exportation ever more difficult. * * *

"We do not believe that American manufacturers in general need higher tariffs. The report of the President's committee on recent economic changes has shown that industrial efficiency has increased, that costs have fallen, that profits have grown with amazing rapidity since the end of the war. Already our factories supply our people with over 96 per cent of the manufactured goods which they consume, and our producers look to foreign markets to absorb the increasing output of their machines. Further barriers to trade will serve them not well but ill."

A remarkable and significant feature of the fight over the Hawley-Smoot bill was the tremendous volume of protests from large industrialists and other business men. In the past, business men opposed to protection had swallowed their views or contented themselves with mild objections. The field had been left almost wholly to the tariff advocates. So largely had this been true that many persons had come to regard the demand for high duties as the voice of business in general, and especially of that section of it known as "big business."

HENRY FORD'S OPINION

The falsity of this impression was shown by the statements against the bill by hundreds of industrial leaders.

"This high tariff bill," said Ford, "will stultify business and industry and increase unemployment. When you prevent your customers from purchasing your goods, you are throwing men out of work. I know something about employment, and I say that this tariff reduces the number of American jobs. * * * Instead of building up barriers to hinder the free flow of world trade, we should be seeking to tear existing barriers down. * * * If Congress passes this bill it will be iniquitous. The vast majority of the people are certainly opposed to it and will be hurt by it. It is just a final and belated effort on the part of a small group of men to have one last fruitful dig into the pockets of the masses."

Ford's statement was typical of many which reached Congress and the President.

But Representative WILLIS C. HAWLEY, of Oregon, who, as chairman of the Ways and Means Committee, steered the bill through the House, predicted that its passage would inaugurate another golden era. Protection for "American products and labor," said HAWLEY, using the familiar shibboleths, would increase the well-being of the whole people.

"We will have a renewed era of prosperity," said HAWLEY, "in which all the people of the United States in every occupation, every industry, and every employment will share, which will increase our wealth, our employment, our comfort, promote our trade abroad, and keep the name of the United States still before the world as the premier nation of solid finance, fairness, and justice to all the people."

That was said on June 14, 1930, 21 months ago.

And Senator JIM WATSON, of Indiana, the Republican leader of the upper House, predicted that the bill would start the country on the high road to prosperity within 30 days.

President Hoover signed it with the promise that its defects would speedily be corrected by his Tariff Commission.

V. What "protection" has done for steel, sugar, and aluminum

How much tribute does the tariff exact of the American people beyond the conceivable requirements of honest protection? Some valuable studies in this field have been made by H. E. Miles, head of the Fair Tariff League, which "seeks to make tariff rates accord with the principle of protection, by eliminating the graft in the tariff that costs consumers billions annually." Miles is a retired maker of farm implements, wagons, and carriages, and was once president of the Farm Equipment Manufacturers and chairman of its tariff committee. He has also been a vice president of the United States Chamber of Commerce and of the National Association of Manufacturers and a bank president.

ONE FORM OF GRAFT

Miles says that the Hawley-Smoot Act takes from American consumers in tariff "graft" upward of $2,000,000,000 a year, and Senator COSTIGAN, of Colorado, who made an exhaustive study of the tariff while a member of the United States Tariff Commission, and Senator CORDELL HULL, of Tennessee, a recognized expert on tariff legislation, believe that this figure is not too high.

Miles bases his calculation on the estimate that 60 overprotected industries add, on the average, only one-half of the protective duties to their prices. "We know," he says, "that many add all, and all add all that they can. They would not constantly demand higher and higher tariff rates if they added only half of their present rates to their prices. If they add only half, let them request Congress to abolish the other half as useless.

"Careful checking of six heavy steel products, aluminum, electrical machinery, and some others shows that their domestic prices are higher than foreign prices by precisely the amount of the tariff, although costs of production in most of these industries are nearly or quite as low as abroad, and in some cases are lower.

"On six heavy steel products price comparisons for 30 years indicate that all of the tariff is added to domestic prices, and that our producers charge about $300,000,000 above foreign prices. They collect this as a private tax on consumers, and the imports are so little that the Government collects only $4,500,000.

"We pay for our steel as if it were made in Europe with ocean freight and tariffs added."

Sugar furnishes a good example of the way in which the high tariff works in practice. The Fordney-McCumber Act of 1922 raised the rate 78 per cent over the Underwood rate, making the tariff 1.76 cents a pound on Cuban raw sugar. An extensive investigation by the United States Tariff Commission resulted in the finding that a rate of 1.23 cents would give American sugar producers ample protection against the lower Cuban production costs.

The commission reported that the tax put upon the consumer by the excess of the tariff rate over a reasonable protective figure was $75,000,000 a year, of which the Government got $35,000,000 in customs duties and the balance was a tribute paid by the people to the sugar producers. President Coolidge pigeonholed the commission's recommendation that the duty be reduced, and the tribute continued to be paid. In 1930 the Hawley-Smoot Act raised the levy to 2 cents a pound.

HELPING ALUMINUM MAGNATES

For further example, there is the matter of aluminum. The aluminum industry of this country is controlled by the Aluminum Co. of America, which is dominated by the Mellon family. Through the efforts of this company, as the Federal Trade Commission reported in a survey of the cost of aluminum cooking utensils, the duty on aluminum ingot was increased by the Fordney-McCumber bill from 2 to 5 cents a pound, and on coils, plates, sheets, bars, etc., from 3½ to 9 cents a pound. The act went into effect September 22, 1922. Four days later the Aluminum Co. of America increased its price of ingots from 20 cents to 22 cents a pound, and on November 1, 1922, it added another 1 cent.

"Thus," the Trade Commission commented in its report "in a little over one month after the tariff went into effect, the entire increase in duties on ingot aluminum was reflected in the price to the consumer." The price of sheet aluminum was increased 3 cents a pound, as compared with a 5½-cent increase in the tariff duties.

The Aluminum Co. of America, after taking all allowable reductions for depreciation, depletion, etc., reported taxable profits as follows: 1923, $6,559,610; 1924, $10,420,805; 1925, $20,558,790; 1926, $12,710,047; 1927, $12,163,676; 1928, $19,059,465.

The stock of the Aluminum Co. of America sold during the bull market of 1929 for as high as $539.50 a share. Its net earnings per share were $3.28 in 1927, $8.03 in 1928, and $11.18 in 1929.

In the debate over the Hawley-Smoot bill there was placed in the CONGRESSIONAL RECORD an illuminating statement of the profits in the highly protected steel industry, based on reports from the Treasury on the income-tax returns of the great steel companies. It was shown that the aggregate net taxable income of eight concerns for the seven years from 1922 to 1928, inclusive, was $876,181,089. This was the income for purposes of the income tax, after large deductions for compensation of officers, betterments, depreciation, depletion, etc.

Profits in every case increased greatly in 1923, the year after the passage of the Fordney-McCumber Act. Those of the giant of the industry—the United States Steel Corporation, for example—went up from $39,663,455 in 1922 to $108,707,064 in 1923. For the succeeding years they were as follows: 1924, $85,110,940; 1925, $90,602,652; 1926, $116,667,404; 1927, $87,896,836; 1928, $114,173,774. The corporation's aggregate net profits for the seven years were $642,612,126.

VI. Deceiving the public about labor costs here and abroad

For many years the framers of high-tariff schedules and Republican campaign orators have dinned into the ears of the public the argument that high duties are necessary for the "protection of the American wage scale." Labor has been told that without the tariff its wages would sink to the European level. The argument has been effectively used to cloak the real purpose of the tariff. It is, as we have said, demonstrably false.

Wages are higher in the United States than in Europe not because of the tariff but because of the greater productivity of the American worker, and this is due in very large degree to the greater natural resources of this country and our superior production methods.

Workers in the United States have been deceived by comparisons of wage scales here and abroad. Wage scales are not the proper test. The productivity of the worker is the test. We must look behind the pay roll and see what the employer gets for his money.

When the yardstick of productivity per worker—of the cost to the employer of a unit of production—is applied it is seen that American wages are not high in comparison with European. In fact, according to studies made by Senator Cordell Hull, "in most United States industries the labor cost is lower than in any country of the world," and this conclusion is supported by a survey made by economists for the Rawleigh Tariff Bureau while the Hawley-Smoot bill was under consideration.

VALUING WORKER'S PRODUCT

For example, Hull calculates that the value of net production for each dollar paid in wages in the United States in 1925 was $2.50, as compared with $2.14 in England.

Prof. Frank W. Taussig, of Harvard, a former chairman of the Tariff Commission, has estimated that in sugar refining the product per man per year is from 150 to 180 tons in the United States, as compared with 87 tons in Great Britain; that in the steel industry the American worker produces two and a half times as much as the Britisher; and in the tin-plate industry four times as much.

Again, the labor cost of a ton of bituminous coal in the United States in 1926 was only $1.58, as compared with $3.26 in Britain, $2.03 in Germany, and $3.79 in France.

The labor cost of soap per 100 pounds is $1.17 in Great Britain and only 64 cents in the United States; of cement, 43 cents a barrel there and 34 cents here; of pig iron, $2.44 a ton there and $1.24 here. Examples of this sort might be multiplied.

It is the increased productivity of the American worker, not the tariff, that accounts for wage increases during the last decade. As the Post-Dispatch showed in its article on unemployment February 14 last, the productivity of the American worker in the manufacturing industries went up by 45 per cent from 1919 to 1929, so that two men, with the aid of the machine, became virtually the equal of three.

Moreover, only about 6,000,000 of the 45,000,000 wage earners of the country are in industries sheltered by the tariff. The remaining 39,000,000 persons pay the cost of the tariff, in higher prices, without any compensating advantages.

If advantages are given to the others—those in the protected industries—they are taken away in most cases by the increases in the cost of living due to the tariff.

"The truth is," says Cordell Hull, "that more than 80 per cent of American factory laborers, more than 85 per cent of farm labor, and 95 per cent of wage earners in the mineral industry receive no net tariff benefits."

LONELY 1 PER CENT

According to the estimates of the Rawleigh Tariff Bureau, only about 400,000 workers, or less than 1 per cent of those gainfully employed, conceivably get any wage benefits from the tariff.

If any further evidence is needed to disprove the claim that the high tariff is a boon to labor, it is found in the fact that in some of the most highly protected industries, such as woolen and cotton manufactures and iron and steel, wages are notoriously low, while in the automobile industry (which has an unwanted tariff from which it derives no benefits) and in the building trades and transportation, wages are above the average for the country.

It has also been demonstrated that the proportion of the labor cost to the total cost of the product is greater in a number of the nonprotected industries, such as the manufacture of typewriters, than the average proportion for all industry. The typewriter industry, which has been without protection since 1913, had a pay roll, a few years ago, amounting to 47.6 per cent of the value of its product, as against an average of 23.1 per cent for industry in general.

SIGNIFICANT SHOE FIGURES

The same was true of the shoe industry. Its wage bill at the time of the study amounted to 30 per cent of the value of the product, or nearly 7 per cent more than the average for all industry. Yet it had no protection, needed none, and so far as its leaders were concerned wanted none. All that they asked was that hides be retained on the free list. They were interested in keeping down tariff barriers everywhere, so that American shoes might continue to go into the markets of the world. The experience of the shoe industry, with its general well-being, its American wage scale, and its higher-than-average proportion of labor cost to the cost of the product, was another refutation of the claim that high tariffs are needed to produce high wages.

What happened in connection with shoes is typical of the way in which the Hawley-Smoot bill was drawn up. The large St. Louis manufacturers, asking for a continuation of the free-hides and free-shoes policy, protested that a tariff on shoes would raise the footwear bill of the United States by $150,000,000 a year. Figures were presented showing that the imports of shoes were less than 1 per cent of the domestic production and were exceeded by the exports.

The committee that drafted the bill preferred to listen to eastern "specialty" manufacturers who wanted protection against the dribble of competitive imports, principally of women's shoes from Czechoslovakia. Also, it listened to the western demand for a tariff on hides. It took both hides and shoes off the free list and granted a duty of 10 per cent on the former and a "compensatory" duty of 20 per cent on the latter.

If the farmer got any benefit from the duty on hides—and a representative of the Farm Bureau Federation testified it would be very small—it was offset by the duty on shoes. The Rawleigh Tariff Bureau estimated that a duty of 4½ per cent on shoes, or less than one-fourth of the rate provided, would have been adequate to equalize the 10 per cent on hides.

AN EXCESS OF PROTECTION

Figures were presented to the framers of the Hawley-Smoot bill showing that in the case of virtually all manufactured products not on the free list, the percentage of ad valorem rates already in force, under the Fordney Act, exceeded the percentage of labor cost in the product. This meant, as stated by former Tariff Commissioner Lewis, that the American manufacturers of these goods already had been taken care of by the tariff "not only in cases where the foreign competitor pays the so-called 'pauper' wages but even in cases where the foreign manufacturer might be fortunate enough to escape the payment of wages at all!"

Benjamin M. Anderson, economist of the Chase National Bank of New York and a former professor of economics at Harvard, has written:

"There are those who fear the lowering of the tariffs because they believe that the American standard of life is dependent upon the tariffs, and particularly because they believe that high tariffs make high wages. This doctrine has very little standing among economists. Wages do not depend upon tariffs, and standards of life do not depend upon tariffs. Wages depend upon the productivity of labor per man, and the productivity of labor per man depends, other things equal, upon the abundance or scarcity of the land and capital with which labor works. * * *

"American labor has nothing to fear and everything to gain, by and large, from a lowering of the tariffs in the United States."

VII. Puncturing theory that tariffs can help the farmer

The tariff gold-bricks the American farmer. Studies by economists and farm leaders, as well as the observable condition of agriculture under the present high-tariff régime, show this to be true. The plight of the farmer has grown steadily worse since 1930.

As we have seen, the Hawley-Smoot bill raised the rates on farm products by 71 per cent over the level of the previous act. It was hailed by Republican spellbinders and by an inspired statement from the Republican-controlled Tariff Commission as a blessing to the farmer. The fact is that the tariff is ineffective on the great bulk of the farmer's production, and the same would be true even

If the rates had been increased 1,000 per cent. Why is this? For the simple reason that when a product is on an export basis—that is, when the quantity produced greatly exceeds the amount required at home—the price can not be appreciably increased by a tariff. The price tends to be fixed in the world market. That is a fundamental economic principle, and no amount of tariff tinkering can defeat it.

FARMER NOT PROTECTED

Two other less obvious principles were stated by University of Wisconsin economists who made a survey of the agricultural schedules during the debate over the Hawley-Smoot bill. Their studies, they said, established the facts (1) that even when a commodity is not on an export basis, if the imports are so small as to be negligible, the exclusion of such small imports by higher tariffs will have no appreciable effect on the price, and (2) that where the domestic output of a farm product may be readily expanded, the effect of the exclusion of imports on price will be only temporary, unless both production and prices are more closely controlled than is customary with farm products.

Leaving abstractions aside, we come to the concrete finding of these economists that the Hawley-Smoot farm schedules gave no benefit whatever to the producers of $10,000,000,000 worth of commodities (1928 prices); that on another $3,000,000,000 worth the benefit was partial and probably temporary; and that the full benefit could be expected to reach only $368,000,000 worth. The great staple grain crops—corn, wheat (other than high-protein), oats, barley, and rye—all of which are on an export basis, were not helped by the tariff. Likewise it carried no penny of increased prices on the hay crop, short-staple cotton, or hogs and pork products. Dairy products and some others received duties which the economists classified as partly effective. Woolgrowers got a tariff completely effective (though likely to be nullified in part by the "compensatory" duty on woolen cloth), and the others in this category were the producers of sugar beets and sugar cane, flaxseed, winter vegetables, lemons, almonds and walnuts, and other such "specialty" crops. All these, as the economists pointed out, are crops produced either in limited sections of the country or by relatively small groups of farmers. Some of them can only be produced in this country uneconomically. Their full value, as stated, totals only $368,000,000.

ADDING TO FARMER'S BURDEN

"The great agricultural sections of the Middle West, Northwest, and Rocky Mountain regions, as well as the South," said the Wisconsin economists in their summing up, "receive substantially no added protection or assistance from this bill. They will pay more for such effectively protected commodities as fruit, nuts, and linseed oil, but they will not receive a penny more for their grain, hogs, and cotton."

This objection to the bill is entirely apart from the fact that all the farmers of the country suffer from the heavy duties on manufactured products. Increased duties were granted by the Hawley-Smoot tariff on a long list of necessary commodities, clothing, glassware, lumber, etc., entering into the farmer's cost of living.

VIII. Only small per cent of population real beneficiaries of tariffs

If labor and the farmers are buncoed by the tariff, who, then, are its beneficiaries? Manifestly, the stockholders in the protected industries. Now, there is a widespread misconception as to the number of stockholders in the United States. When the market was booming estimates of the number ran as high as 15,000,000. Everybody, it was said, was "in the market." A great deal was published about the wide diffusion of stock ownership in the great corporations.

The Post-Dispatch published an article in October, 1929, which showed the number of individual stockholders to be much smaller than commonly believed. Andrew W. Mellon, then Secretary of the Treasury, estimated it at about 3,000,000, and the late Joseph S. McCoy, actuary of the Treasury and the best possible authority, said that the corporations were owned by about 2,348,000 persons. The larger estimates, he pointed out, failed to take into account of the fact that the average investor in stocks has two or three or more securities. Later, on the basis of newer corporation reports, McCoy revised his estimate upward to 3,300,000.

MINORITY OF ONE-TENTH

Taking account of all the factors involved, including the important fact that there is much greater diffusion of stocks in the utility corporations, which are not protected, than in the manufacturing corporations, some of which are protected, the Post-Dispatch published the conclusion that not more than one-tenth of the number of individual stockholders are in protected corporations. On the basis of McCoy's last estimate, this means that only about 350,000 receivers of dividends from stocks are benefited by the tariff.

COUNTING THE BENEFICIARIES

The benefits to labor, as we have shown, are doubtful, since the worker in a protected industry who conceivably gets some wage advantage from the tariff is likely to suffer a net loss from the effects of the tariff on retail prices. But let us assume that real gains accrue to 7,200,000 workers (wage earners in manufacturing, farming, and mining) as the Post-Dispatch did in its 1929 article. This estimate is liberal. Let us say further, that as many as 500,000 stockholders in protected industries are benefited. We then get a total of 7,700,000 persons who conceivably derive some benefits from the tariff. They represent about 6 per cent of the population.

"Conceivably" this is the number of tariff beneficiaries. The evidence on which this article is based points to the conclusion that the number is actually much smaller; that it is limited, in fact, almost wholly to those who get dividends from protected industries. In any event, the tariff benefits a very few at the expense of the many.

IX. Chaos in international trade because of tariff barriers

Figures from the Department of Commerce show the disastrous extent to which the trade of the nations with one another has declined. In part, as stated in an official bulletin of the department, this decline has been caused by the fall in prices of agricultural and mining products and in part by the shrinkage in the world's consumption, but, the bulletin adds, "various restrictive measures and direct prohibitions have likewise contributed to reduce the volume and value of international trade." Here is an official admission from our Government that tariff barriers are playing their part in the world's and our depression. In the creation of these barriers the United States led the way.

DECLINE OF EXPORTS

CORDELL HULL states the facts bluntly: "The tariff action of the British House of Commons marked the culmination of an 11-year period of the most amazing high-tariff stampede, under American leadership, in all fiscal annals. Under this deadly policy trade among nations has been whittled down to the very minimum, and the British action will drive it still lower."

International trade has fallen to the level of 20 years ago. Its aggregate value in 1931 was at least 25 per cent less than in 1930 and at least 40 per cent less than in 1929. No country has escaped the recession.

United States exports declined from $5,240,995,000 in 1929, to $3,843,181,000 in 1930, to $2,423,759,000 in 1931. Imports fell from $4,399,861,000 in 1929, to $3,060,908,000 in 1930, to $2,089,802,000 in 1931. The combined value of exports and imports in 1931 dropped more than 53 per cent from the combined value in 1929.

In the same period 1929 to 1931 the combined value of the exports and imports of the United Kingdom dropped from $10,023,960,000 to $6,405,390,000, of Germany from $6,406,246,000 to $3,385,350,000, and of France from $4,247,672,000 to $2,846,704,000.

Enactment of the Hawley-Smoot tariff, against which 30 nations protested while it was being framed, was followed by immediate reprisals throughout the world. By this time, at least 70 nations or colonies have flocked to the banner of the new "economic nationalism." Thirty-one of these have either put into effect a general tariff increase or have substantially advanced the rates on a large number of items. The other 39 have advanced rates on one or more important commodities. In no case has there been a general reduction in duties.

Equally or even more disastrous in their effects on world trade are other trade-control measures which have been adopted by many nations for the purpose of encouraging their home production or preventing the outflow of gold. These include quota schemes, import monopolies, exchange controls, and other drastic devices tending to set up barriers against imports. The Foreign Policy Association reports that within the last seven months 31 nations, including France, Belgium, Argentina, Brazil, and Spain, have taken measures of this type, and hardly a week passes that the Department of Commerce, in its special bulletin on the subject, does not record the adoption of some new measure of "extreme nationalism and apprehensive trade restriction." In a bulletin last month the department said: "The measures in process and the plans in prospect in various countries early in 1932 foreshadow still greater contraction of international trade during the year ahead, including many markets of primary interest to American exports."

SAMPLE OF RETALIATION

A characteristic measure—one out of many that might be cited—was that adopted by Spain after the United States had increased the rates on Spanish cork and a few other products. Spain countered with a decree fixing a quota on a wide range of imports from the United States. Her action, as officially explained, was designed "to diminish our purchases in certain countries which punish our products and for the purpose of purchasing more from other countries in which we have more obligations."

We sowed the wind with the tariff increases of 1922 and 1930 and we are reaping the whirlwind.

"No human imagination," says Senator HULL, "can describe the utterly chaotic effects of this veritable network of every kind of obstruction, discrimination, and impediment to the natural movements of capital, goods, and services back and forth between nations."

Chaos is the word, and, as the Department of Commerce says, the end of restrictions has not yet been reached.

"During the past year," says the March bulletin of the Foreign Policy Association, "the export trade of the seven principal countries of the world has shrunk by a sum equal to about ten times the amount which Germany must pay annually in reparation. The export trade of the United States alone has declined in value by almost five times the amount of its annual receipts from inter-allied debt payments."

The high United States tariff operates not only to strangle foreign trade but to curtail American industries at home and expand them abroad. This development has been especially marked with respect to Canada. Prime Minister R. B. Bennett told the Canadian House of Commons last month that 100 United States industries established branch factories in Canada during 1931.

American industries are branching into Canada in order to escape the duties which Canada adopted in reprisal against our

Hawley-Smoot rates. Thus the tariff in this one instance alone, by taking out of the United States a great volume of purchasing power in the form of wages, contributes directly and materially to the depression in this country.

X. Different abuses which have resulted from high tariff

Abuse of the tariff permits the few to exploit the many; it is special privilege at its rapacious worst. Thus we may sum up the main count in the indictment. We complete the case with a brief statement of some of the other counts.

Reference has already been made to the relation of the tariff to the debts owed us by Europe. Those who would lower our schedules believe, with the late Senator Underwood, that we can not expect Europe to pay unless we permit a freer flow of her goods to this country than is now possible. "Even a blind person," says Senator HULL, "can now see that our debt payments are hopelessly impeded by our own policies."

AID TO OVEREXPANSION

By contributing directly to the overexpansion of industry, the tariff helped to bring on the collapse of 1929. That is to say, the tariff threw great profits into the hands of its beneficiaries, and the reinvestment of these profits was a factor in increasing the productive capacity of the machine. For a while the machine was kept going full speed to satisfy demands from Europe, made possible by our lending to Europe, and the artificial home demand created by "frantic" advertising, time-payment schemes, and the other devices of the new high-powered salesmanship. Then the dollars ceased flowing to Europe, and Europe stopped buying; the extension of credit at home likewise reached its limit. Then came the crash. The Post-Dispatch has discussed these matters in its article on The Country's Plight.

By reducing the profits of agriculture and increasing the profits of manufacturing industries, the tariff has driven workers from the country to the city, thereby helping to create urban congestion with all its attendant problems and evils. The tariff must bear its share of the blame for the "rot," as some observers have called it, in our modern American life. "I propose such a reduction of the tariff," writes Dr. B. M. Anderson, of the Chase Bank, "as will avoid the necessity of a further drift of population from country to city, and a further abandonment of farms."

It is an obvious proposition that the tariff, at the expense of the consumer, subsidizes waste and inefficiency.

The tariff in effect is a sales tax. It is a tax on consumption and not on capacity to pay. Economists generally agree that a levy on sales is the most inequitable form of taxation ever devised.

A tariff on only one commodity, if it enters widely into the production of other things, is in the nature of a general sales tax. The tariff on steel, for example, may be reflected in the price of hundreds of products in which steel is used.

ALWAYS TOO HIGH

By shutting off foreign competition, the protective tariff helps to breed monopoly and price fixing. Senator NORRIS succeeded in getting into the Senate draft of the Hawley-Smoot bill an anti-monopoly clause, providing that if the producers of a protected product combined to fix prices, the tariff on that product should be suspended. The provision was stricken out in conference.

Our tariff rates are supposed to be set at a figure that will equalize production costs here and abroad. But that principle is very largely camouflage. It has never deterred the tariff makers when they have desired to establish an embargo against a foreign product. Moreover, as former members of the Tariff Commission will testify, and as the record shows, the tendency in that so-called "scientific, fact-finding" body is to make cost comparisons on the basis of high-cost production in the United States. This means that when a rate actually is fixed so as to cover the difference between domestic and foreign costs of producing a given article, it is likely to be fixed at a level which will give a profit to the high-cost producer, who, perhaps, should not be in the business at all, and an excessive profit to the efficient low-cost producer.

One final point. The tariff law is filled with catchall clauses for various classes of commodities. If a given article falls within any one of these provisions, it pays the rate fixed for the whole class. The result is that our tariff puts a sales tax on thousands of articles that are produced in this country either in infinitesimal quantity or not at all. This is the "scientific" tariff for which Republicans and Democrats alike voted.

XI—No Tariffs Now Justified on Goods Not Produced Here

What should be our tariff policy?

This article does not attempt to argue that we should go upon a free-trade basis. That would compel a violent economic readjustment. All that is here contended is that the tariff should be scaled down from the ruinous heights of the Hawley-Smoot Act to a reasonable level. Even a return to the Fordney-McCumber rates, high as they were, would be so much clear gain. It would be, moreover, a helpful gesture of conciliation in the tariff war now sweeping the world.

What would be a "reasonable" level? The Post-Dispatch has suggested that the rates be reduced to a point sufficient to protect American industry from "immediate destructive competition," and sufficient for that purpose only.

President Hoover said somewhat the same thing in his message calling the special tariff-revision session of Congress in 1929. He said the test of necessity for revision was whether or not there had been "a substantial slackening of activity in an industry during the past few years, and a consequent decrease of employment due to insurmountable competition in the products of that industry." Congress threw his test overboard when it passed the Hawley-Smoot bill, and the President himself sank it when he signed the bill.

RULES FOR FREE LIST

The writing of a tariff bill now proceeds from basic assumption that our manufacturers need protection. Those that do not are the exceptions to the rule, and their products go on the free list.

The rule should be reversed. We should start with a free list and grant protection in exceptional cases, where the national interest appears to demand it. Since the tariff allows an industry to tax the people for private profit, it would seem clear that every industry seeking protection should be required to prove its case up to the hilt.

In any comparison between labor costs here and abroad, the test should be not the pay roll but the labor cost per unit of production. Comparisons, moreover, should be based on the cost of efficient and not of inefficient methods of production in the United States. A strict ban should be placed on tariffs calculated to promote uneconomic industries—industries that both in the national interest and the interest of world trade should be carried on somewhere else. To use a classic example, no tariff should encourage the growing of pineapples in Maine. The Hawley-Smoot Act in some of its rates approaches that kind of extreme.

If for any reason it is decided that an exotic industry, like sugar production, should be fostered in the United States, aid could be given through a direct bounty. Senators BORAH, COSTIGAN, and others, have shown that a bounty to the sugar producers of the West and South would be far less costly to the consumers than the pyramided tariff sales tax.

NO COMPETITION, NO TAX

Since the income tax law is now the keystone in our revenue-raising arch, there is no justification for any "tariff for revenue." Therefore all rates that operate to increase the price of commodities not produced in the United States, hence not competing with domestic products, should be abolished. Similarly, all rates on articles of which we produce only a negligible quantity should be abolished.

Protection should be withdrawn from industries taking advantage of the tariff wall to stifle competition by price-fixing devices.

The tariff-revision power now enjoyed by the President, under the "flexible" provisions of the law, should be recaptured by Congress. When President Hoover signed the Hawley-Smoot bill he held out the definite promise that with the aid of the Tariff Commission he would cure its admitted inequalities through use of the flexible section. He has made not change of any consequence.

Having started the world-wide stampede toward higher tariffs, the United States should now seek by example to reverse the trend.

As the Post-Dispatch has said, the root cause of our troubles is the maldistribution of wealth, and only such measures as tend to bring about a more equitable division of wealth, with its consequent diffusion of purchasing power over a greater area than at present, can have permanent value. The curtailment of a special privilege that permits a few persons to levy a private tax on the many would be, manifestly, a measure of this type, contributing to the general welfare.

AMENDMENT OF TARIFF ACT OF 1930

The Senate resumed the consideration of the bill (H. R. 6662) to amend the tariff act of 1930, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, the issue still before the Senate is whether or not tariff rates shall be made by the Tariff Commission and the President or by the Congress of the United States. On yesterday I undertook to discuss a matter which I think has more influence on rates, money, and even prosperity than any bill which could be passed by this body. I undertook to discuss the question of the control of money and the influence of money not only upon the Government but even upon civilization itself.

The particular thing to which I addressed myself yesterday was the threatened veto of the President of a bill not yet passed, the threatened veto of a bill which has not yet even been considered by either branch of the Congress. I also gave some attention to a radio address delivered by the distinguished senior Senator from Pennsylvania [Mr. REED] which was in harmony with the threatened veto to which I alluded on yesterday.

Mr. President, the issue which I am undertaking to raise is not merely whether or not these soldier boys shall receive their money and have it now. The question, or issue, has a wider significance than that. The question that I am seeking to develop before the Senate has to do with the advisability of the expansion of currency and likewise the expansion of credit. The proposal that is pending in each House of the Congress has for its main purpose the paying of the soldier boys; yet as an incident there is also involved the idea of increasing the amount of money in circulation,

making money more plentiful, thereby making it cheaper; and as money goes down, Mr. President, our commodity prices will go up. That is the issue that I am seeking to develop before the Senate.

I realize that it is difficult to discuss the money question anywhere; it is difficult to discuss the money question here in the Senate of the United States; and I am somewhat surprised at some of the questions that have been suggested in the discussion of this subject not only this year but in previous years. I call attention to the fact that the money question is not generally understood, and as evidence of this fact I call the attention to Senate Document No. 57 of the Seventy-second Congress, first session—that is, this session. In the Foreword of this public document I read the following quotation from the Chancellor of the Exchequer of the British Government:

> Another difficulty besetting our task has been due to the complexity, not to say mystery, in which these problems of finance are involved. Every citizen is dimly aware that in some way his daily business is affected by the operations of the monetary system, but he is quite unable to appreciate how it is so affected. It is no exaggeration to say that to the vast majority even of intelligent people the principles of finance and the theory of money are a closed book.

Mr. President, we have heard much in this discussion and in previous discussions about deflation, antideflation, and inflation. I think it might be well in connection with this subject to read one or two brief quotations. I want to read first a definition of inflation as contained in an editorial appearing in the New York Times of January 28, and then a portion of the editorial itself. This is a leading editorial and is entitled "Relief and Inflation." The last paragraph quotes a definition of inflation, as follows:

> The Century Dictionary defines inflation in the economic sense as undue expansion or elevation increased beyond the proper or just amount of value, as inflation of trade, currency, or prices.

Then the New York Times editorial comment follows:

> With this definition propagandists of the inflation danger existing in the policies soon to be applied would have trouble in squaring their ideas.

Mr. President, the New York Times is not afraid of a little addition to the money in circulation. The New York Times is under the impression that to put a few million dollars in circulation would not be undue inflation.

I next quote from another publication that can not be questioned in banking and financial circles. It is a publication put out by a large bonding house, C. F. Childs & Co., with offices in New York, Chicago, and other cities of the United States. I read one paragraph from this publication:

> If a rise in commodity prices and a decline in the purchasing power of the dollar are to be accompanied by a restoration of confidence and a cessation of bank failures, the risk of moderate inflations may be justified.

That is exactly the thing which I propose should be done. Additional money added to circulation makes money more plentiful; to the extent that money becomes more plentiful it becomes cheaper, and as money becomes cheaper commodity prices go up. I assert that as a principle, and I challenge anyone anywhere to deny it.

Mr. President, I favor a check on deflation. I favor bringing the buying power of the dollar down. As to the extent that should be done, I think the value of the dollar should be brought down to the level where it was when these debts were created. I showed on yesterday that we now have a total amount of debts of over $150,000,000,000. Those debts were in the main created years ago; they were created when the dollar was worth about 33⅓ per cent in buying power of what it is to-day. One hundred and fifty billion dollars of debt on the basis of a 33⅓ per cent dollar means a debt of $450,000,000,000 based upon the value of the dollar and the price of commodities when the debt was created.

Yesterday I tried to show the effect of the deflation of the dollar on the price of wheat. I call the attention of the Senate to-day to the effect of the deflation of the dollar on the price of oil; I will follow that by its effect on the price of cotton, and I will try to make the demonstration plain.

In 1920 the net debt of the United States was $26,000,000,000. At that time oil was selling for $3.50 a barrel. At that time we could have paid the entire national debt in oil for the sum of seven and a half billion barrels of oil; that is all the oil that it would have taken in 1920 to have paid the entire national debt of $26,000,000,000. Since that time we have reduced the national debt to $17,000,000,000; and how much oil would it take to-day to pay the remainder of the national debt? Only recently oil was selling in my State for 35 cents a barrel. In other words, it took three barrels of oil to buy $1. With oil at 35 cents a barrel, three barrels for $1, how much oil would it have taken during the past summer to have paid the remainder of the national debt? It is an easy computation. It would have taken three times 17,000,000,000, or 51,000,000,000 barrels of oil, to pay the remainder of the national debt, when 12 years ago we could have paid the whole debt in oil for seven and one-half billion barrels of oil.

Mr. President, through force of circumstances oil has advanced. It is not 35 cents a barrel to-day. This morning's newspaper gives me the information and the pleasure to know that oil in my State to-day is selling for $1 per barrel. On the basis of $1 per barrel for oil, how much oil would it still take to-day to pay the balance of the debt of $17,000,000,000? It would take 17,000,000,000 barrels of oil. So, Mr. President, during the past six months the number of barrels of oil which would be required to pay the national debt has decreased from 51,000,000,000 to 17,000,000,000, and from the oilmen's standpoint to-day they can pay their part of the national debt for two-thirds less than they could have paid their part only a few months ago.

What is true of oil is true of wheat, and what is true of wheat is likewise true of cotton; and I now call the attention of the Senate to the cotton situation. In 1920 cotton was selling for 40 cents a pound; that means that a 500-pound bale of cotton was bringing $200. In 1920 we could have paid the entire national debt of $26,000,000,000 with 130,000,000 bales of cotton. During the past 10 years we have brought the national debt down to $17,000,000,000. Cotton to-day is selling for 5 cents a pound, so that a bale sells for $25. How many bales of cotton will it take to-day to pay the balance of the national debt? Instead of taking 130,000,000 bales, as in 1920, to pay it, to-day it would take 680,000,000 bales to pay the balance; and that is what faces the cotton farmers of the South.

I wish I might have the attention of the southern Senators for a moment. I want these figures to go home, if I may get them home. In 1920 we could have paid the entire national debt with 130,000,000 bales of cotton, whereas to-day, with only $17,000,000,000 still remaining of the national debt, it would take 680,000,000 bales of cotton, at 5 cents a pound, to pay the remainder of the national debt.

If by putting more money in circulation something can be done to bring money down and increase commodity prices and bring cotton back to just 10 cents a pound, it would decrease the national debt measured by cotton just one half; in other words, at 10 cents per pound for cotton, instead of taking 680,000,000 bales to pay the national debt it could be paid for with just one-half of 680,000,000 bales, or 340,000,000 bales would eliminate the remainder of that debt. Increase the price of cotton to 20 cents a pound and it would cut it still more; increase cotton to 40 cents a pound and we could pay the remainder of the national debt with only 85,000,000 bales of cotton. To-day it would take 680,000,000 bales for the cotton planters to pay the national debt. Reduce the value of the dollar, increase the value of cotton—and one does the other—make cotton 40 cents a pound and the cotton planters of the South can pay their part of the national debt with only 85,000,000 bales of cotton.

What is true of cotton in the South is true of wheat in the wheat sections and true of oil in the oil regions, and what is true of these commodities in those various sections is true of livestock, cattle, and hogs, and everything else that the people produce.

Mr. President, I am arguing in favor of doing something to bring down the high-priced buying power of the dollar,

and I make the assertion that there is no other relief possible. Yet the distinguished Senator from Pennsylvania told the millions of his radio audience a few nights ago that the country would be ruined if we should reduce the buying power of the dollar.

Now, I want to give some authorities for my statements, authorities which are the best we have, because they are from United States Senators, the experts on the money question. The first witness I will call is the distinguished Senator who is the author of the Reconstruction Finance Corporation act, the junior Senator from Connecticut [Mr. WALCOTT].

I am quoting from the CONGRESSIONAL RECORD, on pages 4142 and 4143 of this session, the testimony of the Senator from Connecticut [Mr. WALCOTT]. He says the following:

Consequently, our dollar, always backed by gold, became unduly valuable. Our dollar to-day buys too much, because commodity prices are lower than they should be.

I agree with that statement 100 per cent. Then says the Senator from Connecticut:

So we find ourselves in the predicament that we had commodity prices much too low, the dollar corresponding too valuable, the purchasing power of the dollar too great, strange as it may seem, and business very largely paralyzed. What are we going to do about it?

That is the question asked by the Senator from Connecticut. That is the question that is pending here to-day, and that question will be pending until some adjustment is made. I make the assertion again that no relief is possible save reducing the buying power of the dollar; and as that is done, and in proportion as that is done, the value of commodities will increase.

Then, I wish to call the attention of the Senate to another expert, the distinguished junior Senator from Virginia [Mr. GLASS]. I quote his testimony on page 4136 of the RECORD, here at every desk. Says the Senator from Virginia:

Who will say that if we might expand to-day to the extent of $4,000,000,000 the situation would not be cured?

The Senator from Virginia advised the Senate, he advised the world, that if we could expand our circulation $4,000,000,000 the situation would be cured.

Some one might say that if we should expand the circulation $4,000,000,000 our Government would be driven from the gold standard. Mr. President, I will not risk my judgment. I will quote from authority which I think will be accepted. It is a publication put out by the National City Bank of New York. It is the February issue of this year. From this publication I quote the following:

In an address to the New York State Bankers' Association during the past month Governor Harrison, of the New York Federal Reserve Bank, stated that the gold reserves of the country would permit an expansion of some $3,500,000,000 in reserve bank credit before reducing the reserve percentage below the legal minimum. Such expansion would increase the loanable funds of the member banks by as much as $35,000,000,000. Evidently the United States is under no credit pressure traceable to the gold standard.

I cite this quotation as an answer to the radio address made a few nights ago by the distinguished senior Senator from Pennsylvania [Mr. REED], when he stated that if we were going to have to issue $2,000,000,000 in bonds to pay our own salaries, and then if we issued $2,000,000,000 more to pay the soldiers, we would be forced off the gold standard. Well, Mr. President, we issued $2,000,000,000 to loan to big business; and I am going to ask this question now, and I hope some one will answer it:

The Reconstruction Finance Corporation bill provided an outright appropriation of $500,000,000. It then authorized the corporation to raise an additional $1,500,000,000 by the issuance of bonds. Now, here is my question: How much was the Budget unbalanced by the passage of that act—$500,000,000 or $2,000,000,000? I should like to have some Senator answer that question.

Five hundred million dollars is the amount of the appropriation. That is an evident unbalancing of the Budget to that extent. Five hundred million dollars was appropriated in cash. Then we authorized the corporation to issue bonds, debentures, or notes to get another billion and a half. Does that one and a half billion, secured through bonds, further unbalance the Budget to the extent of another billion and a half of dollars?

Mr. President, I am proposing in the bill now pending in the Finance Committee to use the same identical plan of raising money to pay the soldier boys that we are using to raise money to loan to big business. If this $2,000,000,000 in the Reconstruction Finance Corporation has not unduly unbalanced the Budget, then I contend that even the carrying out of the program I have asserted in a bill pending before this body will not unbalance the Budget, because I do not propose to appropriate a single dollar. I propose to use the same identical plan that is being used down on Pennsylvania Avenue to raise money, to loan $55,000,000 to two railroads in these United States.

Relative to the fear that the credit of our Government may be destroyed, I next call the attention of the Senate to the opinion of a great economist. His name is Edwin R. A. Seligman, of Columbia University. I quote from a publication entitled "The Present Fiscal Situation." It is of date January 18, 1932. From this publication I desire to read just one paragraph, as follows:

Why is it not better—

Says Doctor Seligman—

to lean backward a bit, to go a little slow, to do in this peace crisis what we did in the war crisis?

He is talking about financing ourselves and the Government.

In the crisis of war we had no difficulty in maintaining the credit of the United States. We borrowed about 80 per cent and taxed about 20 per cent in order to raise the thirty-five or forty billions of dollars that we shot away in a year and a half of warfare. Why is it not desirable to go a little more heavily on the debt side and a little more lightly on the tax side in meeting the present emergency?

Mr. President, perhaps I should apologize to the Senate for discussing this matter in connection with the tariff bill; but there is no issue in the Senate; there never has been an issue in the Senate since we have had a Senate that is of more transcending importance than the control, the management, and the manipulation of money; and that is the issue I am trying to suggest at this time: Shall we have cheap money, or shall we have dear money?

We now have the dearest money this country has seen in my time. I am not for cheap money, Mr. President; I am not for the money that they had in Germany when it took a basketful to buy your breakfast; I am not for the kind of money that they had in France before the franc was revalued; but I am for a dollar on the same basis in buying power that it was when these debts were created. In order to get that dollar back to where it in justice belongs we must reduce its buying power.

That will not throw us off the gold standard. We can still have a 100-cent dollar, a 100-cent gold basis, and not go off the gold standard. In the war times we did not go off the gold standard. In the war times we had six and a half billion dollars in circulation. How much have we now? Not that much by a billion.

Mr. President, a few days ago the Chief Executive, after he had tried a great number of panaceas and they had all failed, discovered a new plan that he had not tried. It is termed an antihoarding program. A nation-wide committee was selected for the particular purpose of trying to induce money to come out of hoarding; and the President told us, in one of his messages, that there was $1,300,000,000 of hoarded money hidden away in safe-deposit boxes, hidden away in the sugar bowl, in the baking-powder can, between the mattresses, and in the mythical stocking. The President said, "Until this money is brought forth and placed back in circulation there can be no return to prosperity." A nation-wide committee was, therefore, designated to try to induce the people to get their hoarded money and go to spending it, and, if they would not spend it, put the money in the bank, where the bankers could use it.

What has been the result of that antihoarding program? The program has worked to some extent, because the facts

are that some of this money has come out of hoarding, and some of the people have spent their money. Some of them have brought their money from the hiding places and deposited it in the banks; and the money that has been spent in buying commodities has sooner or later found its way to the banks. What have the banks done with that money? Have they reserved that cash in their vaults to loan to their customers in their communities? No. Just as soon as a bank gets from its depositors the money which was formerly hoarded, back in the vaults, the bank bundles up this money, ships it down to the Federal reserve bank where it owes a note, and proceeds to pay that note. Before the program was started the people had the money hidden out somewhere where they could get it and get it at any moment. Since they have brought the money in and spent it, and it has been deposited in the bank, the bank has taken the money, sent it to the Federal reserve bank, and paid its note. What has become of that money? It has gone out of circulation, it has been retired, some of it has been canceled, and some of it has even been destroyed.

So the net result of the President's program has been to induce the people to take their few worn and ragged bills from their hiding places, spend them, put them in the banks, and the banks in turn have paid their notes to the Federal reserve system, and the Federal reserve system has retired, destroyed, and canceled this identical money.

Does the Senate need proof of this statement? If so, let me verify my assertion.

I have before me a newspaper clipping of most recent date, which I proceed to read.

MORE THAN $200,000,000 BROUGHT FROM HIDING—SECRETARY MILLS ESTIMATES LARGE AMOUNT RETURNED TO NORMAL CHANNELS BY DRIVE ON HOARDING

More than $200,000,000 has been brought back into commercial channels since the administration started its antihoarding campaign, it was announced last night by Secretary of the Treasury Mills.

He reported that money in circulation had decreased $201,000,000 between February 6 and March 26, after making allowance for seasonal adjustments. Money in circulation includes money hoarded.

Mills said this decrease was brought about by a strengthened banking structure and increased confidence as a result of reconstruction loans to business.

Mr. President, the Treasury advised the country that $201,000,000 has been taken from circulation, because the circulation has decreased that much; and there is no other way to get money out of circulation excepting for the Federal reserve system to collect the money into its vaults and keep it there, because money in the Federal reserve vaults is not in circulation. Money in the Federal Treasury is not in circulation. The only money that is in circulation is the money outside the Treasury and the money outside the Federal reserve vaults; and when the information is given broadcast that the circulation has been decreased $200,000,000, it means that that much money has been gathered from the people, sent back to the Federal reserve system, and been canceled and retired.

I said a moment ago that this money, when it was collected from the people, had been paid upon the notes of these banks. In justification of that statement I read from a publication entitled "Business Conditions Weekly," and this is a very recent publication:

The situation in the United States is characterized by marked progress on the part of member banks in reducing their indebtedness to the Federal reserve banks.

Mr. President, there is the statement of an institution which makes it a business to keep track of finances, and this particular quotation is found under the heading "The Financial Situation." So the result of the President's antihoarding program has been to induce the people to bring money forth, to spend it, and eventually it is deposited in the banks. Some of the banks owe the Federeal reserve; they do not like to pay interest on loans, so when they get some surplus money on hand—real money, cash—they bundle it up and send it by airplane or by guarded express to the Federal reserve and apply such currency on their indebtedness, thereby reducing if not eliminating the interest charges. That is exactly what this program has led to.

Mr. President, when $200,000,000 is taken out of circulation, money is made dearer because it is scarcer. As money becomes scarcer, it becomes dearer, and the higher goes the money the lower go the prices. Yesterday the bottom almost fell out of the stock market. I sometimes wonder whether there be any bottom to the stock market.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. I am attracted by a statement made by the Senator from Oklahoma, and I would like to ask him if he would make definite what he means when he says that the money sent back to the Federal reserve is canceled, and that the money then no longer remains money. If such is the Senator's understanding of his statement, I would like very much to be informed whether it be true that that money is canceled and no longer is usable for public commerce.

Mr. THOMAS of Oklahoma. It is just the same for the time being as if that money were sent to the bottom of the sea. It can not be used again until some bank goes to the Federal reserve system and makes an application to borrow that money, puts up the collateral, and secures the money again as a loan from the Federal reserve system. It is true that we have some nine billions of money to-day in existence. Down on Pennsylvania Avenue at the Treasury we have what is called a drying or aging room. When the presses have printed the money it is green. Green money, like apples, is not good for circulation, so we are told. Money, to be serviceable, must be aged.

The Treasury has control of some nine billions of money, but the people do not have that money. The people have only a possible five and a half billions.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHORTRIDGE. What does the Senator mean by the use of the word "money" in the course of his discussion? What is money—gold, silver, copper, or paper, so called? In his discussion what meaning does the Senator attach to the word "money"?

Mr. THOMAS of Oklahoma. Mr. President, in former times coon skins were used as money; in former times beads were used as money; in former times conch shells were used as money; in former times tobacco was used as money. Whatever serves as a medium of exchange among the people is money. Then, in later times, we came to think that only gold and silver were money, and for a long time that was the only kind of money we had, actual gold, actual silver, alloy, such as nickel, and copper, such as pennies. But gold was not easy to carry and people preferred to have a receipt for gold, so the Government issued bills called gold certificates.

Then later silver was coined. Silver dollars were not convenient to handle. So the Government proceeded to issue silver certificates, and a silver certificate is nothing more nor less than a receipt for a silver dollar, and a gold certificate is nothing more nor less than a receipt for a gold dollar.

Later on, after the War between the States, the Government ran out of gold and ran out of silver, and it had to issue greenbacks. Then came into existence a series of what was termed paper money, and since that time we have gold certificates serving as money, silver certificates, Treasury notes, United States notes, Federal reserve notes, Federal reserve bank notes, and national bank notes.

Money is of no value in itself. Even gold is of no value so long as it is money, except as a medium of exchange. We can not eat gold, we can not wear gold, so long as it is money. Of course, sometimes we see some one using gold pieces for buttons; and I am reminded there is a law against that. Sometimes we see some one wearing a piece of gold money as a watch charm. But as a practical proposition, gold serves no better purpose as money than does

paper. It is only a measure of value. It is only a medium of exchange. Does that answer the question of the Senator from California?

Mr. SHORTRIDGE. I think so. May I ask the Senator another question?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHORTRIDGE. Does the Senator set any limit upon the issuance of so-called paper money, and what is the limit the Senator would have set?

Mr. THOMAS of Oklahoma. I am delighted the Senator asked the question. I can only answer it by an analogy.

Mr. SHORTRIDGE. I ask the question in no spirit of controversy, but simply for information.

Mr. THOMAS of Oklahoma. I understand that. Some days ago I spoke upon this subject. I stated that right after the war Italy had no gold and no silver, that the only thing Italy had was her promises to pay. Italy, in order to finance the war, and to take care of her credit after the war, issued those promises to pay in great numbers. They ran into the billions of lire.

France had to do the same thing. France had little gold and little silver, and began to issue her promises to pay, and when the war was over France had in existence billions of francs.

The same situation was found in Germany. Germany had nothing but the credit of a defeated nation. So Germany began to print and issue paper marks, and such marks were issued until the time came when the Government could not afford to print the marks on both sides of the paper. Hence they limited the printing to one side. The mark kept on going down, until it was not worth the paper and the printing, and they had to quit. At that time it took 23 figures to enumerate the number of marks in circulation in Germany.

I am not in favor of that kind of circulation. No one favors such a program. But during the recent war and just after, when we had the best times this country has ever seen, we had six and a half billions in circulation. Then oil was three and a half dollars a barrel, wheat was $2.50 a bushel, corn was $1.75 a bushel, oats were a dollar a bushel, labor was plentiful, everybody was employed, and every man had his pockets full of money. Just how much money would have to be placed in circulation to bring back those prices I can not say. We could only tell by trying, and by increasing the circulation by a billion, or perhaps two billion. The objection to the proposal of increasing the amount of money in circulation is that it will increase the price of commodities. Some of our fortunate citizens have their wealth in fixed investments and have their safe-deposit boxes full of Liberty bonds, State bonds, and city bonds and mortgages; and with the dollar value the highest in a generation, they do not want to see the dollar value fall. But I think these heretofore fortunate individuals are facing trouble. The dollar can not be maintained at its present high purchasing value. The people can not pay their debts on the basis of the present high-valued dollar. What do we see in the interior now? We see the farmers unable to pay their interest and unable to pay their taxes; and because the farmers can not pay, the residents of the cities can not pay their obligations. Cities are having difficulty to get money to pay their officials, their firemen, policemen, and their teachers. Counties are having difficulty to get money to maintain the expenses of the county governments. States even are facing the same difficulties. There are defalcations now; and if this continues, of what value will these bonds really be?

Mr. President, if defalcation continues, and if involuntary repudiation is forced upon the taxpayers, then these holders of bonds and mortgages had just as well have in their safety-deposit boxes the leaves from Sears & Roebuck catalogues, because they will be on a par in value.

Mr. President, the deflation program started in 1920, and it is now 12 years old. The deflation program has been going on for 12 years. It is going on to-day. We have not checked deflation, as I will attempt to show.

The last three administrations have initiated and pursued a policy of deflation. Deflation means depression. It is my humble judgment that so long as deflation is pursued depression will be the answer.

I know that inflation to some has an odious flavor. I stand upon the definition of inflation stated in the New York Times editorial. Inflation means to expand. It is the reverse of deflation.

When I was discussing this matter before, I suggested a balloon for illustration and the Senator from South Carolina [Mr. SMITH] suggested an automobile tire. To inflate the tire we put air into it. To inflate the balloon we put air or gas into it. To deflate the tire or balloon we take air out.

I am not in favor of inflating the balloon to the point of bursting. That is what Germany did. I am not in favor of that. I am in favor of increasing the circulation to the extent where it will bring down the buying power of the dollar to where it was when this mass of bonds was issued and sold.

Mr. President, not by design, perhaps, but with the same effect as though by design, since these bonds were issued the dollar value has been increased, and to-day the people who owe these obligations owe more than the amounts they borrowed—they owe double those amounts. Is that honest? I contend that the dollar as we have it to-day to the man in debt contracted during the war period is an absolute downright dishonest dollar. I am only demanding that the dollar be reduced in buying power to the value of the dollar borrowed. In no sense am I in favor of putting so much money in circulation that the dollar should go the route of the franc in France, the lira in Italy, the ruble in Russia, or the mark in Germany.

Mr. President, the country has its choice—deflation and depression, or moderate inflation and prosperity. No one denies that if we had an increased circulation of money, commodity prices would begin to rise immediately. That is the reason for the opposition to the policy. The opposition do not want to see commodity prices increased. But how can the farmer live under present prices? How can the oilman live under present prices? How can the wheat grower or the cotton planter live under present prices? How can the miner live under present prices?

Mr. President, I call attention to the history which has been made since this Congress assembled. I will go back to September. Times were bad. The Chief Executive, in an effort to help conditions, devised what is popularly known as the bankers' pool. This is not a congressional entity. It was only a proposal for a voluntary organization among bankers to make and form an organization with $500,000,000 of capital. This voluntary organization, with $500,000,000 capital, was to be used in financing banks in distress. The papers made much of the proposal. The newspapers, the brokers, and the stock-market manipulators seemed to think, and the country was led to believe, that this bankers' pool would add money to circulation and make credit easier. The moment that impression began to spread, prices began to mount, stocks went up, wheat went up, cotton went up, oil went up, and confidence was beginning to be restored.

But very shortly it was discovered that there was no new money in the proposal, only credit. Not a single dollar was to be added to circulation through the bankers' pool. When this finally dawned upon and was understood by the public, then stocks began to go back down, wheat and cotton and everything else began to fall in price. That proposal as a prosperity restorative failed.

The next proposal was the Reconstruction Finance Corporation. When that panacea was proposed, we saw the same thing happen again. The papers heralded that as an inflationary movement, a movement to put money in circulation, and again we had a symptom of returning prosperity. But in a few days it was discovered that the Reconstruction Finance Corporation was not going to put any actual money in circulation. It was going to do business on credit. When it dawned on the people of the country that money was not going to be made more plentiful, then prices began to fall again, and depression was with us still.

Some other plan must be devised to bring relief. Two attempts had been made, and each attempt had promised

inflation and a broadening of the amount of money in circulation, and for a few days the speculators flourished, but not for long. When the people discovered that each of those attempts was a failure, prices again began to fall.

Then there was introduced in the Congress what is known as the Glass-Steagall bill, and the moment, the very day that the news broke forth that this bill had been agreed to at a White House breakfast, prices again began to scar. Then it was stated that at last we were to have more money in circulation, and on that statement again stocks began to soar, commodity prices went up on the statement, theory, implied promise, and on the belief that circulation was to be increased.

That went on for several days. Stocks went up some 15 points. But later on when it was found that not a single dollar of additional money was to be placed in circulation, stocks began to go down; wheat, corn, and commodity prices likewise began to lose the stimulation they had just received. The people began to lose confidence, and that condition exists to-day. On yesterday the stock market and the commodity market reached the lowest point in recent months.

If just a suggestion of inflation will bring about such wonderful results, why not have the Congress actually force more money in circulation? The bill now pending before the Congress proposing to pay the soldiers' bonus in cash, not in credit, not in checks, but in cash, will put in circulation something like $2,000,000,000 of actual money. It may not take $2,000,000,000. The Federal Reserve Board and the Treasury will be in touch with the situation, and there will not be put in circulation actual cash in a sum greater than is necessary to convert depression into prosperity.

I think that answers the question of the Senator from California [Mr. SHORTRIDGE].

Mr. President, I call attention to a newspaper article appearing to-day. In the different newspapers of this date we find information to the effect that money is going out of circulation instead of being placed in circulation. In the New York Journal of Commerce I read:

For the week the drop was $44,000,000.

That means that during the last week $44,000,000 of actual money was withdrawn from the pockets of the people and returned to the Federal reserve bank and there canceled, and by cancellation I mean placed beyond the reach of the people.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question at that point?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from California?

Mr. THOMAS of Oklahoma. I yield.

Mr. SHORTRIDGE. Referring to the money that was thus returned, was it paper money entirely?

Mr. THOMAS of Oklahoma. It must have been, because there is no other money in circulation now except paper money.

Mr. SHORTRIDGE. Is there any definite information as to whether the large sum said to have been returned was returned in paper money or whether there was gold in fact returned?

Mr. THOMAS of Oklahoma. The record of the Treasury shows there is practically no gold in circulation. Of course, there is some gold in circulation, but so small in amount as to be negligible. There are many silver dollars in circulation, but they are in the bank vaults and not circulating among the people. Because of the weight of silver and gold, the member banks do not send either to the Federal reserve banks. They keep such money in their vaults to make up their legal reserve, and ship back and forth paper money to the Federal reserve banks. When they need money they have the Federal reserve banks ship them paper money to save the cost of transportation. I take it that the $44,000,000 that went out of circulation last week was paper money. Is that inflation—taking money out of circulation? Is such a record of such a practice even checking deflation? It is deflation itself.

Instead of these various programs helping the country by putting more money in circulation, the article to which I have referred shows that during the past six weeks over $200,000,000 of actual money, the kind with which we buy our railroad tickets, the kind we spend among strangers, has been taken from the people and retired into the vaults of the Federal reserve banks. I cite that as an unanswerable argument that we are now still deflating the currency, still making money scarcer, still making money higher in value; and the higher goes the value of money, the lower goes the price of all commodities of every kind and character.

Mr. President, at this point I want to insert in the RECORD some views of economists. I will not have these read. The first article is a letter from a country economist living perhaps 2,000 miles from Washington. This country economist heard the speech of the distinguished senior Senator from Pennsylvania [Mr. REED] over the radio the other night. My correspondent saw fit to write the Senator from Pennsylvania giving his interpretation of the effect of the policy enunciated by that Senator. I will ask to have this inserted at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

MARCH 29, 1932.

Senator DAVID REED,
Washington, D. C.

DEAR SIR: I am prompted to write you concerning your remarks over the radio last night.

Your ideas regarding inflation of the currency, price levels, etc., apparently are at variance with those of our leading economists. Your concern over the condition of laborers and farmers if we inflate the currency seems rather peculiar to me. It may raise the cost of living, but it will enable them to pay off their debts and to pay their taxes—something they are utterly unable to do at the present time as a result of the outrageous deflation you defend. I observed that you took no cognizance whatever of the real fly in the ointment, to wit, debts.

Before normal conditions can return we must have a raise in price levels. All economists agree on this. A reasonable degree of inflation is necessary to secure that end.

As to going off the gold standard, from my limited observation it has appeared to me that England has profited a great deal by so doing. The number of unemployed has been reduced and their industries have consistently taken business from our own industries from customer nations.

Such attempts as yours to convince the people that they are enjoying huge benefits through this deflation and that they should continue to try to pay taxes and debts with money that is several times as hard to obtain as it was when those debts were created leave us in the Middle West cold. In other words, we know better.

Very truly,

L. D. MELTON, *Stillwater, Okla.*

Mr. THOMAS of Oklahoma. Then, in further support of the principle I have suggested and am attempting to sustain, I ask to have printed in the RECORD a letter from one of the largest brokerage houses in the United States. This house has its headquarters in New York City. It is the house of Harriss & Co. I will ask to have printed that portion of the letter which I have designated. It supports the theory that until deflation is checked, until money is made more plentiful, there can be no relief. This bonding house not only urges that money be made more plentiful, but it insists there is no other plan of relief.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

HARRISS & CO.,
COMMODORE HOTEL,
New York City, March 26, 1932.

* * * * * * *

But, on the other hand, we have long believed that the deflation of commodity values, with its effect upon sound realty and security values, had extended to such a disastrous and devastating extent that some treatment more heroic than mild restoratives were necessary to bring about some semblance of equilibrium.

The moratorium on international debts, the creation of the National Credit Corporation, the Reconstruction Finance Corporation, and, last, the Glass-Steagall Act have admittedly afforded some temporary relief, but at this writing sentiment in New York is again at or near its lowest ebb, and this applies to every business that is carried on from the Battery to Harlem (possibly excepting bootleggers), and from those who visit us from the interior we are told that the New York City boundaries mentioned can be extended to include nearly every section of the United States.

According to our academic way of figuring it seems impossible of accomplishment that the staggering debts of governments, individuals, and corporations—national and international (nearly all created on a highly inflated basis for commodities, realty, and labor)—can ever be paid in the present glorified dollar or with commodities or kind at their present deflated levels.

We believe that the dollar must eventually be devaluated either on a gold basis by reducing the legal reserve and issuing bank notes or Federal reserve notes against all Government obligations, or else we must do what England has been forced to do—suspend gold payment altogether.

Believing as we do that the existing disparity between gold and the necessities of life and commerce must inevitably be more nearly balanced, and since the devaluation of the dollar seems to afford the only logical and equitable solution, we can not subscribe to a long-pull bearish view on cotton; yet we are prepared to admit that there are no encouraging signs at this time, but anything approaching another financial crisis may throw us off the gold basis overnight, as in the case of England and Japan, and such an emergency would result in a perpendicular decline in the purchasing power of the dollar and a corresponding advance in commodities and seasoned security values.

In fact, even if the Reconstruction Finance Corporation and the Glass-Steagall bill will enable the banks to weather any emergency, we still believe that Federal and municipal Budgets will remain unbalanced, and their deficits will continue to grow until inflation has been accomplished within conservative bounds.

Those who have hoarded their wealth or invested in gold mortgages and bonds (and this applies as much to the banks and large corporations as to the individuals) would not actually be damaged by this eventuality, because the obligations they hold were created when the present dollar was worth about 50 cents, and even if inflation carried commodity and security prices to double their present market value nearly everyone would profit thereby.

Mr. THOMAS of Oklahoma. In further support of the proposal that there is no relief possible until we have not only checked deflation but until we can get more money in circulation, I will insert at this point a statement from a widely read economist, a statement from a man who heads a $1,000,000,000 concern. This statement indicates that the increasing of circulation by $2,000,000,000 of actual currency would probably be going too far. I am not urging that $2,000,000,000 be placed in circulation. I am only urging that more money be placed in circulation to bring down the buying power of the dollar to the point where it was when this vast amount of obligations was incurred. I ask that this statement may be inserted at this point.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, it is so ordered.

The statement is as follows:

Your proposal would have enormous influence both in raising commodity prices and improving business conditions. Criticism would be that its influence in these directions would be excessive and produce inflation. Two and a half billions would enable member banks to pay off all rediscounts and probably add one billion six hundred millions of Federal reserve credit basis, thus making sixteen billions of commercial credit available. Hope you will pardon suggestion that wisdom of going so far is debatable. Method you propose would have precisely same effect as purchase of same amount of Government bonds by Federal reserve and much smaller amount would be sufficient to initiate recovery. If dealt with in your way, one billion would pay off rediscounts and add approximately two hundred millions to credit basis, permitting two billions additional commercial credit. Even smaller amount might be sufficient, for as soon as hoardings flow back on large scale, end of depression will be in sight. If inflation should threaten later, large holdings of Government bonds would provide Federal reserve with weapon to combat it.

Mr. THOMAS of Oklahoma. Mr. President, on yesterday I received a telegram from an economist of New York who, I understand, is the adviser of some of the largest financial concerns in that city. I send to the desk this telegram and ask that it be read in my time.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

NEW YORK, N. Y., *March 30, 1932.*

Senator ELMER THOMAS,
Senate Office Building, Washington, D. C.:

Answering your letter, believe that your bill is the first hopeful action taken to save our deplorable economical condition from reaching a catastrophe. In the first place, it is sound economically because it takes care of a Government obligation; second, it will stop further communistic bills of putting the Government in business. Principally it will lead us to an inflation and probably to a temporary devaluation of the gold dollar, which is absolutely essential to save us economically. During the war we socialized the country, we also loaded it with gigantic governmental debts. In addition, the failure of our economic policy of 1924 to raise the standard of living of the world as well as ours with American capital and credits has rendered our economic situation impossible to adjust with the gold dollars. In such a serious situation it can not be adjusted by simply reducing the Federal rediscount rate or top adjustments. We must use more radical means, such as an inflation which will temporarily devalualize our gold dollars, as much as we dislike it. We may as well take advantage of the present to correct our absurd economic policy of issuing gold-dollar bonds and come back to the honest United States dollar. Substantiating these views it is needless to refer you to the wonderful economic recovery England has made during the last six months by the adoption of similar financial inflationary methods. England adopted these measures only as a last resort to balance her budget and correct her ruinous deflation. Our existing deflation is even more distressing. Have shown your bill to two presidents of small, conservative banks, also heads of large corporations, and they are looking upon your bill as their only hope from their depths of despair.

GEORGE LEBLANC.

Mr. THOMAS of Oklahoma. Mr. President, in further support of the position I have taken I will ask to insert at this point some excerpts from an article appearing in the Current History magazine of date March, 1932. The article is signed by Bernhard Ostrolenk. I desire the parts that are underscored to be printed at this point in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

In brief, if we eliminate the secondary transactions, the fundamental process is that the Reconstruction Finance Corporation will issue bonds and the Federal reserve banks will emit the currency to buy the bonds.

* * * * * * *

For every dollar coming over the counter into a bank the theoretical credit available to borrowers is about $10, because when a bank makes a loan it does not pass out currency to the borrower, but merely credits his deposits with the loan. Therefore, new loans merely mean larger deposits.

* * * * * * *

An immediate effect of a rise in commodity prices would be to lighten the burden of debts. All debtors would be able to pay their debts and interest with fewer commodities. Obligations of railroads; corporations; Federal, State, and county Governments; school districts and municipalities; payments on farm, home, and other real-estate mortgages; in fact, every kind of obligation, private or corporate, which to-day hampers industrial activity would be met with a partially inflated currency. The burden that makes the depression weigh more and more heavily on the world is that of the debts with which the nations, State governments, municipalities, corporations, and individuals are loaded. These obligations were contracted when prices were high; now, when prices have fallen and values have depreciated, they can be met only with larger quantities of commodities.

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The increased burden of debt, due to the fall in prices, has been doubled and trebled and has paralyzed further credit extension.

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This places the total defalcation for the year 1931 at about $10,000,000,000 or more, without taking into account the losses on mortgages on farm lands, which probably also amount to billions of dollars.

* * * * * * *

Going off the gold standard by the United States when accompanied by inflationary measures would be equivalent to cancellation of a part of the debts owing to us from abroad, the cancellation being measured by the decline of the dollar in terms of foreign money.

* * * * * * *

In brief, a governmental inflationary measure is favored by important groups because it would react as follows: (1) It would advance prices of commodities; (2) it would decrease the burden of debt of all debtors; (3) it would decrease the claims of creditors in terms of commodities as valued to-day, but it would in most cases give them more than they gave and more than they would receive if the present rate of defalcation continues; (4) it would liquidate frozen bank assets and prevent further bankruptcies; (5) it would benefit agriculture by raising prices and by lowering the farmers' debts.

* * * * * * *

It would give the debt-ridden world a breathing spell by placing the discussion of intergovernmental obligations in a more rational atmosphere.

Mr. THOMAS of Oklahoma. Mr. President, we see in the public press intimations that England has done an unpardonable thing, a terrible thing, by going off the gold standard. At no point in my discussion have I even suggested that we go off the gold standard, but, Mr. President, we could increase our circulation of currency to $11,000,000,000 and still not be compelled to go off the gold standard. We could

put into circulation the difference between four and one-half billion and $11,000,000,000 and still be legally on the gold standard; in other words, we could double every dollar in circulation to-day with another dollar and still be legally on the gold standard.

In the public press of this date I find this statement by the Associated Press:

The monetary gold stock of the Nation on March 30 amounted to $4,388,000,000.

Mr. President, under the law we only need to have 40 per cent of gold behind each dollar. The amount of gold which we have, according to this publication, is legally good for the circulation of $10,952,500,000; and when it is stated that by adding another billion or two billion dollars to the circulation we would be driven from the gold standard, I cite this as an answer. Yet even were we forced from the gold standard we would be in no worse position than Great Britain. Has Great Britain been destroyed by being forced from the gold standard?

I want to read some headlines about conditions in Great Britain. I first read an Associated Press dispatch from London, under date of March 30:

Surplus certain for Great Britain.

The Associated Press carries the information to the world that Great Britain, off the gold standard, will have a surplus at the end of her fiscal year. Contrast this with our deficit, on the gold standard, in America.

Next is a cable to the Star from London, and the headline is:

Cheered by upturn.

Mr. President, we hear much about Canada. I have here an analysis of the effect of Canada's going off the gold standard. I will not read the whole article; I will read one line, and I quote as follows:

From this rather brief survey of the facts it seems that the fall in the dollar has definitely been to Canada's advantage.

Even in Canada, going off the gold standard has been her salvation. The going off the gold standard in Great Britain has likewise been her salvation.

In support of that statement let me quote from an article appearing in the New York Times of March 20. The article, which is under a London date line, is signed by Charles A. Selden. I will not put the article in the RECORD. I read just a few sentences from the article. The headline is as follows:

Britain's striking recovery—Strides made in six months.

Six months ago Great Britain was on the gold standard; millions of her men were unemployed; factory smokestacks were smokeless; the dinner pails were empty; business was chaotic; the dole was in existence; and England, standing on the abyss and looking over, went off the gold standard. In connection with this article is a cartoon which I exhibit to the Senate. [Exhibiting.] It typifies Johnny Bull standing at a window and looking at his factories. In place of those factories having smokeless chimneys, great volumes of black smoke are being emitted from every chimney in the view of Johnny Bull. I read further:

It will be just six months to-morrow (March 21) since Great Britain went off the gold standard. In the half-year period between September 21, the day of the autumnal equinox of 1931 and the vernal equinox of 1932, the country's economic and financial recovery has been one of the most amazing transformations in our history.

* * * * * * *

Unemployment is going down; trade is improving.

* * * * * * *

But the balancing of the budget is already accomplished independently of tariff revenue, and there is even a surplus for the coming year.

* * * * * * *

Abandonment of gold is deemed a blessing in disguise by the very men who fought hard to avert it. Its final result, due to the depreciation of the pound, was to stimulate the country's languishing export trade. That meant a considerable revival in the textile industry and the export coal business.

Again I read—and I quote now from Chancellor Chamberlain as he is quoted in this article:

I look on 1931 as England's year of danger and on 1932 as her year of opportunity.

Again I read—

The outlook has been improved by the fact that at last unemployment is beginning to decrease.

I am not suggesting that we go off the gold standard; but even if we did, and results accrued to America comparable to those which have accrued to Great Britain, would our Government and country be ruined?

On the front page of every newspaper of this date we find the following headline:

Britain has surplus of $1,383,200 in year.

There is the answer.

Mr. President, I do not wonder that some people try to obscure this issue. So long as the people can be kept in ignorance of the effect of money upon business, so long as a few men control the money of the country, the amount to be placed in circulation and the amount to be withdrawn, so long as they can increase it when they want to and decrease it at will, the masses of the people will be helpless. Paraphrasing Lincoln's words, "A nation half free and half slave can not endure," I assert that a nation 97 per cent pauper and 3 per cent prince can not endure, and a nation 97 per cent hungry and 3 per cent stuffed can not long survive.

What are we going to do about it? I repeat the question asked by the distinguished Senator from Connecticut [Mr. WALCOTT], "What are we going to do about it?" The only answer I can get is an echo, and that echo is the one word, "harmony." Mr. President, will harmony solve our problem? Nero was in favor of harmony; he even produced harmony while Rome burned.

Mr. HATFIELD. Mr. President, the inauguration of the nation-wide campaign of misrepresentation of the Herculean task of the present Republican administration which began in June, 1929, with the announcement by Mr. Jouett Shouse, director of the Democratic National Committee, of the appointment of Charles Michelson as chief of the publicity bureau of the Democratic National Committee, has never ended.

Since that time newspaper propaganda, circulars, addresses, and interviews, utterances in the names of leading Democratic Senators and Congressmen have poured forth from the fountain of defamation with but one idea to accomplish—to misrepresent the attitude and efforts of President Hoover in the superhuman task that has confronted him in his conduct of public affairs as the Chief Executive of this Republic. They took as their chief theme what they choose to call "robber rates" placed in the present tariff law.

Congress was called in session in April, 1929. The first debate on the tariff in the Senate took place on September 11, 1929.

Even before this, the ballyhoo against the Smoot-Hawley Act started, and it has continued ever since.

On July 7, 1929, Senator Simmons was the first to attack it in a tirade against the tariff on farm products.

On August 3, 1929, Senator CONNALLY made a vigorous attack on the tariff as it applied to sugar.

On August 4, 1929, Senator HARRISON made a statement against the tariff on sugar.

The Smoot-Hawley bill became a law June 17, 1930. It was thus under consideration nine months in the Senate.

Mr. President, for one year before this measure became a law it was under the attack of the publicity bureau of the Democratic National Committee.

The plot that was conceived by this propaganda was ably supported by the importer and the international banker for two reasons: The first had his wares to sell; the latter had his ducats to gather which he had loaned to his European customers. Tireless efforts were put forward by that time-honored veteran of this body, the Hon. REED SMOOT, chairman of the Finance Committee, to be fair with American



industry, farmers, and labor in conserving for them the American market and at the same time protecting the consuming public. No one has dared to question his integrity. The greatest proof of this assertion is that the monstrosity brought forth by the labors of a Democratic House had to be renovated by an outstanding Democratic Senator after it had reached the Finance Committee of the Senate. It emerged therefrom without a single recommendation for the change of any of the rates in the Smoot-Hawley law, which our Democratic friends had been so vociferous in proclaiming were excessive.

Only one solitary Senator from the Democratic side has dared to mention an item in the law that he would reduce; and he must be congratulated, Mr. President, for following in the footsteps of his party stalwarts as they have in the past blazed the path of free-trade principles in this country.

Mr. President, the Democratic policy committee of the Senate and of the House jointly, in view of the tariff legislation which they have submitted for consideration to Congress after all the propaganda and invectives indulged in against the administration, might well be portrayed by the old adage, "They labored long and brought forth a mouse."

The amendment which is before the Senate at this time I have read with considerable care and with much surprise. I find that this amendment is, in great part, a rehash of a similar amendment proposed by Senator Simmons during the consideration of the present tariff act.

The first four pages of the printed bill before the Senate are in fact and in language that which was accepted by this body on October 2, 1929, by a vote of 47 to 42.

A perusal of the list of those voting indicates quite forcefully that those who favored this proposal at that time constituted what was known as the "coalition."

Mr. President, were this amendment enacted into law, and were the expressions of some Senators on this floor while this bill was under consideration genuinely sincere, this body would no longer be a legislative body. It would be relegated to the function which is performed by a rubber stamp.

While this bill was under consideration there was considerable discussion as to what would be the function of Congress were this proposal adopted.

I quote from the CONGRESSIONAL RECORD, October 2, 1929, page 4105. Speaking on this question, Senator NORRIS stated, in a colloquy with other Senators, addressing himself to Senator BARKLEY:

> Mr. NORRIS. I should like to ask the Senator if this would not probably be true: If the amendment were the law, and an item reported upon by the Tariff Commission were embraced in a bill coming before the Senate, would not such a bill probably be passed by unanimous consent if it were in accordance with the recommendations of the Tariff Commission?
>
> Mr. BARKLEY. I have no doubt that many instances of that nature would occur. Where a report is made to Congress and under the constitutional provision a bill based on such report originates in the House of Representatives and is passed there and comes here with a report from the Tariff Commission, I have not any doubt whatever that such a measure would receive prompt and almost unanimous approval of the Senate of the United States, which would be in compliance with my conception of my duty as a Member of the legislative branch of our Government. So, Mr. President, because that can be done, and will be done, there is certainly no reason why this great taxing power should be delegated to anybody except the representatives of the people as provided in the Constitution of the United States.

Mr. President, the unwillingness, or perhaps it may be better said the inability, of the Democratic policy committee to agree upon any list of rates which in their judgment would make good their continual assertions that the Smoot-Hawley tariff law contains excessive rates; their inability or unwillingness to furnish a list of such rates other than the list furnished by the junior Senator from Tennessee [Mr. HULL] on this floor last week, warrants the belief that the proposal before us is a mere political gesture.

If there were any doubt in anybody's mind as to the accuracy of my statement, I might again direct the Senate's attention to the quotations which I have just read from the CONGRESSIONAL RECORD, and compare these assertions with what the same Senators actually did when they had before them definite findings and recommendations of the Tariff Commission.

Mr. President, the Tariff Commission found, upon investigation, that the duty of 75 cents per ton on pig iron did not equalize the cost of production in America and the principal competing country.

The record indicates that Senator COSTIGAN, when a member of the Tariff Commission, differed with his colleagues as to which country should be considered the principal competing country.

Of course, under the pending bill the law would be changed from "principal competing country" to "principal competing countries." However, I am going to accept Senator COSTIGAN'S findings that Germany, and not India, was the principal competing country.

I find inserted in the RECORD under date of November 9, 1929, on page 5390 of the bound RECORD, the report of Senator COSTIGAN as a member of the Tariff Commission on pig iron. Senator COSTIGAN found that Germany was the principal competing country.

Under date of September 26, 1929, on page 3998 of the CONGRESSIONAL RECORD, I find a table of figures submitted by the senior Senator from Tennessee [Mr. MCKELLAR] dealing with foreign and domestic prices of pig iron. I find figures quoted from Philadelphia, England, Germany, France, and Belgium. The figures here indicate the price for 1928, and I am going to use these figures for a comparison. I find pig iron, domestic and foreign, quoted as follows:

Philadelphia, 1928	$21.17
England, 1928	15.92
Belgium, 1928	16.63
France, 1928	17.59
Germany, 1928	18.85

The average difference in these prices shows an average foreign price $3.91 per ton cheaper than the price in Philadelphia.

It may be noted that the difference in price in Germany, as compared with Philadelphia, is smaller than any of the others, amounting to only $2.32 per ton. Assuming that there was some coordination upon the part of the coalition, and assuming that Senator COSTIGAN was right in his contention that Germany was the principal competing country, the figures indicate that German prices were the highest of the foreign countries listed, and still we find a difference of $2.32 per ton.

So if this bill ever became a law—which I sincerely doubt will happen while the American people indicate their desire to retain the American standard of living, which they can do only through the election of a Republican Congress—we would find that the coalition should vote for a tariff rate of not less than $2.32 per ton on pig iron.

Yet, Mr. President, when the question of placing a duty on pig iron was before this body, I find under date of November 6, 1929, on page 5225 of the bound CONGRESSIONAL RECORD the following:

> Mr. BARKLEY. Mr. President, I desire to offer an amendment to the committee amendment. In lieu of "$1.50" I move to insert "75 cents."

In other words, Mr. President, despite the finding of the Tariff Commission that the difference in cost of production of pig iron was $3.40, we find the coalition, through one of its leaders who had asserted that the findings and recommendations of the Tariff Commission should be automatically enacted into law, presenting an amendment which set aside the findings and recommendations of the Tariff Commission.

Therefore, Mr. President, in so far as the past actions of those who are supporting this amendment are indicative of the future, we know from past experience that when and if the Democratic Party gains control of Congress we will not have a tariff which equalizes the difference in cost of production but a tariff which will protect only commodities produced in States represented in Congress by Democratic congressional leaders.

The proposed amendment takes away from the President the power to act on recommendations of the Tariff Commission and at the same time makes a tremendous addition to the President's power.

While the present act was under consideration, the proponents of the pending amendment were very vehement in their protests over the delay on the part of the Tariff Commission. Yet, we now have those who complained of delay proposing legislation which will permit interminable delay by allowing a few Senators to prevent the recommendations of the Tariff Commission being enacted into law.

There are some parts of this bill, Mr. President, that strike me as being worthy of serious consideration and enactment into law.

The present tariff law, as set forth in its title, purports to protect American labor. I believe the Tariff Commission should be empowered to consider the difference in the labor cost of production of articles produced here and in foreign countries.

Much has been said and much has been written about the greater productivity of American workers as compared with the workers in foreign lands. During the last decade American manufacturers, desiring to enrich themselves at the expense of their country, and perhaps, as they claim, to override foreign tariffs and other foreign laws, have taken American capital out of the United States and erected branch factories in foreign countries. In these branch factories in foreign countries they have installed the most up-to-date and modern machinery available.

Those who desire low tariff rates or free trade claim that there is no difference in the cost of production of plants in this country as compared with foreign plants owned or operated by Americans.

Were such statements true, Mr. President, a large part of the ten billions of American capital now invested in foreign countries would be today invested in factory and other production in our country providing employment for American workers instead of, as it is, providing employment for workers in foreign countries.

Only a few years ago one of America's leading industrialists erected a branch factory in Europe; and less than six months after his European factory started production he closed down his American plant forcing several thousand American workers into the ranks of the unemployed.

Further, Mr. President, it is well to bear in mind that the foreign factory, in this case, shipped into the United States each year some 70 per cent of the entire output.

It is interesting to note that the workers in the foreign factory, 70 per cent of the product of which was yearly imported into the United States, received in wages less than one-half of the wages previously paid to the American workers for doing the same identical work.

This is but one of many illustrations which can be made; and, Mr. President, I predict that if our tariff rates are lowered, as the Democrats claim they will be, if and when the Democrats gain control of the Congress and the Presidency, the illustration herein noted will be multiplied many times to the detriment of the American industrial workers and to the loss of the American farmers of a profitable purchasing market in our own country.

I believe that the American industries that are paying fair wages to their employees should be protected against those that pay low wages and force their workers to work long hours.

For that reason, Mr. President, I subscribe to the theory contained in lines 21 to 25 on page 3 of the amendment now before us.

I also desire to commend highly the author of the proposed amendment for his apparent willingness to protect American industries and provide employment opportunities for American workers and a market for the products of the American farmers, as he has attempted to do in lines 20 to 24 on page 4 of the proposed amendment.

As I read the lines I have referred to, were this language a part of the present law the Tariff Commission could, without action on the part of Congress, take into consideration the depreciation of foreign currencies which is jeopardising the continuation of some American industries at this time.

I am reliably informed, Mr. President, that the people of West Virginia are very much concerned with the depreciation of these foreign currencies, and I am going to cite an illustration of the harmful effect of such depreciation.

At the time I prepared these remarks the Japanese currency had depreciated 34 per cent, while England's depreciation amounted to some 30 per cent. When the tariff bill was under consideration on this floor the information supplied by the Tariff Commission showed the imports and exports for the year 1928 and the unit value of those commodities.

The people of the State I represent are greatly concerned over what is known as pottery, chinaware, and earthenware for table or household use.

In 1928 the average unit value of imported decorated china tableware was 90 cents per dozen pieces, while in January, 1932, the unit value of these imports from Japan was reduced to 31½ cents per dozen pieces. In other words, at the time the present tariff act became a law American pottery workers had reason to believe that Congress had granted them an average tariff protection on decorated chinaware equivalent to 73 cents per dozen pieces. However, as a result of the depreciation of foreign currencies, notably in Japan and England, the American pottery workers find that in January, 1932, instead of a tariff protection of 73 cents per dozen pieces, in reality the tariff protection has been reduced to 32 cents per dozen pieces on imports from Japan.

Incidentally, I might call the attention of the Senate to the fact that the imports of this commodity from Japan for the month of January, 1932, were in excess, in quantity, over those of January, 1931.

On decorated earthen tableware the average unit value of imports in 1928 was $1.14 per dozen pieces, while in January, 1932, the unit value of these imports from Japan was only 40 cents per dozen pieces.

In other words, Mr. President, the American pottery workers had reason to believe upon the enactment of the present tariff law that Congress had given them a tariff protection of 90 cents per dozen pieces. As a result of the depreciation of foreign currencies at present the tariff protection accorded the products of American workers amounts to only 38 cents per dozen pieces on imports from Japan.

An illustration of the purposes of the Democrats in proposing the present amendment might be taken from the Fourdrinier wire case. When this commodity or article was before us for consideration, despite the fact that 80 per cent or 90 per cent of the cost of production is paid to labor, the Democrats opposed a duty which would equalize the difference in cost of production. I feel warranted in making this statement in view of the fact that shortly after the bill passed the Tariff Commission was called upon to investigate the difference in costs of this commodity as compared with foreign costs, and found it necessary to recommend an increase of the full 50 per cent over the duty enacted into law

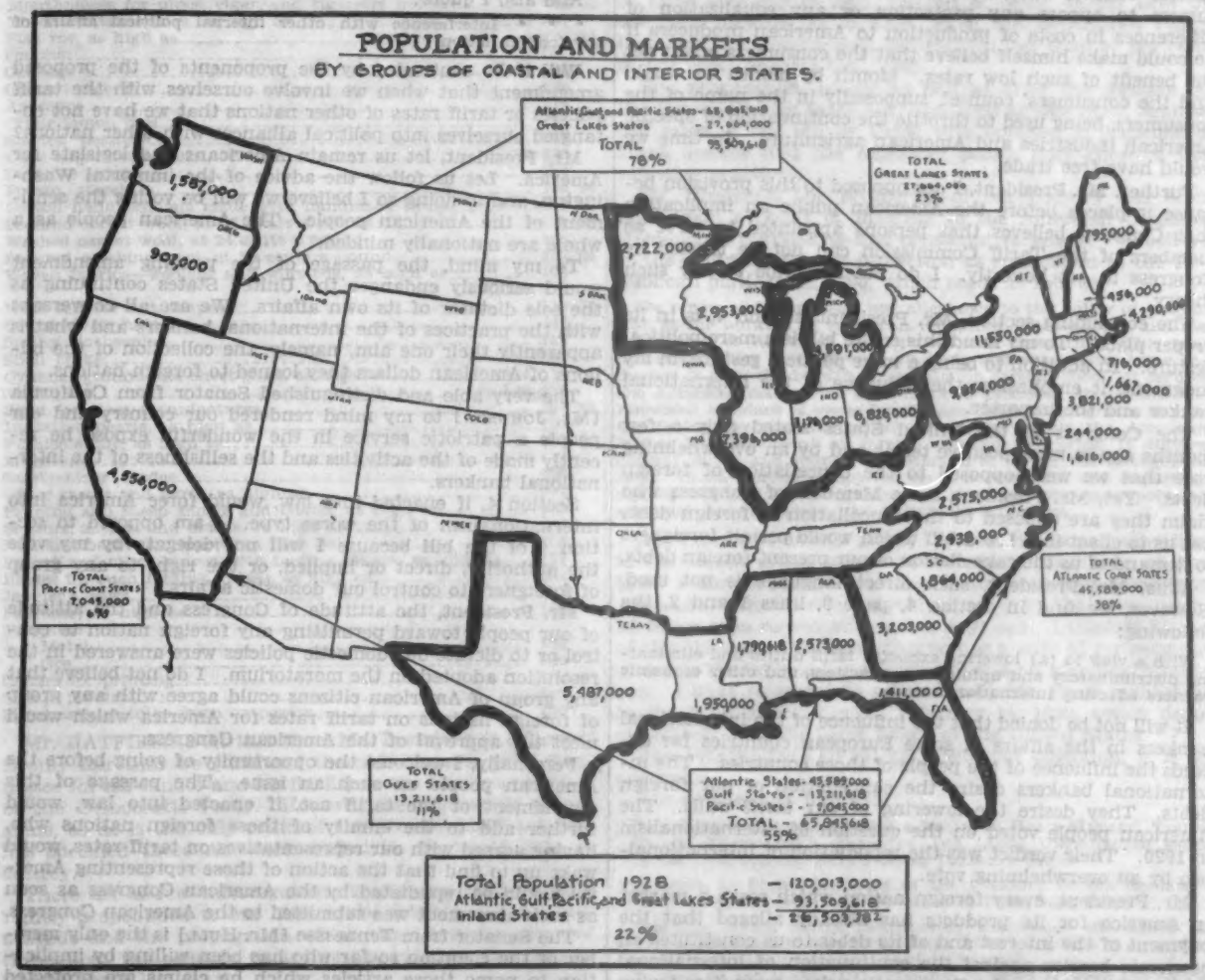
Realizing the handicap at present imposed upon American industry by allowing foreign articles to be valued in our customhouses in depreciated currency, I trust that in the next revision of the tariff, which it is very evident will take place shortly after the next national election, we will authorize the Tariff Commission to take into consideration depreciation in foreign currency, or better, that we base our values of imports on the American selling price.

Mr. President, those who are opposed to giving preference in the American market to the products of American labor, American farmer, and American industry, guided, no doubt, by those who cater to the international banker and the importer, seek to amplify, in the amendment now pending, conditions which will deny to those producers of the Atlantic, Pacific, or Gulf sections protection or equalization to which it is admitted such producers are entitled.

In the guise, Mr. President, of allowing the importer or international banker, who finances the importers, the costs

of transportation to the principal competing centers, they automatically reduce the tariff protection accorded coast section producers from 5 per cent to 25 per cent, depending upon the commodity.

We all know that for some commodities the transportation cost by rail for some 300 or 400 miles is four to five times greater than the cost of transporting the same commodity across the Atlantic or Pacific Ocean. The bulk of our consuming poplation is located in a belt near the seacoast of this country. Cheap ocean freight rates give the foreign producer a distinct advantage in our big consuming market. In addition, the Mississippi River opens up the central markets of this country by low-cost water transportation.



Where domestic railroad transportation costs are added to the ocean transportation costs in arriving at the foreign cost, it is obvious that an advantage is given to the foreign shipper in having access to our markets.

Mr. President, I desire to insert at this time as a part of my remarks a table and graph which illustrates geographically the location of the consuming population of the United States.

(By authority of the Joint Committee on Printing the chart referred to is printed herewith.)

Mr. HATFIELD. Now, Mr. President, further analyzing the proposed amendment, I want to compliment the authors for their hope that there are in the United States six men who will accept appointment to the Tariff Commission who are so gifted that they, without any knowledge of a specific industry or any experience in the management of such industry, would define "efficient and economic operation and location of domestic industry." Men who are conversant with and competent to be considered experts in one line of industry or agriculture might well fail to meet the test as called for in this part of the proposed bill.

In passing let me call attention to the fact that the proponents of the bill, as is usual with those who listen to the voice and seem to have the vision of the international banker and importer, did not authorize the Tariff Commission to make any investigation into the "efficiency and economic operations and location of the foreign competing industry." All possible handicaps are suggested for imposition on American industries, none at all on foreign producers.

Again, Mr. President, this only emphasizes what I have always contended, that those who seek low tariff rates or free trade, those in our Congress who seem to be misled by the international banker and the importers or some other sinister force not intending to injure their own country, do not realize the damage they do their own people.

Mr. President, I come to another section of the proposed bill, and I know of no action upon the part of the coalition or the Democratic policy committee which so well indicates what the Republicans have always contended, that the Democratic Party in action falls short of their commitment to the American people, although they preach the gospel of a tariff policy which allows for the differences in costs of production in American and foreign countries.

Section 3 of the proposed amendment calls for the creation of a "consumers' counsel." At the time the present tariff

act was under consideration, wishing to protect the American consumers from exploitation at the hands of producers, the argument presented appealed to me. I, therefore, favored this proposal. After much consideratiton I have come to the conclusion that such a procedure would only result in forcing upon American producers a governmental agency the real function of which would result in giving assistance to the international bankers in securing the lowest possible tariff rates on imported commodities.

We all know that America as a whole constitutes the consumers. But our activities in producing are divided into many, many individual items. Consequently, the "consumers' counsel" would be there in the interest of the consumers to oppose any protection or any equalization of differences in costs of production to American producers if he could make himself believe that the consumers might get the benefit of such low rates. Month by month we would find the consumers' counsel, supposedly in the name of the consumers, being used to throttle the continuation of specific American industries and American agriculture. In time we would have free trade.

Further, Mr. President, I am opposed to this provision because it places before the American public an implication that Congress believes that persons appointed to serve as members of the Tariff Commission can not be trusted by Congress to act honestly. I do not subscribe to any such theory.

The concluding section, Mr. President, section 4, is in its proper place. To my mind this entire bill is a mere political gesture. In addition to being a mere political gesture, in my judgment, it emphasizes the influence of the international banker and the importer.

The Congress of the United States stated only a few months ago in most positive terms and by an overwhelming vote that we were opposed to the cancellation of foreign debts. Yet, Mr. President, some Members of Congress who claim they are opposed to the cancellation of foreign debts ask us to enact into law a bill which would permit foreigners to demand of us the cancellation of our present foreign debts.

True, Mr. President, such direct language is not used. However, we find in section 4, page 9, lines 1 and 2, the following:

> With a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade.

It will not be denied that the influence of the international bankers in the affairs of some European countries far exceeds the influence of the people of those countries. The international bankers desire the cancellation of our foreign debts. They desire the lowering of our tariff walls. The American people voted on the question of internationalism in 1920. Their verdict was the repudiation of internationalism by an overwhelming vote.

Mr. President, every foreign nation which seeks a market in America for its products has already alleged that the payment of the interest and of its debts to us constitutes an economic barrier against the continuation of international trade. Yet we have the Democratic policy committee trying to fool the American people into believing that they stand opposed to the cancellation of foreign debts, while they present and support legislation which would lead the international bankers to believe that Democratic control of Congress would mean cancellation of our foreign debts.

Those who vote for the passage of the proposed amendment should in fairness to the American people openly admit that they no longer oppose the cancellation of foreign debts, and any statement to the contrary is for political consumption only.

The Republican Party in its platform of 1928 said:

> The Republican Party maintains the traditional American policy of noninterference in the political affairs of other nations. This Government has definitely refused membership in the League of Nations and to assume any obligations under the covenant of the league. On this we stand.

Quoting further from the Republican platform of 1928, as such relates to the proposed amendment, we stated to the American people that—

> We have steadfastly opposed and will continue to oppose cancellation of foreign debts.

The Republican Party is consistent. On the other hand, can those who represent the Democratic Party claim to be consistent?

In the Democratic platform of 1928 I find the following statement:

> Freedom from entangling political alliances with foreign nations.

And also I quote:

> * * * Interference with other internal political affairs of any foreign nation.

Will it be contended by the proponents of the proposed amendment that when we involve ourselves with the tariff policies or tariff rates of other nations that we have not entangled ourselves into political alliances with other nations?

Mr. President, let us remain Americans and legislate for America. Let us follow the advice of the immortal Washington, and in doing so I believe we will be voting the sentiment of the American people. The American people as a whole are nationally minded.

To my mind, the passage of the pending amendment would seriously endanger the United States continuing as the sole dictator of its own affairs. We are all conversant with the practices of the international bankers and what is apparently their one aim, namely, the collection of the billions of American dollars they loaned to foreign nations.

The very able and distinguished Senator from California [Mr. JOHNSON] to my mind rendered our country and our people a patriotic service in the wonderful exposé he recently made of the activities and the selfishness of the international bankers.

Section 4, if enacted into law, would force America into internationalism of the worse type. I am opposed to section 4 of the bill because I will not delegate by my vote the authority, direct or implied, or the right to any group of foreigners to control our domestic affairs.

Mr. President, the attitude of Congress and the attitude of our people toward permitting any foreign nation to control or to dictate our domestic policies were answered in the resolution adopted on the moratorium. I do not believe that any group of American citizens could agree with any group of foreign nations on tariff rates for America which would meet the approval of the American Congress.

Personally, I welcome the opportunity of going before the American people on such an issue. The passage of this amendment of the tariff act, if enacted into law, would further add to the enmity of those foreign nations who, having agreed with our representatives on tariff rates, would wake up to find that the action of those representing America would be repudiated by the American Congress as soon as such agreement was submitted to the American Congress.

The Senator from Tennessee [Mr. HULL] is the only member of the coalition so far who has been willing by implication to name those articles which he claims are protected by excessively high rates and which he, were he empowered to do so, would reduce.

At this point, Mr. President, I desire to insert as a part of my remarks a list of those commodities which I find in the CONGRESSIONAL RECORD of March 24, 1932, which, by implication, the Senator from Tennessee [Mr. HULL], former chairman of the Democratic National Committee, suggests are susceptible to substantial reductions in tariff rates.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

	Per cent
Oxalic acid	113
Precipitated carbonate	155
Epsom salts	100
Sodium nitrate	100
Dextrin, made from potato starch or flour	105

	Per cent
Lemon, lime, etc., juices, unfit for beverage purposes	114
Crude barites	102
Paris white	114
Firecrackers, as high as	199
Needles for phonographs	112
Breech-loading rifles	110
The cheaper clocks	131
The cheaper parts of same	167.59
The cheaper-watch movements	142.53
Bottom plates for cheap-watch movements	299.45
Imitation pearl beads	176
Toothbrushes, as high as	116
Ocean pearl buttons	117
Fountain pens, as high as	110
Cigar and cigarette holders, as high as	125
Brier pipe bowls	133
Mouthpieces for pipes, cigar, and cigarette holders	736.06
Thermostatic bottles, as high as	147
Fish roe, as high as	120.97
Onions	161
Cabbage	186
Ground chicory	124
Avocados	144
Crude lemon peel	121
Shelled peanuts	189
Cane sugar from Cuba, 96 test	175-200
Dextrose sirup	134
Potato starch	135.90
Cotton handkerchiefs made with handmade hems	132
Scoured carpet wool, at 27 cents a pound	121.21
Washed carpet wool, at 24 cents a pound	164
Scoured combing wool, at 32 cents a pound	152.84
Woven fabrics—woolens and worsteds, as high as	105, 106, 109, 115
Wool felt for hat shapes	112.58
Sewed straw hats (n. e. s.)	137
Spring clothespins	152
Shell corks	241
Cylinder ground and sheet glass, as high as	104, 116
Plate glass	102, 106, 125
Sand for glass manufactures	104.50
Imitation pearls, as high as	157
Pumice stone, as high as	189
Magnesite	101, 147
Safety-razor blades	206
Other razors and parts, as high as	293
Pruning and sheep shears and blades, as high as	240
Scissors, shears, and blades, as high as	165
Nail and barber's clippers, as high as	263
Pocket and other knives with folding blades, as high as	172
Blades for such folding knives, as high as	292
Jeweler's saws	127
Padlocks, as high as	156
Tungsten:	
Metal	145
Ore	120
Rollers for printing	106.50
Cheap jewelry	110
Metal articles to be worn on person	106

Mr. HATFIELD. At this time, Mr. President, I believe it is only fair that we commend the able Senator from Tennessee for his candor and his fidelity to the traditional policy of the Democratic Party. However, he apparently stands alone, as he is the only critic of the present tariff act who has specified those American industries he would help to destroy.

There are a few interrogations that could be aptly and rightly propounded to our Democratic friends, due to their attitude and the propaganda which they have broadcasted throughout the country regarding the rates in the Smoot-Hawley tariff law.

The first pertinent question, Mr. President, that should be asked is, In what industry will the Democratic Representatives in Congress, in these stormy times of our Republic, be willing to reduce the tariff rates on; and, secondly, in what group of American workers who are ordinarily employed in American factories are the Democrats so little interested that they will by legislation deprive these workers of the opportunity of employment? Third, what, if any, are those farm products produced in America on which the Democrats would reduce the present tariff rates?

Mr. President, the American people in 1920 repudiated the efforts of the Democrats who then, as now, attempted to subject our domestic affairs to the dictation and control of foreigners and elected a Republican Congress and a Republican President.

In 1920, when the Republican Party took over control of the Government, they found a condition wherein the farmers of America were forced to compete with imports of foreign agricultural products amounting to $3,408,977,000. This represented 65 per cent of our total imports for that year.

The Republican Party, recognizing that agriculture is the basic industry of our country, immediately enacted an emergency tariff bill for the benefit and for the protection of American agriculture. As a result of this action on the part of the Republican Party, the farmers of America in the following year found that imports of farm products had declined some 50 per cent.

The records show that imports of farm products for the year 1931 amounted to $1,033,426,000, or less than 36 per cent of the agricultural imports of 1920, and the imports of farm products in 1931, instead of being 65 per cent of the total imports, as in 1920, when the Republican Party took over the Government, represented less than 50 per cent of our total imports that year.

The propaganda, before as well as after the passage of the Smoot-Hawley tariff law, and even at this hour, against the rates in the bill by those who opposed it demands a frank answer that the American people may know of the injustice practiced.

Mr. President, the prosperity of our country has been built upon a policy of insuring to the American people a tremendous purchasing and consumptive power. I believe in the doctrine of tariff protection as enunciated in the Republican platform of 1896, which reads as follows:

> We renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity. This true American policy taxes foreign products and encourages home industry; it puts the burden of revenue on foreign goods; it secures the American market for the American producer; it upholds the American standard of wages for the American workingman; it puts the factory by the side of the farm, and makes the American farmer less dependent on foreign demand and price; it diffuses general thrift, and founds the strength of all on the strength of each. In its reasonable application it is just, fair, and impartial; equally opposed to foreign control and domestic monopoly, to sectional discrimination, and individual favoritism.

Mr. President, at this point, I would like to call attention to the recent death of one of the outstanding men of our time, a former member of the Cabinet of that illustrious American, Theodore Roosevelt. I refer to the Hon. Leslie M. Shaw, who passed away a few days ago. I think it fitting at this time, Mr. President, to insert as a part of my remarks probably the last public utterance of this outstanding American. I have reference to an article by Mr. Shaw, published in the Washington Herald, February 14, 1932, which deals exclusively with the tariff policy of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article is as follows:

"GIVE UNITED STATES PRODUCER A BREAK IN HOME MARKET; TARIFF FAVORS FOREIGNERS"—INDUSTRY AND LABOR UNPROTECTED FROM ALIEN COMPETITION, SAYS FORMER TREASURY CHIEF

(By Leslie M. Shaw, Secretary of the Treasury in the Roosevelt administration and Governor of Iowa, 1898–1902)

Has the United States permanently abandoned the policy of giving preferences to her own people in the markets they make, support, defend, and are equipped to supply?

If there be any substantial difference in effect between the policy which England has just abandoned and what the Hawley-Smoot tariff fastens upon American industries, I am unable to discover wherein it exists. Mr. HAWLEY, in reporting the bill from his committee, distinctly stated:

"The purpose of this bill is to give American industry, American laborers, and the American people an equal opportunity in their great market."

Mr. HAWLEY thus conceded that the American market belonged to the American people. And why not? They make it, they support it, they defend it, and are equipped to supply it.

The Republican platform of 1928, which became the mandate of the people when approved at the polls 5,000,000 strong, promised such revision of the tariff "as would give again to labor the command of the American market."

The Democratic platform of that year had promised to revise the tariff in accordance with this formula: "The actual difference in the cost of production at home and abroad must be the extreme measure of every tariff rate." This was rejected at the polls, and yet a Republican Congress incorporated it into the Hawley-Smoot tariff bill.

In his speech before the Indiana editors on June 15, 1931, President Hoover stated that the International Chamber of Commerce

had found our tariff law unique. "It is based upon the principle of difference in cost of production at home and abroad," and he expressly stated that the Tariff Commission had the power and was ready to correct any inequalities and inequities that might have escaped the attention of Congress.

MARKET VALUES—UNITED STATES PRICE LEVEL FIXED ON FOREIGN GOODS

In a personal interview the chairman of the Tariff Commission admitted to me that the law gave the commission no discretion and compelled its members to fix and determine rates so that a foreigner of equal skill, energy, and salesmanship could take and hold one-half of the American market.

If the so-called flexible provisions of the Hawley-Smoot tariff were in any respect ambiguous, I would hesitate to quote the interpretation placed thereon by the chairman of the commission. But the language of the bill leaves nothing to be interpreted. The commission is specifically directed to do exactly what the chairman stated.

In the language of Mr. HAWLEY, "An equal opportunity in the great American market."

For 500 years England extended preferences in her own markets as against all the world. The first step in that direction was when Edward III prohibited the exportation of wool and the importations of woolens. The immediate result was that the Flemish weavers left Flanders and went to England.

Edward IV applied the same policy to iron. When the manufacturers of cotton at Calcutta began making beautiful calico, England imposed her prohibitive duties and developed the cotton industry. At the end of 560 years of the most drastic legislation, prohibitions, prohibitive tariffs, embargoes, corn laws, navigation acts, England became the most powerful country on earth and the outstanding creditor nation of the world.

Then she changed her policy from giving preference to her own, threw her market open to the world, and sought with the products of poorly paid artisans to invade the markets of other countries.

FIRST FAILURE—FREE TRADE FAILED HERE IN 1846

In 1846 the United States adopted and installed the English free-trade theory. This tariff law remained in effect 15 years, and in the interim we saw 1 per cent of the entire population of New York City being fed by charity each day in a single ward of that city, with like conditions in all wards.

We experienced what President Buchanan told Congress in his message of 1857:

"Our manufacturers have suspended, public works are retarded, and private enterprises of various kinds have been abandoned. We possess all the elements of national greatness in rich abundance, and yet our country is in a deplorable condition."

Our people read with sorrow but not surprise Buchanan's final message, in which he advised Congress that it was imperative that they revise the tariff immediately, for he was no longer able to borrow to meet the current expense of the Government at less than 12 per cent interest.

CREDITOR STATES—PROTECTION MAKES NATIONS PROSPEROUS

It was then that Congress repealed the English policy of free trade and, under the Morrill tariff, inaugurated the policy of preferential American markets for all American producers.

In 1929 the people of the United States paid in per capita tariff duties seven-tenths of 1 per cent of their estimated average income, while the people of England paid five times as large a per cent.

It was 71 years ago, in 1861, that the United States abandoned the policy that England has pursued, and, with the exception of four years of the Wilson-Gorman tariff, eight years of the Underwood tariff, and two years of the Hawley-Smoot tariff, American producers have enjoyed substantial preference in the American market.

France adopted the preferential-tariff policy about the same time we abandoned the free-trade theory. She paid $1,000,000,000 indemnity to Germany 10 years later, and was richer the day she made the last payment than she was when she made the first.

After five centuries of preferences to all her people in all her markets England became the outstanding creditor nation of the world. This policy she changed for the policy of competition, and in 86 years became the outstanding distributor of doles. When she made the change, her farms supported 90 per cent of her people; to-day these same lands will support less than 10 per cent.

Just a word of history to controvert the insistence of certain good people who claim we can not sell unless we buy. While that is true, it is not necessary that a farmer buy his butter and eggs in order to sell his hogs. The farmer who imports from town to his farm the things he should grow is never able to import from town much of the things which he can not grow.

It is exactly the same with nations. The country that produces for export and imports for consumption will very soon put her people in condition where their imports will be very meager.

On the day when the Dingley tariff was passed in 1897 the American people had sold to the people of other countries $100,000,000 more than they had purchased from foreign countries. Since that date we have sold abroad $35,000,000,000 more than we have purchased, and our per capita imports have increased more than 300 per cent above what they were under the Wilson-Gorman tariff, expressly designed to encourage foreign commerce. It is the pay roll and not the tariff duties that controls imports.

The only remedy for present conditions that I can conceive is the remedy five times tried and five times successful; and it is the only remedy by which the United States has ever emerged from a depression.

THE REMEDY—HOME MARKET FOR HOME PRODUCTS FIRST

Under the Hawley-Smoot Tariff Act 69.5 per cent of our imports come in free of duty, and the Tariff Commission is pledged to so adjust rates that foreign competitors of equal skill and salesmanship can share evenly with the American producer in the remaining 30.5 per cent of the market.

When Congress restores to the American producer the market that he makes, and therefore owns, work hours will be shortened to reduce production, wages will be advanced to increase consumption, and the American people will again buy of themselves, sell to each other, get the commodity purchased, and keep the price paid, all within the great American family, and in 90 days no man who will accept a job will be out of employment.

I repeat, five times tried, five times successful. It worked in 1824, in 1842, in 1861, in 1897, and in 1922.

Following the Fordney tariff of 1922, the American pay roll increased 41 per cent in six years, and the average purchasing power of the average American income increased 44 per cent. Under the Fordney tariff our per capita imports were 300 per cent higher than under the Wilson-Gorman tariff, expressly designed to encourage foreign trade.

Our aggregate foreign trade represents a profit of only one-half of 1 per cent of the average annual income of the American people.

Mr. HATFIELD. Mr. President, I believe that we should treat the products of American industrial workers on the same parity, in tariff legislation, as we have treated the products of American agriculture. Had we done so, the American farmer would be far better off and there would be millions of our idle workers now employed. The products of the American farm, as a result of Republican tariffs, supply 95 per cent or more of such products used each year by the American people.

It is essential, if we are to continue to maintain the standard to which our people have become accustomed, a standard admitted to be far in excess of that ever attained by any other people of this world, that we continue the conditions which made this standard possible.

With all due respect to the world-wide depression which now exists, and with full regard for the effect of the stock market crash of 1929, and the depreciation of securities which have taken place since that period, I have no hesitancy in saying that our failure to place upon the statute books of our country real protective tariff rates which would adequately protect the employment opportunities of American workers, thus assuring a good market for the products of the American farm, is in no small part responsible for the troubles in which we find ourselves to-day.

The crash of the stock market in 1929 and the depreciation of securities which have taken place since that period are simply the culmination of a gambling hysteria and the aftermath of the war. The pendulum having gone to the extreme and not being able to maintain itself there, the momentum of its swing naturally brought it to the other extreme. This, to my mind, has only a slight bearing on tariff legislation. However, the prolonged discussion in the Senate, and the indication to the American people that there is a large number of Members of the Senate who seemingly are more interested in the prosperity and welfare of those in foreign countries than they are in the continued welfare of American wage workers, resulted in many Americans disposing of investments which they had made in American industrial plants and railroads, which naturally resulted in a further decline in the value of American securities.

To my mind, the present tariff rates in effect on products of foreign industry, criticized as they have been by some Members of the Senate, are lower than present world-wide conditions justify. With foreign currencies, as in the case of England and Japan, two of the leading exporting nations, depreciated some 30 per cent, the actual tariff protection, or, equalization, in effect to-day is less, in many cases, than that which existed prior to the passage of the present tariff act.

We are all familiar with the creation in foreign countries of branch factories of American concerns. Many reasons are given which will no doubt be brought out later in discussion. An illustration of the extremely low wages pre-

vailing is indicated by a study recently made public showing the cost of living in 15 foreign countries, and it indicates that if the American automobile producers, and by referring to this great industry I only use them as an illustration of mass production, were to pay the equivalent wages in their foreign plants that are paid in Detroit, Mich., the following increase in wages would be necessary: Berlin, 60 to 75 per cent; Copenhagen, 15 to 27 per cent; Stockholm, 51 to 56 per cent; Paris, 52 to 65 per cent; Marseilles, 74 to 89 per cent; Antwerp, 60 to 71 per cent; Cork, 22 per cent; Warsaw, 60 per cent; Barcelona, 144 per cent.

The figures which I have just cited have been made public by what is known as the Twentieth Century Fund, and in looking over the list I find the following names: Edward A. Filene, president; board of trustees, Newton D. Baker, Bruce Bliven, Henry S. Dennison, John H. Fahey, Edward A. Filene, Max Lowenthal, James G. McDonald, Roscoe Pound, and Owen D. Young; economic advisory committee, Wesley G. Mitchell, Joseph H. Willits, and Leo Wolman.

I may say in passing that I do not recognize any of these names as having appeared before either the Ways and Means Committee or Finance Committee advocating any increase in tariff rates. On the contrary, we find that several of them have publicly advocated lower tariff rates.

Our tariff rates alone have protected the American farmer from unfair competition in that as a result of the specific duties carried in the agricultural commodities, livestock, meats, and dairy products have been protected so that the foreigner was unable to deliver his goods in America and sell them at a price which would undersell the American product after the duty was levied.

The fact is that the three principal branches of the agricultural industry, namely, livestock, meats, and dairy products, due to our present tariff rates, insured to the farmers of our country during the year 1931 a market for 95 per cent and in many cases 99 per cent of those products consumed by the American people.

The following table shows very clearly how the Underwood Tariff Act of 1913 treated the principal commodities the farmer has to sell, and upon which the prosperity of agriculture throughout the land depends.

It will be observed that most of the farmer's products were on the free list under the Democratic tariff act of that year.

The table also shows the protection afforded to the same commodities by the Smoot-Hawley Act of 1930. Had no protection been given to the farmer's market, by leaving his products on the free list, it requires very little vision to see that agriculture in this country would have been ruined for many years to come by the successful competition of foreign products.

Mr. President, I ask permission that the accompanying table be printed in the RECORD as a part of my remarks.

This table shows the help and tariff protection accorded the products of the American farmers by the Republican Party in contrast with the actual performances of the Democrats, who, when intrusted with the control of Congress, opened wide our American market to the products of agriculturists of foreign countries. The net result of the free entry of foreign farm products to the American market, under the Democratic Underwood-Simmons Tariff Act, was the enrichment of importers of foreign farm products and the loss and impoverishment of American farmers.

The PRESIDING OFFICER. Without objection it is so ordered.

Tariff rates levied on imports of important farm products under the Underwood-Simmons Act as compared with the tariff rates levied on the same farm products by the Republican Party in the Hawley-Smoot Act

Commodity	Underwood-Simmons Act	Hawley-Smoot Act
Cattle:		
Weighing less than 700 pounds	Free	$0.02½ per pound.
Weighing more than 700 pounds	do	$0.03 per pound.
Beef and veal	do	$0.06 per pound.
Swine	do	$0.02 per pound.
Pork	do	$0.02½ per pound.
Bacon and ham	do	$0.03¼ per pound.
Lard	do	$0.03 per pound.
Goats	Free	$3 per head.
Sheep	do	$3 per head.
Poultry (live)	$0.01 per pound	$0.08 per pound.
Poultry (dressed)	do	$0.10 per pound.
Cream	Free	$0.56 per gallon.
Milk	do	$0.06½ per gallon.
Cheese and substitutes	do	$0.07 per pound.
Honey	$0.10 per gallon	$0.03 per pound.
Potatoes	Free	$0.75 per 100 pounds.
Wheat	do	$0.42 per bushel.
Corn	do	$0.25 per bushel.
Oats	$0.09 per bushel	$0.16 per bushel.
Rye	Free	$0.15 per bushel.
Buckwheat	do	$0.25 per 100 pounds.

Tariff rates levied on imports of important farm products etc.—Continued

Imports

	1929	1931
Cattle, pounds (A decline of 90 per cent in imports in 1931.)	287, 000, 000	31, 000, 000
Beef and veal, pounds (A decline in imports of 95 per cent in 1931.)	46, 000, 000	2, 000, 000
Poultry, dead, dressed and undressed, pounds (A decline of 70 per cent in imports in 1931.)	5, 000, 000	1, 500, 000
Cream, gallons (A decline in imports of 71 per cent in 1931.)	3, 000, 000	900, 000
Milk, gallons (A decline of 75 per cent in imports in 1931.)	5, 000, 000	1, 215, 000
Butter, pounds (A decline of 55 per cent in imports in 1931.)	2, 800, 000	1, 260, 000

Mr. HATFIELD. Mr. President, we find a condition today wherein, as a result of the depreciation of foreign currencies in those countries which have gone off the gold standard, prices of their products, importable into the United States, are so low that even tariff rates of more than 100 per cent equivalent ad valorem do not protect from foreign competition some of those commodities produced by the American farmer. The result is that the American farmers are to-day, in some cases, unable to secure for their products the actual cost of production.

This condition has deprived the farmers of America of a purchasing power, which has naturally had its effect upon the products of the factory and workshop. When the farmer has no cash with which to buy, the factory workers have lost their most potential and their best market. Of course, it should be obvious that under such conditions unemployment is rife and both farmers and factory workers suffer.

Statistics show that 93 per cent of all commodities produced in America are consumed in America. Statistics also indicate that not less than 80 per cent of the products of the American farm are consumed in America. Naturally, when the American farmer is able to sell his goods and realize a profit thereon, he has money with which to purchase the products of the factory workers. When the factory worker is busy and earning wages which permit him to maintain the standard that American workers should have, he is able to purchase the products of the American farmer at a fair price. However, when the factory worker is idle or is receiving low wages, he provides a very poor market for the products of the American farmer. Thus the American farmers are forced to accept a price for their commodities which is in many instances hardly more than the cost of production.

In other words, when the American factory workers are unemployed in large numbers, they provide a very poor market for the products of the American farmers. This naturally results in the price of farm commodities being forced down to a point which leaves but little money in the hands of the American farmers to be spent for the products of American industry.

When the agricultural rates were before the Senate for consideration, those who on this floor advocated low tariff rates seemingly acquiesced in the statements made by the farmers as to the cost of their production, and, in order to protect the American farmer they willingly, without roll calls, voted for the rates which prevail in the bill.

Our present tariff is based upon the fallacy of permitting, in effect, the foreigner to dictate our rates. Our present

policy is, with the exception of some chemicals and most farm products, to levy the rates of duty on the basis of the foreign value of the commodity. In too many instances, I regret to say, the same articles, imported from different countries, carry a different duty in so far as dollars and cents per unit collected are concerned when such articles carry an ad valorem rate.

For illustration let me cite a commodity in which, as is well known to the Members of the Senate, I am keenly interested, inasmuch as it pertains to the people of West Virginia. I refer to chinaware and earthenware for table use.

The three principal competing countries from which we receive most of our imports of such china and earthenware are Japan, Czechoslovakia, and England.

The wholesale selling value of a set of dishes, whether it consists of 12 pieces or 144 pieces, made of the same raw materials, will differ greatly from such value of similar articles manufactured from the same raw material but made in a different foreign country. However, these dishes serve the same identical purpose.

The products of those who are employed in American potteries must be disposed of in America, as there is practically no export trade. For many years the entire output of American potteries has represented only 55 per cent of the tableware consumed each year in America. So this is a highly competitive industry, and there is no monopoly about it. The workers employed in it are highly skilled. It constitutes one of the few industries whose workers are affiliated with the American Federation of Labor, in which national trade-union agreements have been maintained for many, many years; and one of the few industries wherein there have been comparatively few, if any, labor troubles.

This industry has not become mechanized. I understand from James Duffy, the president of the National Brotherhood of Operative Potters, representing the workers employed in the American potteries, that the direct labor charge represents more than 60 per cent of the cost of producing American tableware.

I am not complaining of the tariff protection accorded the products of the American farmers. I have voted for and will vote again for tariff protection—not merely for a tariff to equalize costs—for the products of the American farmers; but, I ask those who represent farm States, how long can they expect to secure real tariff protection for the products of the American farm and deny similar tariff protection to the products of American industry and labor? In reality, tariff protection to the products of American industry and American labor results in employment opportunity and money in the pockets of the American workers, which money they do and will spend for the products of the American farm at prices which permit of profits to the American farmers.

Congress very wisely, in my opinion, has placed protective duties on some products of the American farm which are and have been for many years on a highly export basis. On other farm products, none of which are produced in America, we have placed protective-tariff rates, due entirely to the fact that those commodities, such as dried or preserved or frozen eggs or egg albumen, take the place of commodities which the American farmers raise and upon which they are in part dependent for their living.

Yet there are many Members of the Senate who, while willing to help the American farmers to secure protective-tariff rates on farm commodities, are unwilling to vote for similar protection for products which in reality afford employment opportunity of the American industrial workers, those who constitute the most profitable market for the products of American farmers.

Incidentally, at this point, I might well ask those Senators who represent agricultural States what decision they would expect from the Tariff Commission if investigations were instituted under the flexible provisions on those farm commodities wherein imports represent but a fraction of 1 per cent of domestic production and where the equivalent ad valorem tariff rates in effect range from 40 to 100 per cent?

It might be well for those Senators who represent agricultural States to bear in mind that the present tariff law is not protective in so far as the law authorizes or directs the activities and findings of the Tariff Commission. The present law specifies that the Tariff Commission, acting under section 336, the flexible provision, shall fix duties which will equalize the difference in costs of production.

Mr. President, it may interest some of those who have been loud in their protest against what they term high tariff rates to consider the effect upon American industry of the depreciation of foreign currencies.

The depreciation of foreign currencies of those countries which went off the gold standard means a reduction in tariff duties on imports of as much as 30 per cent. This is apparent in the case of commodities from England which formerly were invoiced at a value of $4.86 per pound sterling and which have since been invoiced at a value as low as $3.20 sterling.

In an ably prepared address delivered by the Commissioner of Customs before the Harvard Business School only a short time ago the result of the depreciation of foreign currencies is vividly illustrated.

In the case of cotton suède cloth, the domestic cost of production is 56⅞ cents per yard, whereas the total landed cost of the same commodity, comparable in every way, imported from Czechoslovakia with the duty of 22 per cent paid, is 47⅞ cents.

Another illustration is metal toys. The domestic cost of production is 45 cents, while total landed cost of the same toys imported from Japan after the payment of 70 per cent duty is 30 cents.

So likewise in the case of knives and forks. For a set of six table knives and forks the domestic cost of manufacture is $7.42. For the same commodity, imported from England, after payment of a duty of 45 per cent ad valorem and a specific duty of 8 cents each, the total landed cost is $4.81, or the total landed cost of the foreign-made product is about 60 per cent of the domestic cost of manufacture.

I may cite also electric-light bulbs. Their cost of manufacture in America is $2.35 per 100. The total landed cost of the same commodity imported from Japan, after the payment of a 20 per cent duty, is $1.55 per hundred.

I have not had the opportunity of getting detailed information as to the actual effect of depreciated currency upon all the articles we import from foreign countries; yet the effect the depreciation of foreign currencies has had upon our tariff rates may be judged from a citation of the percentage increase in some imports and the percentage decrease in unit values.

Figures obtained from the Treasury Department, comparing imports of December, 1930, and imports of 1931, show that the depreciation of foreign moneys has already resulted in the reduction of those duties, based on ad valorem, to a basis lower than those which prevailed prior to the passage of the act of 1922.

As an illustration, imports from England and other countries have increased in quantity and decreased in unit value as follows:

	Percentage of increase in quantity	Percentage of decrease in unit value
ENGLAND		
Pottery	25	25
Sheepskins (free)	1,250	60
High-grade cottons	100	35
Needles	300	55
JAPAN		
Chinaware (decorated)	35	25
Electric lamps (metal filament)	225	50
Tooth brushes (cellulose handles)	230	20
SWEDEN		
Flat steel in narrow strips	2,650	15
Iron tubes	100	20
FINLAND		
Matches	425	15

It is my understanding that the importation of earthenware for table use from England has increased in 1931 over 1930 about 25 per cent, while at the same time the value of the same imported articles has decreased about the same amount. This decrease naturally has reduced the rates in effect in the act of 1930, and some are even lower than the rates in effect under the 1922 act.

Importations of earthenware from Japan, I understand, have decreased in value some 40 per cent.

Importations of leathers from England, it is reported, have increased in quantity 300 per cent or 400 per cent; yet the unit value of such importations is to-day from 40 per cent to 50 per cent lower than it was in 1930 when England was on the gold basis.

It may be informing to Senators interested in dairy products to appreciate the effect which depreciated currency value has had on butter and some other products of the American dairies.

We in America, prior to the passage of the Smoot-Hawley tariff bill, had large importations of butter and other dairy products. While the importations were small compared with the total of our domestic production, they were large enough to influence the market prices at New York and other Atlantic ports.

The world-wide depression affected Europe and especially England. The Irish Free State and England, both formerly a market for Danish butter, by the imposition of real protective tariffs, forced the Danish creameries to look elsewhere for a market. The result was that they were forced to sell their butter in the New York market for such prices as they could get.

Denmark is a country which has been able to sell the products of her creameries in America despite the imposition of a tariff rate equal to 47 per cent. Imports from Denmark for 1931 were 197,083 pounds, of a value of $89,440.

Imports of butter from Denmark increased in December, 1931, as compared with December, 1930, more than 50 per cent; and the landed value of this Danish butter, I understand, is 30 per cent or 40 per cent less than the value which prevailed in December, 1930.

I believe, Mr. President, that it is the duty of this body, with conditions prevailing as they do to-day, to provide employment opportunities for American workers; to provide a market in America for the products of the American farmer. The busy hum of machinery in factories in the great plants of America is the only way in which prosperity has been accomplished in our land.

There is only one way that this can be brought about, and that is by revising the tariff, either in blanket form, which can be done by joint resolution, or by a change in section 336 in which we will instruct the Tariff Commission to place dutiable commodities upon a protective-tariff basis. Of course, in order to accomplish this, it will be necessary to make this a real Republican tariff bill instead of a coalition bill.

Mr. President, at this point I desire to have inserted as a part of my remarks an article published in the New York American under date of Sunday, February 3, 1932, which to my mind indicates that the effort made by the Democratic propaganda machine to fool the American people has lamentably failed. I strongly commend careful reading of this article, and know that those who will take the time to analyze carefully the findings and facts therein contained will be better Americans than some of those who run blindly and think likewise.

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The article is as follows:

INDUSTRY IN UNITED STATES MUST MAKE FEWER GOODS AND MORE PROSPERITY, WARN TRADE EXPERTS—OVERPRODUCTION RUINED MARKET—CURE FOR SLUMP LIES AT HOME, NOT IN SALES ABROAD, THEY SAY

(By Harry L. Derby, chairman of the tariff committee, National Association of Manufacturers, and Willis J. Ballinger, assistant professor of economics, Williams College, Williamstown, Mass.)

The biggest piece of business America has to do to-day is to mind her own business.

Our internationalists tell us that we have been ruined by our provincialism; that our nationalism has produced our bread lines. That we have made the mistake of locking ourselves in behind our tariff walls; that the world has now imitated us and crawled in behind its countless tariff walls; that we must now lead the way in doing away with those barriers to trade.

This we must do by lowering our own tariff as a kind of noble gesture to the world to begin the creation of a tariffless world, like our 48 tariffless States.

Our international bankers tell us this. Two thousand economists take up the warning. The Democratic publicity bureau floods the country with the propaganda.

Is it any wonder the jobless man in the street thinks that in some mysterious way his troubles began somewhere in Europe or Asia? At the same time the harried citizen of England or Germany is led to believe that his woes began in America.

The American people resisted the idealistic internationalism of Wilson. To-day they are in danger of surrendering to the internationalism of the traders who are busy declaring that nationalism in business has emptied our pocketbooks. On this enormous economic fiction internationalism is flourishing.

What are the *facts?*

The first one is that our depression is primarily a domestic one. There is no international villain in the plot.

About 5 per cent of our production travels abroad. Ninety-five per cent is consumed here. Our domestic market, therefore, is the site where battles for prosperity are really won or lost.

MERCANTILISM—AMERICAN ENTERPRISE IS BASED ON BUYING AND SELLING

Now, it is this great domestic market to which our prosperity was anchored that started going to pieces and to-day is topsy-turvy. It is not because we can't buy or sell abroad that we are in a depression. It is because we can't buy or sell at home. And the chaotic economic forces that paralyzed buying and selling in this domestic market are as natively American as the Battle of Gettysburg.

Our economic system is a buying and selling economy. But before we can buy we must sell. Successful selling is the foundation of successful buying and of prosperity. A depression is nothing more or less than an evaporation of buying power due to unsuccessful selling.

But successful selling is surrounded by numerous and dangerous hazards. And the growing complexity of our economic life has made these hazards so utterly unpredictable, particularly in the last 10 years, that production and successful selling have been collapsing in one great industry after another to an extent unknown in any other period of our national life.

But the rout of our sellers has been the rout of our buyers and the rout of prosperity. All during our grand bull market the number of unsuccessful sellers was increasing. When they became sufficiently numerous, the depression announced itself. And when they became remarkably numerous, the whole system became imperiled. That is our plight to-day.

Let us examine some of the hazards that our sellers did not get over in the years leading up to the slump. Collectively they routed selling, evaporated buying power, and ushered in the lean days we are now in.

One of the greatest of them is that of too much production or too much equipment in an industry. And this hazard has grown so dangerous in the last decade that on it most of our largest industries have finally foundered.

One-third of our grocers fail annually. Our great coal industry struggles on, practically a profitless industry, with one-third of its equipment idle. Our vast oil business has facilities for pumping out 6,000,000 barrels of oil a day, against a market demand for only 4,000,000 barrels.

Every man, woman, and child in the United States consumes on the average two and one-half pairs of shoes. Yet our equipment-gorged shoe factories stand ready to-morrow to turn out three times this consumption quota.

And look at the automobile industry. In the first year of the depression—1929—our automobile plants were capable of producing 8,000,000 cars. Yet in that year the whole world bought only 6,000,000!

One year before we entered the slump—when Wall Street tickers were advertising that the touch of Midas was possessed by anyone—our important machine-tool industry was limping along at two-thirds capacity; our gas-manufacturing plants were running at 66 per cent; oil refining at 76 per cent; and flour milling at 40 per cent.

Here were serious blotches on our business map—thriving bacilli of adversity. But these same bacilli of overproduction and overequipment were feasting on iron and steel, cotton, textiles, wool, wheat, barley, oats, hay, potatoes, copper, zinc, lead, chemicals, sugar, nitrate, rayon, silk, all of which industries were busy destroying themselves by too much production or by overstocking with idle plant equipment.

And the tragedy occurred on American soil and was acted solely by an American cast.

But if a great part of American production crashed on the hazard of the surplus the structure of our economic system exposes it to ruin on many other fronts.

Rayon attacks silk and cotton—great industries. Cotton rallies, puts on a fashion show, discovers new uses for cotton, inaugurates a national cotton week, and dumps both silk and rayon into the red.

Our railroads battle for their lives against truck, bus, and airplane, all incubated entirely on American territory.

At other points within our borders tremendous displacements of labor by machinery occur.

At other spots a mad race starts between producers to scrap and rescrap their plant equipment for newer and better methods of production. Down goes another army of sellers.

Back of them thousands of workers with lost jobs or with pay envelopes but a fraction of what they might be if their industry were not in chaos.

DISORDER—CHAOTIC COMPETITION ENDS IN A DEBACLE

In the millinery trade a silly hat marches in from the days of the Second Empire, and when it has found its way to the heads of our ladies the shelves of countless manufacturers are bulging with out-of-date hats.

And as if all this were not enough, our whole price level starts slipping downhill due to deflation, and tens of thousands of producers are ground to bits by costs incurred at one level of prices and a sales price determined by another and lower one. Why? Just another peril we permit to run wild and unmolested in our system.

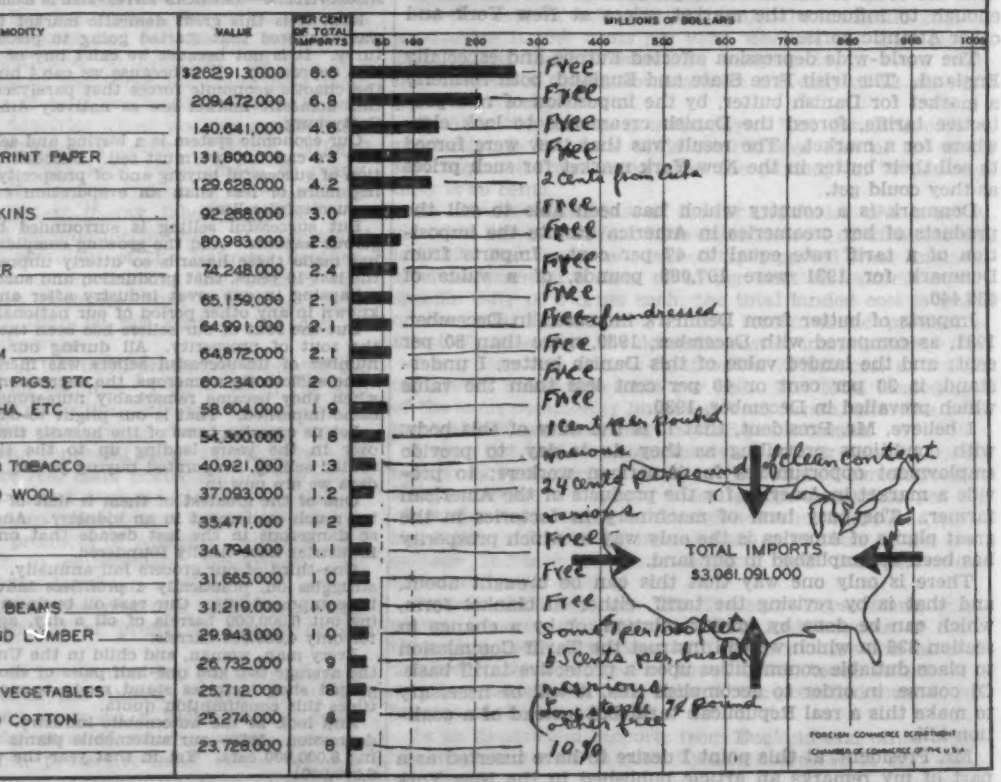
Everywhere the maddest business disorder—but right under our noses.

What has it to do with London or Shanghai?

(5)

OUR CHIEF IMPORTS IN 1930

RANK	COMMODITY	VALUE	PER CENT OF TOTAL IMPORTS
1	RAW SILK	$262,913,000	8.6
2	COFFEE	209,472,000	6.8
3	CRUDE RUBBER	140,641,000	4.6
4	STANDARD NEWSPRINT PAPER	131,800,000	4.3
5	CANE SUGAR	129,628,000	4.2
6	RAW HIDES AND SKINS	92,268,000	3.0
7	WOOD PULP	80,983,000	2.6
8	UNREFINED COPPER	74,248,000	2.4
9	ART WORKS	65,159,000	2.1
10	FURS	64,991,000	2.1
11	CRUDE PETROLEUM	64,872,000	2.1
12	TIN BARS, BLOCKS, PIGS, ETC	60,234,000	2.0
13	GASOLINE, NAPHTHA, ETC	58,604,000	1.9
14	BURLAPS	54,300,000	1.8
15	UNMANUFACTURED TOBACCO	40,921,000	1.3
16	UNMANUFACTURED WOOL	37,093,000	1.2
17	FISH	35,471,000	1.2
18	BANANAS	34,794,000	1.1
19	DIAMONDS	31,665,000	1.0
20	COCOA, OR CACAO, BEANS	31,219,000	1.0
21	SAWED BOARDS AND LUMBER	29,943,000	1.0
22	FLAXSEED	26,732,000	.9
23	FRESH AND DRIED VEGETABLES	25,712,000	.8
24	UNMANUFACTURED COTTON	25,274,000	.8
25	LEATHER	23,728,000	.8



The internationalist insists that, because we interfered with our foreign trade by raising our tariff, we brought the depression swiftly down on our heads. Is it possible to believe that?

Isn't is much more sensible to believe that if we could restore the billions and billions of dollars of buying power that has vanished in our great domestic market by attacking in some sensible way the unmanageability of our economic system we would be getting back to prosperity much quicker?

BUYING POWER—ACTIVE HOME MARKET IS THE REAL CURE

Isn't our first and logical step to make it possible to sell and buy once more in this domestic market by reducing and controlling the hazards that routed domestic selling and left millions with no buying power for necessaries produced within our borders?

And is there any truth whatsoever in the charge that nationalism created our bread lines? If it is true, why is it that in the first year of our slump our foreign trade enjoyed one of its most prosperous years?

If the internationalist has correctly diagnosed our plight, foreign trade would have been the first to crack and then produced the domestic debacle. John T. Flynn, an able business commentator, has this to say:

"For the benefit of those who think that our troubles were born abroad it is well to point out that in 1929 the purchasing power of our potato farmers was reduced by $120,000,000; of barley farmers by $50,000,000; of corn growers, $100,000,000; wheat growers, $50,000,000; oat growers, $50,000,000; sugar producers, $50,000,000. Here was a loss of $550,000,000 in these groups alone.

"Loss in purchasing power in the silk industry fell $50,000,000; cotton-textile industry, $200,000,000; wool industry, $250,000,000. Here was another $400,000,000.

"Altogether these few basic groups account for a loss in purchasing power of a billion dollars. And this was before any effect whatever was felt from abroad. For in this same year, in 1929, our exports were greater than the preceding year by $250,000,000."

But our surpluses should be passed off on Europe, counsels the internationalist.

Now, how much can we unload in this way? Stuart Chase says that most of our industries are from 50 per cent to 200 per cent overproduced, and that even if our foreign trade was doubled by unlimited free trade—an incredible spurt—the relief would be negligible.

And, of course, if we ship more abroad and have to take back in payment for these exports—as we shall have to—goods that compete with what we already have too much of at home, we merely aggravate, perhaps incurably, the domestic competitive bedlam that we are trying to get a grip on.

There is only one way to deal with our surpluses, and that is to eliminate them here.

No; our business troubles are very much national in their nature. And just so long as we think our business to be in the "grip of world forces," just so long will prosperity stay in hiding.

The first step for our business recovery is to shake off the inertia of believing that our troubles can be cured by some international political policy or by inaugurating a tariffless world.

The domestic market must be put on its feet. Our surpluses in production and equipment must be eliminated, and the ravages of a wild free trade at home, which has annihilated selling and buying among our own people, must be stopped.

To accomplish this we must certainly keep out the chaos of more free trade from abroad while we buckle down to cleaning up its excesses in our domestic market.

Of course, we are not going to stop trading with the rest of the world. Our tariff should be used to make that trading intelligent—determining its quantity and character so that it can not swirl over our frontiers, undoing the order we will have built up in our home market.

Of course, the depression is world-wide. But the stage on which the internationalist seeks to exercise control over the chaos is too vast. We can't control world economy. But we can control national economy. And we must do it or our capitalism is doomed.

Neither the league nor free trade can help us. We must help ourselves in good American fashion.

Mr. HATFIELD. Mr. President, I desire to insert as part of my remarks, a table and graph which illustrate the leading 25 articles or commodities imported during the year 1930 and the duties imposed thereon under the present tariff act.

(By authority of the Joint Committee on Printing the chart referred to is printed on page 7276.)

Mr. HATFIELD. In addition thereto, Mr. President, I desire to have inserted, as a part of my remarks, a table showing imports by commodity groups for the year 1929 and the year 1931. To my mind, Mr. President, this chart of figures indicates quite forcefully that but for the passage of the Smoot-Hawley Tariff Act, with its increases so beneficial to our industry, American agriculture and some American factory products, the farmers, the workers, and the people of America would be in a far more deplorable condition than in any business depression we have ever seen.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

A comparison of the imports by commodity groups for years 1929 and 1931

	Fiscal year 1929		Fiscal year 1931		Per cent of decrease or increase	
	Quantity	Value per unit	Quantity	Value per unit	Quantity	Value per unit
DUTY INCREASED						
Animals and animal products, edible:						
Cattle (pounds)	287,494,194	$0.082	31,245,640	$0.060	89.1	26.8
Beef, fresh (do)	46,588,782	.116	2,234,697	.093	95.2	19.8
Poultry, dead, dressed or undressed (do)	5,052,050	.277	1,486,847	.218	70.6	21.3
Cream (gallons)	3,172,412	1.694	916,702	1.605	71.1	5.3
Milk, fresh or whole (do)	4,931,112	.177	1,215,181	.172	75.4	2.8
Butter (pounds)	2,805,982	.379	1,263,955	.307	55.0	19.0
Cheese other than Swiss (do)	10,893,959	.174	8,905,085	.181	18.3	*4.0
Animals and animal products, inedible:						
Gloves, women's and children's, unlined, not over 12 inches (pairs)	1,846,636	.738	6,836,409	.862	*270.2	*16.8
Casein and lactine (pounds)	31,202,915	.121	3,702,412	.053	88.2	56.2
Vegetable food products and beverages:						
Rice, cleaned (do)	17,824,533	.043	12,876,800	.030	38.4	30.2
Beans, dried (do)	70,982,236	.055	49,301,136	.035	30.5	36.4
Peas, green or unripe (do)	19,703,477	.050	19,242,431	.051	2.8	2.0
Peas, dried (do)	14,232,718	.039	7,379,361	.039	48.2	----------
Peas, split (do)	2,723,217	.048	173,858	.032	93.6	33.3
Potatoes, white or Irish (do)	129,316,626	.010	331,013,225	.012	*156.0	20.0
Tomatoes, natural state (do)	103,419,137	.032	60,125,884	.034	41.9	6.3
Onions (do)	116,816,841	.020	12,886,370	.016	89.0	20.0
Lemons (do)	28,953,949	.072	28,005,545	.044	3.3	38.9
Almonds, shelled (do)	17,053,022	.369	11,355,311	.238	25.7	35.5
Brazil nuts:						
Shelled (do)	3,338,455	.249	2,521,074	.227	24.5	25.0
Not shelled (do)	23,572,659	.093	11,525,472	.075	51.1	19.4
Walnuts:						
Shelled (do)	16,811,948	.284	10,974,723	.216	34.7	23.9
Not shelled (do)	14,096,665	.120	3,269,867	.106	77.8	11.7
Olive oil, edible, less than 40-pound package (do)	52,401,397	.181	37,193,113	.126	29.0	30.4
Mustard seed:						
Whole (do)	15,521,353	.055	7,209,969	.046	53.6	16.4
Ground (do)	2,007,565	.561	1,424,665	.554	29.0	1.2
Cane sugar (do)	7,732,840,943	2.078	4,089,779,451	1.248	47.1	39.9
Vegetable products, inedible:						
Flaxseed (bushels)	22,802,310	1.792	7,892,338	1.188	65.4	33.7
Tobacco, unstemmed cigar wrapper, not from Cuba (pounds)	5,854,323	2.045	1,522,672	1.407	74.0	31.2
Textiles:						
Carpet wool in the grease (do)	12,935,453	.343	842,952	.219	93.5	36.2
Clothing wool in the grease (do)	7,111,462	.735	1,436,541	.368	79.8	49.9
Clothing wool on the skin (do)	2,811,477	.754	1,456,639	.476	48.2	36.9
Combing wool in the grease (do)	44,033,528	.686	15,877,746	.403	64.0	41.3
Noils—						
Carbonized (do)	1,017,914	.781	59,873	.554	94.1	29.1
Not carbonized (do)	8,293,826	.744	2,479,484	.637	70.1	14.4
Yarn and thread waste (do)	3,392,597	.600	586,526	.307	82.9	48.8
Wool rags (do)	23,116,361	.286	710,465	.254	96.9	11.2
Tungsten ore and concentrates (do)	5,274,603	.256	177,835	.353	96.6	37.9
Chemicals and related products:						
Acetic acid not more than 65 per cent (do)	19,896,103	.059	8,921,090	.036	55.2	39.0
Tartaric acid (do)	1,968,770	.319	2,720,449	.233	38.2	27.0
Miscellaneous: Matches in boxes of not more than 100 (gross)	6,070,995	.366	1,925,272	.427	68.3	16.7
FORMERLY FREE, NOW DUTIABLE						
Vegetable food products and beverages:						
Oil cake and oil-cake meal (pounds)	152,731,087	.021	48,571,760	.014	68.2	33.3
Coconut and copra (do)	35,129,909	.017	3,223,081	.007	90.8	58.8
Cottonseed (do)	42,184,903	.013	743,640	.012	98.2	7.7
Linseed (do)	64,751,009	.023	22,605,500	.015	65.0	34.8
Chickpeas and garbanzos (do)	48,454,641	.073	1,755,035	.040	96.4	45.2
Nonmetallic minerals: Cement, Roman, Portland, and other hydraulic (do)	354,039,720	.313	232,468,471	.316	34.3	1.0
Textiles: Cotton, long-staple, unmanufactured (do)	59,986,226	.340	1,369,953	.219	97.7	35.6
DUTY UNCHANGED						
Animals and animal products:						
Fresh-water fish and eels (pounds)	59,032,439	.102	49,079,598	.084	16.9	17.7
Egg yolks, dried (do)	5,105,135	.455	5,147,956	.320	*.8	29.7
Egg albumen, dried (do)	3,260,519	.487	2,723,797	.333	16.5	31.6
Whole eggs, dried (do)	1,148,481	.552	829,473	.461	27.8	16.5
Meat extract (do)	778,347	1.216	482,283	.960	38.0	21.1
Vegetable food products and beverages:						
Beet pulp, dried (tons)	23,097	34.652	68,600	20.446	197.0	41.0
Olives—						
Green, in brine (gallons)	3,805,228	.602	4,146,213	.367	*9.0	39.0
Pitted or stuffed (do)	2,611,478	.992	2,910,040	.651	*11.4	34.4
Olive oil in packages of more than 40 pounds (pounds)	40,452,060	.186	38,100,996	.125	5.8	32.8
Paprika (do)	4,953,640	.213	4,981,356	.133	*.6	37.6
Vanilla beans (do)	1,137,301	1.449	1,349,437	1.179	*18.7	18.6
Mineral waters (gallons)	854,439	.500	973,147	.523	*13.9	*4.6
Vegetable products, inedible:						
Opium (pounds)	149,333	5.418	135,223	3.590	9.5	33.7
Castor beans (do)	171,042,989	.035	101,402,409	.027	40.7	22.9
Tobacco—						
Cigar filler from Cuba—						
Unstemmed (do)	7,346,081	.706	5,193,485	.677	29.3	11.6
Stemmed (do)	14,791,319	.994	12,353,468	.833	16.5	10.8

*Denotes increase.

Imports by commodity groups for years 1929 and 1931—Continued

	Fiscal year 1929		Fiscal year 1931		Per cent of decrease or increase	
	Quantity	Value per unit	Quantity	Value per unit	Quantity	Value per unit
DUTY UNCHANGED—continued						
Vegetable products, inedible—Continued.						
Tobacco—Continued.						
Cigarette leaf, pounds	47,055,935	$0.557	46,750,813	$0.542	0.6	2.7
Scrap from Cuba, do	2,187,952	.286	2,648,104	.271	*21.0	5.3
Nonmetallic minerals:						
China clay and kaolin, crude and washed, tons	277,906	10.954	150,393	9.640	45.9	12.0
Marble, onyx, and breccia, in blocks, cubic feet	634,845	2.546	589,402	2.169	7.2	14.8
Metals:						
Pig iron, tons	138,801	16.296	131,072	11.879	5.6	27.1
Iron and steel scrap, do	83,463	14.800	21,684	10.475	74.0	29.2
Ferromanganese, do	52,819	106.173	28,752	82.815	45.6	22.0
Manganese ore, do	299,307	26.422	109,493	21.824	33.3	17.4
Steel bars, value 5-8 cents pound, no alloy, pounds	9,117,203	.068	2,138,503	.066	76.5	2.9
Beams, girders, joists, do	316,569,042	.015	158,698,536	.012	49.9	20.0
Ferrosilicon, do	15,575,178	.068	5,849,301	.037	62.4	45.6
Bauxite crude, tons	386,198	4.402	359,172	4.890	7.0	11.1
Lead ore and matte, pounds	45,220,110	.056	21,160,237	.048	53.2	14.3
Bullion, do	10,768,326	.045	23,338,023	.040	116.7	11.1
Pigs and bars, do	25,141,672	.044	223,960	.041	99.1	6.8
Nickel and alloys in pigs, do	56,161,542	.252	29,854,512	.250	46.8	.8
Antimony regulus and metal, do	21,730,904	.079	10,726,457	.052	50.6	34.2
Quicksilver or mercury, do	1,131,314	1.276	138,479	1.219	87.8	4.5
Chemicals:						
Menthol, pounds	229,276	4.119	325,798	2.940	*42.1	28.6
Ammonium chloride, do	11,818,629	2.233	6,265,795	3.122	47.0	*40.9
Ammonium nitrate, do	10,961,607	.039	5,485,018	.030	50.0	23.1
Potassium carbonate, do	10,793,281	4.524	16,719,125	4.576	15.8	*2.2
Potassium hydroxide, do	13,930,230	.066	8,762,785	.053	37.1	19.7
Glycerine, crude, do	11,626,069	.060	10,742,295	.055	7.6	8.3
Glycerine, refined, do	7,564,242	.093	3,024,364	.084	60.0	9.7
Cobalt oxide, do	442,117	1.862	363,564	1.638	17.8	12.0
FORMERLY DUTIABLE, NOW FREE						
Vegetable food products and beverages:						
Cinnamon, chips and ground, pounds	285,386	.423	1,181,541	.162	*314.0	61.7
Caraway seed, do	4,966,410	.077	6,235,263	.062	*25.5	19.5
Cardamon seed, do	219,506	1.009	318,218	.671	*45.0	33.5
Cassia and cassia vera (unground), do	7,471,366	.070	11,821,811	.066	*58.2	5.7
Cloves, unground, do	3,574,401	.225	4,549,044	.203	*27.3	9.8
Ginger root not preserved or candied, do	3,581,051	.102	6,195,420	.073	*73.0	28.4
Nutmegs, unground, do	3,788,158	.192	5,206,212	.120	*37.4	37.5
Mace, unground, do	561,116	.623	869,945	.424	*55.0	31.9
Pepper, black, unground, do	22,840,141	.302	32,551,691	.144	*42.5	52.3
Pepper, white, unground, do	2,008,875	.442	5,565,986	.222	*177.1	49.8
Pimento (allspice), do	1,767,903	.197	2,640,239	.103	*49.3	47.7
Vegetable products, inedible:						
Chicle, crude, do	9,409,814	.509	34,241,375	.511	263.9	*.04
Licorice root, do	66,168,633	.026	121,045,450	.023	82.9	11.5
Rape oil (colza), do	2,542,766	.652	1,437,017	.453	56.5	30.5
Wood and paper, logs of fir, spruce and western hemlock, M feet	69,105	15.080	143,491	11.476	107.6	23.9
Metals, nickel oxide, pounds	2,516,127	.152	913,361	.149	63.7	2.0
Chemicals, sulphate of ammonia, tons	33,128	42.957	65,940	35.039	99.0	18.4
DUTY INCREASED						
Animal products, edible:						
Canned beef, pounds	73,189,358	.125	16,461,021	.144	77.5	15.2
Prepared or preserved meats, do	14,170,386	.126	896,653	.153	93.7	21.4
Cheese, excluding Swiss, do	59,611,984	.305	22,603,982	.257	62.1	15.7
Cheese, Swiss, do	19,158,562	.307	16,962,923	.292	11.5	4.9
Gelatine, value less than 40 cents, do	2,918,222	.228	1,685,141	.238	42.3	4.4
Animal products, inedible:						
Chamois skins, dozen	51,314	9.101	33,083	9.926	35.5	9.1
Gloves, women's and children's not over 12 inches, pairs	11,630,372	.984	3,206,341	1.200	72.4	28.0
Glue, value less than 40 cents, pounds	10,379,135	.092	6,071,043	.092	41.5	----------
Vegetable food products and beverages:						
Bran, shorts, and other wheat by-products of direct importation, tons	196,557	25.466	283,001	17.830	*44.0	30.0
Withdrawn from bonded mills, do	156,704	28.613	142,545	18.502	9.0	35.3
Tomatoes, canned, pounds	113,581,777	.057	66,879,214	.037	41.1	35.1
Tomato paste, do	9,243,273	.128	10,065,128	.081	8.9	36.7
Mushrooms—						
Dried, do	775,003	.838	580,360	.583	25.1	30.4
Fresh, do	7,142,265	.207	----------	----------	----------	----------
Textiles:						
Velvets and velveteens, square yards	715,718	.707	280,873	.874	60.8	23.6
Handkerchiefs printed—						
Other, not exceeding No. 80, pounds	47,870	3.361	1,181	2.916	97.5	13.2
Other, not exceeding No. 84, do	16,647	3.251	2,399	2.967	85.6	8.7
Linoleum, inlaid, square yards	519,999	1.056	148,671	1.011	71.4	4.3
Fabrics, flax and other—						
Fibers—Table damask, pounds	5,231,930	1.125	781,445	1.105	85.1	1.8
Handkerchiefs hemmed, dozen	3,632,168	1.003	1,857,321	1.032	48.9	*2.9
Silk manufactures—						
Broad silks, pounds	6,777,024	4.875	1,808,600	2.846	73.3	41.6
Velvets, do	1,003,192	6.912	189,893	4.948	81.1	28.4
Wood and paper:						
Baskets, wood or composition, number	2,218,487	.170	8,925,198	.052	*302.3	69.4
Tissue paper, not over 6 pounds to ream, pounds	3,684,019	.556	1,374,654	.686	62.7	26.2
Pulpboards in rolls for wall board, do	54,753,408	2.200	32,831,562	2.200	40.0	----------
Nonmetallic minerals:						
Pottery, china and porcelain—						
Domestic and household, plain, dozen	594,849	.555	295,667	.494	50.3	12.8
Domestic and household, decorated, do	8,757,414	.884	4,192,811	.905	52.1	*2.4
Earthenware—						
Domestic and household, plain, do	554,546	.584	147,249	.581	73.5	.5
Domestic and household, decorated, do	4,515,475	1.050	2,764,294	1.018	38.8	3.1
Metals and manufactures: Cast-iron pipe, pounds	125,729,839	.023	24,036,056	.012	80.9	7.7
Electric lamps, incandescent, carbon filament:						
Miniature, per 100	30,994,447	2.800	2,673,135	2.702	91.4	2.4
Other, do	14,971,954	5.420	2,055,676	2.672	79.6	24.1

*Denotes increase.

Imports by commodity groups for years 1929 and 1931—Continued

	Fiscal year 1929		Fiscal year 1931		Per cent of decrease or increase	
	Quantity	Value per unit	Quantity	Value per unit	Quantity	Value per unit
FORMERLY FREE, NOW DUTIABLE						
Animals and animal products, inedible:						
Cattle hides—						
Dry or dry salted ..... pounds	13,857,415	$0.261	1,791,378	$0.170	87.1	46.8
Wet salted ..... do	202,489,113	.195	88,120,843	.109	87.5	44.1
Buffalo hides—						
Dry or dry salted ..... do	2,133,004	.254	170,892	.147	95.5	42.1
Wet salted ..... do	58,123	.182	24,010	.132	58.7	27.5
Kip skins—						
Dry or dry salted ..... do	1,813,214	.333	265,745	.153	84.2	53.8
Wet salted ..... do	8,245,367	.239	5,547,247	.154	33.1	35.6
Calfskins—						
Dry or dry salted ..... do	6,503,585	.543	2,306,891	.372	64.5	31.5
Wet salted ..... do	30,680,179	.256	22,384,233	.200	27.1	22.4
Upper leather—						
Cattle grains and finished splits ..... square feet	6,358,490	.208	1,363,492	.156	78.6	25.0
Calf and kip ..... do	31,068,463	.332	7,925,273	.310	74.5	6.9
Sheep and lamb ..... do	2,826,708	.212	331,404	.185	88.3	12.7
Goat and kid ..... do	10,877,244	.462	3,043,273	.398	72.0	13.9
Lining leather, calf and kip ..... do	24,346,136	.166	13,113,239	.110	46.1	33.7
Patent leather ..... do	5,091,772	.389	211,264	.252	95.9	35.2
Sole leather ..... pounds	6,908,795	.449	1,390,608	.337	79.9	24.9
Harness leather ..... do	2,139,904	.470	495,453	.388	77.3	17.4
Belting leather ..... do	509,423	.775	786,052	.549	48.4	29.2
Boots and shoes—						
Men's and boys' ..... pairs	426,597	5.175	156,474	5.434	63.3	*5.0
Women's ..... do	3,666,418	2.741	2,866,659	1.832	21.6	33.2
Children's ..... do	197,010	2.060	97,715	1.862	50.4	9.2
Slippers ..... do	940,243	1.693	454,274	1.220	51.7	28.1
DUTY UNCHANGED						
Animals and animal products, edible:						
Sardines, in oil ..... pounds	28,269,606	.170	27,187,661	.154	3.8	9.4
Other fish packed in oil ..... do	4,867,052	.262	3,293,057	.204	32.3	22.1
Crab meat ..... do	11,440,904	.400	12,166,739	.400	*6.3	
Animals and animal products, inedible:						
Dressed furs—						
Coney and rabbit ..... number	3,063,582	.457	750,007	.498	75.7	*6.3
Lamb, kid and sheep skins ..... do	258,352	4.215	357,996	3.634	*38.6	13.8
Dog and goat skins ..... do	1,898,194	3.263	2,552,310	1.672	*34.5	48.8
Feathers, ostrich ..... pounds	56,438	3.418	28,511	3.454	50.5	1.0
Feathers, other ..... do	3,772,072	.607	2,547,704	.450	32.5	25.9
Vegetable products, inedible:						
Essential and distilled oils—						
Lemon (including terpenless) ..... do	284,370	2.074	255,074	.692	7.4	77.8
Orange (including terpenless) ..... do	104,566	4.682	132,433	1.985	10.5	57.6
Sandalwood ..... do	19,956	4.833	11,735	4.644	41.2	6.0
Quebracho extract ..... do	82,146,898	.046	76,117,771	.043	7.3	6.5
Cigars from Cuba ..... do	330,178	8.477	309,213	7.142	6.4	15.7
Textiles:						
Cotton hose and half hose, selvedged ..... dozen pairs	737,432	3.160	418,027	2.854	43.3	9.7
Jute bags and sacks, unbleached ..... pounds	23,995,849	.104	36,146,795	.065	*6.3	44.2
Manufactures of flax, hemp, and ramie, woven fabrics less than 4½ ounces per square yard ..... do	4,076,531	1.235	3,528,094	1.046	13.4	16.9
Woven fabrics, flax, 4½ to 12 ounces per square yard ..... do	2,235,194	.627	2,013,489	.525	9.9	16.3
Woven fabrics, flax, n. s. p. f ..... do	9,468,282	.900	7,932,974	.803	16.2	30.1
Woven fabrics for padding or interlining ..... do	2,038,394	.462	1,908,118	.348	6.4	24.7
Towels and napkins, not over 120 threads ..... number	9,261,685	.085	11,744,973	.059	*26.8	30.6
Towels and napkins over 120 threads ..... do	11,437,767	.218	20,128,174	.139	*76.0	36.2
Silk handkerchiefs and mufflers, hemmed ..... dozen	456,360	1.804	251,985	1.750	44.8	3.0
Harvest hats ..... number	15,624,588	.051	10,922,972	.043	30.1	15.7
Wood and paper:						
Cigarette paper ..... pounds	14,951,194	.202	15,119,850	.280	*1.1	7.3
Kraft wrapping paper ..... do	12,201,212	.043	5,865,962	.035	51.9	18.6
Hanging paper, printed ..... do	2,132,068	.307	1,342,262	.312	37.0	1.6
Filtering paper ..... do	600,590	.475	577,853	.423	3.8	10.9
Boxes, paper, papier-mâché, etc., surface-coated ..... do	1,987,507	.714	2,195,365	.476	*10.5	33.3
Paperboard, pulpboard, and cardboard ..... do	21,707,372	.023	13,322,855	.024	38.6	4.3
Veneers ..... do	8,364,267	.038	2,631,876	.029	68.5	23.7
Cane or reed, cane webbing, etc ..... do	3,893,199	.104	2,708,181	.087	30.4	16.3
Metals and manufactures:						
Wire rope and strand ..... do	4,748,625	8.058	4,719,566	7.788	.6	3.7
Flat wire, ¼ inch thick, not over 16 inches ..... do	3,641,771	.329	1,329,054	.324	63.5	*50.3
Tanks, drums, or vessels for gas, etc ..... number	179,853	3.615	212,203	2.966	*18.0	20.7
Machinery and vehicles, antifriction bearings ..... pounds	1,290,279	.847	711,443	.769	44.9	9.2
Chemicals, iron oxide, mineral earth pigment ..... do	24,392,154	2.372	14,062,296	2.191	42.4	8.3
Castile soap ..... do	3,391,017	.125	2,968,228	.094	12.2	24.8
Toilet soap, perfumed ..... do	1,831,758	.318	1,601,996	.298	12.5	6.3
Miscellaneous:						
Golf balls ..... number	2,592,094	.351	1,512,063	.322	47.7	8.3
Opera glasses ..... do	214,998	2.721	50,808	2.485	76.1	8.6
Shotguns, $10 to $25 each ..... do	24,525	13.304	1,505	16.450	93.6	10.1
DUTY LOWERED						
Vegetable products, inedible, licorice extract ..... pounds	913,794	.190	1,536,879	.129	*68.2	32.1
Textiles, oriental, Axminster, and other rugs ..... square yards	2,057,867	8.415	608,473	7.326	70.4	12.9
FORMERLY DUTIABLE, NOW FREE						
Wood and paper:						
Mahogany wood in the log ..... M feet	51,076	71.732	33,170	62.655	35.1	12.7
Spanish cedar wood in the log ..... do	4,877	64.334	3,549	59.694	27.2	7.2
Chemicals: Potassium bitartrate, argols, and wine lees ..... pounds	14,151,380	.110	21,656,304	.097	*53.0	11.8
FREE GOODS						
Animals and animal products, edible:						
Sausage casings—						
Sheep, lamb, or goat ..... pounds	6,824,554	1.502	5,493,013	1.442	19.5	9.4
Other ..... do	14,261,554	.333	8,492,085	.320	40.3	28.2
Fresh fish:						
Smelts ..... do	7,536,159	.148	7,020,478	.127	6.7	14.2
Tuna fish ..... do	30,199,722	.057	41,466,857	.047	*37.3	17.5
Lobsters, not canned ..... do	7,746,672	.257	10,116,684	.218	*30.6	15.2
Shrimps and shellfish, n. s. p. f ..... do	9,333,499	.176	8,236,006	.129	11.8	26.7

*Denotes increase.

Imports by commodity groups for years 1929 and 1931—Continued

		Fiscal year 1929		Fiscal year 1931		Per cent of decrease or increase	
		Quantity	Value per unit	Quantity	Value per unit	Quantity	Value per unit
FREE GOODS—continued							
Animals and animal products, inedible:							
Sheep and lamb skins	pounds	11,886,949	$0.288	9,173,840	$0.116	22.8	59.7
Wooled—							
Slats, dry, no wool	do	12,757,732	.406	12,030,452	.315	5.7	22.4
Pickled	do	38,627,438	.331	22,980,438	.206	40.5	37.8
Goat and kid skins:							
Dry and dry salted	do	77,751,587	.514	67,372,504	.414	13.3	19.5
Green or pickled	do	16,711,603	.274	15,872,791	.215	5.0	21.5
Raw furs:							
Coney or rabbit	do	18,185,652	1.211	18,416,969	.532	*1.3	56.1
Fox, other than silver or black	number	1,670,599	9.948	1,009,927	8.316	39.9	16.4
Lamb, kid, sheep, and goat	do	10,656,920	2.078	9,043,279	1.517	15.1	27.0
Squirrel	do	7,793,474	.373	7,138,313	.372	8.4	51.9
Fitch	do	1,248,774	4.048	1,077,948	2.216	13.7	45.3
Marten	do	224,072	19.676	84,936	12.101	62.1	38.5
Mink	do	920,410	4.800	759,017	2.240	17.5	53.3
Wolf	do	155,021	17.029	130,703	8.219	15.7	51.7
Bones, hoofs and horns, unmanufactured	pounds	96,246,907	.015	32,465,000	.011	66.3	26.7
Glue stock hide cuttings	do	57,012,905	.043	46,888,500	.054	17.8	12.5
Mother-of-pearl shell	do	6,726,407	.283	5,804,392	.310	13.7	9.5
Beeswax and other animal wax	do	5,516,272	.285	3,933,713	.225	28.7	21.1
Vegetable food products and beverages:							
Bread, yeast leavened	do	2,700,371	1.47	2,850,186	1.42	*5.5	3.4
Bananas	bunches	63,524,795	.548	60,807,896	.547	4.3	.2
Coconut meat from Philippines	pounds	47,081,540	.084	36,427,322	.068	22.6	19.1
Cocoa or cocoa beans	do	419,243,062	.104	424,954,645	.066	*1.4	36.5
Coffee, raw	do	1,434,292,115	.215	1,783,724,409	.112	*24.4	47.9
Tea	do	92,636,528	.291	89,539,962	.253	3.3	13.1
Cane sugar	do	1,226,560,559	.036	1,783,402,747	.030	*45.4	16.7
Vegetable products, inedible:							
Rubber, crude, and milk	do	1,217,843,179	.188	1,062,001,887	.093	12.8	50.5
Shellac	do	31,548,591	.396	15,401,648	.211	51.2	46.7
Cinchona bark	do	2,060,648	.267	1,718,539	.276	16.6	3.4
Pyrethrum or insect flowers	do	9,502,461	.292	6,282,410	.127	33.9	56.5
Copra	do	629,937,221	.044	575,807,903	.031	8.6	29.5
Chinese tung oil and nut oils, n. s. p. f	do	217,315,425	.089	101,371,762	.076	53.4	14.6
Coconut oil from Philippines	do	232,977,746	.075	220,318,844	.056	*37.5	25.3
Palm oil	do	139,905,291	.071	228,815,156	.049	*135.6	31.0
Textiles:							
Jute butts	do	34,209	110.983	15,002	63.995	56.1	42.3
Istle	do	12,404	110.056	9,807	78.835	20.9	28.4
Manila	do	60,304	191.139	46,208	117.911	23.4	38.3
Sisal and henequen	do	74,651	146.151	86,496	109.551	15.9	25.0
Kapok	do	8,458	378.452	8,612	251.803	1.8	33.5
Carpet wool under bond, in the grease	pounds	104,629,631	.239	36,346,264	.208	65.3	13.0
Carpet wool under bond, on the skin	do	262,671	.177	230,045	.253	18.6	42.9
Carpet wool under bond, washed	do	28,597,093	.290	15,516,300	.214	45.7	26.2
Carpet wool under bond, scoured	do	19,407,198	.206	13,016,808	.228	32.9	23.5
Raw silk	do	84,215,167	4.634	82,770,166	2.791	1.7	39.8
Wood and paper:							
Poles, telegraph, telephone, etc	number	899,272	4.100	710,657	4.147	21.0	1.1
Pulpwood, pooled, spruced	cords	566,271	11.184	384,465	11.360	56.2	1.6
Pulpwood, pooled, poplar and other	do	217,425	8.983	206,517	9.159	5.0	2.0
Mechanically ground woodpulp, unbleached	tons	215,085	24.925	213,239	25.592	.9	2.7
Mechanically ground woodpulp, bleached	do	7,534	24.046	9,212	25.008	22.3	4.0
Chemical woodpulp, sulphite, unbleached	do	672,364	50.732	598,735	46.422	11.0	8.5
Chemical woodpulp, sulphite, bleached	do	329,517	76.086	332,434	65.635	.9	14.5
Chemical woodpulp, sulphate, unbleached	do	400,546	55.027	312,863	40.919	21.9	25.6
Chemical woodpulp, sulphate, bleached	do	17,030	67.363	31,119	71.328	82.7	5.9
Rags for paper stock	pounds	441,498,962	.019	164,124,495	.016	62.8	15.8
Newsprint paper	do	4,510,024,283	.031	4,519,022,223	.028	.2	9.7
Laths	M feet	1,144,761	4.759	463,320	2.769	59.5	41.8
Shingles	do	2,051,767	4.035	1,006,783	2.963	46.5	26.6
Cork, wood or bark	pounds	75,919,201	.037	56,087,011	.032	25.3	13.5
Cord, waste, shavings, and refuse		180,971,007	.025	98,370,704	.024	62.3	4.0
Nonmetallic minerals:							
Anthracite coal	tons	422,031	7.521	329,682	7.455	25.5	0.9
Crude petroleum	barrels	83,427,931	1.021	80,102,976	.989	30.8	3.1
Fuel oil	do	10,175,531	.870	25,833,686	.709	*153.9	18.5
Gasoline, naphtha, etc	do	5,433,445	7.644	16,197,982	3.154	*198.1	58.7
Asbestos, crude	tons	13,850	266.675	10,541	167.447	23.9	37.2
Asbestos, mill fiber	do	90,821	49.928	54,745	49.188	39.7	1.5
Metallic minerals:							
Iron ore	do	2,084,738	2.328	2,091,186	2.758	22.1	*18.5
Chrome ore	do	242,394	8.004	125,901	26.600	48.1	*232.3
Copper ore	pounds	108,070,143	.115	62,852,922	.094	41.8	18.3
Copper concentrates	do	44,353,143	.134	76,592,004	.085	*72.7	36.6
Copper unrefined	do	621,170,534	.144	417,442,684	.104	32.8	27.8
Copper refined	do	144,294,364	.166	102,112,255	.103	29.2	38.0
Nickel ore and matte		26,814,914	.073	15,706,115	.132	41.4	*80.8
Tin bars, blocks, pigs, etc	pounds	197,601,599	.472	170,302,577	.275	13.8	41.7
Platinum grain, etc	troy ounces	62,446	64.610	90,063	30.579	*44.2	52.7
Platinum ingots	do	16,085	74.684	38,395	30.270	*138.7	59.5
Chemicals and related products:							
Dead or creosote oil	gallons	81,814,098	.137	51,336,336	.108	37.2	21.2
Arsenious acid or white acid	pounds	24,170,968	.033	17,828,176	.033	26.2	----------
Potassium nitrate, crude or saltpeter	tons	10,668	87.709	12,171	46.879	*14.1	*24.0
Sodium cyanide	pounds	39,476,654	.078	23,600,140	.077	40.2	1.3
Iodine, crude	do	700,175	3.469	450,089	3.641	35.7	*5.0
Calcium cyanide, or lime nitrogen	tons	155,980	34.684	79,794	32.465	48.8	6.4
Calcium nitrate	do	30,709	41.032	29,157	38.144	5.1	19.2
Sodium nitrate	do	962,762	36.469	535,428	37.515	44.4	*2.9
Potassium chloride, crude	do	224,942	35.886	220,737	36.427	1.9	*3.0
Guano	do	39,968	49.151	38,241	37.172	4.3	24.4
Bone phosphates	do	70,102	31.683	57,696	23.697	17.7	25.2
Sulphate of potash, crude	do	82,659	45.583	68,022	45.672	17.7	*.2
Manure salts, double manure salts, and hard salts	do	294,840	13.021	253,295	14.215	23.3	*9.2

* Denotes increase.

Mr. HATFIELD. Mr. President, the Republican Party had the vision in 1929 and 1930 to insist upon protection for American products.

I regret to say that at the time we passed the present tariff act we did not foresee the decline or depreciation in foreign currencies. Had we done so we might have succeeded in preventing a condition which to-day permits the products of foreign countries—as, for illustration, England and Japan—to enter our country at customs duties some 30 per cent to 35 per cent less than was intended by even the Democrats, due to the depreciation in value of foreign currencies.

I trust, however, that by joint resolution, or possibly through the insertion in the pending revenue bill of language which will permit our Treasury Department to collect the revenue that Congress by the tariff act of 1930 intended, we may correct this evil, at present so prejudicial to the continued employment of hundreds of thousands of skilled American workers.

Had we given serious thought to the expenditures that were made by the central and the allied nations of Europe in the great world conflict from 1914 to 1918, including $300,000,000,000 worth of property destroyed, plus the additional expense that all of these nations necessarily incurred in the maintenance of their armies upon the field of battle and their navies upon the seas, with America increasing her national debt from $1,220,000,000 to $26,000,000,000 in that controversy under a Democratic administration (and the cost of the war will reach $100,000,000,000 before we are finished paying for it), we could have easily forecasted what has come to us here in America and what has come to Europe in these days of world-wide depression.

Mr. BROOKHART obtained the floor.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Oregon?

Mr. BROOKHART. I do.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Iowa yield for that purpose?

Mr. BROOKHART. I do.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Kean	Robinson, Ark.
Austin	Dale	Kendrick	Robinson, Ind.
Bailey	Davis	Keyes	Schall
Bankhead	Dickinson	King	Sheppard
Barbour	Dill	La Follette	Shipstead
Barkley	Fess	Lewis	Shortridge
Bingham	Fletcher	Logan	Smoot
Black	Frazier	Long	Steiwer
Borah	George	McGill	Thomas, Idaho
Bratton	Glass	McKellar	Thomas, Okla.
Brookhart	Goldsborough	McNary	Townsend
Broussard	Gore	Morrison	Trammell
Bulkley	Hale	Moses	Tydings
Bulow	Harrison	Neely	Vandenberg
Byrnes	Hatfield	Norbeck	Wagner
Capper	Hayden	Norris	Walcott
Caraway	Hebert	Nye	Walsh, Mass.
Connally	Howell	Oddie	Walsh, Mont.
Coolidge	Hull	Patterson	Watson
Copeland	Johnson	Pittman	White
Costigan	Jones	Reed	

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, there is a quorum present.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from California?

Mr. BROOKHART. I yield.

Mr. SHORTRIDGE. I desire to inform the Presiding Officer and the Senate that it is my desire to make a few—and I anticipate Senators' desire by saying brief—remarks on the bill before it goes to a vote.

Mr. BROOKHART. Mr. President, the consideration of the bill now before the Senate began on the 22d day of March. Almost two weeks of time have been wasted in this academic discussion. The Republican side say to the Democrats, "It is a political gesture only"; and that is probably true. Then the Democratic side reply to the Republicans, "Your long speeches are political gestures"; and that is probably true.

Mr. President, there are more important matters which deserve the immediate and serious attention of the Senate and the Congress, and they are not receiving it. We are passing by the important questions on which the people expect us to act.

The agricultural situation grows worse every day. It has reached a stage in every State of the Union where language can hardly describe it. Unemployment increases rather than decreases at this time of the year, when it ought to be taken up. With agriculture at the verge of bankruptcy—in bankruptcy, as it were—and with seven or eight million men unemployed, we spend nearly two weeks in an academic discussion of this hundred years and more old tariff question. Where do we get as a result of this discussion? What more do we know about the situation than we did in the beginning? The same old arguments have been rehashed here back and forth time and again.

The real fact is that whatever evils there were in the Hawley-Smoot tariff bill have been accomplished. We have turned the world against us, and we are not going to sell anything to the world any further unless they have to buy it. Anything they can produce themselves, they will produce and will shut us out with their retaliatory measures. The damage has all been done. It can not be corrected by this bill.

What has been the result of our tariff system in the United States. I want to quote from an article written by the distinguished senior Senator from Utah [Mr. SMOOT], printed in the March of Events section of the Hearst papers on Sunday, May 31, 1931. I think in this article the Senator stated more facts and rose to a higher level of statesmanship than ever in his long and distinguished career. This article is headed "United States Dollar Imperialism Abroad Imperils Industries at Home."

In other words, the Senator from Utah, when left calmly to consider the tariff question, figured out that it had created a Frankenstein that would destroy not only the industries at home but of the world; and he is right.

I quote some of the language he used:

> When enough American gold is invested in European and other countries of the world to make repudiation of the debt easier and cheaper than payment, we may be sure human nature will yield to the temptation to take the easiest way.
>
> While this is all coming about, it is entirely possible that we may find ourselves in the position of having created our own competitive production in other countries. We may find our entire system of protective tariff broken down by the weight of influence of the very men and organizations who, through years agone, reaped their money and power in this country under the very protection of that tariff principle as it has been applied.

Mr. President, when the Smoot-Hawley bill was under consideration I recognized some of this forceful idea which the Senator from Utah here presents, and I offered an amendment to the bill to correct some of this accumulation of wealth under the protective principle for the purpose of creating this autocracy against our own industries and against the world; but the amendment got no consideration whatever.

The Senator from Utah further said:

> We may find our own workers facing ruin through the evolution of an industrial phase which, when the pauper workers of foreign countries were barred from our shores, shall have taken our factories to the pauper labor of these countries, and will assault with deadly effect the richest and the greatest market in the world—our own country—until all is demoralized by a reversal of conditions.
>
> There is no question that the industrial and political thinkers of other countries see in the constant flow of American gold into foreign branch factories the menace of an American economic imperialism.
>
> It is this fear that is to a great extent motivating Briand's "union of Europe"—frankly and boldly an economic consolidation of the European states against us.

Mr. President, such is the result of the great protective policy in the United States as pronounced by the great leader of the Finance Committee himself. Instead of that American prosperity and American stability it was supposed to give us, it has led us into this situation of world peril, as

well as domestic peril. That is not only my own judgment, but that is the judgment of the Senator from Utah.

While that is true, I find, on the other hand, that a great Democratic leader, one of the greatest of our time, finds it necessary for the country to go into this protective system in order to recover from the evils it has brought upon us. I think that is true; I think we have gone so far into this system that we can not back out if we want to. We have to set up something else in order to reach the prosperity and the stability in our country which we desire.

I want to quote from the speech of Mr. William G. McAdoo inserted in the RECORD by the senior Senator from Texas [Mr. SHEPPARD] the day before this discussion began. In this speech Mr. McAdoo discusses the farm problem, I think, ably and accurately; not quite accurately, because he does not go clear through, but in some of its principal phases at least his propositions are reliable. He said:

> You all know it is impossible to sell a man who has no purchasing power. That is the condition of the farmer to-day, and that is why you are not selling him any goods—

He was talking to an organization of salesmen, the Salesmanship Club—

> If his purchasing power could be restored, he would again become your profitable customer; this would help you and your business. Therefore, as salesmen and business men you are interested in agriculture and in any sound plan to put the farmer back on his feet financially.
>
> Much has been written during recent years about the plight of the farmer. I think it fair to say that business men generally have been unsympathetic, feeling that the problem was an isolated one which did not concern them. Some have even thought that the matter was being agitated solely for political purposes. Even to-day, after two years of depression—

Mr. President, he says: "After two years of depression." Mr. McAdoo had not found out that the depression has lasted since 1920 so far as agriculture is concerned. He was quite right, however, in emphasizing the last two years—

> Even to-day, after two years of depression, business as a whole has little knowledge of the real agricultural situation. Still less is it recognized that this situation is one of the basic causes of the depression itself. The question continues to be with us, in spite of all the remedies that have been adopted and all the prescriptions that have been offered. No one knows or can predict with any degree of certainty how long the disorder will last.

Mr. President, the greatest statistical expert in the United States, Col. Leonard P. Ayres, appeared before the Banking and Currency Committee and said that on the basis of the soundest presentation of fact possible we were not yet at the bottom of the depression. He further said that it would take longer to get out of the depression than it took to get into the depression. Yet, in the face of these facts, we are here for nearly two weeks on an academic proposition which will not become law, however Senators vote upon it; it will be vetoed, and the veto will be sustained.

Mr. President, I have not the slightest objection to putting a proposition like this up to the President of the United States; I have not the slightest objection to getting it vetoed of record if that is what is wanted. The objection is to taking two weeks of senatorial time to discuss this question, when we have such a vital proposition as the general bankruptcy of agriculture for consideration and are doing nothing about it.

Mr. McAdoo proceeded further:

> Chief among the fundamental causes of the depression is the condition of agriculture, and especially those phases of it represented by two great staple commodities—wheat and cotton. I select these not alone because they constitute one of the largest sources of farm income, but because they strike me as the crux of the farm problem on account of their large exportable surplus, which differentiates them from other farm commodities and places them in an extremely difficult position.

There is only one trouble with that suggestion. It will be conceded that the surplus controls the price of cotton and what is sold in free-trade markets of the world, but their percentages are large, and the world has more reason to have a voice in fixing their prices. But less than 1 per cent of corn, less than 1 per cent of oats, and only 7 or 8 per cent of livestock products sold in those free-trade markets are fixing the prices of those products likewise. The percentage of cotton that goes abroad is over 50 and of wheat about 20, so that is larger, and there is even more reason for a foreign influence upon those prices than upon the prices of the other farm products.

Taking up the question of cotton Mr. McAdoo said:

> The first thing we must recognize is that the cotton producer is entitled to receive a higher price for the cotton he sells in the domestic market than for the cotton he sells in the world market. From the point of view of both producer and consumer, Government measures to assure a remunerative price for cotton consumed in the United States are thoroughly justified. This can be accomplished only by giving the cotton grower tariff protection on that part of his crop which is absorbed by the home market.
>
> Let us consider the effect that higher prices would have on the cotton farmer's income.
>
> Suppose that a tariff duty of 12 cents per pound on the cotton consumed in the United States was imposed; that the present world price of 6½ cents per pound was raised to 18½ cents per pound through the operation of this tariff, and that this increase could be put into the pockets of the farmers who raise the crops.

Then he said with reference to wheat:

> The salvation of the wheat and cotton farmers of the United States revolves around a tariff on these commodities sufficiently high to preserve for the producers the home market against outside competition. This must be accompanied by Federal regulation which will enable the farmers to get the full benefit of the tariff protection awarded to them on that part of their crop consumed in the United States.
>
> The present tariff duty on wheat is merely a gesture. The farmer receives no benefit from it, for the simple reason that no means have been provided for transferring to his pocket the paper protection thus offered to him.
>
> Practically the entire cotton crop of the United States is what is known as short staple. There is no tariff on short staple, but there is a tariff of 10 cents per pound on long-staple cotton. This gives no help to cotton growers, because only a negligible amount of long staple is produced in this country.
>
> The Congress should, without delay, impose a flexible tariff on short-staple cotton, the initial rate to be at least 12 cents per pound—in order that the cotton farmer, as well as the wheat farmer, may have the domestic market preserved for him—and receive, as a part of the price of the raw cotton he sells for United States consumption, the tariff duty of 12 cents per pound.

Mr. President, Mr. McAdoo further said that the tariff rate on wheat should be 65 cents a bushel; that 42 cents would not protect the cost-of-production price at present low prices. With those statements of fact I fully agree. Mr. McAdoo is entirely correct, but, of course, the mere imposing of a tariff rate will not give to the farmer that price.

Then Mr. McAdoo proposed a further set-up by the Congress of the United States to guarantee that price, as follows:

> The Congress should promptly enact a law providing, in its essentials, that the Secretary of Agriculture, with the approval of the President, shall have power—
>
> 1. To determine, as of some convenient date or dates, each year, the percentage of the wheat and cotton crops for that year which shall be:
>
> (a) For United States consumption; and
>
> (b) For export or foreign consumption.
>
> 2. To fix annually, or semiannually, or quarterly, the minimum prices at which wheat and cotton may be lawfully bought and sold for United States consumption—the prices so fixed to represent, as nearly as may be, the world price prevailing at the time, plus the flexible tariff then in effect upon wheat and cotton.
>
> 3. After the Secretary of Agriculture has determined the percentages for United States and foreign consumption, and the minimum prices for wheat and cotton, it shall be unlawful for any person to buy from any farmer or producer, or for any farmer or producer to sell wheat or cotton at less than the minimum prices so prescribed. Each transaction shall be based upon the percentages for United States and foreign consumption established by the Secretary of Agriculture; and the purchasers shall be required to pay at least the established minimum price for the percentage fixed for United States consumption and the prevailing world price for the percentage fixed for foreign consumption.
>
> 4. To increase or decrease, annually or semiannually, the flexible tariff rates on wheat and cotton.
>
> 5. To promulgate from time to time such regulations as in his judgment may be necessary or expedient for carrying into effect the provisions of the act.
>
> 6. For each and every violation of the act the offender to be punished by fine or imprisonment, or both, and, in addition, to be liable to the aggrieved party in double the amount of the purchase or sale, recoverable in a civil action by the aggrieved party in any court of competent jurisdiction.
>
> 7. The tariff of 12 cents per pound on short-staple cotton, like the tariff on wheat, to be subject to the flexible provisions of the existing tariff act, and a compensatory increase in the tariffs on cotton textiles to be permitted, the amount of such increase to be determined by the Tariff Commission under the provisions of existing law.



Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from California?

Mr. BROOKHART. I yield.

Mr. SHORTRIDGE. I infer from what the Senator has quoted from Mr. McAdoo that he believes the flexible provision in the law is entirely constitutional.

Mr. BROOKHART. He said so in the next paragraph, and quoted authorities to sustain that belief. He has not made this as a hasty statement. It has been made as a careful and well-considered statement.

Mr. President, I want to say to the Democratic leadership on the other side of the Chamber that if they had offered here a bill such as suggested by Mr. McAdoo and we had spent two weeks in considering something of that kind, the time would have been well spent. We might have passed such a bill as that even over a veto, because there would have been involved real relief to the economic situation in the country. But Democratic leaders have not done that. In fact, they have rather joined with Republican leadership in this academic discussion to kill time and prevent us having any real chance to consider the great question of agricultural relief and unemployment relief. Those are the two things before Congress that must be treated if we are to have prosperity return in any sound fashion; and apparently they are going to get no adequate consideration. Oh, yes; we started first with a bolshevik bill appropriating $2,000,000,000 out of the Treasury of the United States for the banks and for the railroads—a money-lending, Shylock proposition again. The suggestion was that some of it would finally trickle down and help agriculture and help commodity prices; but commodity prices continue to go lower all the time.

Mr. President, there is very much merit in the proposition laid down by this former Secretary of the Treasury. I think he has not fully surveyed the whole field, but he has picked out the hardest things to remedy in the agricultural situation. He said to us that prosperity can not return until we get that remedy. I think all of that is sound.

If we can control cotton and wheat with their big exportable surplus on that kind of basis, we can so much more easily control the price of corn, which is the greatest of all agricultural products, with only 1 per cent of exportation, but that 1 per cent fixing the price of the 99 per cent at home by its sale in the free-trade markets of the world. We can more easily control oats, which is the second biggest bushel crop. It has less than 1 per cent of exportable surplus and the price can easily be fixed and that surplus removed from the domestic market. It will not take any considerable fund to do that, and, when it is removed, then Mr. McAdoo's flexible tariff, high enough, will protect the cost-of-production price for all of those products. The livestock products, with only 7 or 8 per cent exportable surplus, and rice, with only a small per cent, and these others make up all the principal products of the country.

If we were considering a bill of that kind and in 10 days would pass it, we would accomplish the things set out in his statement and then our proceedings would be well worth while. I do not think it makes so much difference which way we vote on the pending tariff proposal. I shall probably vote for it. I voted against the Smoot-Hawley tariff bill because I thought it would make things a little bit worse than they were before. Of course, subsequent history has proven that it did make them a great deal worse than they were before.

But, Mr. President, I do demand that we get rid of this mere academic performance in the Senate and take up for consideration the real questions effecting the prosperity of the country.

Mr. SHORTRIDGE. Mr. President, it is not my intention long to detain the Senate by remarks this afternoon. Earlier I had formulated some of my thoughts which would have required some little time for elaboration. I am aware that it is the desire of the Senate to come to a vote this afternoon, but there are one or two propositions to which, even at this late hour, I invite the earnest, thoughtful, and unprejudiced consideration of Senators.

The great problem of tariff protection is not immediately before us. The question before us is compressed, limited, and fairly clearly expressed in the proposed substitute offered by the Senator from Mississippi [Mr. HARRISON].

Of course, it is not necessary for me to declare here that I am what is generally known as a protective-tariff believer. Nor is it necessary for me to remind the Senate that there are two schools in respect to tariff legislation which have existed perhaps from the formation of our Government, although I hasten to add that practically every Member of the first Senate, practically every Member of the first House of Representatives was a thorough protective-tariff man, as was that great and immortal man, George Washington, whom we reverence and by our poor words try to immortalize. Those two schools, however, early developed, and, for brevity and yet with clearness, they may be characterized as the protective-tariff school and the free-trade school or a tariff-for-revenue-only school. Sometimes, it is added, a "tariff for revenue and for incidental protection," but, for brevity, they are by the people at large understood as the protective-tariff theory and the free-trade theory.

I subscribe to the protective-tariff theory. I am not instructing the Senate, but it may be of some value to others to recall that the second act passed by the Congress of the United States was avowedly a protective tariff act. That act was passed by the Congress and, by the signature of George Washington, became law on July 4, 1789; and it is a historical fact that our great President Washington signed that bill on the 4th day of July in order to emphasize and to impress the Nation with its importance and its wisdom. That first act, which was the second act ever passed by the Congress, provided:

> SECTION 1. Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures that duties be laid on goods, wares, and merchandises imported—

I emphasize that we started with a national debt, and we always have had a national debt, although, if I recall, there was, I think, a day or two during one of the administrations of President Jackson when the national debt was said to have been entirely discharged.

Mr. GORE. That was in 1835.

Mr. SHORTRIDGE. That was in 1835, I am reminded by the scholarly Senator from Oklahoma. However, we started with a national debt, for the Government took over and assumed the debts of the original States contracted during the Revolution when we were united under the Articles of Confederation. To repeat, in the very beginning it was recognized, and has ever since been recognized, that a tariff is levied or may be constitutionally and wisely levied in order to raise revenue, in order to pay the national debt, and in order to encourage and protect manufactures and agriculture and all other industries. I question whether to-day there is a thoughtful, unprejudiced Member of the Senate who does not recognize that a tariff is essential for the purposes mentioned in the second act passed by Congress, namely, to raise revenue, to discharge the national debt, and to encourage and protect American industries; and that is, indeed, in essence thus briefly stated, the protective-tariff doctrine.

Am I dogmatic or do I assume to teach when I make the statement, as I do with the utmost regard and respect for brother Members of the Senate, that there is scarcely a thoughtful Member who does not recognize the wisdom of a law of this character? I do not wish to seem to be dogmatic or seem to instruct. Is there a finer State in this Union than the historic State of Mississippi? Does anybody question the dominant political sentiment of that historic State, which has sent to the Senate and into the service of this Nation great men and which has great men in its service in this body here to-day? What does Mississippi think upon this question? Mr. President, when the so-called Hawley-Smoot tariff bill, which has been so much

discussed, came over from the House and went to the Finance Committee, it happened to be I who proposed an amendment placing long-staple cotton on the protected list. I offered that amendment calling for 7 cents a pound on long-staple cotton. Let me advise the Senate as to the position then taken by Mississippi—and I have reason to believe that State holds to the same position to-day—in respect to my proposed amendment and as to tariff legislation generally. I read to the Senate the Mississippi Legislature's House Concurrent Resolution 14, requesting the Senators and Representatives in Congress from the State of Mississippi to favor a tariff on both short and long staple cotton:

Whereas the overwhelming sentiment of the Nation is for a protective tariff on all commodities, whether manufactured product or raw material; and

Whereas two south-wide cotton growers' conventions have within the past few years, without a dissenting vote, adopted resolutions favoring a tariff on cotton; and

Whereas the Democratic Party at the Houston national convention abandoned a demand for a "tariff for revenue only" as a party principle; and

Whereas it is the opinion of all thoughtful business men of the cotton-growing States and of the majority of the citizens of such States that in view of the purpose of all of the other States of the Union to secure a tariff upon their agricultural products, that it is imperative that the cotton-growing States protect themselves by securing an adequate tariff on cotton; and

Whereas there is a tariff levied on all manufactured articles consumed by the cotton growers while cotton is on the free list, which makes an unjust discrimination against the cotton growers; and

Whereas it is the sense of the Legislature of the State of Mississippi that it is necessary to protect the southern cotton growers and the business interests of the cotton-growing States of the South that a strong tariff be placed on all cotton, short staple and long staple, imported in the United States of America, and on all American cotton which may have been shipped out of the United States and reimported into this country: Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein), That the Senators and Representatives in Congress from the State of Mississippi be, and they are hereby, requested to use their best efforts to secure a strong tariff upon all foreign-raised cotton and upon all American-grown cotton shipped out of this country which may be reimported into this country.

Adopted by the house of representatives January 17, 1930.

THOMAS L. BAILEY,
Speaker of the House of Representatives.

Adopted by the senate January 23, 1930.

BIDWELL ADAM,
President of the Senate.

I read this, Mr. President, not in any wise to embarrass the representatives of Mississippi, but I hasten to add that in the Senate Finance Committee and here on the floor of the Senate and when the bill went into conference there was no more able champion of a tariff duty on long-staple cotton as provided in the amendment proposed by me than the distinguished senior Senator from Mississippi [Mr. HARRISON]. I trust that Democratic Senators here and Democratic Members of the other House will not array themselves against a protective tariff in the belief that their party is irrevocably committed to a tariff for revenue only or that it still adheres to what may be more or less accurately termed "a free-trade policy."

Yesterday, Mr. President, during the very interesting address made by the junior Senator from Texas [Mr. CONNALLY] I indulged in colloquy with him during the course of which I referred particularly to the decision of the Supreme Court of the United States concerning the question here debated, namely, as to whether a so-called or real flexible tariff provision was constitutional. I caused to be inserted in the RECORD an excerpt from the opinion of that high court. The opinion was written by Mr. Chief Justice Taft and was concurred in by all the Associate Justices, men of profound learning, men abstracted from political prejudice or bias, a unanimous decision of that high court, on which sat Mr. Justice McReynolds and Mr. Justice Brandeis. Those two learned men, as did their associates, considered this problem utterly apart from any political considerations, for they sit there above all disturbing elements of that character; they presumably discussed it among themselves, and authorized the Chief Justice to write the opinion of the court. I think it will be helpful, Mr. President, if that opinion of the Supreme Court in the case of Hampton *v.* United States (276 U. S. 400) appears in our RECORD, and I ask that it may be incorporated at this point in my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The opinion referred to is as follows:

Mr. Chief Justice Taft delivered the opinion of the court.

J. W. Hampton, jr., & Co. made an importation into New York of barium dioxide, which the collector of customs assessed at the dutiable rate of 6 cents per pound. This was 2 cents per pound more than that fixed by statute, paragraph 12, chapter 356, 42 Statutes 858, 860. The rate was raised by the collector by virtue of the proclamation of the President, 45 Treasury Decision 669, Treasury Decision 40216, issued under, and by authority of, section 315 of Title III of the tariff act of September 21, 1922, chapter 356, 42 Statutes 858, 941, which is the so-called flexible tariff provision. Protest was made and an appeal was taken under section 514, part 3, Title IV, chapter 356, 42 Statutes 969–970. The case came on for hearing before the United States Customs Court, 49 Treasury Decision 593. A majority held the act constitutional. Thereafter the case was appealed to the United States Court of Customs Appeals. On the 16th day of October, 1926, the Attorney General certified that in his opinion the case was of such importance as to render expedient its review by this court. Thereafter the judgment of the United States Customs Court was affirmed, 14 Court of Customs Appeals 360. On a petition to this court for certiorari, filed May 10, 1927, the writ was granted, 274 United States Reports 735. The pertinent parts of section 315 of Title III of the tariff act, chapter 356, 42 Statutes 858, 941, United States Code, title 19, sections 154, 156, are as follows:

"Section 315. (a) That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in costs of production in the United States and the principal competing country, he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in such costs of production necessary to equalize the same. Thirty days after the date of such proclamation or proclamations, such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in Title I of this act, or in any amendatory act. * * *

"(c) That in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of this section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar articles in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign articles in the principal markets of the United States; (3) advantages granted to a foreign producer by a foreign government, or by a person, partnership, corporation, or association in a foreign country; and (4) any other advantages or disadvantages in competition.

"Investigations to assist the President in ascertaining differences in costs of production under this section shall be made by the United States Tariff Commission, and no proclamation shall be issued under this section until such investigation shall have been made. The commission shall give reasonable public notice of its hearings and shall give reasonable opportunity to parties interested to be present, to produce evidence, and to be heard. The commission is authorized to adopt such reasonable procedure, rules, and regulations as it may deem necessary.

"The President, proceeding as hereinbefore provided for in proclaiming rates of duty, shall, when he determines that it is shown that the differences in costs of production have changed or no longer exist which led to such proclamation, accordingly as so shown, modify or terminate the same. Nothing in this section shall be construed to authorize a transfer of an article from the dutiable list to the free list or from the free list to the dutiable list, nor a change in form of duty. Whenever it is provided in any paragraph of Title I of this act that the duty or duties shall not exceed a specified ad valorem rate upon the articles provided for in such paragraph, no rate determined under the provision of this section upon such articles shall exceed the maximum ad valorem rate so specified."

The President issued his proclamation May 19, 1924. After reciting part of the foregoing from section 315, the proclamation continued, as follows:

"Whereas under and by virtue of said section of said act the United States Tariff Commission has made an investigation to assist the President in ascertaining the differences in costs of

production of and of all other facts and conditions enumerated in said section with respect to * * * barium dioxide. * * *

"Whereas in the course of said investigation a hearing was held, of which reasonable public notice was given, and at which parties interested were given a reasonable opportunity to be present, to produce evidence, and to be heard;

"And whereas the President upon said investigation * * * has thereby found that the principal competing country is Germany, and that the duty fixed in said title and act does not equalize the differences in costs of production in the United States and in * * * Germany, and has ascertained and determined the increased rate of duty necessary to equalize the same.

"Now, therefore, I, Calvin Coolidge, President of the United States of America, do hereby determine and proclaim that the increase in the rate of duty provided in said act, shown by said ascertained differences in said costs of production necessary to equalize the same, is as follows:

"An increase in said duty on barium dioxide (within the limit of total increase provided for in said act) from 4 cents per pound to 6 cents per pound.

"In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

"Done at the city of Washington this 19th day of May, A. D. 1924, and of the independence of the United States of America the one hundred and forty-eighth.

"CALVIN COOLIDGE.

"By the President:

"CHARLES E. HUGHES,

"*Secretary of State.*"

The issue here is as to the constitutionality of section 315, upon which depends the authority for the proclamation of the President and for 2 of the 6 cents per pound duty collected from the petitioner. The contention of the taxpayers is twofold—first, they argue that the section is invalid in that it is a delegation to the President of the legislative power, which by Article I, section 1, of the Constitution, is vested in Congress, the power being that declared in section 8 of Article I, that the Congress shall have power to lay and collect taxes, duties, imposts, and excises. The second objection is that, as section 315 was enacted with the avowed intent and for the purpose of protecting the industries of the United States, it is invalid because the Constitution gives power to lay such taxes only for revenue.

First. It seems clear what Congress intended by section 315. Its plan was to secure by law the imposition of customs duties on articles of imported merchandise which should equal the difference between the cost of producing in a foreign country the articles in question and laying them down for sale in the United States, and the cost of producing and selling like or similar articles in the United States, so that the duties not only secure revenue but at the same time enable domestic producers to compete on terms of equality with foreign producers in the markets of the United States. It may be that it is difficult to fix with exactness this difference, but the difference which is sought in the statute is perfectly clear and perfectly intelligible. Because of the difficulty in practically determining what that difference is, Congress seems to have doubted that the information in its possession was such as to enable it to make the adjustment accurately, and also to have apprehended that with changing conditions the difference might vary in such a way that some readjustments would be necessary to give effect to the principle on which the statute proceeds. To avoid such difficulties, Congress adopted in section 315 the method of describing with clearness what its policy and plan was and then authorizing a member of the executive branch to carry out this policy and plan and to find the changing difference from time to time, and to make the adjustments necessary to conform the duties to the standard underlying that policy and plan. As it was a matter of great importance, it concluded to give by statute to the President, the Chief of the executive branch, the function of determining the difference as it might vary. He was provided with a body of investigators who were to assist him in obtaining needed data and ascertaining the facts justifying readjustments. There was no specific provision by which action by the President might be invoked under this act, but it was presumed that the President would through this body of advisers keep himself advised of the necessity for investigation or change, and then would proceed to pursue his duties under the act and reach such conclusion as he might find justified by the investigation, and proclaim the same if necessary.

The Tariff Commission does not itself fix duties, but before the President reaches a conclusion on the subject of investigation the Tariff Commission must make an investigation, and in doing so must give notice to all parties interested and an opportunity to adduce evidence and to be heard.

The well-known maxim "Delegata potestas non potest delegari," applicable to the law of agency in the general and common law, is well understood and has had wider application in the construction of our Federal and State Constitutions than it has in private law. The Federal Constitution and State constitutions of this country divide the governmental power into three branches. The first is the legislative, the second is the executive, and the third is the judicial; and the rule is that in the actual administration of the Government Congress or the legislature should exercise the legislative power, the President or the State executive, the governor, the executive power, and the courts or the judiciary the judicial power, and in carrying out that constitutional division into three branches it is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President or to the judicial branch, or if by law it attempts to invest itself or its members with either executive power or judicial power. This is not to say that the three branches are not coordinate parts of one government and that each in the field of its duties may not invoke the action of the two other branches in so far as the action invoked shall not be an assumption of the constitutional field of action of another branch. In determining what it may do in seeking assistance from another branch, the extent and character of that assistance must be fixed according to common sense and the inherent necessities of the governmental coordination.

The field of Congress involves all and many varieties of legislative action, and Congress has found it frequently necessary to use officers of the executive branch, within defined limits, to secure the exact effect intended by its acts of legislation, by vesting discretion in such officers to make public regulations interpreting a statute and directing the details of its execution, even to the extent of providing for penalizing a breach of such regulations. United States *v.* Grimaud, 220 U. S. 506, 518; Union Bridge Co. *v.* United States, 204 U. S. 364; Buttfield *v.* Stranahan, 192 U. S. 470; In re Kollock, 165 U. S. 526; Oceanic Navigation Co. *v.* Stranahan, 214 U. S. 320.

Congress may feel itself unable conveniently to determine exactly when its exercise of the legislative power should become effective, because dependent on future conditions, and it may leave the determination of such time to the decision of an Executive, or, as often happens in matters of State legislation, it may be left to a popular vote of the residents of a district to be affected by the legislation. While in a sense one may say that such residents are exercising legislative power, it is not an exact statement, because the power has already been exercised legislatively by the body vested with that power under the Constitution, the condition of its legislation going into effect being made dependent by the legislature on the expression of the voters of a certain district. As Judge Ranney, of the Ohio Supreme Court, in Cincinnati, Wilmington & Zanesville Railroad Co. *v.* Commissioners (1 Ohio St. 77, 88), said in such a case:

"The true distinction, therefore, is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring an authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made." See also Moers *v.* Reading (21 Penn. St. 188, 202); Locke's Appeal (72 Penn. St. 491, 498).

Again, one of the great functions conferred on Congress by the Federal Constitution is the regulation of interstate commerce and rates to be exacted by interstate carriers for the passenger and merchandise traffic. The rates to be fixed are myriad. If Congress were to be required to fix every rate, it would be impossible to exercise the power at all. Therefore, common sense requires that in the fixing of such rates Congress may provide a commission, as it does, called the Interstate Commerce Commission, to fix those rates, after hearing evidence and argument concerning them from interested parties, all in accord with a general rule that Congress first lays down, that rates shall be just and reasonable considering the service given, and not discriminatory. As said by this court in Interstate Commerce Commission *v.* Goodrich Transit Co. (224 U. S. 194, 214), "The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by the Congress."

The principle upon which such a power is upheld in State legislation as to fixing railway rates is admirably stated by Judge Mitchell in the case of State *v.* Chicago, Milwaukee & St. Paul Railway Co. (38 Minn. 281, 296 to 302). The learned judge says on page 301:

"If such a power is to be exercised at all, it can only be satisfactorily done by a board or commission, constantly in session, whose time is exclusively given to the subject, and who, after investigation of the facts, can fix rates with reference to the peculiar circumstances of each road and each particular kind of business, and who can change or modify these rates to suit the ever-varying conditions of traffic * * *. Our legislature has gone a step further than most others, and vested our commission with full power to determine what rates are equal and reasonable in each particular case. Whether this was wise or not is not for us to say; but in doing so we can not see that they have transcended their constitutional authority. They have not delegated to the commission any authority or discretion as to what the law shall be—which would not be allowable—but have merely conferred upon it an authority and discretion, to be exercised in the execution of the law, and under and in pursuance of it, which is entirely permissible. The legislature itself has passed upon the expediency of the law and what it shall be. The commission is intrusted with no authority or discretion upon these questions." See also the language of Justices Miller and Bradley in the same case in this court (134 U. S. 418, 459, 461, 464).

It is conceded by counsel that Congress may use executive officers in the application and enforcement of a policy declared in law by Congress and authorize such officers in the application of the congressional declaration to enforce it by regulation equivalent to law. But it is said that this never has been permitted to be done where Congress has exercised the power to levy taxes and fix customs duties. The authorities make no such distinction. The same principle that permits Congress to exercise its rate-

making power in interstate commerce, by declaring the rule which shall prevail in the legislative fixing of rates, and enables it to remit to a rate-making body created in accordance with its provisions the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise. If Congress shall lay down by legislative act an intelligible principle to which the person or body authorized to fix such rates is directed to conform, such legislative action is not a forbidden delegation of legislative power. If it is thought wise to vary the customs duties according to changing conditions of production at home and abroad, it may authorize the Chief Executive to carry out this purpose, with the advisory assistance of a tariff commission appointed under congressional authority. This conclusion is amply sustained by a case in which there was no advisory commission furnished the President—a case to which this court gave the fullest consideration nearly 40 years ago. In Field *v.* Clark (143 U. S. 649, 680), the third section of the act of October 1, 1890, contained this provision:

"That with a view to secure reciprocal trade with countries producing the following articles, and for this purpose, on and after the 1st day of January, 1892, whenever and so often as the President shall be satisfied that the government of any country producing and exporting sugars, molasses, coffee, tea, and hides, raw and uncured, or any of such articles, imposes duties or other exactions upon the agricultural or other products of the United States, which in view of the free introduction of such sugar, molasses, coffee, tea, and hides into the United States he may deem to be reciprocally unequal and unreasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the free introduction of such sugar, molasses, coffee, tea, and hides, the production of such country, for such time as he shall deem just, and in such case and during such suspension duties shall be levied, collected, and paid upon sugar, molasses, coffee, tea, and hides the product of or exported from such designated country as follows, namely:"

Then followed certain rates of duty to be imposed. It was contended that this section delegated to the President both legislative and treaty-making powers and was unconstitutional. After an examination of all the authorities, the court said that while Congress could not delegate legislative power to the President, this act did not in any real sense invest the President with the power of legislation, because nothing involving the expediency or just operation of such legislation was left to the determination of the President; that the legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was merely in execution of the act of Congress. It was not the making of law. He was the mere agent of the lawmaking department to ascertain and declare the event upon which its expressed will was to take effect.

Second. The second objection to section 315 is that the declared plan of Congress, either expressly or by clear implication, formulates its rule to guide the President and his advisory Tariff Commission as one directed to a tariff system of protection that will avoid damaging competition to the country's industries by the importation of goods from other countries at too low a rate to equalize foreign and domestic competition in the markets of the United States. It is contended that the only power of Congress in the levying of customs duties is to create revenue, and that it is unconstitutional to frame the customs duties with any other view than that of revenue raising. It undoubtedly is true that during the political life of this country there has been much discussion between parties as to the wisdom of the policy of protection, and we may go further and say as to its constitutionality, but no historian, whatever his view of the wisdom of the policy of protection, would contend that Congress, since the first revenue act in 1789, has not assumed that it was within its power in making provision for the collection of revenue to put taxes upon importations and to vary the subjects of such taxes or rates in an effort to encourage the growth of the industries of the Nation by protecting home production against foreign competition. It is enough to point out that the second act adopted by the Congress of the United States July 4, 1789, chapter 2, First Statutes, 24, contained the following recital:

"SECTION 1. Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufacturers that duties be laid on goods, wares, and merchandise imported: Be it enacted, etc."

In this first Congress sat many members of the Constitutional Convention of 1787. This court has repeatedly laid down the principle that a contemporaneous legislative exposition of the Constitution when the founders of our Government and framers of our Constitution were actively participating in public affairs, long acquiesced in, fixes the construction to be given its provisions. (Myers *v.* United States, 272 U. S. 52, 175, and cases cited.) The enactment and enforcement of a number of customs revenue laws drawn with a motive of maintaining a system of protection, since the revenue law of 1789, are matters of history.

More than a hundred years later the titles of the tariff acts of 1897 and 1909 declared the purpose of those acts, among other things, to be that of encouraging the industries of the United States. The title of the tariff act of 1922, of which section 315 is a part, is "An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes." Whatever we may think of the wisdom of a protection policy, we can not hold it unconstitutional.

So long as the motive of Congress and the effect of its legislative action are to secure revenue for the benefit of the General Government, the existence of other motives in the selection of the subjects of taxes can not invalidate congressional action. As we said in the Child Labor Tax case (259 U. S. 20, 38): "Taxes are occasionally imposed in the discretion of the legislature on proper subjects with the primary motive of obtaining revenue from them, and with the incidental motive of discouraging them by making their continuance onerous. They do not lose their character as taxes because of the incidental motive." And so here, the fact that Congress declares that one of its motives in fixing the rates of duty is so to fix them that they shall encourage the industries of this country in the competition with producers in other countries in the sale of goods in this country, can not invalidate a revenue act so framed. Section 315 and its provisions are within the power of Congress. The judgment of the Court of Customs Appeals is affirmed.

Affirmed.

Mr. SHORTRIDGE. I suppose, Mr. President, that the proposition now pending came before us because gentlemen were opposed to the existing tariff. It is not my purpose, for various reasons, to enlarge upon my views in regard to the wisdom of a protective tariff. I have just listened to my friend from Iowa [Mr. BROOKHART], and I wholly dissent from his attitude, for I recall full well that he did vote against the existing tariff law, which reminds me that it was due to five upstanding, thoughtful Democratic Members of this body that that act became a law. I refer to the two learned Senators from Florida [Mr. FLETCHER and Mr. TRAMMELL], the two learned Senators from Louisiana [Mr. Ransdell and Mr. BROUSSARD], and the learned Senator from Wyoming [Mr. KENDRICK]. Five thoroughgoing, 100 per cent Democrats voted for the passage of that bill. That law contains this flexible tariff section—in different form than it appeared in the earlier statute. It provided that if the Senate or the House requested——

Mr. LEWIS. Mr. President, will the Senator indulge me?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Illinois?

Mr. SHORTRIDGE. I yield.

Mr. LEWIS. Was there any difference between the votes of the Senators from Florida, Democrats, and the Senators from California, Republicans, in the matter of a tariff duty on citrus fruits?

Mr. SHORTRIDGE. I think we fully agreed. I know I made a fight for a tariff on alligator pears, assisting feebly, but very earnestly, the Senators from Florida in their effort to secure a tariff on that fruit.

Mr. LEWIS. Am I correct in assuming that but for the Democratic votes to which the Senator has referred, the measure would not have passed the Senate?

Mr. SHORTRIDGE. It is so. I mean to say that but for the votes cast by five Democratic Senators the bill would not have passed.

Mr. LEWIS. The Senator's remarks upon that subject previously were very informing and interesting; and now that they are confirmed they become more interesting to me.

Mr. SHORTRIDGE. That is so. I distinctly recall that the five distinguished Democratic Senators voted for the bill and, as the official RECORD shows, without their votes the bill would not have passed the Senate.

Mr. BARKLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Kentucky?

Mr. SHORTRIDGE. Yes.

Mr. BARKLEY. Is it the Senator's theory that the five Senators who voted for that bill share a greater responsibility than the 45 Republicans who voted for it?

Mr. SHORTRIDGE. No; I think they are entitled to equal honor. I think they performed a patriotic duty, and I have heretofore and elsewhere tried to put a garland on their brows.

I am violating my own promise not to detain the Senate long, but perhaps Senators will indulge me.

There is one thing I regret: The American Farm Bureau was desirous of having a tariff placed on imported bananas. It was suggested that a tariff of 75 cents a bunch be put on bananas. It appeared that there were more than 60,000,000 bunches of bananas brought into the United States annually, and it was suggested that a revenue of $45,000,000 might well

be derived by imposing the tariff suggested. For various reasons, however, the matter was not urged. It would have been, of course, designedly a revenue proposition, purely and simply a revenue proposition, and it was suggested that the great corporation that monopolizes that industry could easily have borne that tariff duty.

Mr. BARKLEY. Mr. President, the proposed tariff on bananas, however, was not urged as a revenue measure.

Mr. SHORTRIDGE. It was not urged as a protective measure, manifestly. It was suggested as a revenue-raising measure.

Mr. BARKLEY. It was suggested in order to make it more feasible and more necessary for American consumers to eat some other form of fruit.

Mr. SHORTRIDGE. No; that was a playful comment of some clever, witty newspaper boy.

I sometimes regret that we did not put a tariff of 75 cents on bananas, as the American Farm Bureau requested and urged. It may be put on hereafter.

If any rate in the existing law is too high, or if any rate is too low, there is a speedy remedy. What is it? Upon request of the President, or upon resolution of either or both Houses of Congress, or upon the motion of either, or upon the petition of any interested party, the Tariff Commission may cause an investigation to be made. They proceed to make that investigation. They report their findings and conclusions to the President, who, under the law, may or may not approve them in whole or in part. If the commission recommends raising or lowering a rate the full 50 per cent, the President may affirm or approve or disapprove; or, basing his ruling upon the findings and the facts as he understands them, he may say that a raising or a lowering of the rate 25 per cent will be ample to satisfy the policy of Congress as it is laid down in the statute.

For example—I alluded to it briefly yesterday—the National Poultry Association and the California Poultry Association asked me to cause an investigation to be made in respect to imported poultry products. The Senate unanimously passed a resolution I offered. The commission investigated and reported in favor of increasing the duty the full limit, 50 per cent, and the President approved. Why? Because that industry in California, in Oregon, in Washington, in western and middle States could not and can not compete, even in our own consuming market, with the like products from China.

I could multiply illustrations; but I say, and to repeat, the law gives a speedy remedy to any error we have committed in the enactment of the present tariff law. Has any of my Democratic brothers risen or taken appropriate steps to cause a lowering of any one of the duties upon agricultural products? I am not aware that any one has asked for any reduction of the tariff duties on cotton, or on wheat, or on any other agricultural product.

Some reference was made to citrus fruit. The tariff on lemons was 2 cents a pound as the bill came over from the House. It happened to be I who moved to increase that rate to 2½ cents. The Senate Finance Committee approved it; the Senate approved it; in conference the House receded, and we increased the rate on lemons to 2½ cents a pound. Why? Because neither in California nor in Arizona nor in any other State of this Union can those engaged in raising lemons compete, even in our own market, with the like product from Sicily, for example.

I feel warranted in believing that if the learned and respected Senator from Mississippi [Mr. HARRISON] was dissatisfied with any item in the present law I know him well enough to know that he would have speedily sought relief by way of the Tariff Commission and the President.

Therefore, with great respect, I am submitting that if the tariff as it is is defective, and Senators do not wish to take advantage of the existing flexible provision in the act, let them introduce a bill to raise or lower a given rate. As I said yesterday to my friend from Texas [Mr. CONNALLY], we have not abdicated by giving the Tariff Commission the powers mentioned in the flexible tariff section. If anyone is dissatisfied with the rate placed upon any one agricultural product, for example, let him introduce a bill correcting the law, raising or lowering the rate fixed in the statute.

There are two items not on the protected list, Mr. President, which I think should be on that list. I refer to oil and copper. I am interested in anticipating how my friends upon the other side and upon this side will vote when an appropriate bill is submitted to give protection to oil. The American oil producer can not compete with the foreign producer of that article. The American producer of copper, the miner, can not compete with the foreign producer or miner of copper. If that be so, then there is but one way to make it possible for the oil industry to prosper or for the copper industry to prosper, and that is by way of an adequate tariff duty.

I hold to the theory that the American producer, farmer, manufacturer, miner, is primarily entitled to the American consuming market. Upon other occasions, perhaps, I may elaborate my views on that point.

The tariff is intended, of course, to raise revenue; but when we use the words "to protect and encourage American industries" it is to the end that the American manufacturer, the American farmer, the American miner may primarily have the American market.

Here we are, a nation of one hundred and twenty and odd millions of people, stretching from the Atlantic to the Pacific, a great people, engaged in many industries; and as the world is, having in mind our standard of life and living, the wages paid, the cost of living, and having in mind the condition of other countries, we can not compete in our own market with the products coming from cheap-labor countries.

I hate no nation. America hates none. We do not covet the possessions of any nation. We contemplate no attack upon any nation. We do not meditate disturbing their political conditions. We have no hate, no envy, but, on the contrary, the most kindly feeling toward all the nations of the earth. As I have said, however, our first duty is to consider the welfare of the men and the women and the children of America; and I say unto you, sir, we of California can not compete with China. You of Mississippi can not compete with Egypt in the matter of cotton. You of Arizona can not compete with Africa in the matter of copper. You of the great, historic State of Louisiana can not compete, even in your own home market, with Venezuela or other countries in the matter of oil. Why? Because of your cost of production.

True, Mr. President, we just now are not what might be called an overhappy people; but, sir, there is scarcely a toiling man or woman in any nation on earth who is not hoping and praying to God that he or she may some time come to America, for, after all, we are perhaps the happiest and the most prosperous nation on earth.

I am opposing this substitute because I believe, with the Supreme Court of the United States, that it is entirely competent for Congress to enact a flexible provision in the tariff act, such as was in the act of 1922 and is in the act of 1930. It is entirely constitutional, and in respect to my learned and always agreeable friend the Senator from Texas, whom I am proud to call my personal friend, he relied yesterday, in his interesting argument, upon a decision of an inferior court, the Court of Customs Appeals. He relied also upon an earlier decision of that court, which, indeed, is on appeal, is not a final decision at present, and I venture my own reputation when I say that the appellate court, where that case is now pending and undetermined, will reverse the decision of the lower court. The last decision was written by Judge Fischer, who has just resigned, and I say it is not final by any means, and does not answer the philosophy of the decision of the Supreme Court in the opinion I have caused to be entered in the RECORD.

I beg pardon of Senators for delaying them, and I sit down with no pride recalling the discursive manner in which I have undertaken to express my views. But I sincerely hope that this proposition will be defeated here in the Senate, quite regardless of politics, for I remember—and I think it was a great Democratic President who said it—some one

said, "He serves his party best who serves his country best." I do believe that if we could here strip ourselves of partisanship and forget party prejudices and empty our hearts of all party feeling, the Senate would unanimously enact a genuine protective tariff law, and in that hope I submit the case to the Senate.

Mr. LONG. Mr. President, I noticed that the Senator from California said that the State of California could not compete with foreign countries in certain commodities. He did not mean to include climate in that, did he?

Mr. SHORTRIDGE. I mean to say that there is no spot on earth—unless it be Louisiana—that can come within hailing distance of California in the matter of climate.

Mr. SHORTRIDGE subsequently said: Mr. President, in the course of my remarks I had intended to ask to have incorporated in the RECORD an editorial from the Bakersfield Californian, a widely circulated daily paper published by Mr. Alfred Harrell, of Bakersfield, Calif., a 100 per cent Democrat, and as fine a man as walks the earth, advocating adequate tariff on imported oil. I now ask that that may be done.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

[From the Bakersfield Californian, March 8, 1932]

NOT EVEN A HALF LOAF

The oil producers of America will trust that the decision of the House Ways and Means Committee to place a tariff of 42 cents a barrel on oil is not the final word upon that issue. The difference between the cost of producing a barrel of oil in Venezuela and in the United States is $1.03, according to reliable figures submitted, and it follows that a tariff of 42 cents will not materially result in decreasing importations.

It is officially stated that the schedule as now contemplated will produce $60,000,000 in revenue, and that it is to be passed strictly as a revenue measure. This would seem like a shortsighted policy. With a prohibitive tariff on oil a great industry would be revived, the income of thousands of small producers would be increased, as would the incomes of countless corporations. Through the tax upon increased incomes the Government would profit in a sum far beyond the sixty millions of dollars which it is estimated will result from the imposition of a 42-cent tariff, and in addition to that business throughout the oil-producing areas would immediately be stimulated, merchants would find the incomes upon which they pay taxes greatly advanced, and the purchasing power of the public would be largely increased, thus adding to the Government's anticipated revenue from a tax upon manufactured articles.

And what is of very vital importance at a time when all agencies profess to be eager to do something for the army of the unemployed, thousands of men could be put to work in the United States. If there were a prohibitive tariff upon oil, employment in a home industry would follow, as against the employment of peon labor in South America as at present.

Already there is noted in the offing a defense of the proposal to place a lessened tax upon imported oil. A Fresno contemporary says: "It is very doubtful if the total social interest of the United States is involved in promoting further American development now. If Venezuelan oil or Mexican oil is to be had by American industry through the use of American capital, and at the same time the American petroleum resources are saved for the future, then this foreign oil should be used."

That is exactly the argument which is advanced by certain major importing oil companies, and the argument which has found favor with public officials of a given type. But even those officials have not been able to stand against the insistent demand of the population of great areas of the United States and have recently reversed themselves in public prints. But if the only benefit of their changed attitude is to put through a levy of less than half the tax independent operators sought to obtain, then they will have contributed nothing to advance the cause of this great industry.

We are still hopeful that the bill introduced by Senator SHORTRIDGE for a tariff of a dollar a barrel on oil, with an ad valorem tax on refined products, will not be sidetracked, and that in the end, before legislation is finally consummated, it will have the favorable consideration of Congress. Somebody has said, in discussing this matter, that half a loaf is better than no loaf at all. But an analysis of the situation discloses that there is not even a half a loaf in this proposed legislation. Importing companies will continue to flood the American market, even with a 42-cent tax, with their foreign oil while the wells of the domestic producers will continue to remain idle, labor will be unemployed, and business centers will suffer the consequences of a stagnated industry.

Mr. COSTIGAN. Mr. President, it is as easy as it is desirable to refrain from substantial participation in the present discussion. For one thing, the divergence of opinions represented here lacks in some measure immediate realistic appeal. While I expect to vote for the substitute of the gifted Senator from Mississippi, neither the tariff bill, which came here from the House, nor the substitute bill and separate amendments of the Senator from Mississippi, may be regarded as representing a final statement of tariff policy. Rather we have here tentative suggestions for dealing through temporary legislation with an admittedly unhappy tariff situation.

By and large, fundamental tariff attitudes in response to public opinion are masked rather than revealed by pending legislative attempts to deal with cost-of-production standards and the activities of the present Tariff Commission. In large part, therefore, the present discussion is so inadequate in relation to national and international tariff needs as to leave some of us unmistakably heartsick. Yet our path is blocked. In the midst of unprecedented economic depression, intensified and prolonged in no small part by blind tariff policies, it is manifest that the administration controlling our Government does not favor the substitution for present tariff madness of the tariff moderation which is vital to final world economic recovery.

There are, to be sure, some fundamentally important features in the measure proposed by the Senator from Mississippi. First, it is a decision of wisdom under present conditions to attempt to provide that the so-called flexible tariff powers, exercised since 1922 by the President with the aid of the Tariff Commission, are to be returned to Congress. If any proof be sought that the present Tariff Commission is serving special privilege, as distinguished from public interests in America, satisfactory evidence is furnished by the enthusiasm shown some days ago by the Senator from Utah [Mr. SMOOT] over the use—which has often been abuse—by the President and the Tariff Commission of the flexible tariff provisions. Second, it is also a public service to open the way, as the substitute seeks to do, for economic disarmament here and abroad by authorizing the President to negotiate, within limits fixed by Congress, reciprocal trade agreements with foreign governments for simultaneous tariff reductions, although be it remembered that if such agreements must be subsequently approved by Congress this new provision promises to be largely ineffective. Third, another contribution of the substitute is the desirable provision for a consumers' counsel, whose duty it will be to represent the interests of the usually ignored consuming public in proceedings before the Tariff Commission. And may I parenthetically express the hope that to these provisions will be added by amendment the antimonoply proposal of the Senator from Nebraska [Mr. NORRIS] offered in the last session of Congress?

Beyond these exceptional proposals most features of the contemplated modifications of existing law are relatively unimportant efforts to improve the Tariff Commission's relation to tariff flexibility. The real expression of tariff policy on the part of those who favor moderate and liberal tariff laws and honest and scientific administration must apparently be adjourned until a new mandate is given to Congress by another popular vote. Personally, I regret the modesty of efforts now being made to correct existing and well-known defects in our present tariff structure. It is in some respects reason for lamentation that no organized group of Senators is here insistent on going farther.

Never were economic conditions more favorable to concerted and responsible action. The Smoot-Hawley tariff law has been an unfortunate legislative experiment. Its duties are not adjusted to differences in cost of production. The general level of rates and many individual rates are far too high. Our foreign commerce is being blocked by our own shortsightedness. We could well afford to move for an immediate reduction in excessive rates, with the condition, where rates continue excessive, for subsequent annual reductions which would eventually lower our tariff duties to a rational basis without damage, and indeed with notable advantages, to efficient American industries. We ought at the earliest possible moment to encourage imports as a stimulus to farm and manufacturing exports and to improve business

and as checks on the excesses of monopolistic and price-fixing extortionists.

One difficulty, of course, is, as already suggested, that such legislative efforts at this hour in this Chamber or in the House of Representatives would be certain to meet a veto at the other end of Pennsylvania Avenue. Perhaps, therefore, it is understandable that relatively futile tariff gestures are now being made. Nevertheless, it should be recorded that some of us give our support to present proposals chiefly as an expression of dissatisfaction with the Smoot-Hawley law and with its present administration by the Tariff Commission and the President and in the hope that they forecast a determined and scientific attack on present tariff evils when opponents of the administration are vested with authority to proceed.

American prosperity will not reach high tide until unfortunate present economic tendencies are halted and turned in more wholesome directions. For these reasons any action taken on the House bill or the proposed substitute must not be regarded as a final expression of constructive tariff sentiment in the United States, but mainly as an indication that many Senators here, if given public support in the coming national election, intend to seek wider markets for agriculture, increased employment for workers, and stabilization and prosperity for business through the early adoption of sensible tariff legislation molded nearer to the heart's desire of those who, regardless of party lines, originally built America along lines of sanity, moderation, and informed world leadership.

A few further observations may be in order. There has just occurred at the other end of the Capitol a sound revolt by Representatives from all parts of America against the burdens of a suggested general sales tax. Curiously, however, there appears to have been forgetfulness of the fact that our tariffs, so far as they are effective, substantially impose sales taxes, which are paid constantly and indiscriminately by all our people. We have here an additional reason why at this time popular burdens should not be multiplied by further unfairly distributed sales taxes. It is, however, worthy of note that in this hour of pursuit of revenues we have barely heard the old demand for a genuine tariff for revenue, which, by permitting proper and mutually beneficial commerce, would result in increased tariff collections at our customhouses. Certainly this is a suitable hour for raising larger revenues by reducing various prohibitive, or nearly prohibitive, tariff taxes imposed by the Smoot-Hawley tariff law, with crippling effects on the general business of the United States.

Supplementing these comments, it may be said that there is nothing sanctified about the cost-of-production formula, even when impartially applied. Though a useful standard for measuring the strength of competitive commercial forces, the problem of settling tariff policies goes deeper than any such rule. Back of that formula is the responsibility resting on the public and on representatives of the general welfare to determine whether any tariff rate whatever should be imposed on particular articles. Here the national interest should enter and take command. More particularly, after it is decided that a tariff is desirable with respect to a given commodity does the cost-of-production rule become significant. Accordingly the free list is found as a concession to the interdependence of nations even in our most prohibitory tariff enactments. So, informed persons realize that a wiser use of the flexible tariff provisions would be made if Congress not only provided a free list but definitely indicated that certain rates of the dutiable list are not to be touched at all by the Tariff Commission, or, if touched, are not to be recommended for increase or decrease beyond levels indicated in the law.

One of the difficulties about the cost-of-production standard in tariff making is its tendency to lead people to assume that universalized cost-of-production tariffs, without any exceptions, are desirable. No conclusion could be more unsound or uneconomic. That rule would mean, regardless of the dictates of our national interest, the imposition of the highest rates on articles, and the largest tariff bounties, paid by virtue of our tariff laws to producers of commodities which our country is least prepared or wholly unable to produce.

It should be added that there is no reason if Congress is to be the final arbiter of the flexibility of our tariffs, why the Tariff Commission should be authorized to recommend any transfer of articles from the free list to the dutiable list or vice versa.

It is further important to note that the qualifications of tariff commissioners should, in the light of our experience, be more definitely specified in the law authorizing their appointment and confirmation. Doubtless a fuller discussion of this and kindred subjects will be appropriate later in the session. For the present I content myself by stating my judgment that no effective operation of such flexible tariff provisions as we have had or now have may be expected until the present Tariff Commission is completely reorganized along independent and impartial lines. More and more our experience indicates that Congress should before long choose between the Tariff Commission's thorough reorganization or the termination of that commission's activities.

Mr. HARRISON. Mr. President, I desire to offer two or three perfecting amendments to my amendment which has been adopted as the text of the bill. On page 1, line 8, strike out the word "cost" and insert "costs."

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. HARRISON. On page 2, line 11, strike out the word "cost" and insert "costs."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. HARRISON. On page 3, line 20, strike out the word "it" where it occurs the second time and insert the word "them."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. HARRISON. On page 5, line 9, strike out "competing" and insert "consuming." That is a typographical error.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. HARRISON. On page 6, line 3, strike out "its reports" and insert "in each report."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. NORRIS. Mr. President, as I understand it, the question is on the substitute offered by the Senator from Michigan [Mr. VANDENBERG].

The VICE PRESIDENT. That is the pending question.

Mr. NORRIS. Before that is voted on I desire to offer an amendment to the so-called Harrison substitute.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire if the amendment of the Senator from Nebraska has been printed?

Mr. NORRIS. It has been printed.

The VICE PRESIDENT. Let it be read for the information of the Senate.

The CHIEF CLERK. The Senator from Nebraska offers the following amendment to the substitute proposed by the Senator from Mississippi [Mr. HARRISON]: At the end of line 16, page 9, add the following additional section:

SEC. 5. Maintenance of competition among domestic producers and distributors. In effectuating the purpose of a tariff policy to encourage domestic industries by the imposition of duties upon imports from other countries it is also the purpose to protect domestic purchasers and consumers against the exaction of excessive or artificial prices, in respect to any and all the articles, commodities, and things subject to such duties, by the maintenance of full conditions of unrestrained competition among domestic producers and distributors. In order to assure the maintenance of such conditions of competition any citizen of the United States or the consumers' counsel established in this act shall be entitled to file a complaint in the United States Customs Court alleging that such conditions of competition do not prevail with respect to the production, distribution, or sale of any such dutiable article or commodity and setting forth the facts and circumstances supporting the allegations in such complaint which shall be verified by the oath of the complainant or others.

Upon the filing of such complaint the said United States Customs Court shall have jurisdiction to hear and determine the

truth and merit of such complaint and shall immediately cause public notice to be given by publication in the Treasury Decisions of the Department of the Treasury and the commerce reports of the Department of Commerce to all persons and corporations or associations concerned in the domestic production, distribution, or sale of such article that it will hold a hearing on the questions of fact and law contained in such complaint upon a day to be named therein when relevant testimony and argument may be offered to determine whether such full conditions of domestic competition prevail and to what extent, if any, price-fixing agreements or practices, or production-limiting agreements or practices obtain in the production, distribution, or sale of such article or commodity—and following such testimony and hearing the said court shall report its findings to the President.

Upon the receipt of such findings if it be shown thereby that the full conditions of competition contemplated by this act do not prevail with respect to the dutiable article, commodity, or thing described in such complaint, then it shall be the duty of the President within one month to issue a proclamation suspending the imposition and collection of the duty or duties levied in this act upon such article, commodity, or thing and declaring such duty or duties inoperative until and unless it shall be established before such court, and such court shall make findings to the effect that the full conditions of competition aforesaid do prevail and shall report such findings to the President who shall then proclaim a cessation of the suspension of such duty or duties.

The said court shall be governed by the preponderance of the evidence in making its findings and shall have power to make reasonable rules and regulations to govern its procedure in such cases: *Provided*, That nothing herein and no proceeding brought hereunder shall be held to weaken or otherwise adversely affect the laws of the United States applicable to conspiracies in restraint of trade or the enforcement thereof.

Mr. HARRISON. Mr. President, may I say to the Senator from Nebraska that so far as those of us on this side of the aisle are concerned we have given consideration to his amendment and are perfectly willing to accept it. It is the provision which was proposed by the Senator from Nebraska when the Smoot-Hawley bill was presented to the Senate and the flexible provision was being considered. It was adopted at that time.

Mr. NORRIS. Yes; it is the same amendment that was offered when the Smoot-Hawley tariff bill was pending in the Senate. It was agreed to at that time on a roll-call vote, but went out in conference. So far as I am concerned, I think all Senators know what the amendment is, and I have no desire to prolong the debate by discussing it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aahurst	Dickinson	Keyes	Robinson, Ind.
Austin	Dill	King	Schall
Bailey	Fess	La Follette	Sheppard
Bankhead	Fletcher	Lewis	Shortridge
Barbour	Frazier	Logan	Smoot
Barkley	George	Long	Steiwer
Bingham	Glass	McGill	Thomas, Idaho
Black	Goldsborough	McKellar	Thomas, Okla.
Bratton	Gore	McNary	Townsend
Brookhart	Hale	Morrison	Trammell
Bulow	Harrison	Moses	Tydings
Byrnes	Hatfield	Norbeck	Vandenberg
Capper	Hayden	Norris	Wagner
Caraway	Hebert	Nye	Walcott
Connally	Hull	Oddie	Walsh, Mont.
Coolidge	Johnson	Patterson	Watson
Costigan	Jones	Pittman	White
Couzens	Kean	Reed	
Dale	Kendrick	Robinson, Ark.	

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment proposed by the Senator from Michigan [Mr. VANDENBERG] to the bill as amended.

Mr. VANDENBERG. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARBOUR (when his name was called). I have a pair with the senior Senator from New York [Mr. COPELAND]. I understand the Senator from Kentucky [Mr. LOGAN] has a pair with the junior Senator from Pennsylvania [Mr. DAVIS]. It has been arranged that we may transfer our pairs so that the Senator from New York [Mr. COPELAND] will stand paired with the Senator from Pennsylvania [Mr. DAVIS]. I am therefore at liberty to vote and vote "yea."

Mr. JONES (when his name was called). I have a pair with the senior Senator from Virginia [Mr. SWANSON]. I understand that the Senator from Oklahoma [Mr. THOMAS] has a pair with the senior Senator from Illinois [Mr. GLENN] and that an arrangement has been made whereby the Senator from Virginia [Mr. SWANSON] will stand paired with the Senator from Illinois [Mr. GLENN]. I therefore am privileged to vote and vote "yea."

Mr. LOGAN (when his name was called). As stated by the Senator from New Jersey [Mr. BARBOUR], I have a pair with the junior Senator from Pennsylvania [Mr. DAVIS]. The Senator from New Jersey has transferred his pair with the senior Senator from New York [Mr. COPELAND] to the Senator from Pennsylvania [Mr. DAVIS], leaving me at liberty to vote. I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. SHORTRIDGE (when his name was called). I have a general pair with the senior Senator from Georgia [Mr. HARRIS] and therefore withhold my vote.

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. THOMAS of Oklahoma (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. GLENN]. Inasmuch as the Senator from Washington has transferred his pair with the Senator from Virginia [Mr. SWANSON] to the Senator from Illinois [Mr. GLENN], I understand I have a right to vote. I vote "nay."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF]. I transfer that pair to the senior Senator from Missouri [Mr. HAWES] and vote "nay."

Mr. COOLIDGE (when the name of Mr. WALSH of Massachusetts was called). My colleague the senior Senator from Massachusetts [Mr. WALSH] is unavoidably absent. He has a general pair with the junior Senator from New Mexico [Mr. CUTTING]. If my colleague were present, he would vote "nay."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. In his absence, I transfer that pair to the Senator from Colorado [Mr. WATERMAN] and will vote. I vote "yea."

The roll call was concluded.

Mr. LA FOLLETTE. I have been requested to announce the unavoidable absence of the Senator from Minnesota [Mr. SHIPSTEAD] and the Senator from New Mexico [Mr. CUTTING].

Mr. GEORGE. I wish to announce that my colleague [Mr. HARRIS] is absent on account of illness. If present, he would vote "nay."

Mr. WALSH of Montana. I wish to announce that my colleague [Mr. WHEELER] is unavoidably absent. If present, he would vote "nay."

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is necessarily absent. If present, he would vote "nay."

Mr. FESS. I wish to announce the following general pairs:

The Senator from Delaware [Mr. HASTINGS] with the Senator from West Virginia [Mr. NEELY]; and

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY].

Mr. McNARY. I wish to announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Delaware [Mr. HASTINGS] are necessarily absent. If present, they would each vote "yea."

Mr. REED. I wish to announce the necessary absence of my colleague [Mr. DAVIS]. If present, he would vote "yea."

Mr. SHEPPARD. I desire to announce that the following Senators are necessarily detained on official business:

The Senator from Ohio [Mr. BULKLEY];

The Senator from Missouri [Mr. HAWES];

The Senator from Louisiana [Mr. BROUSSARD]; and

The Senator from Massachusetts [Mr. WALSH].

The result was announced—yeas 28, nays 43, as follows:

YEAS—28

Austin	Goldsborough	Keyes	Smoot
Barbour	Hale	McNary	Steiwer
Bingham	Hatfield	Moses	Townsend
Capper	Hebert	Oddie	Vandenberg
Couzens	Johnson	Patterson	Walcott
Dickinson	Jones	Reed	Watson
Fess	Kean	Schall	White

NAYS—43

Ashurst	Coolidge	Hull	Norris
Bailey	Costigan	Kendrick	Nye
Bankhead	Dale	King	Pittman
Barkley	Dill	La Follette	Robinson, Ark.
Black	Fletcher	Lewis	Sheppard
Bratton	Frazier	Logan	Thomas, Okla.
Brookhart	George	Long	Trammell
Bulow	Glass	McGill	Tydings
Byrnes	Gore	McKellar	Wagner
Caraway	Harrison	Morrison	Walsh, Mont.
Connally	Hayden	Norbeck	

NOT VOTING—25

Blaine	Davis	Neely	Thomas, Idaho
Borah	Glenn	Robinson, Ind.	Walsh, Mass.
Broussard	Harris	Shipstead	Waterman
Bulkley	Hastings	Shortridge	Wheeler
Carey	Hawes	Smith	
Copeland	Howell	Stephens	
Cutting	Metcalf	Swanson	

So Mr. Vandenberg's amendment was rejected.

The VICE PRESIDENT. If there be no further amendment, the amendment which has been agreed to as a substitute will be ordered to be engrossed and the bill will be read a third time.

The bill as amended was read the third time.

The VICE PRESIDENT. Having been read the third time, the question is, Shall the bill as amended pass?

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARBOUR (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. LA FOLLETTE (when Mr. BLAINE's name was called). I desire to announce the absence of my colleague [Mr. BLAINE]. If present, he would vote "yea."

Mr. WAGNER (when Mr. COPELAND's name was called). My colleague [Mr. COPELAND] is unavoidably absent. If present, he would vote "yea."

Mr. JONES (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "nay."

Mr. LOGAN (when his name was called). Repeating the announcement made by me on the previous roll call, I am at liberty to vote, and vote "yea."

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. STEPHENS], I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SHORTRIDGE (when his name was called). Making the same announcement of my general pair with the Senator from Georgia [Mr. HARRIS], I withhold my vote.

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER], and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. THOMAS of Oklahoma (when his name was called). Making the same statement as before, I am at liberty to vote, and vote "yea."

Mr. TYDINGS (when his name was called). Making the same announcement as before, I desire to add that if the senior Senator from Rhode Island [Mr. METCALF] were present, he would vote "nay." If the senior Senator from Missouri [Mr. HAWES] were present, he would vote "yea." I vote "yea."

Mr. COOLIDGE (when the name of Mr. WALSH of Massachusetts was called). My colleague the senior Senator from Massachusetts [Mr. WALSH] is paired with the Senator from New Mexico [Mr. CUTTING]. If my colleague were present and at liberty to vote, he would vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. FESS. I desire to announce that the Senator from Delaware [Mr. HASTINGS] is paired with the Senator from West Virginia [Mr. NEELY], and the Senator from Wyoming [Mr. CAREY] is paired with the Senator from Ohio [Mr. BULKLEY]. If present and not paired, Senators HASTINGS and CAREY would vote "nay."

Mr. COSTIGAN. I desire to announce that the Senator from West Virginia [Mr. NEELY], if present, would vote "yea."

Mr. REED. I wish to announce the necessary absence of my colleague [Mr. DAVIS]. If present, he would vote "nay."

Mr. SHEPPARD. I wish to announce that the Senator from Ohio [Mr. BULKLEY] would, if present, vote "yea."

I also desire to announce that the Senator from Ohio [Mr. BULKLEY], the Senator from Missouri [Mr. HAWES], the Senator from Louisiana [Mr. BROUSSARD], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained on official business.

The result was announced—yeas 42, nays 30, as follows:

YEAS—42

Ashurst	Coolidge	Kendrick	Nye
Bailey	Costigan	King	Pittman
Bankhead	Dill	La Follette	Robinson, Ark.
Barkley	Fletcher	Lewis	Sheppard
Black	Frazier	Logan	Thomas, Okla.
Bratton	George	Long	Trammell
Brookhart	Glass	McGill	Tydings
Bulow	Gore	McKellar	Wagner
Byrnes	Harrison	Morrison	Walsh, Mont.
Caraway	Hayden	Norbeck	
Connally	Hull	Norris	

NAYS—30

Austin	Fess	Keyes	Steiwer
Barbour	Goldsborough	McNary	Townsend
Bingham	Hale	Moses	Vandenberg
Borah	Hatfield	Oddie	Walcott
Capper	Hebert	Patterson	Watson
Couzens	Johnson	Reed	White
Dale	Jones	Schall	
Dickinson	Kean	Smoot	

NOT VOTING—24

Blaine	Davis	Metcalf	Stephens
Broussard	Glenn	Neely	Swanson
Bulkley	Harris	Robinson, Ind.	Thomas, Idaho
Carey	Hastings	Shipstead	Walsh, Mass.
Copeland	Hawes	Shortridge	Waterman
Cutting	Howell	Smith	Wheeler

So the bill, as amended, was passed.

DEPRECIATION OF FOREIGN CURRENCIES

Mr. REED. Mr. President, I move that the Senate proceed to the consideration of Order of Business No. 168, Senate Resolution 156, to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

In this connection I should like to make the observation that Senate Resolution 156 is the order of business recommended by the majority steering committee. I understand that it is the desire of the leaders on both sides to take an adjournment now, and I am perfectly satisfied that a decision on my motion shall be postponed until Monday, if I am correct in my understanding that the motion will come up at 2 o'clock on Monday.

Is that correct?

The VICE PRESIDENT. The motion would not come up at 2 o'clock on Monday unless the Senator should be recognized at that time.

Mr. REED. In that case, unless we can arrange to take a recess, which would keep the motion alive, I should like to have it voted on to-night.

Mr. McNARY. Mr. President, I suggest that the Senator have a vote to-night. I think there will be no opposition to making the resolution the unfinished business.

Mr. REED. That is all I desire to do.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania.

Mr. HARRISON. Mr. President, of course this is the order of business recommended by the steering or program committee of the majority; but the Senator from Pennsylvania himself tried to disrupt the program some weeks ago when he tried to get this resolution up ahead of a good many other matters and ahead of the program that had been mapped out by the program committee.

I am opposed to this resolution, and I think the minority members of the Finance Committee were opposed to it. I suppose the Senator from Pennsylvania ought to have a day in court if he wants to have it considered, unless there is some other matter that is of more importance to come before the Senate.

Mr. HAYDEN. Mr. President, I have a measure that I consider of very great importance—the road bill—that we have tried to pass a number of times.

Mr. REED. I observe that that bill has been put down by the steering committee for early action. In view of the fact that the Senate did decide by a very emphatic vote to stick by the recommendations of the steering committee before, I think I must insist upon my motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

JONATHAN B. BREWTON

Mr. GEORGE. Out of order, as in executive session, on behalf of the Senator from Tennessee [Mr. McKELLAR], I report back favorably, from the Committee on Post Offices and Post Roads, the nomination of Jonathan B. Brewton to be postmaster at Claxton, Ga., and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The nomination will be read.

The Chief Clerk read the nomination.

The VICE PRESIDENT. The Senator from Georgia asks unanimous consent, as in executive session, for the immediate consideration of the nomination. Is there objection? The Chair hears none, and, without objection, the nomination is confirmed.

JOHN R. JOYCE

Mr. ODDIE. Out of order, as in executive session, I report back favorably, from the Committee on Post Offices and Post Roads, the nomination of John R. Joyce to be postmaster at Springdale, Ark.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the consideration of the nomination.

The VICE PRESIDENT. The nomination will be read.

The Chief Clerk read the nomination.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent, as in executive session, for the present consideration of the nomination. Is there objection? The Chair hears none, and, without objection, the nomination is confirmed.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

DEATH OF REPRESENTATIVE VESTAL

Mr. WATSON. Mr. President, we have all learned with great regret of the death of Representative ALBERT H. VESTAL, of Indiana. The resolution making the announcement has not yet come over to us from the House. The House is involved in a discussion of the tax question and has not been able to get the resolution over to us at this time.

It is the desire and the intention, if the Senate agrees, to adjourn now until next Monday. Inasmuch as the funeral train will leave the city to-morrow evening, there will be no opportunity after to-day's session to present the customary resolutions.

I therefore offer the resolutions which I send to the desk, and ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 192) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALBERT H. VESTAL, late a Representative from the State of Indiana.

Resolved, That a committee of 11 Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution the Vice President appointed as the committee on the part of the Senate the senior Senator from Indiana [Mr. WATSON], the junior Senator from Indiana [Mr. ROBINSON], the senior Senator from Texas [Mr. SHEPPARD], the senior Senator from Ohio [Mr. FESS], the junior Senator from Washington [Mr. DILL], the junior Senator from Missouri [Mr. PATTERSON], the senior Senator from Kentucky [Mr. BARKLEY], the junior Senator from Iowa [Mr. DICKINSON], the junior Senator from Texas [Mr. CONNALLY], the junior Senator from Maine [Mr. WHITE], and the junior Senator from South Carolina [Mr. BYRNES].

ADJOURNMENT UNTIL MONDAY

Mr. WATSON. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate do now adjourn until Monday next at 12 o'clock noon.

The motion was unanimously agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, April 4, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 1 (legislative day of March 23), 1932

PROMOTIONS IN THE REGULAR ARMY

To be major

Capt. John Jacob Bethurum Williams, Field Artillery, from March 25, 1932.

To be captain

First Lieut. Bradford W. Kunz, Infantry, from March 25, 1932.

To be first lieutenant

Second Lieut. Thomas Randall Horton, Infantry, from March 25, 1932.

MEDICAL CORPS

To be lieutenant colonel

Maj. John Mitchell Willis, Medical Corps, from March 26, 1932.

PROMOTIONS IN THE NAVY

MARINE CORPS

First Lieut. Irving E. Odgers to be a captain in the Marine Corps from the 1st day of January, 1932.

Second Lieut. Earle S. Davis to be a first lieutenant in the Marine Corps from the 1st day of March, 1932.

Corp. Ernest R. West, a meritorious noncommissioned officer, to be a second lieutenant in the Marine Corps, probationary for two years, from the 29th day of March, 1932.

Pay Clerk Clinton A. Phillips to be a chief pay clerk in the Marine Corps, to rank with but after second lieutenant, from the 6th day of March, 1932.

POSTMASTERS

ALABAMA

Denby S. Roberts to be postmaster at Lexington, Ala. Office became presidential July 1, 1930.

ALASKA

William J. Shepard to be postmaster at Cordova, Alaska, in place of W. J. Shepard. Incumbent's commission expires May 12, 1932.

ARIZONA

Helen A. McNutt to be postmaster at Prescott, Ariz., in place of W. F. Day. Incumbent's commission expired January 7, 1931.

ARKANSAS

Jewell I. Braswell to be postmaster at Green Forest, Ark., in place of G. S. Russell. Incumbent's commission expired December 19, 1931.

CALIFORNIA

George R. Walker to be postmaster at Angel Island, Calif., in place of Marjorie Moose, removed.

John W. Calvert, jr., to be postmaster at Azusa, Calif., in place of J. W. Calvert, jr. Incumbent's commission expired March 14, 1932.

William M. Laidlaw to be postmaster at Crockett, Calif., in place of W. M. Laidlaw. Incumbent's commission expired March 20, 1932.

Zylpha Potter to be postmaster at Hughson, Calif., in place of Zylpha Potter. Incumbent's commission expires May 8, 1932.

Leslie M. McClary to be postmaster at Lomita, Calif., in place of L. M. McClary. Incumbent's commission expires May 14, 1932.

Frank N. Lawrence to be postmaster at Mount Shasta, Calif., in place of F. N. Lawrence. Incumbent's commission expires May 8, 1932.

Frederick S. Lowden to be postmaster at Orland, Calif., in place of F. S. Lowden. Incumbent's commission expired January 11, 1932.

Hannah C. Dybo to be postmaster at Port Chicago, Calif., in place of H. C. Dybo. Incumbent's commission expired February 9, 1932.

Robert H. Frost to be postmaster at Sausalito, Calif., in place of W. J. Boyd, deceased.

Homer C. Bolter to be postmaster at Vacaville, Calif., in place of H. C. Bolter. Incumbent's commission expires May 14, 1932.

COLORADO

Thomas F. Beck to be postmaster at Aspan, Colo., in place of T. F. Beck. Incumbent's commission expires May 12, 1932.

Frank J. Stewart to be postmaster at Cedaredge, Colo., in place of H. A. Cobbett. Incumbent's commission expired February 16, 1931.

George Haver to be postmaster at Eckley, Colo., in place of George Haver. Incumbent's commission expires May 12, 1932.

Idamay Spurlock to be postmaster at Fairplay, Colo., in place of Idamay Spurlock. Incumbent's commission expired January 27, 1932.

Cora M. Johnson to be postmaster at Fountain, Colo., in place of C. M. Johnson. Incumbent's commission expires May 12, 1932.

Crissa B. Pond to be postmaster at Grand Junction, Colo., in place of J. A. Measures. Incumbent's commission expired December 21, 1930.

Harry D. Steele to be postmaster at Holly, Colo., in place of H. D. Steele. Incumbent's commission expires April 9, 1932.

John C. Kessenger to be postmaster at Limon, Colo., in place of J. C. Kessenger. Incumbent's commission expires May 12, 1932.

Fred A. McDaniel to be postmaster at Oak Creek, Colo., in place of E. D. Acton, deceased.

Martha H. Foster to be postmaster at Olathe, Colo., in place of M. H. Foster. Incumbent's commission expires April 9, 1932.

James L. Allison to be postmaster at Woodmen, Colo., in place of J. L. Allison. Incumbent's commission expires May 12, 1932.

CONNECTICUT

Cyrus I. Byington to be postmaster at Norwalk, Conn., in place of C. I. Byington. Incumbent's commission expired December 19, 1931.

FLORIDA

Benjamin Burnett to be postmaster at Brewster, Fla., in place of Benjamin Burnett. Incumbent's commission expired January 4, 1932.

Roby L. Tate to be postmaster at Center Hill, Fla., in place of D. C. Smith. Incumbent's commission expired January 20, 1930.

Curtis W. Swindle to be postmaster at Chipley, Fla., in place of C. W. Swindle. Incumbent's commission expired January 11, 1932.

Emerson F. Ridgeway to be postmaster at Monticello, Fla., in place of P. R. Whitaker, removed.

IDAHO

Frank Dvorak to be postmaster at Aberdeen, Idaho, in place of Frank Dvorak. Incumbent's commission expires May 14, 1932.

Eva M. Coates to be postmaster at Bellevue, Idaho, in place of F. V. Clark. Incumbent's commission expired January 18, 1932.

Austin A. Lambert to be postmaster at Hailey, Idaho, in place of A. A. Lambert. Incumbent's commission expires April 23, 1932.

Ned Jenness to be postmaster at Nampa, Idaho, in place of Ned Jenness. Incumbent's commission expires May 14, 1932.

Robert N. Molloy to be postmaster at Orofino, Idaho, in place of R. N. Molloy. Incumbent's commission expires May 14, 1932.

Albert E. White to be postmaster at Payette, Idaho, in place of A. E. White. Incumbent's commission expires May 14, 1932.

Lester J. Holland to be postmaster at Shelley, Idaho, in place of L. J. Holland. Incumbent's commission expires May 14, 1932.

ILLINOIS

Francis W. Craig to be postmaster at Apple River, Ill., in place of F. W. Craig. Incumbent's commission expires May 12, 1932.

Louis C. Schultz to be postmaster at Chebanse, Ill., in place of L. C. Schultz. Incumbent's commission expires May 5, 1932.

Jessie A. Livingston to be postmaster at Livingston, Ill., in place of J. A. Livingston. Incumbent's commission expires May 12, 1932.

Guy A. Meyers to be postmaster at Milledgeville, Ill., in place of G. A. Meyers. Incumbent's commission expires May 12, 1932.

Charles E. Hartman to be postmaster at Mount Carroll, Ill., in place of C. E. Hartman. Incumbent's commission expires May 5, 1932.

Minor S. Miller to be postmaster at Pearl City, Ill., in place of M. S. Miller. Incumbent's commission expires May 12, 1932.

John N. Taffee to be postmaster at Pinckneyville, Ill., in place of J. N. Taffee. Incumbent's commission expires May 12, 1932.

Harry Hutchins to be postmaster at Rockton, Ill., in place of Harry Hutchins. Incumbent's commission expires May 12, 1932.

Willis D. Coffland to be postmaster at Seaton, Ill., in place of W. D. Coffland. Incumbent's commission expires May 5, 1932.

Edward P. Devine to be postmaster at Somonauk, Ill., in place of E. P. Devine. Incumbent's commission expires May 12, 1932.

Harold E. Ward to be postmaster at Sterling, Ill., in place of H. E. Ward. Incumbent's commission expires May 8, 1932.

LeRoy Gammon to be postmaster at Thebes, Ill., in place of LeRoy Gammon. Incumbent's commission expires May 12, 1932.

Christian Andres to be postmaster at Tinley Park, Ill., in place of Christian Andres. Incumbent's commission expires May 12, 1932.

Clarence C. Cary to be postmaster at Utica, Ill., in place of C. C. Cary. Incumbent's commission expires May 12, 1932.

Arthur Justus to be postmaster at Warren, Ill., in place of Arthur Justus. Incumbent's commission expires May 12, 1932.

Mark Simpson to be postmaster at Waterman, Ill., in place of Mark Simpson. Incumbent's commission expires May 12, 1932.

INDIANA

Walter C. Belton to be postmaster at Acton, Ind., in place of W. C. Belton. Incumbent's commission expired March 8, 1932.

Earle O. Gilbert to be postmaster at Brooklyn, Ind., in place of E. O. Gilbert. Incumbent's commission expired January 10, 1932.

Hovey Thornburg to be postmaster at Farmland, Ind., in place of Ira Craig. Incumbent's commission expired January 27, 1932.

Henry J. Schroeder to be postmaster at Freelandville, Ind., in place of H. J. Schroeder. Incumbent's commission expires April 17, 1932.

David E. Demott to be postmaster at Greenwood, Ind., in place of O. M. Bagby. Incumbent's commission expired December 19, 1931.

Warren B. Johnson to be postmaster at Owensville, Ind., in place of W. B. Johnson. Incumbent's commission expires May 12, 1932.

Delbert E. Cantrall to be postmaster at Red Key, Ind., in place of Perry Leavell. Incumbent's commission expired January 27, 1932.

Fred W. Baker to be postmaster at Ridgeville, Ind., in place of Q. O. Hollowell. Incumbent's commission expired January 27, 1932.

John N. Hunter to be postmaster at South Bend, Ind., in place of J. N. Hunter. Incumbent's commission expires May 12, 1932.

IOWA

Patience Felger to be postmaster at Afton, Iowa, in place of Patience Felger. Incumbent's commission expires May 14, 1932.

Eugene Owen to be postmaster at Allison, Iowa, in place of Eugene Owen. Incumbent's commission expires April 3, 1932.

William W. Jamison to be postmaster at Brighton, Iowa, in place of W. W. Jamison. Incumbent's commission expires May 14, 1932.

J. Tracy Garrett to be postmaster at Burlington, Iowa, in place of J. T. Garrett. Incumbent's commission expires May 14, 1932.

James T. Bevan to be postmaster at Cascade, Iowa, in place of J. T. Bevan. Incumbent's commission expires April 3, 1932.

Lloyd S. Meyers to be postmaster at Columbus Junction, Iowa, in place of L. S. Meyers. Incumbent's commission expires May 14, 1932.

William E. Clayman to be postmaster at Conrad, Iowa, in place of W. E. Clayman. Incumbent's commission expires May 14, 1932.

James W. Duckett to be postmaster at Corwith, Iowa, in place of J. W. Duckett. Incumbent's commission expires May 14, 1932.

William M. Young to be postmaster at Defiance, Iowa, in place of W. M. Young. Incumbent's commission expires May 14, 1932.

Icea B. Wilcox to be postmaster at Dumont, Iowa, in place of I. B. Wilcox. Incumbent's commission expires April 3, 1932.

Chester A. Baker to be postmaster at Farley, Iowa, in place of C. A. Baker. Incumbent's commission expires April 3, 1932.

John F. Dicus to be postmaster at Griswold, Iowa, in place of J. F. Dicus. Incumbent's commission expires May 14, 1932.

Howard B. Gillespie to be postmaster at Guthrie Center, Iowa, in place of H. B. Gillespie. Incumbent's commission expires May 14, 1932.

Roscoe I. Short to be postmaster at Hazleton, Iowa, in place of R. I. Short. Incumbent's commission expires April 3, 1932.

Wesley Seufferlein to be postmaster at Lake City, Iowa, in place of Wesley Seufferlein. Incumbent's commission expires May 14, 1932.

Charles E. L. See to be postmaster at Laurens, Iowa, in place of C. E. L. See. Incumbent's commission expires May 14, 1932.

Wilbert W. Clover to be postmaster at Lohrville, Iowa, in place of W. W. Clover. Incumbent's commission expires May 4, 1932.

Emil R. Nordstrom to be postmaster at Mediapolis, Iowa, in place of C. I. Patterson. Incumbent's commission expired December 19, 1931.

Clarence C. Stoner to be postmaster at Nora Springs, Iowa, in place of C. C. Stoner. Incumbent's commission expired February 16, 1932.

Solomon T. Grove to be postmaster at Plover, Iowa, in place of S. T. Grove. Incumbent's commission expires May 14, 1932.

Frank T. Best to be postmaster at Pomeroy, Iowa, in place of F. T. Best. Incumbent's commission expires May 14, 1932.

George R. Hughes to be postmaster at Shell Rock, Iowa, in place of G. R. Hughes. Incumbent's commission expires April 3, 1932.

Hazel A. Coltrane to be postmaster at Stockport, Iowa, in place of H. A. Coltrane. Incumbent's commission expires May 14, 1932.

Charlie C. Clifton to be postmaster at Thompson, Iowa, in place of C. C. Clifton. Incumbent's commission expires May 14, 1932.

Clair A. Sodergren to be postmaster at Wayland, Iowa, in place of C. A. Sodergren. Incumbent's commission expires May 14, 1932.

Joseph McClelland to be postmaster at Wellman, Iowa, in place of Joseph McClelland. Incumbent's commission expires May 14, 1932.

KANSAS

Chauncey J. Nichols to be postmaster at Arcadia, Kans., in place of C. J. Nichols. Incumbent's commission expired January 31, 1932.

Oscar E. Utter to be postmaster at Cherryvale, Kans., in place of Harry Kinney. Incumbent's commission expired March 1, 1931.

Charles E. Schul to be postmaster at Grenola, Kans., in place of C. E. Schul. Incumbent's commission expires May 5, 1932.

Frank W. Brady to be postmaster at Lebanon, Kans., in place of F. W. Brady. Incumbent's commission expires May 12, 1932.

Harold H. Brindley to be postmaster at Peabody, Kans., in place of H. H. Brindley. Incumbent's commission expires April 20, 1932.

Edgar F. Brungardt to be postmaster at Victoria, Kans., in place of E. F. Brungardt. Incumbent's commission expires May 5, 1932.

Leslie I. Burdick to be postmaster at Winona, Kans., in place of L. I. Burdick. Incumbent's commission expired February 7, 1932.

KENTUCKY

Bryant H. Givens to be postmaster at Caneyville, Ky., in place of B. H. Givens. Incumbent's commission expires May 12, 1932.

Hugh M. Chatfield to be postmaster at Catlettsburg, Ky., in place of J. W. Burns. Incumbent's commission expired February 11, 1931.

Nannie J. Wathen to be postmaster at Irvington, Ky., in place of N. J. Wathen. Incumbent's commission expires May 12, 1932.

Carley O. Wilmoth to be postmaster at Paris, Ky., in place of C. O. Wilmoth. Incumbent's commission expires May 12, 1932.

Anna E. Fuqua to be postmaster at Rockvale, Ky., in place of A. E. Fuqua. Incumbent's commission expires May 12, 1932.

LOUISIANA

Minnie M. Baldwin to be postmaster at Bernice, La., in place of M. M. Baldwin. Incumbent's commission expires May 2, 1932.

David S. Leach to be postmaster at Florien, La., in place of D. S. Leach. Incumbent's commission expires May 2, 1932.

George W. Taylor to be postmaster at Franklin, La., in place of G. W. Taylor. Incumbent's commission expires May 5, 1932.

Elson A. Delaune to be postmaster at Lockport, La., in place of E. A. Delaune. Incumbent's commission expires May 5, 1932.

Edward A. Drouin to be postmaster at Mansura, La., in place of E. A. Drouin. Incumbent's commission expires May 2, 1932.

Edwin J. LeBlanc to be postmaster at Melville, La., in place of E. J. LeBlanc. Incumbent's commission expires May 2, 1932.

Melvin P. Palmer to be postmaster at Morgan City, La., in place of M. P. Palmer. Incumbent's commission expires May 5, 1932.

Otto J. Gutting to be postmaster at Oil City, La., in place of O. J. Gutting. Incumbent's commission expires May 2, 1932.

Teakle W. Dardenne to be postmaster at Plaquemine, La., in place of T. W. Dardenne. Incumbent's commission expires May 2, 1932.

James H. Gray to be postmaster at Pollock, La., in place of J. H. Gray. Incumbent's commission expires May 2, 1932.

Avenant Manuel to be postmaster at Ville Platte, La., in place of Avenant Manuel. Incumbent's commission expires May 2, 1932.

Samuel A. Fairchild to be postmaster at Vinton, La., in place of S. A. Fairchild. Incumbent's commission expires May 2, 1932.

MAINE

Fred E. Jones to be postmaster at Brownville, Me., in place of F. E. Jones. Incumbent's commission expires May 12, 1932.

Alvin H. Perley to be postmaster at Charleston, Me., in place of A. H. Perley. Incumbent's commission expires May 12, 1932.

Gustavus A. Young to be postmaster at Island Falls, Me., in place of G. A. Young. Incumbent's commission expires May 12, 1932.

Arthur Donkus to be postmaster at Lisbon, Me., in place of Arthur Donkus. Incumbent's commission expires May 12, 1932.

Frank G. Thompson to be postmaster at Milo, Me., in place of F. G. Thompson. Incumbent's commission expires May 12, 1932.

Lawrence H. Allen to be postmaster at South Windham, Me., in place of L. H. Allen. Incumbent's commission expires May 12, 1932.

Lyman E. Stinson to be postmaster at Stonington, Me., in place of L. E. Stinson. Incumbent's commission expires May 7, 1932.

Carleton E. Young to be postmaster at Winterport, Me., in place of C. E. Young. Incumbent's commission expires May 12, 1932.

MARYLAND

William A. Brown to be postmaster at Cecilton, Md., in place of W. A. Brown. Incumbent's commission expired January 13, 1932.

Lloyd T. Hayden to be postmaster at Centerville, Md., in place of L. T. Hayden. Incumbent's commission expired December 17, 1931.

Samantha E. Wilson to be postmaster at Mardela Springs, Md., in place of S. E. Wilson. Incumbent's commission expires May 4, 1932.

George E. Lane to be postmaster at Queenstown, Md., in place of G. E. Lane. Incumbent's commission expired December 15, 1931.

MASSACHUSETTS

William P. Lovejoy to be postmaster at Barnstable, Mass., in place of W. P. Lovejoy. Incumbent's commission expires May 12, 1932.

Walter B. Currier to be postmaster at South Acton, Mass., in place of W. B. Currier. Incumbent's commission expires May 12, 1932.

Nancy S. Harley to be postmaster at South Hanson, Mass., in place of N. S. Harley. Incumbent's commission expires May 12, 1932.

MICHIGAN

Laurence C. Snyder to be postmaster at Blanchard, Mich., in place of L. C. Snyder. Incumbent's commission expires May 5, 1932.

Edwin L. Groger to be postmaster at Concord, Mich., in place of E. L. Groger. Incumbent's commission expires May 12, 1932.

James R. Flood to be postmaster at Crystal Falls, Mich., in place of J. R. Flood. Incumbent's commission expires May 12, 1932.

James P. Madson to be postmaster at Highland, Mich. Office became presidential July 1, 1931.

Ralph M. Powers to be postmaster at Jonesville, Mich., in place of R. M. Powers. Incumbent's commission expires May 12, 1932.

Frank T. Swarthout to be postmaster at Laingsburg, Mich., in place of F. T. Swarthout. Incumbent's commission expired January 31, 1932.

Arthur G. Stone to be postmaster at Niles, Mich., in place of A. G. Stone. Incumbent's commission expires May 12, 1932.

Frank N. Green to be postmaster at Olivet, Mich., in place of F. N. Green. Incumbent's commission expires May 12, 1932.

Henry S. Smith to be postmaster at Wolverine, Mich., in place of H. S. Smith. Incumbent's commission expires May 12, 1932.

MINNESOTA

William F. Priem to be postmaster at Bellingham, Minn., in place of W. F. Priem. Incumbent's commission expired March 1, 1932.

Carl E. Skog to be postmaster at Evansville, Minn., in place of W. N. Bronson, resigned.

Charles J. Johnson to be postmaster at Garfield, Minn., in place of C. J. Johnson. Incumbent's commission expired March 1, 1932.

Henry O. Halverson to be postmaster at Gonvick, Minn., in place of H. O. Halverson. Incumbent's commission expires May 14, 1932.

Hans P. Becken to be postmaster at Kanska, Minn., in place of H. P. Becken. Incumbent's commission expires May 14, 1932.

Samuel S. Michaelson to be postmaster at Montevideo, Minn., in place of S. S. Michaelson. Incumbent's commission expires May 14, 1932.

Albert J. Anderson to be postmaster at Spicer, Minn., in place of A. J. Anderson. Incumbent's commission expires April 23, 1932.

Josephine E. Brockman to be postmaster at Triumph, Minn., in place of J. E. Brockman. Incumbent's commission expired January 10, 1932.

Jennie M. Wurst to be postmaster at Watkins, Minn., in place of J. M. Wurst. Incumbent's commission expired February 28, 1931.

Edwin Nelson to be postmaster at Wendell, Minn., in place of Edwin Nelson. Incumbent's commission expired March 1, 1932.

MISSISSIPPI

Romie Green to be postmaster at Amory, Miss., in place of E. M. Chilcoat. Incumbent's commission expired December 17, 1931.

Myrtle R. Hammons to be postmaster at Boyle, Miss., in place of K. M. Beavers, removed.

James C. Ellis to be postmaster at Bucatunna, Miss., in place of J. C. Ellis. Incumbent's commission expires April 24, 1932.

Willie M. Windham to be postmaster at Lena, Miss., in place of W. M. Windham. Incumbent's commission expired December 17, 1931.

Fred H. Grimes to be postmaster at Tupelo, Miss., in place of C. P. Chappell. Incumbent's commission expired February 23, 1930.

MISSOURI

John M. Mathes to be postmaster at Aurora, Mo., in place of J. M. Mathes. Incumbent's commission expires May 2, 1932.

Myrtle E. Ryan to be postmaster at Barnard, Mo., in place of M. E. Matson, deceased.

Lawrence J. Caster to be postmaster at Blythedale, Mo., in place of L. J. Caster. Incumbent's commission expired March 20, 1932.

George T. Platz, jr., to be postmaster at Brashear, Mo., in place of G. T. Platz, jr. Incumbent's commission expired January 28, 1931.

Ethel M. Cozean to be postmaster at Elvins, Mo., in place of E. M. Cozean. Incumbent's commission expired March 1, 1932.

Thomas D. Purdy to be postmaster at Harris, Mo., in place of T. D. Purdy. Incumbent's commission expired February 10, 1932.

Ruby M. Ratcliff to be postmaster at Matthews, Mo., in place of R. M. Ratcliff. Incumbent's commission expires May 12, 1932.

Howard W. Mills to be postmaster at Mound City, Mo., in place of H. W. Mills. Incumbent's commission expired January 13, 1932.

Anna Everett to be postmaster at Osborn, Mo., in place of J. E. Bauer. Incumbent's commission expired December 19, 1931.

Frank L. Mertsheimer to be postmaster at Pleasant Hill, Mo., in place of F. L. Mertsheimer. Incumbent's commission expires May 2, 1932.

Ezra L. Plummer to be postmaster at Seneca, Mo., in place of E. L. Plummer. Incumbent's commission expires May 12, 1932.

MONTANA

George C. Core to be postmaster at Choteau, Mont., in place of G. C. Core. Incumbent's commission expires May 14, 1932.

Avory W. Dehnert to be postmaster at Denton, Mont., in place of A. W. Dehnert. Incumbent's commission expires May 14, 1932.

George W. Patterson to be postmaster at Havre, Mont., in place of G. W. Patterson. Incumbent's commission expires May 14, 1932.

Lee Jellison to be postmaster at Hobson, Mont., in place of Lee Jellison. Incumbent's commission expires May 14, 1932.

Robert T. Richardson to be postmaster at Missoula, Mont., in place of R. T. Richardson. Incumbent's commission expires May 14, 1932.

Claude C. Alexander to be postmaster at Stanford, Mont., in place of C. C. Alexander. Incumbent's commission expires May 14, 1932.

Robert Parsons to be postmaster at Sweetgrass, Mont., in place of Robert Parsons. Incumbent's commission expires May 14, 1932.

Thomas E. Devore to be postmaster at Whitehall, Mont., in place of T. E. Devore. Incumbent's commission expires May 14, 1932.

NEBRASKA

Harry C. McClellan to be postmaster at Arlington, Nebr., in place of H. C. McClellan. Incumbert's commission expires May 12, 1932.

Walter G. Mangold to be postmaster at Bennington, Nebr., in place of W. G. Mangold. Incumbent's commission expires May 2, 1932.

Eva R. Gilbert to be postmaster at Broadwater, Nebr., in place of E. R. Gilbert. Incumbent's commission expires April 9, 1932.

Orin J. Schwieger to be postmaster at Chadron, Nebr., in place of O. J. Schwieger. Incumbent's commission expires May 12, 1932.

David F. Stevens, sr., to be postmaster at Cozad, Nebr., in place of R. L. Hart, resigned.

John C. Oaks to be postmaster at Seward, Nebr., in place of J. C. Oaks. Incumbent's commission expired December 19, 1931.

Floyd M. Ritchie to be postmaster at Table Rock, Nebr., in place of F. M. Ritchie. Incumbent's commission expires May 17, 1932.

NEW HAMPSHIRE

Leston F. Eldredge to be postmaster at Durham, N. H., in place of L. F. Eldredge. Incumbent's commission expires May 12, 1932.

William T. Lance to be postmaster at Meredith, N. H., in place of W. T. Lance. Incumbent's commission expires May 12, 1932.

Maurice R. Wright to be postmaster at North Hampton, N. H., in place of M. R. Wright. Incumbent's commission expires May 12, 1932.

NEW JERSEY

Ellen E. Showell to be postmaster at Absecon, N. J., in place of E. E. Showell. Incumbent's commission expired February 16, 1932.

John B. Buzby to be postmaster at Clayton, N. J., in place of J. B. Buzby. Incumbent's commission expired January 10, 1932.

Charles E. Bishop to be postmaster at Elizabeth, N. J., in place of C. E. Bishop. Incumbent's commission expires May 14, 1932.

Caroline A. Cowan to be postmaster at Haworth, N. J., in place of C. A. Cowan. Incumbent's commission expired March 1, 1931.

Frank McMurtry to be postmaster at Mendham, N. J., in place of Frank McMurtry. Incumbent's commission expires May 14, 1932.

Howard G. Pearce to be postmaster at Point Pleasant, N. J., in place of Harold Chafey, resigned.

Rachel E. Berger to be postmaster at Ringoes, N. J., in place of R. E. Berger. Incumbent's commission expires May 14, 1932.

Belle H. Smith to be postmaster at Springfield, N. J., in place of B. H. Smith. Incumbent's commission expires May 14, 1932.

Alfred T. Kent to be postmaster at Summit, N. J., in place of A. T. Kent. Incumbent's Commission expires May 2, 1932.

William F. Bodecker to be postmaster at Tenafly, N. J., in place of W. F. Bodecker. Incumbent's commission expired March 1, 1931.

NEW YORK

Thomas C. Richardson to be postmaster at Auburn, N. Y., in place of T. C. Richardson. Incumbent's commission expires May 5, 1932.

Lewis A. Brunnemer to be postmaster at Blue Point, N. Y., in place of L. A. Brunnemer. Incumbent's commission expired January 31, 1932.

Benjamin S. Look to be postmaster at Campbell, N. Y., in place of J. C. Tharp, removed.

Celia M. Arnold to be postmaster at Chautauqua, N. Y., in place of C. M. Arnold. Incumbent's commission expires April 18, 1932.

Leon Pralatowski to be postmaster at Cold Spring, N. Y., in place of Leon Pralatowski. Incumbent's commission expires April 2, 1932.

George A. Matthews to be postmaster at Eden, N. Y., in place of G. A. Matthews. Incumbent's commission expired January 10, 1932.

L. Frank Little to be postmaster at Endicott, N. Y., in place of L. F. Little. Incumbent's commission expires May 5, 1932.

Rosa H. Warner to be postmaster at Hampton Bays, N. Y., in place of R. H. Warner. Incumbent's commission expired December 19, 1931.

Claude H. Preston to be postmaster at Heuvelton, N. Y., in place of C. H. Preston. Incumbent's commission expired January 10, 1932.

Frank W. Thornton to be postmaster at Holland, N. Y., in place of F. W. Thornton. Incumbent's commission expired January 10, 1932.

Walter N. Durland to be postmaster at Hurleyville, N. Y., in place of W. N. Durland. Incumbent's commission expires May 14, 1932.

William P. McConnell to be postmaster at Marlboro, N. Y., in place of W. P. McConnell. Incumbent's commission expires May 14, 1932.

J. Arthur Haight to be postmaster at Peekskill, N. Y., in place of J. A. Haight. Incumbent's commission expires April 18, 1932.

Glenn D. Clark to be postmaster at Prattsburg, N. Y., in place of G. D. Clark. Incumbent's commission expires April 23, 1932.

Elmer Ketcham to be postmaster at Schoharie, N. Y., in place of Elmer Ketcham. Incumbent's commission expired March 1, 1932.

Herbert J. Crandall to be postmaster at Silver Creek, N. Y., in place of H. J. Crandall. Incumbent's commission expires May 14, 1932.

Amy B. Slack to be postmaster at Speculator, N. Y., in place of D. S. Slack, deceased.

Luther J. Shuttleworth to be postmaster at Springville, N. Y., in place of L. J. Shuttleworth. Incumbent's commission expired January 31, 1932.

Charles J. Ryemiller to be postmaster at West Sand Lake, N. Y., in place of C. J. Ryemiller. Incumbent's commission expires May 5, 1932.

M. Clifton Seaman to be postmaster at Woodmere, N. Y., in place of M. C. Seaman. Incumbent's commission expired January 10, 1932.

NORTH CAROLINA

Andrew J. DeHart to be postmaster at Bryson City, N. C., in place of A. J. DeHart. Incumbent's commission expired January 5, 1932.

McForrest Cheek to be postmaster at Franklinville, N. C., in place of McForrest Cheek. Incumbent's commission expired March 16, 1932.

James A. Wyche to be postmaster at Hallsboro, N. C., in place of J. A. Wyche. Incumbent's commission expired February 2, 1932.

Clarence M. Pool to be postmaster at Marion, N. C., in place of J. M. Tyler. Incumbent's commission expired January 10, 1932.

Nora Stedman to be postmaster at Moncure, N. C., in place of Nora Stedman. Incumbent's commission expired February 9, 1932.

George W. Cox to be postmaster at Raeford, N. C., in place of G. W. Cox. Incumbent's commission expired January 5, 1932.

James E. Wallace to be postmaster at Stanley, N. C., in place of J. E. Wallace. Incumbent's commission expired March 26, 1932.

NORTH DAKOTA

Ethel M. Anderson to be postmaster at Bowman, N. Dak., in place of E. M. Anderson. Incumbent's commission expired February 7, 1932.

James H. McNicol to be postmaster at Grand Forks, N. Dak., in place of J. H. McNicol. Incumbent's commission expires April 25, 1932.

William Roche to be postmaster at Inkster, N. Dak., in place of William Roche. Incumbent's commission expires April 13, 1932.

Agnes L. Peterson to be postmaster at Washburn, N. Dak., in place of A. L. Peterson. Incumbent's commission expires April 23, 1932.

Mary E. Swartwout to be postmaster at Wimbledon, N. Dak., in place of A. M. Hewson, deceased.

OHIO

Elizabeth A. Krizer to be postmaster at Bremen, Ohio, in place of E. A. Krizer. Incumbent's commission expired March 22, 1932.

Fred M. Hopkins to be postmaster at Fostoria, Ohio, in place of F. M. Hopkins. Incumbent's commission expires May 10, 1932.

Olive G. Randall to be postmaster at Hubbard, Ohio, in place of O. G. Randall. Incumbent's commission expires May 10, 1932.

Ray Phillips to be postmaster at Leavittsburg, Ohio, in place of Ray Phillips. Incumbent's commission expires May 10, 1932.

Harry E. Griffith to be postmaster at Mount Gilead, Ohio, in place of H. E. Griffith. Incumbent's commission expires May 10, 1932.

La Bert Davie to be postmaster at New Lexington, Ohio, in place of La Bert Davie. Incumbent's commission expired March 1, 1932.

Charles R. Finnical to be postmaster at Newton Falls, Ohio, in place of C. R. Finnical. Incumbent's commission expires May 10, 1932.

Alfred Jenny to be postmaster at Orrville, Ohio, in place of C. M. Kieffer. Incumbent's commission expired December 17, 1931.

Austin H. Bash to be postmaster at Strasburg, Ohio, in place of A. H. Bash. Incumbent's commission expires April 9, 1932.

Ben J. Filkins to be postmaster at Wakeman, Ohio, in place of B. J. Filkins. Incumbent's commission expires May 10, 1932.

OKLAHOMA

Roy Patton to be postmaster at Ames, Okla., in place of Roy Patton. Incumbent's commission expired February 16, 1932.

Lewis H. Owen to be postmaster at Cushing, Okla., in place of C. S. Brigham. Incumbent's commission expired December 22, 1930.

Isaac W. Linton to be postmaster at Jones, Okla., in place of I. W. Linton. Incumbent's commission expires May 10, 1932.

William H. Jones to be postmaster at Kiefer, Okla., in place of W. H. Jones. Incumbent's commission expired March 26, 1932.

OREGON

Elmer F. Merritt to be postmaster at Merrill, Oreg., in place of E. F. Merritt. Incumbent's commission expired March 1, 1932.

Thomas G. Hawley to be postmaster at Multnomah, Oreg., in place of T. G. Hawley. Incumbent's commission expired March 7, 1932.

PENNSYLVANIA

Bennett H. Light to be postmaster at Avon, Pa., in place of B. H. Light. Incumbent's commission expired January 10, 1932.

John M. Kotch to be postmaster at Beaver Meadows, Pa., in place of J. M. Kotch. Incumbent's commission expires May 12, 1932.

Laura M. Peacock to be postmaster at Houston, Pa., in place of L. M. Peacock. Incumbent's commission expires May 4, 1932.

Isaiah M. Stauffer to be postmaster at Millersville, Pa., in place of I. M. Stauffer. Incumbent's commission expires May 12, 1932.

Abram M. Lichty to be postmaster at Paradise, Pa., in place of C. M. Hershey, resigned.

Cleo W. Callaway to be postmaster at Shawnee on Delaware, Pa., in place of C. W. Callaway. Incumbent's commission expired February 28, 1932.

William A. Bailey to be postmaster at Southwest, Pa., in place of W. A. Bailey. Incumbent's commission expired February 6, 1932.

SOUTH CAROLINA

Trower Cravens to be postmaster at Beaufort, S. C., in place of Trower Cravens. Incumbent's commission expired March 11, 1930.

Carrie R. Goodman to be postmaster at Clemson College, S. C., in place of L. J. Goodman, deceased.

Frank W. Welborn to be postmaster at Fountain Inn, S. C., in place of M. L. Sipe, resigned.

SOUTH DAKOTA

Lottie M. Johnson to be postmaster at De Smet, S. Dak., in place of L. M. Johnson. Incumbent's commission expires May 10, 1932.

Linville Miles to be postmaster at Langford, S. Dak., in place of Linville Miles. Incumbent's commission expires May 10, 1932.

Fred S. Williams to be postmaster at Pierre, S. Dak., in place of F. S. Williams. Incumbent's commission expires May 10, 1932.

Charles Furois to be postmaster at St. Onge, S. Dak., in place of Charles Furois. Incumbent's commission expires May 10, 1932.

Carl O. Steen to be postmaster at Veblen, S. Dak., in place of C. O. Steen. Incumbent's commission expires May 10, 1932.

Edward A. Wearne to be postmaster at Webster, S. Dak., in place of E. A. Wearne. Incumbent's commission expires May 10, 1932.

Charles G. Kuentzel to be postmaster at White Rock, S. Dak., in place of C. G. Kuentzel. Incumbent's commission expires May 10, 1932.

TENNESSEE

Baltis L. Kemp to be postmaster at Adamsville, Tenn., in place of B. L. Kemp. Incumbent's commission expired February 10, 1932.

Mac R. Culbertson to be postmaster at Church Hill, Tenn., in place of J. R. Lane. Incumbent's commission expired December 17, 1931.

Alice B. Ralston to be postmaster at Eagleville, Tenn., in place of D. H. Hughes. Incumbent's commission expired December 17, 1931.

Gertrude Jamison to be postmaster at Millington, Tenn., in place of Gertrude Jamison. Incumbent's commission expired January 14, 1931.

William McD. Guinn to be postmaster at Mosheim, Tenn., in place of Edna Conway. Incumbent's commission expired December 17, 1931.

Lefford E. Sarten to be postmaster at Sevierville, Tenn., in place of J. B. Waters. Incumbent's commission expired March 27, 1932.

Jesse C. Watson to be postmaster at Waverly, Tenn., in place of A. W. Warren. Incumbent's commission expired February 4, 1931.

TEXAS

William J. Ott to be postmaster at Cuer, Tex., in place of W. J. Ott. Incumbent's commission expired March 11, 1930.

Joe P. Luce to be postmaster at Graford, Tex., in place of J. P. Luce. Incumbent's commission expires May 12, 1932.

Lillie M. Ragsdale to be postmaster at Richardson, Tex., in place of L. M. Ragsdale. Incumbent's commission expires May 12, 1932.

Raymond G. Hirth to be postmaster at San Juan, Tex., in place of R. G. Hirth. Incumbent's commission expires May 12, 1932.

William M. Willis to be postmaster at Timpson, Tex., in place of W. M. Willis. Incumbent's commission expires May 12, 1932.

Minerva M. F. Cowart to be postmaster at Turkey, Tex., in place of M. M. F. Cowart. Incumbent's commission expires May 12, 1932.

UTAH

Arthur L. Hartvigsen to be postmaster at Santaquin, Utah, in place of T. J. Wadsworth, jr., removed.

Charles Boyer to be postmaster at Springville, Utah, in place of Charles Boyer. Incumbent's commission expires May 12, 1932.

James A. Lyman, jr., to be postmaster at Wendover, Utah. Office became presidential July 1, 1931.

VERMONT

Charles A. Robinson to be postmaster at Milton, Vt., in place of C. A. Robinson. Incumbent's commission expires May 12, 1932.

Lewis H. Higgins to be postmaster at Newfane, Vt., in place of L. H. Higgins. Incumbent's commission expired February 7, 1932.

Dwight L. M. Phelps to be postmaster at Richmond, Vt., in place of D. L. M. Phelps. Incumbent's commission expires April 17, 1932.

Sheridan P. Dow to be postmaster at Sheldon Springs, Vt., in place of S. P. Dow. Incumbent's commission expires May 12, 1932.

VIRGINIA

Connally T. Rush to be postmaster at Abingdon, Va., in place of C. T. Rush. Incumbent's commission expires April 13, 1932.

Thomas T. Weddle to be postmaster at Floyd, Va., in place of T. T. Weddle. Incumbent's commission expires May 14, 1932.

Louis S. Haden to be postmaster at Palmyra, Va., in place of P. E. Haden, deceased.

WASHINGTON

William G. Meneice to be postmaster at Carson, Wash., in place of W. G. Meneice. Incumbent's commission expires May 12, 1932.

Lovilla R. H. Bratt to be postmaster at Richmond Beach, Wash., in place of L. R. H. Bratt. Incumbent's commission expired March 8, 1932.

Paul K. Walton to be postmaster at Veradale, Wash., in place of P. K. Walton. Incumbent's commission expired January 9, 1932.

WEST VIRGINIA

Blanche L. Kemper to be postmaster at Hastings, W. Va., in place of R. L. Butler, removed.

Epson Cook to be postmaster at Macdonald, W. Va., in place of Epson Cook. Incumbent's commission expired January 31, 1932.

Benjamin Gorrell to be postmaster at Williamstown, W. Va., in place of Florence Bills, removed.

WISCONSIN

Fred J. Scheinpflug to be postmaster at Boscobel, Wis., in place of F. J. Scheinpflug. Incumbent's commission expires May 8, 1932.

Eva Jensen to be postmaster at Cambridge, Wis., in place of Eva Jensen. Incumbent's commission expired January 27, 1932.

John S. Farrell to be postmaster at Green Bay, Wis., in place of J. S. Farrell. Incumbent's commission expired January 21, 1931.

William A. Devine to be postmaster at Madison, Wis., in place of W. A. Devine. Incumbent's commission expired January 5, 1932.

Edward C. Quilling to be postmaster at Menomonie, Wis., in place of M. A. Hanson, retired.

Peter F. Piasecki to be postmaster at Milwaukee, Wis., in place of P. F. Piasecki. Incumbent's commission expired January 29, 1931.

Frank I. Conner to be postmaster at Sun Prairie, Wis., in place of F. I. Conner. Incumbent's commission expired January 14, 1932.



WYOMING

William G. Haas to be postmaster at Cheyenne, Wyo., in place of W. G. Haas. Incumbent's commission expires May 5, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of March 23), 1932

POSTMASTERS

ARKANSAS

John R. Joyce, Springdale.

GEORGIA

Jonathan B. Brewton, Claxton.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 1, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Everlasting Father, unto whom be eternal praises, Thou who weighest the planets in their journey, O may we lift our eyes and find that the Lord is near. Whilst Thou dost dwell in darkness, may we feel Thee in our loves and in our fears. O Thou unseen One, come into all of our lives and fill up their needs, which are not satisfied with our own desires and passions. Hear us, hear us this moment. Let Thy approval be upon all of the deeds and the acts of this day.

We pause, we pause. Again the great shadow has fallen across our pathway. Again we face the great mystery of mysteries. Our Heavenly Father, upon all those who dwell within its forbidding folds, we ask Thy gracious blessing. Be unto them the Bright and the Morning Star of peace and hope and faith. Sustain them with a consolation that shall never pass away. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEATH OF REPRESENTATIVE ALBERT H. VESTAL

Mr. HAWLEY. Mr. Speaker, we have heard with profound sorrow of the very lamentable death of our colleague, Mr. VESTAL. There is pending before the House very important legislation for the good of the whole country. We believe that if Mr. VESTAL could be communicated with, he would say that the country's needs and service should take precedence of any mark of respect we might show by adjourning at this time. We will ask to adjourn out of respect to his memory a little later.

REVENUE BILL OF 1932

Mr. CRISP. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, to provide revenue, equalize taxation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10236, with Mr. BANKHEAD in the chair.

The Clerk read the title of the bill.

Mr. CRISP. Mr. Chairman, when the House yesterday adopted the amendment increasing the postal rates to meet the emergency, it was adopted in the part of the bill devoted to the manufacturers' excise tax. I ask unanimous consent that the section on postal rates added to the bill by a committee amendment, on page 229, after line 18, be transferred to page 275, after line 6, and be made a separate title to be known as "Title VIII.—Postal Rates."

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the section imposing a tax on leases of safe-deposit vaults, added to the committee amendment on page 229, after line 8, be transferred to page 259, after line 12, following amendments previously inserted at that point, and be placed under the heading "Part —.—Tax on Leases of Safe-Deposit Boxes."

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that on page 225, line 7, the words "imposition of tax" be stricken out and the following inserted: "Excise taxes on certain articles."

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman, when the House in Committee of the Whole House on the state of the Union commenced the reading of the bill, we struck out section 31, which was simply a cross section referring to section 131, which is the section dealing with foreign tax credits. When we reached section 131 the Committee of the Whole House on the state of the Union retained that section, retaining the privilege of the foreign tax credit. I ask unanimous consent to restore the cross section 31.

The CHAIRMAN. Is there objection?

Mr. KVALE. Mr. Chairman, reserving the right to object, will a separate vote be had on that provision?

Mr. CRISP. If this is restored, there would not be a separate vote on section 31 when it gets into the House, and you could not get a separate vote on the other, because the committee retained the text of the bill as reported by the Committee on Ways and Means.

Mr. KVALE. But a separate vote on the first action of the House in the instance to which the gentleman refers would be an index which the conference committee could perhaps follow. Would it be in order to ask a separate vote upon that?

Mr. CRISP. Undoubtedly the gentleman could ask for a separate vote upon that; but, as the House retained the other section, I assume that it would vote down the amendment to strike out. If it did, it would not affect anything, because the heart of the bill dealing with foreign tax credits is in section 131, which the House has already adopted.

Mr. KVALE. I shall not object. My point is that the House twice expressed its views upon this matter, and it is my own personal opinion that the first expression was more decisive than the second.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CRISP. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 32, after line 16, insert a new paragraph, as follows:

"For the taxable years 1932 and 1933 the credit allowed under this subsection shall be limited to the amount received as dividends from a domestic corporation which is subject to taxation under this title, the gross income of which for the taxable year preceding the year in which the dividend was paid did not exceed $25,000."

Mr. CRISP. Mr. Chairman, I am sure each one of the Members of the House rejoice that we are approximating the end of the consideration of this important bill. The Committee on Ways and Means requested the Secretary of the Treasury to give us a revised estimate as to the probable yield in revenue of the tax bill as it stood when we adjourned yesterday.

He furnished the committee last night with a revised estimate. I shall not go into details as to the respective items. The Committee on Ways and Means has based this revenue bill on the doctrine that Government expenditures must be and should be reduced at least $200,000,000 and, in the opinion of the committee, that can be done. Therefore the committee, in recommending the levying of taxes to balance the Budget, has taken credit for a $200,000,000 saving. The

estimate which the Secretary of the Treasury furnished last night only takes credit for a reduction of $125,000,000, which made a deficit in those two items of $75,000,000. The total of the estimate of the Secretary of the Treasury, knocking out $75,000,000 on account of the estimated saving, shows the bill as it stands to-day is one hundred and fifty-nine million point one short of balancing the Budget. The committee has had many experts assisting it, and I believe the estimates of the committee are just as apt to be correct and accurate as the estimates of the Treasury Department, for Mr. Parker, the chief of the Joint Committee on Internal Revenue Taxation, has for years been working on all of these income-tax returns.

The committee's estimate as to the revenue that will be produced by the bill as it stands now, allowing for a saving of $200,000,000, is one billion one hundred and ninety-one million point nine short. That is the committee's estimate. Mr. Parker, to whom I have referred, estimates that the bill as it stands to-day, allowing a credit of $200,000,000, will produce $1,243,000,000, or a surplus of $2,000,000 over the necessary amount to balance the Budget.

The committee felt that the welfare of the Nation demanded a balanced Budget, and the committee felt that if they brought in a bill that did not meet that requirement, especially if the Treasury should issue a statement that it did not balance the Budget, that might have a harmful effect upon the country, and the committee realized that the hard-headed business men of the Nation, who figure on these matters, are more apt to accept the estimates of the Treasury Department as to the yield from the bill than they would be apt to accept the estimates of the Ways and Means Committee or the legislative force of the Capitol.

[Here the gavel fell.]

Mr. CRISP. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. Therefore, the committee determined to leave no question of doubt, and for that purpose they have proposed the amendment which I have sent to the Clerk's desk. If it is adopted, it is estimated to yield $88,000,000, which will overbalance the Budget.

What does that amendment do? Under existing law dividends from stocks are exempt from paying the normal income tax. Of course, they pay surtaxes if the income reaches the surtax class, but under existing law they do not pay the normal tax. In this emergency for a period of about two years, until July 1, 1934, the committee has recommanded that dividends from stock pay the normal income taxes.

Some may say that is drastic. I regret the necessity, but we were compelled to either bring this suggestion to you or a tax on gasoline or a tax on bank checks. We thought this tax less objectionable of the three. Under the terms of the amendment this tax will expire by operation of law on July 1, 1934.

When you analyze the equities running through the income tax law, there is not the great injustice and hardship that this amendment at first blush might seem to impose. To-day if a gentleman has $100,000 worth of bonds of the Pennsylvania Railroad Co. he has to pay the normal tax on the income derived from those bonds, but if the same gentleman has $100,000 worth of the capital stock of the Pennsylvania Railroad Co. he does not pay the normal income tax on the dividends derived from the stock. This treats them during this emergency exactly alike. Under this amendment a man would pay the normal income-tax rate on dividends derived from stocks as well as from bonds.

The amendment has this other provision in it: That where the gross receipts from a corporation are less than $25,000 those who receive dividends from that small corporation do not have to pay the normal rate of taxation on it.

Mr. Chairman, I ask unanimous consent to include these estimates as a part of my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

The matter referred to is as follows:

Budget program—Estimated yield, fiscal year 1933

	Treasury revised estimates	Committee revised estimates	Revised estimate of L. H. Parker, of Joint Committee on Internal Revenue Taxation
Individual income tax:			
H. R. 10236	112	112	130
Amendment increasing highest normal rate	3	3	8
Amendment increasing surtax rate	17	17	24
Additional surtax brackets, beginning $6,000	7	7	7
Corporation income tax:			
H. R. 10236	21	21	22
Reduction in exemption from $2,000 to $1,000	6	6	6
Further increase in rate, 13 per cent to 13½ per cent	8.4	8.4	8
Additional increase in rate from 13 per cent to 15 per cent for consolidated returns	8	8	15
Administrative changes:			
H. R. 10236	100	100	100
Repeal net loss provisions	7	15	29
Dividends (sec. 115-b)	6	6	9
Dividends (sec. 115-d)	2	2	2
Revision of depletion allowance	1	3	6
Estate tax (H. R. 10236, as amended)	20	20	20
Gift tax (H. R. 10236, as amended)	5	10	10
Miscellaneous taxes:			
Sales of capital stock (one-fourth of 1 per cent but not less than 4 cents per share, 4 cents to apply to loans of stock)	70	70	75
Sales of bonds (one-eighth of 1 per cent)	25	25	20
Issues of capital stock and bonds (10 cents per $100)	8	8	8
Conveyances (50 cents on $100-$500, 50 cents per $500 in excess)	10	10	10
Sales of produce (5 cents per $100)	6	6	6
Admissions (1 cent for each 10 cents over 45 cents)	40	40	40
Lubricating oil (4 cents per gallon)	35	35	30
Imported gasoline, fuel oil, etc. (1 cent per gallon)	5	25	25
Malt and wort (25 cents per gallon), grape concentrates (40 per cent)	46	46	46
Telephone and telegraph messages, etc., except press and radio services (5 cents on messages costing 31 cents to 40 cents and 10 cents on message costing 50 cents or more, etc.)	33	33	33
Imported coal ($2 ton)	.5	.5	.5
Cosmetics, etc. (10 per cent of manufacturers' sales)	20	20	20
Furs (10 per cent of manufacturers' sales)	15	15	15
Jewelry (10 per cent of manufacturers' sales)	15	15	15
Sporting goods and cameras (10 per cent of manufacturers' sales)	6.5	6.5	6.5
Beverages (1921 act rates)	10	10	14
Matches (4 cents per 1,000)	11	11	11
Chewing gum (5 per cent of manufacturers' sales)	3	3	3
Radios and phonographs (5 per cent of manufacturers' sales)	11	11	11
Mechanical refrigerators (5 per cent of manufacturers' sales)	6	6	6
Automobiles (3 per cent of manufacturers' sales)	44	44	44
Trucks (2 per cent of manufacturers' sales)	4	4	4
Accessories (1 per cent of manufacturers' sales)	8	8	8
Candy (5 per cent of manufacturers' sales)	12	12	15
Safety-deposit boxes (10 per cent of rental)	1	1	2
Yachts, motor boats, etc. (above $15 value, 10 per cent)	.5	.5	.5
Oil transported by pipe-line (8 per cent of charge)	20	20	18
Firearms and shells (10 per cent of manufacturers' sales)	2.5	2.5	4
Increased postage, etc. (revised estimate Post Office Department)	165.5	165.5	165.5
Reduced expenditures	135	200	200
Total	1,081.9	1,191.9	1,243
Required to balance Budget	1,241	1,241	1,241
Deficit	159.1	49.1	2

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. VINSON of Kentucky. Referring to the amount of $25,000, did I understand the gentleman to say dividends? That $25,000 is gross income.

Mr. CRISP. I thank the gentleman. I should have said gross income.

Mr. RAMSEYER. Mr. Chairman, may we have the amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

Mr. TREADWAY. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY as a substitute for the committee amendment: On page 32, after line 16, insert a new paragraph, as follows:

"For the taxable years 1932 and 1933 the credit allowed under this subsection shall not exceed the sum of (a) the amount received as dividends from a domestic corporation which is subject to taxation under this title the gross income of which for the taxable year preceding the year in which the dividend was paid did not exceed $25,000, plus (b) the amount by which $10,000 exceeds the amount allowed as a credit under clause (a)."

Mr. TREADWAY. Mr. Chairman, the purpose of my amendment is simply to add an exemption to the committee amendment of incomes up to $10,000.

I want to say at the outset this is the first actual difference of opinion that has appeared in the Ways and Means Committee during the process of the reconstruction of this bill. The proposition that the chairman of the committee has submitted to you was unknown to the minority members of the committee until we met at 10 o'clock this morning. It was a very astonishing proposition as I saw it and as my colleague the gentleman from Oregon [Mr. HAWLEY] saw it. There had been suggestions brought to us of stamps on bank checks and also a tax on gasoline. This proposition which the chairman is now submitting to you was brand new and had not been before us. As important an amendment as this ought to be given very careful consideration by this House.

The amendments that the House of itself adopted follow, as we all know, the effort to get taxes placed against wealthy people. Whatever one's opinion on that score may be, I submit to this House that we do not want to impoverish people, and that is exactly what can happen under this amendment as offered by the chairman, unless my amendment is added to it.

Here is the situation, Mr. Chairman. This will apply a tax on small incomes. The only exemption for a single man will be the amount of the normal tax exemption of $1,000. Not every State, but many States, have income taxes and Massachusetts is one of them, and when we look at this picture we are very likely to look at it from the home angle. I want to illustrate it in this way. Take a person who has had a certain earning power, a professional man—and I have one in mind, a physician, to which this would have direct application—becomes incapacitated and can not earn a penny. He is a very serious drain on what little income his wife may have, and instead of helping out this situation, the committee amendment would tax her. For instance, our income tax in Massachusetts is 6 per cent. We have heard lots of illustrations of how much your gasoline tax is in the different States. I say you must give some consideration to people with small incomes, and when deprived of their earning power, which comes about through physical disability, you are going to tax them still further and withdraw what little income they may have from investments or from money that has been saved.

Therefore, I say we should do one of two things. I agree with the figures that the chairman has submitted, and we all agree that we are short $49,000,000. This amendment brings in $88,000,000. The amendment that I have offered takes off $20,000,000, and you, therefore, still have a margin of between $19,000,000 and $20,000,000 in balancing the Budget if my amendment is adopted. You are not taking the slightest chance of going below the committee's final figures. We are short, as the chairman has told you, $49,000,000. We can get eighty-odd million dollars from one-half cent tax on gasoline, we can get $88,000,000 from the amendment which the chairman has offered, or by the adoption of my amendment you are still about $20,000,000 to the good.

I submit you should not continue to press these things upon the people of modest incomes, and that is exactly what you are doing.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. I am sorry to say that at the final stages of our preparation of this bill a partisan appearance has been given to the action of the Ways and Means Committee, but I am also glad that it comes on such an item as this. I will not state what happened in the Ways and Means Committee, but I say that this was the one suggestion that brought a partisanship development into the Ways and Means Committee at our final session this morning. I am extremely sorry for it. However, I ask that my amendment be adopted, in all fairness to the people of modest incomes. It will permit us to continue in a fairly comfortable condition and still have $20,000,000 of credit in the balancing of the Budget.

Mr. RAGON. Mr. Chairman——

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. PETTENGILL. Mr. Chairman, this is a very important matter, and I think for the information of the House we would all like to hear the committee amendment and the Treadway amendment read before we hear from the gentleman from Arkansas.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk again reported the committee amendment and the Treadway amendment.

Mr. RAGON. Mr. Chairman, I shall oppose the amendment of my friend from Massachusetts on two very good grounds. The first is that it is mere guesswork as to the amount it will take out of this bill. I happen to have availed myself of the same source of information which the gentleman from Massachusetts [Mr. TREADWAY] has, and, while it is a very reliable source, I know it is mere guesswork when the gentleman says it will take out only $20,000,000. The estimate of the gentleman who made up this figure for my friend from Massachusetts was that he thought it would bring about a reduction of practically $20,000,000.

Now, gentlemen, we are balancing the Budget this morning for the Secretary of the Treasury, and I say to you that you have some important votes coming on. There will be efforts made to take this amendment and that amendment from the bill. One of them would take $30,000,000 from the bill and another would take $17,000,000 from the bill. I do not look for success for these efforts, but in case one of them is successful, it is going to take that much out of our estimates with respect to balancing the Budget.

But here is the important thing. All through our deliberations we have been faced, upon the part of the Treasury, with estimates that were ultraconservative, to give them the most moderate classification it is possible to give them. I think they are due some consideration for being cautious, because we find such a decrease in the taxable volume that comes about, apparently, with each succeeding month; but I think it is utterly ridiculous to bring in an estimate such as the Secretary of the Treasury brought to the subcommittee last night. I have never said anything about it, and I would not now if my friend TREADWAY had not brought up the question of partisanship. If there is any partisanship in the consideration of these things, then it was introduced by your Treasury Department and not by the Democratic members of the Ways and Means Committee.

Whenever you tell me that this Congress will not reduce the expenditures of this Government more than $125,000,000, in view of conditions that exist in this country, then I shall disagree with you. If this Congress stands here and stubbornly refuses to do that, the business interests of this country ought to take it in their own hands, and I believe they will do this. We talked to Mr. BYRNS, we talked to several Senators, we talked to Mr. Mills, and

Mr. Mills said he thought $200,000,000 we might take as a reasonable spot to drive at in our estimate of the reduction in expenditures. This we did, and this we have done in this particular, too.

So, my friends, using this as a basis and taking into consideration the constant reduction of our taxable volumes, which we hope will be on the upturn some day in the immediate future, it is dangerous to adopt the amendment of the gentleman from Massachusetts, because you would be whittling down the surplus of the overbalance we have put in this bill.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. VINSON of Kentucky. Does the gentleman know what the chairman of the Appropriations Committee of the House said in regard to the amount of reduction of expenditures?

Mr. RAGON. I was called from subcommittee and advised by the chairman of the Appropriations Committee that we could possibly reduce the Budget $243,000,000. I say to you frankly that if they will apply in the administrative department the same methods that a business man would, then we would surely have a balanced Budget.

Mr. LINTHICUM. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. LINTHICUM. Was not there received $18,000,000 more in the income tax than was expected?

Mr. RAGON. I do not remember the figures—there was a slight increase.

Mr. LINTHICUM. They received $72,000,000 more than was expected.

Mr. RAGON. There might be some good reason for the increase. I do not know; but I hope it continues to increase.

Mr. LINTHICUM. Let me say to the gentleman that I do not quite understand the effect of the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY]. Will the gentleman explain that?

Mr. RAGON. I was just about coming to that point.

Mr. CRISP. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. CRISP. Does not the gentleman think it is indefensible in peace times for the Government to have a Budget of $4,000,000,000?

Mr. RAGON. Absolutely; and there is not a business man in the country that would justify it. The gentleman from Illinois [Mr. CHINDBLOM] has just returned from Chicago, and he says that all he heard on the street was some one condemning Congress because they were not doing something to reduce the expenditures of the Government. Congress is going to do it; and I say to you, my friends, that there is a job in reduction of expenditures for the executive department when we get down to it. Why do not they get to the job and quit talking about it. The Cabinet officers can pare to the bone, if and when they want to do so.

Now I will answer the question of the gentleman from Maryland in regard to the amendment. Here is the purpose of the amendment that was offered by the committee. It makes dividends of domestic corporations subject to the normal tax. The dividends at present are subject only to the surtax. The interest on bonds is subject to the normal tax and the surtax. In a previous amendment proposed by the committee there is an exemption of these corporations which have no larger gross income than $25,000. That is put in the amendment to take care of the small corner grocery store or the drug store, the stock of which is owned by some family or relatives.

You have that exemption of $25,000 on incomes, and the gentleman from Massachusetts would come in with a further exemption of $10,000. In other words, his normal tax on the dividend would not begin to apply until it reached $10,000, where, under the old law, the surtax rates began to apply.

I am appealing to you, my friends, and particularly appealing to the Democrats, because I think I know the importance of it, to give us this bill so that we can hand to the Secretary of the Treasury a balanced Budget, so that he will not dare to go out in the newspapers and say we gummed up the thing and failed to balance the Budget after we promised to do so. I ask you to stand by the committee 100 per cent, and whenever you do that the Treasury knows that the Budget is balanced; not in the manner the Treasury wanted it balanced but the way the people expect it to be balanced, and the only way to balance it. [Applause.]

Mr. HAWLEY. Mr. Chairman, no money can be expended out of the Treasury except on the authorization of Congress through appropriations; and if the expenses of the Government are excessive, the Congress is in the initial stage responsible for it. So far as reduction of expenditures is concerned, I am heartily in favor of it, but it seems to me that before attempting to place the responsibility on others we ought to remember that we, the Congress, are responsible for all the legislation leading to expenditures. The Congress also makes all appropriations. On the part of the administration I am confident that in the administration of the expenditures, so far as it can be done without detriment to the public service, the administration will save every possible dollar of expenditure, set up the usual reserve out of every appropriation, and not allow it to be expended unless upon emergency shown.

I rose to speak to this amendment directly. Prior to arriving at the total amount of taxes reported by the committee as earned by the several items, the committee considered all of the estimates that were submitted or that we could obtain. We disagreed with the Treasury in some instances, and we agreed with it in most of the sources of revenue it proposed. We added to the amount to be saved from expenditures $75,000,000 more than the Treasury estimated could be saved. We concluded in that particular that we were warranted under the circumstances and since all of the earnings are based on estimates, that we would exercise the best of our judgment.

This is what is proposed in the amendment offered by the gentleman from Georgia. At present dividends from stocks of corporations pay first the corporation tax and then the surtax. The corporation tax of 13½ per cent, or 15 per cent is taken out of the taxable income before any distribution is effected, and after that is taken out, it diminishes the amount available for distribution to the stockholders, proportionate to the amount of such taxes. It is proposed by this amendment that they shall also pay both the corporation normal tax and the individual normal tax. It is a case of double taxation. Where does the difficulty come in? In the case of tax-exempt securities, the interest on them pays neither a corporation tax nor a normal nor the surtax. We need a business rehabilitation in this country. Credit is not available in sufficient amounts for the needs of industry. Business can not obtain the amount of money needed for reorganization, for equipment, for the purchase of raw material, payment of wages, and their operating expenses. This is a direct invitation to people having money to invest, not to go into the securities of the industrial world, not to furnish to industry, trade, and commerce the lifeblood needed for the good of the country at this time, but, instead, to put their money in tax-exempt securities, and so save all the tax they would otherwise pay to the Government. I do not think the amendment will produce the revenue the gentleman estimates. He says that it will earn $88,000,000, but if this money goes into tax-exempt securities, we will lose the revenue we are now getting, and the additional revenue that would be paid if money available for investment went into industry and paid a dividend and the dividends pay the taxes imposed on taxable income.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. RAGON. Mr. Chairman, I ask that the gentleman's time be extended for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAGON. So that I may state to him that the estimate I made was $88,000,000. I handed that estimate to

Mr. PARKER, and asked him to give me the figures, and then I submitted the estimate to Mr. Gregg and Mr. Alvord, two of the most competent and capable men who ever worked in the income-tax department of the Treasury, and they both said those figures were correct.

Mr. HAWLEY. If people continue to put money into industry and earn dividends upon it; but if that money goes out of industry into tax-exempt securities, we will lose it, and I think the gentleman will not deny that.

Mr. RAGON. I think the gentleman is talking about the Swing amendment now.

Mr. HAWLEY. I am talking about this amendment. It proposes to place 7 per cent additional on income received from dividends, which are already burdened by the corporation tax and the surtax, and to impose this additional amount will decrease the dividend earnings, and make tax-exempt securities the most attractive investment to the American public.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ALDRICH. Mr. Chairman, I ask the attention of the gentleman from Georgia [Mr. CRISP]. The gentleman from Georgia, when making his speech a moment ago, referred to the fact that an individual had to pay the normal tax on the interest from corporate bonds. I call the gentleman's attention to the fact that the corporation does not pay any corporate income tax on the interest they pay on their bonds, so naturally we tax the bond interest in the hands of the bondholders. In the case of dividends the corporation has already paid the corporate income tax upon the amount paid in dividends, so we exempt these dividends from the normal tax.

Mr. CRISP. The gentleman is correct. The gentleman knows my viewpoint, particularly in reference to these matters. I say this is an emergency proposition, and it expires if adopted on July 1, 1934.

Mr. RAGON. If the corporation did not earn any income, they would have to stop paying the bond interest; if they did not have any income, they would not have to pay this tax.

Mr. ALDRICH. If they did not earn any income at all, they would not pay any interest at all on the bonds.

Mr. RAGON. They might, out of surplus.

Mr. ALDRICH. They would not pay it very long.

Mr. RAGON. If they did not pay it out of surplus, or did pay it if they did not have any dividends, they would not have anything subject to the tax.

Mr. ALDRICH. I know that, and in ordinary instances the corporation does not pay a corporate income tax on the interest paid to the individual upon its bonds. It is a deduction from the gross income.

Mr. VINSON of Kentucky. Will the gentleman inform us what the yield would be on bonds if we made this applicable to bonds?

Mr. ALDRICH. It is applicable to bonds at the present time. You pay the normal tax on the interest from bonds of a corporation but the corporation does not pay the corporate-income tax on the interest it pays on bonds.

Mr. CAMPBELL of Iowa. Mr. Chairman, ladies and gentlemen of the committee, I take this opportunity to present my position in relation to the sales tax and for the increase of the income tax, the inheritance tax, and the gift tax.

It would seem that in this Nation there run in the minds of the people different political and economic theories. The sales tax as brought out of the Ways and Means Committee is evidence of that fact, and I for one can not subscribe to the political philosophy of those who maintain that theory.

I think some newspapers have been somewhat unfair to those of us who have maintained our position against the sales tax. In the headlines of a good many of those editions there has appeared the blazing fact that the House was in revolt, that radicalism was reigning supreme, that socialistic tendencies prevailed, and that brickbats had been thrown to land on the heads of the rich, that leaders had been overthrown, and that chaos prevailed.

Mr. Chairman, I maintain that this is not so. I maintain that the House of Representatives have at last risen above party politics and partisanship, and are legislating in a calm and peaceful way, in a manner that they feel is best for the interest of their country and their people. It is true that the leaders do not lead and can not lead as long as the great majority of this House feel that that leadership, both Republican and Democratic, has gone down the wrong road. It was at that crossroad that we divided.

I realize that in a country like ours we can not all think alike, that there is bound to be dissension, but I do not accuse anyone in this House of being unfaithful to his trust or failing to follow that which his conscience dictates.

Now, my friends, we are about to adopt a gift tax, which is to have its first entrance into our policy of taxation. The gift tax was promulgated for the purpose of keeping the rich from avoiding the inheritance tax. We have found on many occasions where rich men give away their property before their death in order to avoid taxation.

I have been opposed to the sales tax for the reason that the sales tax is an unjust tax. Take, for example, myself and my family, which consists only of my boy and myself. In my town resides a poor man with a family of eight. Do you say to me that it is fair that that poor man with his family of eight should pay perhaps five times as much tax as I do? I shall follow the principle in taxation that it shall be levied against those who are the best able to pay.

Many harsh words have been passed in the debates in the last few days in this House. We, who have maintained that the rich should be further taxed, have been accused of socialism, bolshevism, and radicalism; but let us to-day study that matter in a sane and thoughtful manner. Let us take up first the income tax, which has its graduated rates which, under the amendment adopted through the efforts of the coalition of the Democrats and Republicans, having reached from 1, steadily increasing to 65 per cent on incomes of $5,000,000 and better. Have we taken the bread from the mouth of any man, woman, or child? Have we deprived them of the luxuries of life which they do not have at the present time? When the maximum amount of tax leaves to that person $1,751,500 of income in a year, or about $5,000 per day, are we depriving that person of his fair share of worldly goods and the benefits of his life's work, or the work of his father, grandfather, or great-grandfather from whom he inherited it? Is that socialism, bolshevism, and radicalism?

Then let us take the Ramseyer amendment on the taxing of estates, which exempts every estate $50,000 before there is any tax, and then a graduated tax up to 45 per cent on $10,000,000. Are we taking away from him, or rather his estate which goes to his kin or to those to whom he may will it, the necessaries of life? Are we disrupting business and putting an undue load upon the rich? If we are to proceed with the same policy in regard to the gift tax, are we the ruiners of our country and our principles?

The concentration of great wealth in the hands of a few, history shows us, is a menace to any country. With 8,000,000 men out of work, with people starving and unclothed, should we tax them or tax the wealthy? Surely, my friends in the cause of humanity, this coalition is rendering a great service.

The Budget is unbalanced and a large deficiency exists in the Government's Treasury. We must in the course of time balance that Budget. I am confident it can be balanced without the sales tax.

Representative LAGUARDIA, of New York, read into the RECORD here on March 22 the names of a few of those who had died within the last short period of time leaving these immense estates, which, if properly taxed, would have gone far toward the correction of the deficit, and I ask permission at this time to again insert those names in the RECORD in this speech.

Thomas B. Slick left an estate of $75,000,000; Dr. J. T. Dorrance left an estate of $200,000,000; W. P. Foss left an estate of $30,000,000; Daniel Guggenheim left an estate estimated to run in eight, if not nine, figures; Ella Von E. Wendel left an estate of $100,000,000; George F. Baker left an estate of $75,000,000; Rodman

Wanamaker left an estate of $41,790,544; Payne Whitney left an estate of $239,301,017; E. H. Gary left an estate of $22,579,521; W. M. Wright left an estate of $60,000,000; Samuel Mather left an estate of $50,000,000; Abraham Erlanger left an estate of $75,000,000; Edward Bok left an estate of $23,718,981.

Does any woman or man maintain that it is impossible to balance the Budget when there are estates of this character to be taxed, and yet you can not have that individual initiative if you have centered 90 per cent of the wealth of the country in the hands of a very small per cent. The total assets of this Nation are over $300,000,000,000, there are over 120,000,000 people, and yet this wealth is controlled by a few individuals. Do you think this is the policy of our forefathers? Do you think that they ever dreamed of this great centralization of power in the hands of a few people? I am certain that they did not.

Even this tax, if levied, is not a permanent tax. It is for the purpose of covering the present conditions. We all hope that times will be better, that appropriations may be reduced by virtue of consolidation of departments, and the correction of errors that exist at the present time; in fact, a drastic reduction all along the line.

It is a fact that heretofore very few of the Federal taxes were saddled directly on the people during the times of great incomes and a moderate tax; in fact, in the year 1928 the majority of the Members of this House voted to give back to the income-tax payers over $160,000,000. Our coffers were filled to overflowing and expenditures were rampant but, due to this terrific deflation, times have changed and we are in search of avenues to provide taxes to run the country.

Mr. Chairman, it is with a degree of reluctance that I shall be compelled to vote for the reduction of salaries. Mr. ABERNETHY, the gentleman from North Carolina, in speaking a few days ago stated that he was against reduction of salaries; that he was earning his $10,000 and did not expect to vote to take less. I do not question that there are many in this House who, if they were out in the busines or professional world, would make more money than they do here, but that is not the question. It is absolutely unexplainable for us to vote to clip here and there from the expenses of Government and then let our own salaries stand at the same point they did during the times of prosperity. I realize the argument that with the reduction of salaries there is a reduction of buying power, and it is for that reason that I do not like to vote for the reduction of salaries in the lower brackets, but I do feel that the salaries of the higher-paid officials should be drastically reduced. I am willing to reduce my salary 25 per cent.

You will say it is unfair for me to argue the reduction of the wages of Congressmen, due to the fact that most of you have fairly large families and are educating them on your salaries, while I have only one child and can live here much more cheaply than you; and some of you will argue that if we reduce our salary only the rich can come to Congress and the common people will not have their share of representation.

It is true that after deducting the campaign expenses, traveling expenses, and hotel bills our salaries are not as large as the people think; in fact, a steady position of $5,000 a year without this outlay would bring far more net income than we receive; but we must assume our share of the load, we must live closer and spend less, we must assume our share of the burden, and, as I stated before, I do not like to reduce the wages of those who receive small salaries. I realize that when you cut them too low you are depriving them of the buying power, which affects we people from the farm who furnish the products to feed and clothe them. I stand for the American standard of living, but the day of luxuries has gone and will not return until we get a decent price for the products of the farms and the factories and until this great army of unemployed are back again in gainful occupation.

I am sure that Congress will work out a plan which will be satisfactory to the people as a whole. It is true that the multimillionaires will kick. Many of them see in the sales tax a preservation of their own fortunes.

I have heard the argument here on the floor many times that due to the wide distribution of the sales tax the people would not feel the same. Mr. Chairman, with the heavy load that the people of the country are carrying now, and especially the poor people, just a little addition often brings them into bankruptcy.

It is useless for me to repeat again what I said in a former speech before this House a few weeks ago as to the condition of my district, and I want to warn this Congress again that something must be done in order to relieve that condition. Never before since I have been a Member of Congress have I had the hope of the enacting of permanent legislation in the form of stabilization as I have to-day.

This revolt against the sales tax, this new coalition of those who have progressive thoughts and progressive ideas, seems to me the dawn of a new day. We have followed the old road until now we find it rough, bumpy, and worn. We must proceed to build new ones on which prosperity may be returned. I realize it is no time now to discuss other than the tax bill, but I hope to find the time in the future to present to this Congress my position on the stabilization bills which are before this House, which I believe are sound and which, if enacted into law, will not only stop the depression but bring back a rapid recovery.

I wish at this time to insert further in the RECORD, as part of my speech, a tabulation of the tax on incomes as voted in this House:

Net income:	Tax voted by House
$3,000	$2.50
$5,000	37.50
$10,000	170.00
$20,000	1,100.00
$30,000	2,600.00
$100,000	26,500.00
$300,000	126,500.00
$400,000	181,500.00
$500,000	238,500.00
$1,000,000	538,000.00
$2,000,000	1,178,500.00
$3,000,000	1,843,500.00
$4,000,000	2,538,500.00
$5,000,000	3,248,500.00

Now, in closing I wish to call the attention of all those who have opposed the sales tax to the fact that this bill must go into conference, that the conferees' report must be carefully watched, that we may still stand solidly as we have stood here for the past three days fighting the sales-tax provision, and that we maintain the taxes on large incomes and large estates as we have written them in this bill. [Applause.]

Mr. LOZIER. Mr. Chairman, first in reference to the reduction of Government expenses. I think every Member of Congress and every thoughtful student of public affairs in America has reached the conclusion that unless there is a substantial reduction in the cost of Government and in the burdens of taxation, our governmental structure can not be preserved. The cost of Government—local, State, and national—has increased so tremendously in recent years that it is sapping the substance of the people and driving them to a state of insolvency. The beneficial effects of our free institutions are neutralized by the excessive cost incident to maintaining them.

There has been an unreasonable and unnecessary multiplication of boards, bureaus, and commissions, and the number of Government employees has increased so rapidly in recent years as to impose on the people a tax burden beyond their ability to carry. The President says governmental expenses should be reduced; that there are numerous duplications and overlapping in the departments; yet his Cabinet officers, responding to a letter from the chairman of the Appropriations Committee of the Senate, say that there are no duplications or overlapping or unnecessary employees in their respective departments and that no savings or economies can be made in the departmental service, when we well know that there are many, many duplications and overlappings of activities, and that an unnecessary number of employees are kept on the pay rolls of every department, board, bureau, or commission.

Moreover, there are many projects in bureaus and departments that can be dispensed with without in any way impairing the efficiency of our governmental agencies. There is an abundance of dead timber in every departmental tree. There are many projects that should never have been established. There are other projects the creation of which was justified but which have outlived their usefulness and should be abolished. When it is proposed to abolish a bureau, department, or commission we are confronted with the argument that there are within that particular bureau or department some very useful and necessary projects, agencies, and activities that should not be abolished. Disputes will arise as to what projects and activities are useful and essential and what are nonessential. Opposition develops to the abolition of a bureau because, forsooth, a few of the activities of that particular bureau may be useful and efficient, while in truth and fact many other projects or activities of that bureau can be dispensed with without impairing the efficiency of the useful agencies.

In other words, each bureau may be likened to a tree that saps the substance of the soil and on which are a few thrifty, fruit-bearing branches growing among a multitude of blighted limbs. The public will hesitate to cut down the tree, because it is desirable to get the fruit from the fruitful branches, while realizing the wisdom of pruning off the dead timber. The prudent husbandman will leave the fruit-bearing branches and trim away the blighted limbs. And it seems to me that we must follow this plan in eliminating useless and unnecessary boards, bureaus, and commissions; that is, preserve the useful and worth-while agencies and activities in a bureau, but ruthlessly abolish all activities and projects that sap the substance of the people and yield little or nothing in return. Certain governmental activities are essential and must be maintained, but scores of projects can and should be abolished.

I think my friend the gentleman from Texas [Mr. BUCHANAN] has some very sound views on this question. For many years he has been one of the ablest members of the Committee on Appropriations, during which time he has acquired much valuable knowledge, not only in reference to the departments and bureaus but relating to the numerous activities or projects in each bureau or department. His experience has enabled him to separate the good from the bad, the necessary from the unnecessary activities and projects. He has evolved what seems to me to be the correct philosophy or formula for the elimination of useless boards and bureaus. His theory is this, and I believe it to be sound: There are in every department or bureau some useful and necessary agencies or projects, but in each of these bureaus or departments there are unnecessary projects or activities for the continuance of which there is no sound reason or justification. The good and useful should be preserved and the other should be eliminated. We should not destroy the useful projects in order to get rid of those that perform no useful or necessary function. If we attempt to eliminate a bureau in its entirety, we may be met with the argument that within that particular bureau there are useful and efficient agencies that should be maintained. It follows, therefore, that we should direct our efforts against useless and unnecessary projects or activities within these bureaus, eliminating duplications and overlapping, pruning away all dead timber, dismissing all bureau chiefs and employees whose services are not needed, retaining those projects which are necessary and useful as governmental agencies.

I indulge the hope that the present Congress may abolish numerous boards, bureaus, and commissions, agencies, and projects within other bureaus and departments, and discontinue the services of a great army of Federal employees who perform no useful service but whose salaries lay heavy burdens on the American people in the form of ever-increasing taxes.

I am confident that the economies inaugurated by the Democratic House will amount to approximately $250,000,000 annually, which is certainly a good beginning.

Now, in reference to the revenue bill. In my opinion, the pending measure should not be enacted. It is bottomed on a false philosophy. Its enactment and administration will not promote the public welfare but tremendously intensify the present nation-wide unrest and discontent. It may be that at times in the past legislation has been enacted that was unduly oppressive to the rich, but I can not escape the conviction that the pending tax bill is unjust to the poor, the average man, the so-called common people, the middle classes, and the wayfaring men and women of the Nation.

In a period of unprecedented economic distress, when a tax-oppressed people are staggering under an unbearable burden of taxation, you, by this bill, seek to add to the load. Unable to pay their present taxes, facing bankruptcy, you propose to add to their burden. This is no time to increase taxation.

The Budget should and can be balanced by issuing short-time securities, as has been done in the past, without injury to or dislocation of our financial and economic structure. These securities can be paid in 5 or 10 years, when conditions become normal and the capacity of the people to pay has improved.

By this bill you will increase unemployment, reduce consumption, cripple industry, and establish a precedent and tax system that will inevitably result in social injustice. By this measure you are sowing dragons' teeth, every one of which will take root, multiply a thousandfold, and produce a crop of evils that will haunt and plague you.

In a speech at Lexington, Ky., in 1829, Henry Clay said:

> Government is a trust and the officers of the Government are trustees, and both the trust and the trustees were created for the benefit of the people.

This bill is a betrayal of a sacred trust and is violative of the principle that the happiness and welfare of the masses is the foundation of morals and legislation. Vicious systems of taxation are generally fastened on the people in a period of hysteria or great emergency, and not infrequently under the much-abused and insincere plea of patriotism.

Plato, in his Republic, puts into the mouth of Socrates this language:

> Our object in constructing the state is to promote the happiness of the many rather than that of any one class.

But by this bill you do not promote the happiness of the many but the financial ease and security of the favorite few, who by every principle of right and justice should bear a heavier part of the burdens of government than is imposed on them by this measure.

Wendell Phillips in a Boston lecture said:

> Governments exist for the protection of the minority.

In opposing this measure I am trying to think of the unorganized millions of men and women who are about to be saddled with an undue and unreasonable proportion of tax burdens. Under the guise of patriotism, and swept along by an irresistible tide of hysteria, you are about to lay a billion-dollar tax debt on the backs of the American people at a time when millions have lost the earnings and accumulations of a lifetime and have been broken on the rock of insolvency. Seldom was a tax levy more indefensible. The recent offer of Government bonds conclusively demonstrated that billions of dollars were ready to be laid on Uncle Sam's counter in exchange for Government securities, with which our Budget can be easily balanced and the American people saved from the additional tax burdens carried by this bill. [Applause.]

[Here the gavel fell.]

Mr. LOZIER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. DYER. Mr. Chairman, reserving the right to object, I would like to ascertain from the gentleman from Georgia whether it is the intention to run along all day on this amendment or are we going to vote upon it?

Mr. CRISP. Mr. Chairman, it was my intention when the gentleman concluded to see if we could get an agreement to close debate.

Mr. DYER. Mr. Chairman, I regret it exceedingly, but I object, temporarily, until we see what we can do about getting a vote.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Kentucky. Mr. Chairman, the gentleman from Oregon says that the initial responsibility for a four-billion-dollar budget rests upon the Congress of the United States. I desire to challenge the statement because the initial responsibility of appropriations rests upon the executive heads. Appropriations by the Congress are made under a budget estimate. The Executive, speaking through the Director of the Budget, says what conforms with the financial policy of the administration and what does not conform with it. The present Budget is the Budget of the Executive Department of this Government.

Last summer and last fall, when conditions were not as they are to-day, gentlemen in different departments of this Government submitted to the Budget their idea of what the expenditures for the fiscal year 1933 should be. They were submitted to this Congress as the recommendation of the Executive, the President of the United States, a Budget totaling $4,113,000,000.

We have heard repeatedly the news coming from the White House that if the Chief Executive of this country were given the power to reorganize, to consolidate, and to eliminate useless functions in government that millions upon top of millions of dollars could be saved to the Treasury. This opportunity is now presented to the Chief Executive.

The Budget submitted, as I say, totals $4,113,000,000. Now, if you take a flat cut on that amount, it could be well argued that there are certain fixed statutory charges that should not be included therein. Consequently, I am going to advert to the total of the estimates of expenditures for the departments and independent agencies of this Government. This total is $2,431,303,350.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. VINSON of Kentucky. Yes.

Mr. JOHNSON of Washington. What is in the remaining part—payment on the public debt, payment of interest, and so forth?

Mr. VINSON of Kentucky. Payment on the public debt, payment of interest, and certain other fixed charges.

Mr. JOHNSON of Washington. And that is about $2,000,000,000.

Mr. VINSON of Kentucky. That is $1,800,000,000.

Mr. JOHNSON of Washington. And pensions?

Mr. VINSON of Kentucky. That is included in the remainder.

If you take a flat cut of 10 per cent on the total expenditures for the running expenses of the Government, you would have a saving of $243,000,000.

We are told by the representative of the Treasury that we can not go that far, that we can only save $125,000,000. The experts and the committee agreed to reduce expenditures and save $200,000,000.

At this date, there have been reported to this House five appropriation bills. In these bills there has been cut from the estimates of the Budget approximately $100,000,000, and to-day the supply bills that are in the Senate have been referred by the Senate to the Appropriations Committee in that body for an additional 10 per cent cut.

Now, are we serious about reducing expenditures? Are we serious about it? Is the Executive branch of this Government serious about it? If it is, it seems to me they could take this estimate of $243,000,000 and use it as a mandate. Appropriations should be cut and expenditures reduced.

It might be added at this point that Mr. BYRNS, chairman of the House Appropriations Committee, has stated that with the cooperation of the House and the executive branch of the Government—the spending branch—that this reduction of $243,000,000 from the Budget figures can be reached. It is important that the Budget be balanced. But the Budget should be an economic Budget. The country demands, and rightfully so, that the expenditures of Government must be decreased. It is a source of genuine regret to me that when the executive branch of our Government has a real opportunity to practice what they have long preached, they are not willing to assume their share of the responsibility.

For years it has been charged that Congress is extravagant. Since the creation of the Budget system—in 1922—Congress has appropriated less money each year than the Presidents Messrs. Harding, Coolidge, and Hoover have O. K'd. through the Budget estimate. In this 10-year period more than $500,000,000 has been cut from the Presidents' estimates.

No more wholesome thing could go to the country than that Congress was cutting appropriations, the executive departments saving money, all of which would mean a lessened burden upon the taxpayers of our Nation.

With your permission I will direct a few remarks to the general outline of the bill as it now stands.

On January 13, 1932, the Secretary of the Treasury, Mr. Mellon, and then Under Secretary Mr. Mills brought the information to the Ways and Means Committee that there was a deficit for the fiscal year 1931 of $903,000,000; that there would be a deficit of $2,100,000,000 plus for the fiscal year 1932—now it is admitted this deficit will be closer to $3,000,000,000 than the foregoing figure—and that there was a prospective deficit for 1933 of $1,417,000,000.

Passing the payment of the debt requirement, $497,000,000, we were told that the sum of $920,000,000 was necessary to balance the Budget.

The Treasury estimates of this date follow:

Summary of estimated additional revenue from Treasury revenue proposals

Tax on—	Estimated additional revenue fiscal year—	
	1932 [1]	1933
Corporation income	[2] $27,000,000	$60,000,000
Individual income	[2] 83,000,000	185,000,000
Estates (super tax)		[3] 11,000,000
Tobacco manufactures	20,000,000	58,000,000
Small cigarettes	25,000,000	51,000,000
Tobacco, smoking and chewing, and snuff	4,000,000	7,000,000
Conveyances of realty	6,000,000	15,000,000
Capital-stock sales or transfers	5,000,000	15,000,000
Automobiles and accessories	40,000,000	121,000,000
Passenger automobiles	27,000,000	90,000,000
Trucks	3,000,000	7,000,000
Accessories	10,000,000	24,000,000
Admissions	86,000,000	135,000,000
Radio and phonograph (equipment and accessories)	7,000,000	20,000,000
Telephone and telegraph messages	25,000,000	55,000,000
Checks and drafts	37,000,000	95,000,000
Total taxes	315,000,000	770,000,000
Increased postal revenue	75,000,000	150,000,000
Total additional revenue	[1] 390,000,000	920,000,000

[1] Estimates assume increased rates effective Jan. 1, 1932.
[2] Increase effective for collections during last half of fiscal year only.
[3] New rates, assumed effective Jan. 1, 1932, will not affect collections until Jan. 1, 1933.

On February 9, 1932, they revised their figures and stated that it would be necessary to raise for the fiscal year 1933 three hundred and twenty-one additional million dollars as a result of increased expenditures, or a deficit of $1,738,000,000, inclusive of debt requirement.

At the same time they submitted revised estimates for the items which were the subject of their estimates in the January appearance. These estimates were $134,000,000 less than they were in January, or the sum of $786,000,000.

Budget summary, fiscal year 1933—Estimates as submitted in Secretary's annual report, and revisions as of February 9, 1932

	November estimate	February estimate	Change
Present revenue structure:			
Total receipts	$2,696,000,000	$2,375,000,000	−$321,000,000
Total expenditures	4,113,000,000	4,113,000,000	
Deficit	1,417,000,000	1,738,000,000	+321,000,000
Less statutory debt retirements	497,000,000	497,000,000	
Indicated additional revenue requirements	920,000,000	1,241,000,000	+321,000,000
November revenue proposals:			
Corporation income (increase of one-half of 1 per cent in rate, elimination of exemption) [1]	60,000,000	52,000,000	−8,000,000
Individual income (basis 1924 act) [1]	185,000,000	124,000,000	−51,000,000
Estate (basis 1921 act) [2]	11,000,000	5,000,000	−6,000,000
Tobacco manufactures (increase one-sixth)	58,000,000	58,000,000	
Conveyances of realty (basis 1924 act)	15,000,000	10,000,000	−5,000,000
Capital-stock sales or transfers (increase 1 cent)	15,000,000	11,000,000	−4,000,000
Automobiles and accessories (basis 1924 act)	121,000,000	100,000,000	−21,000,000
Passenger autos (5 per cent)	90,000,000	73,000,000	17,000,000
Trucks (3 per cent)	7,000,000	6,000,000	1,000,000
Accessories (2½ per cent)	24,000,000	21,000,000	3,000,000
Admissions, 1 cent per 10 cents (10 cents exemption)	135,000,000	110,000,000	−25,000,000
Radio and phonograph (equipment and accessories) (5 per cent)	20,000,000	11,000,000	−9,000,000
Telephone and telegraph messages (basis 1921 act)	55,000,000	50,000,000	−5,000,000
Checks and drafts (2 cents each)	95,000,000	95,000,000	
Total taxes	770,000,000	636,000,000	−134,000,000
Increased postal revenue	150,000,000	150,000,000	
Total additional revenue	920,000,000	786,000,000	−134,000,000
Further revenue requirements for balanced Budget in fiscal year 1933 (exclusive of debt retirement)			455,000,000

[1] Increase assumed effective on 1931 incomes.
[2] Increase assumed effective Mar. 1, 1932, will not affect collections until Mar. 1, 1933

Their revised figures showed the deficit for 1933 to be $1,738,000,000. Passing up the payment of the debt requirement, the amount necessary to raise was $1,241,000,000, or $321,000,000 more than the January figures.

Thereafter the Treasury finally submitted their recommendations for this revised program. Their additional recommendations follow:

1. An additional increase of one-half of 1 per cent in the corporation income tax rate, which should furnish an additional $17,000,000.
2. Further modification in the surtax rates applicable to individual incomes, as indicated in Table B, hereto attached, which should yield $50,000,000.
3. A tax of 1 cent per gallon on gasoline, estimated to yield $165,000,000.
4. A 7 per cent tax on domestic consumption of electricity and of manufactured and natural gas, estimated to yield $94,000,000.
5. An additional cent on capital-stock sales and transfers, making the total tax 4 cents, estimated to yield an additional $11,000,000.

Altogether these supplementary proposals would yield about $337,000,000.

It will be seen that the Treasury adhered to the idea that the retroactive features should prevail and that these taxes should be collected from the American public for the year 1931, even though no warning of such had been given.

The Democratic members of the Ways and Means Committee determined that the taxes should not be retroactive. After they reached that decision our Republican friends on the committee took similar action, and that burden was saved the Federal taxpayers.

Hearings for weeks and weeks followed, and finally the committee reported to the House a tax bill, H. R. 10236, with the now celebrated manufacturers' excise tax incorporated in it. The House rejected this title, which had carried $595,000,000, in consequence of which it was necessary to produce a substitute bill.

The acting chairman of the committee, the Hon. CHARLES R. CRISP, than whom there is no more lovable, capable, fearless leader, appointed a subcommittee of five to prepare and submit the substitute program. That splendid gentleman of keen intellect and high ability from Arkansas [Mr. RAGON] was appointed chairman of the subcommittee, with Mr. CANFIELD of Indiana, and myself constituting the majority members, and the distinguished gentleman from Oregon [Mr. HAWLEY], former chairman of the committee, and Mr. TREADWAY of Massachusetts comprising the minority members. It would be impossible to detail the efforts of the committee, the long hours both day and night, that were utilized in this effort. The committee, composed of 25 members, indorsed without change the recommendations of the subcommittee to it, and this program was accepted by the House in toto and without amendment.

It should be stated that the subcommittee had the advantage of having witnessed the bitter and acrimonious feeling engendered in the sales-tax fight, and that it made particular effort to ascertain and gage the temper of the House on various lines of taxation.

We will break down the bill in some detail, giving the estimates of yield as agreed upon by the subcommittee and the full committee with the experts which were available to us and, likewise, the estimates of Mr. A. H. Parker, chief of staff of the Committee on Joint Internal Revenue Taxation, than whom in his line there is no superior known to the committee or the House. Mr. Parker has been engaged in this line of endeavor for many, many years and is agreed to be an outstanding expert in his line.

We will keep in mind that we are to raise $1,241,000,000 to balance the Budget. Under the committee estimates, the bill will raise $1,280,000,000, or $39,000,000 in excess of the Budget requirements. Under the Parker estimates, the bill will produce $1,331,000,000, or $90,000,000 in excess of the Budget requirements. Under the Treasury estimate, the bill would require $72,000,000 to reach the budgetary requirement. The chief difference—the only substantial difference—between the committee estimates and the Treasury estimates is the amount of $75,000,000 in the designated "reduced expenditures" line. We would require this further sum in reduced appropriations and expenditures over that which is submitted by the Treasury.

The increased revenues may be set forth as follows:

Budget program—Estimated yield, fiscal year 1933

	Treasury revised estimates	Committee revised estimates	Parker's revised estimates
	Millions of dollars	*Millions of dollars*	*Millions of dollars*
Individual income tax:			
H. R. 10236	112	112	130
Amendment increasing highest normal rate	3	3	8
Amendment increasing surtax rate	17	17	21
Additional surtax brackets, beginning $6,000	7	7	7
Corporation income tax:			
H. R. 10236	21	21	22
Reduction in exemption from $2,000 to $1,000	6	6	6
Further increase in rate, 13 to 13½ per cent	8.4	8.4	8
Additional increase in rate from 13 to 15 per cent for consolidated returns	8	8	15
Administrative changes:			
H. R. 10236	100	100	100
Repeal net loss provisions	7	15	20
Dividends (sec. 115-b)	6	6	2
Dividends (sec. 115-d)	2	2	2
Revision of depletion allowance	1	3	6
Estate tax (H. R. 10236, as amended)	20	20	20
Gift tax (H. R. 10236, as amended)	5	10	10
Miscellaneous taxes	468	488	490.5
Increased postage, etc. (revised estimate Post Office Department)	165.5	165.5	165.5
Reduced expenditures	125	200	200
Taxing dividend amendment	88	88	88
Total	1,169	1,279.9	1331
Required to balance Budget	1,241	1,241	1241
	−72	+38.9	+90

Thus it may be seen that the required amount is found; the Budget is balanced so far as the House is concerned; the credit of the Nation may be secured; and the Democratic Party has demonstrated that it has kept the faith. It is imperative that no one should misunderstand the bill which will be known as the "Revenue Act of 1932." To date it is a nonpartisan, bipartisan product. In the subcommittee, the full committee, and on the floor, the one

thought has been to put our country upon a cash basis by the end of the fiscal year 1933, to preserve its credit and thereby further prevent the crumbling of the values of the securities and properties of our people. It is a most unique chapter in the history of American politics. It is remarkable that in a presidential year such freedom from political bias and prejudice could be manifested.

It has been suggested that the last amendment offered injected politics into the bill. If that be true, it came from the administration rather than the Democratic members of the committee. It was the earnest conclusion of the majority members of the subcommittee and the majority members of the Ways and Means Committee that, prior to the adoption of this dividend-taxing amendment, the Budget had actually been balanced.

With the $75,000,000 added to the item of reduction in expenditures and certain other adjustments made in the estimate of the Treasury the balance was reached, according to the views of the subcommittee. According to Mr. Parker's estimates the required amount had been attained. But the Secretary of the Treasury insisted that the departments might not save the required amount necessary to balance this Budget, and to avoid the charge that the required amount had not been reached the dividend-taxing amendment was suggested and will soon, I trust, be adopted by the Committee of the Whole. The only alternative to this dividend-taxing amendment known to the subcommittee was a tax on gasoline or a tax on checks. They did not favor the latter two and did not believe that such amendments would be written into this bill by the House. It had no alternative except to propose the amendment in question.

It is hoped that when the bill gets into the House that the Swing amendment, increasing the surtaxes to war-time limits, may be stricken from the bill, and in this wise the burden of the tax-dividend amendment will be to some extent ameliorated. And, it might be suggested that this amendment as in most of the excise-tax features, as well as the postage increase, expires July 1, 1934. [Applause.]

[Here the gavel fell.]

Mr. LaGUARDIA. Mr. Chairman, this amendment brings to our attention a most interesting situation in this country. The Ways and Means Committee in its efforts to balance the Budget has been compelled to bring in this additional tax and this new source of revenue. It is indeed a most drastic tax. Why? Because Congress has been threatened that unless the Budget is balanced a panic will follow, and this threat has not only been made openly but it has repeatedly been made.

Only yesterday reference was made to the market conditions and what the market would do unless Congress passed a revenue bill to the liking of the stock exchange. Now, these gentlemen who have been threatening Congress with a panic unless the Budget is balanced are getting a balanced Budget and a taste of their own medicine. It is all right according to certain patriotic tax dodgers to balance the Budget if Congress taxes food, if we tax necessaries of life, so that the great masses of workers would pay the bulk of the deficit, but the minute we tax large incomes we do not hear so much about balancing the Budget. If we tax food and necessaries of life, if we stand for a sales tax putting a $600,000,000 tax on the backs of the working people, then we are great statesmen and patriots, but when we insist on an American tax plan placing the burden on those best able to pay, then we become wild radicals.

I want to call the attention of the House to the attitude of a great American who was confronted with the very same threats of panic, who did not succumb like so many of the Members of the House are succumbing to-day, who refused to submit and be scared by such threats. Let me read to you a warning served by Woodrow Wilson when he was threatened with panic. [Applause.] On the 17th of December, 1912, speaking in New York City just before taking office, Wall Street was writing the legislative program for the country, and Wall Street was threatening him as it is threatening us to-day with panic if their legislation would not be approved by Congress and the new administration—threatened a panic if the legislative program of the incoming administration, just approved and ratified by the American people a little over a month previously at a national election, would be translated in legislation.

This is what Woodrow Wilson said:

> I know that certain men make artificial panics in order to impress the country that something about to happen is going to happen wrongly. I don't fear such men. I don't believe any man alive dares to start the machinery of such a panic. But if any man does, I promise him I will build a gibbet for him as high as Haman.

That is the attitude of a red-blooded, two-fisted, he-American. I wish some of you would go to the White House and give our President that kind of backing—so that these continued and repeated threats of panics would cease. [Applause.]

I am sick and tired of the threat of a panic. Every time a proposition is made here, the threat is made that if we do not comply there will be a panic. Every time an amendment is proposed which certain powerful interests do not like, the threat is a panic. There is the complete answer as vivid and necessary as it was in 1912. This amendment has been brought in to balance the Budget, and we are going to balance the Budget, and this amendment will do it. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, it is quite easy to quote people back in 1912, when we had a national debt of only $1,000,000,000, and when we had no such economic situation in the country as we have to-day.

It is also perfectly idle to refer to conditions in 1912, before the war, and in 1917, 1918, and 1919, during the war, and compare them with conditions that exist to-day.

The gentleman from New York [Mr. LaGUARDIA] said that there is no danger of a panic and went on to say that because he succeeded, with the assistance of others, in defeating a fair sales tax, he is going to give "these gentlemen" a balanced Budget in the way they will not like.

Whom is the gentleman from New York threatening, and to whom are his remarks directed? Certainly not to men of wealth in this country; certainly not to the affluent, but to the workingman and the poor man, for whom we are trying to get employment and seeking economic recovery.

This amendment adds 7 per cent in the top normal bracket, and the Swing amendment adds 65 per cent in the highest surtax brackets, to the 13½ per cent income tax already in the bill upon corporations.

I was very much interested to find that on March 19 the gentleman from Wisconsin [Mr. AMLIE] printed an extension of remarks in which he pleaded for a 10 per cent credit to be given upon the national income tax for State income taxes, and he inserted in his remarks a list of the taxes collected in States, and among them is Wisconsin, with a tax of 7 per cent. So the gentleman from Wisconsin would have an additional 7 per cent tax, under his State law, upon the total of 85½ per cent Federal income taxes imposed in the highest brackets, and there will be no income left at all. The gentleman says:

> In view of the fact that the Federal income taxes will be increased from a maximum of 26 to a possible maximum of 72 per cent under the Swing amendment, it becomes clear that the State income taxes will become even more onerous than ever.

That is not the fault of the Committee on Ways and Means or of the Congress. The gentleman from Wisconsin is himself helping to make the State income tax onerous by supporting the Swing amendment. The same plea is made by other gentlemen who voted for the LaGuardia amendment and raised the normal tax in the high bracket to 7 per cent. Why, whenever the Federal Government seeks to get revenue for its purposes, should the claim be made that something must be done to relieve the States? Why not legislate for the Federal Government and secure the necessary revenues for it? The gentleman from Arkansas [Mr. RAGON] a few moments ago referred to my return from my home. Unfortunately, I had to go back home for a few days on some personal matters.

I say to you that the people at home are watching this Congress more closely than they have ever watched any Congress in our history. They know what is being done, and

the Ways and Means Committee this morning expressed itself in one respect that is going to be heard throughout the country. I made an address here on the 15th of March. I refer to that now. I then urged that we begin to chop off some of these departments that we can get along without. Let us go to the Department of Agriculture, let us go to the Department of Commerce, to the Department of the Interior, to the independent establishments and see what we can get along without. [Applause.] Let us remove some of those services which we no longer need and which we certainly ought to be able to dispense with during this period of depression. I do not mean to say that we can entirely balance the Budget in that way. Many people think this tax bill is being passed because we have increased expenditures of the Government. We have not. The truth is that the income taxes have failed, and we are finding substitutes for the income taxes. Let us reduce expenditures and pass a sane bill by returning to the general manufacturers' sales tax.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LUCE. Mr. Chairman, addressing myself entirely to this amendment, I speak for perhaps 100,000 corporations in this country that are in effect incorporated partnerships. To do that I beg your forgiveness if I speak of my own affairs. The adoption of this amendment will have little personal result, because the corporation of which I am to speak is likely this year for the first time in 44 years to make no profit. This corporation, after running 14 years as a partnership, became incorporated for the usual reasons of convenience. I may say that this business has furnished my bread and butter, indeed the greater part of my income, for more than two score years. So I am talking from personal experience. It was incorporated in 1902 and since then has been one of the hundred thousand or so of small corporations which, I repeat, are incorporated partnerships and which, for the privilege of operating as corporations, have willingly paid the extra taxes that have resulted. Incorporation of small business has taken the place of partnership to a most remarkable degree in the last half century. It has proved to be a social advantage, and anything discouraging it is to be deplored. We have only four stockholders in the company and might at once return to the partnership form. The proposed tax added to our other tax burdens will in my case figure out about this way. We are now going to pay 13½ per cent corporation tax. The 7 per cent added by this amendment will, in effect, make it 20½ per cent. We pay a corporation tax in Massachusetts, and we pay a tax in New York. In addition, we pay individual income taxes on salaries.

Putting it all together, I reckon that from one-quarter to one-third of all of the money that we shall make this year, if we make any, will be turned over to the Government in the form of taxes, largely as a payment for the privilege of being incorporated. It has brought us to the point—and I am speaking, I believe, for 100,000 of these institutions—where we must decide whether we can afford to go on paying from one-quarter to one-third of all of our income for the privilege of being incorporated. This measure simply increases the reason why thousands of corporations will be tempted, perhaps compelled, to go back to the partnership form, and thus we will kill one goose that laid a golden egg for the Government. [Applause.]

Mr. JOHNSON of South Dakota. Mr. Chairman, yesterday I served notice that I would request a separate vote upon the Doughton amendment, the sales tax amendment, because I think at this time the record of opposition ought to be made clear and there ought to be a record vote. To my mind, it is an important decision that must be made by this Congress. I can well recall in the last tax bill when the distinguished Democratic leader of to-day and myself proposed all of these same amendments on large incomes that have been incorporated in this bill, and we were unsuccessful in securing their adoption at a time when there were incomes in the United States, and when great profits could have been taxed. Yet, because of a coalition of both Democrats and Republicans in the Congress at that time, the distinguished floor leader, Mr. RAINEY, and myself were unsuccessful in securing what at that time would have been fair taxation. We support the sales tax now because this is an emergency. I am one of those who do not believe in the sales tax if there are other methods that could be used. As I say, this is a governmental emergency, and I think we have the choice of adopting a fair, equitable manufacturers' excise tax, or having an unfair, excessive, and discriminatory tax on certain individuals and industries. It is absurd to me that you should pick out candy and matches, that you should pick out furs and refrigerators, that you should pick out the actual necessities of life for young people who are starting in their married life, or that you should seek to get money from a little child that wants a bottle of pop or a stick of candy when the burden of taxation could be equally distributed among all industries and all citizens.

I think the record ought to be made clear in this House and the country. I think that record will be this, that those who are opposed to striking out the Doughton amendment and vote "aye" on the roll call will be against the sales tax and therefore in favor of all these discriminatory taxes. I think that fairly, honestly, and justly many men who voted for the Doughton amendment could change their votes when this comes up to-day, because then they had the choice of either supporting the sales tax or supporting nothing. To-day, when this vote comes up—the record vote—they have a chance to express themselves as between a fair and equitable manufacturers' excise tax or these discriminatory taxes on postage, grain-exchange transactions, drug stores, automobiles, candy, refrigerators, and all of the other things which have been written into this bill. There is not any reason why men who supported the Doughton amendment on a nonrecord vote could not to-day reverse themselves and say they were in favor of levying taxes everywhere alike instead of selecting a few necessities of life and imposing discriminatory taxes upon them.

I will never get another chance to express myself on this bill, because in 30 minutes from now we will have a vote on it. So I want to make it clear that when this roll call is had it will be shown that those who vote for the Doughton amendment will favor discriminatory taxes.

This is said in all charity. I have learned, after several years of service in this House, that men vote honestly, but I think it is time some of them realize that on this record vote they will be voting as between two different systems of taxation. Before they were voting for the Doughton amendment and against nothing.

If this House will sustain those of us who are trying to strike out the Doughton amendment, we will have an equitable tax, otherwise we will have these discriminatory taxes; and the responsibility will not be upon those of us who vote to eliminate the Doughton amendment. [Applause.]

As vicious, however, as I think this legislation, I am, in order that the Budget be balanced and the credit of the United States maintained, forced to vote for it on final passage. It is a legislative outrage that must be accepted.

Some remarkable legislative gymnastics will probably be observed on the final roll call on the final passage of the bill in that those who voted against the sales tax and for all these iniquitous taxes when there was no record vote will vote against the bill. They will have made the law and then vote against it. They will have unfairly balanced the Budget and then vote against balancing it. They will actually be responsible for the law and then shift the responsibility to us who are willing to accept governmental responsibility.

[Here the gavel fell.]

The CHAIRMAN. All time has expired under the agreement. The question is on the substitute offered by the gentleman from Massachusetts for the committee amendment proposed by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 92, noes 120.

So the substitute for the committee amendment was rejected.

The CHAIRMAN. The question recurs upon the committee amendment.

The question was taken; and on a division (demanded by Mr. TREADWAY) there were—ayes 133, noes 90.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. CRISP and Mr. TREADWAY.

The committee again divided; and the tellers reported that there were—ayes 180, noes 105.

So the committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 227, line 5, after "the," insert "sum of (A) the," and in line 6, after "plus," insert "(B),"

The committee amendment was agreed to.

Mr. CRISP. Mr. Chairman, I offer the following committee amendment. This is the last committee amendment.

The CHAIRMAN. The gentleman from Georgia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 116, line 16, insert the following new proviso: "*Provided further*, That the provisions of this subsection with respect to the deduction and withholding in the case of dividends shall take effect on and after the thirtieth day after the enactment of this act, and shall be applicable without regard to the gross income of the corporation paying the dividend."

Mr. CRISP. Mr. Chairman, that is simply to make effective the last amendment adopted, with the administrative feature in it.

The committee amendment was agreed to.

Mr. RAINEY. Mr. Chairman, I move to strike out the last word. Mr. Chairman, ladies and gentlemen of the committee, this is the last amendment to this bill. The work of the subcommittee which has prepared all of these amendments, accounting for all of these hundreds of millions of dollars, is ended. At this stage in the development of this bill—although we have one other section to read yet—I think I ought to call attention to the work of the subcommittee.

The subcommittee preparing all of these amendments, which are now proposed as a substitute for the manufacturers' sales tax which the committee heretofore voted out of the bill, is composed of the gentleman from Arkansas [Mr. RAGON], the gentleman from Kentucky [Mr. VINSON], the gentleman from Indiana [Mr. CANFIELD], the gentleman from Oregon [Mr. HAWLEY], and the gentleman from Massachusetts [Mr. TREADWAY]. The gentleman from Arkansas [Mr. RAGON] is the chairman of that subcommittee.

After the Committee of the Whole House on the state of the Union voted out the manufacturers' sales tax, which all the members of the Ways and Means Committee, except one, had recommended, and which all of the members of this subcommittee had recommended to this committee, it became necessary to redraft this part of this bill.

Every member of this subcommittee was opposed to a manufacturers' sales tax when we commenced these hearings. Every member of the Ways and Means Committee, without any exception, was opposed to the manufacturers' sales tax when we commenced these hearings, but it appealed to them as the easiest method and the least objectionable method of meeting this enormous Budget deficit.

After its defeat this subcommittee was appointed and the members of it have been working day and night—on the floor when the Congress was in session and working with the experts from the departments after the adjournment of Congress. They finally submitted this program of substitute taxes to the full committee and the full committee did the unprecedented thing of approving, after debate and after due consideration, without the dotting of an "i" or the crossing of a "t," the recommendations made by the subcommittee, and now every one of these taxes proposed by this subcommittee and then by the entire committee has been voted into the bill by the Committee of the Whole House on the state of the Union without a change, an unprecedented performance so far as I know in my experience covering nearly 30 years of time in the House of Representatives.

So I want to take this method of commending the work of this subcommittee and calling the attention of the House to it.

The Budget is balanced. Whether it is going to be balanced by the manufacturers' sales tax—and that question will come up on a demand in the House for a separate vote—or whether it is going to be balanced by these taxes which you have been considering now with great patience for so long, will soon be determined by the House itself. While we differ as to the character of taxes we should impose, the matter of paramount importance is the balancing of the Budget, and we are going to adopt one or the other of these methods in balancing the Budget, and that is the important thing to do in the present crisis in the history of our country.

I want to congratulate the Members of the House on both sides of the center aisle for the patience with which they have considered these important propositions. Without a particle of discord, without the slightest attempt at partisan discussion upon this vital question, these debates have proceeded through the long days the bill has been under consideration. This is a tribute to the patriotism of the Members of this House on both sides—this fact is a tribute to their patriotism that without partisan rancor and without the breaking of friendships we have succeeded in placing before the full membership of the House this important legislation. [Applause.]

Mr. CROWTHER. Mr. Chairman, I agree in large part with what the leader of the majority [Mr. RAINEY] has said; but, of course, it has not been all smooth sailing during the writing of this bill, either in the committee or in the House. The political lines have been pretty sharply drawn on several occasions, and I feel that the only justification for voting for the bill we have at the present time is the absolute necessity of balancing the Budget.

The minority has cooperated to the fullest extent, in a spirit of nonpartisanship, and we helped to present to this House a good bill, the heart of which was the manufacturers' excise tax; but as a result, in my estimation largely of prejudice and hysterical frenzy, this was stricken from the bill. At that moment it seemed to me the logical thing to do was to have the bill recommitted to the Ways and Means Committee, as a matter of orderly procedure, and allowed us to go back and carefully consider some new plan. This was not done, however.

I agree with the gentleman that we have passed amendment after amendment here without the dotting of an "i" or the crossing of a "t," but why? We had agreed to the subject matter in committee, and amendments were proposed here that not even the members of the committee ever had an opportunity to study. We attempted and have, up to this moment, written a revenue bill on the floor of this House, and I do not wonder that the gentleman from Illinois thinks that this is a rather unusual and a marvelous accomplishment. But how good a bill and how fair a bill it is is a matter for further consideration by the people of the country.

The small corporations in this bill have been penalized by the last amendment, in the midst of their greatest stress and difficulty, and I have no doubt this will cause a great exodus from incorporation to partnership existence in their companies.

The railroads have been penalized. We have been attempting to help the railroads through the Reconstruction Finance Corporation, and yet we take something away from them with the other hand in the revenue bill. They are compelled, perforce, to file a consolidated return, and we penalize them in this bill for doing so. We give them something with the right hand and take it away with the left.

If the Republicans were in the majority in this House and they presented a bill of this kind, my distinguished friend,

the distinguished Speaker of the House, the gentleman from Texas [Mr. GARNER] would have taken this floor, and in his own forceful, inimitable way would have torn the bill to shreds and held us up to the ridicule of the country. [Laughter and applause.] He made a wonderful speech the other day on the floor of the House; but, in my estimation, he made it just two days too late. That speech should have been made to the House just before we voted on the sales tax and before you allowed prejudice to warp your judgment. [Applause.]

The singling out of and taxing a few individual industries in this bill is absolutely an unfair method. It might have been justifiable in war times, but it has no place in a program of taxation in peace times. It is absolutely an unfair method, and I hope the membership of this House will give the matter calm consideration and will lay aside their prejudice and exercise their very best judgment when we have an opportunity, which I hope we shall have, to reconsider the question of restoring the sales tax and abolishing these special taxes.

Let me say to you, my friends, I do not think the people of the country are impressed favorably by the message that has gone out from this House through some of the Members here whose slogan has been "Soak the rich." You are evidencing faith in the saying that you can fool some of the people all the time, but remember that you can not fool all the people all the time. [Applause.]

[Here the gavel fell.]

Mr. BUSBY. Mr. Chairman, I hesitate to take even a little time at this stage of the proceedings. And while we are coming to the end of the tax bill, we are not coming to the end of the trouble that is facing the country. We have had for the last several days an eye singled to this one purpose—to get enough revenue from somewhere in this country to balance the expenditures of the Government.

This bill is made necessary, my colleagues, by reason of the fact that the resources or the springs from which the Government gets its revenue have dried up. The springs from which the individuals of this country secure their revenue have also dried up. I take it this is a matter of prime importance to every Member of the Congress. I am sure that each one of you is appealed to by the citizens of your district and by the constituents who supported you.

May I read from a letter of March 26 from one of the professors of economics at Cornell University, Dr. F. A. Pearson, wherein he says that in 1929 the national wealth was computed at $362,000,000,000 and that the debts of this country, private and public, amounted to $203,000,000,000, or 56 per cent of the national wealth?

> Commodities are the basis of most credit transactions, whether it be in the form of products being produced or marketed as wheat, cotton, etc., or in the process of manufacture as locomotives, radio, auto, or in use as fences, tractors, houses. The price of commodities have declined 30 per cent; and if it is assumed that property values have declined in approximately the same proportion, the 1929 debts would be over 80 per cent of the value of all property in the United States. If deflation continues, there will soon be an effective agitation for a moratorium on debts.

Since 1929, as we see, the national wealth has depreciated 30 per cent and the dollar will now buy $1.50 worth of commodities. In other words, the debts have increased one and one-half times.

Now, I read from a letter, dated March 29, of G. P. Warren, another professor at Cornell University:

> Many persons seem to feel that if we can only reduce wages for public and private employees everything will be all right. They forget that houses, real estate, and other property already on hand are worth no more than the cost to reproduce them. The cheaper we can reproduce property the less it is worth, but all the time the debts stay where they were. So that every time we lower wages we increase the bankruptcies. The great problem now is debts. It will take years to liquidate them if the destructive process is to continue.

The great problem now is debts, and I quote this letter to call your attention to the way in which they oppress us at this time.

Those $203,000,000,000 of debts have grown immensely, when we consider them in relation to commodity values, and with the shrinkage of the value of property the debts remain the same in dollars but are much harder to pay. You may balance the Budget this year, but commodity prices have been shrinking about eight-tenths of 1 per cent a week. Commodity prices are going down hill very rapidly, and unless the people are able to produce commodities on the farm and in the factory, so they will have something whereby they can raise money, we will have to meet a Budget deficit again next year. We will have to pass another tax bill, and increase taxes again to raise the necessary national income because of the deficit that is going to grow, because of the monetary and credit system we are permitting to remain in force.

Mr. JOHNSON of Washington. In the figures the gentleman has given, do they refer to the wealth and debts, national and private?

Mr. BUSBY. Yes. I have, and I suppose you have, letters from all over the country in regard to this deplorable situation. I read from a letter of a Texas banker:

> I am not financier enough to fully understand all these things and have not had the time or opportunity to investigate them as you have had. But any 10-year-old boy in the streets can tell you that until the products of the farmer and ranchman rise in value we will have no relief. Prices of commodities must come up or this great country of ours is headed for destruction. There is no way to prevent this. The element of time it will take is immaterial. It may be six months, it may be a year, but this makes no difference in the final result.

In closing his letter he says:

> In the name of and for the sake of humanity, do something, for we are sunk everlastingly if you do not. I want to say in conclusion that I am not an alarmist in any sense of the word and have as much nerve and gall as anyone, but I see the handwriting on the wall.

Mr. Chairman, beyond question it is necessary for Congress to enact legislation to raise revenue. If we are going to make appropriations, we must of necessity provide the money out of which these appropriations are to be paid. For many days we considered from every possible angle the revenue bill before the House, and, as the discussion went along, I was greatly impressed with the fact that no mention was made of dealing fundamentally with the subject of restoring the buying power of the people, or of giving the commodities produced by them, which must be sold to raise the money with which to meet these taxes and their other obligations, a place or relation in the valuation of our currency. It is a fine thing to plan revenue measures and lay down rules of law whereby money must be taken from the taxpayers with which to meet the expenditures of the Government; but, whatever plan is adopted, it must ultimately fail if purchasing power is not restored again to the people. It will be impossible to meet the taxes imposed regardless of how they are laid unless things produced on the farm and by labor can again be sold for money.

Seven weeks ago commodity prices stood at 66.3 per cent of what they were in 1926. Since that time the shrinkage of commodity values has dropped at the terrific rate of almost 1 per cent a week until now the commodity index price stands at 60. If the national wealth is shrinking at the same rate at which commodity prices are falling, the depreciation amounts to $3,000,000,000 a week, or $400,000,000 a day. We are told by those in authority that the unemployed of the country, among those classed only as laborers, has reached 8,300,000 persons; and that the number of clerical and other similar workers also equal perhaps as great a number of unemployed. These, with their dependents, amount to one-fifth of the population of the country who are separated from any means of gaining a livelihood, and, in a great many instances, from the ownership of every kind of tangible property. Each week the newspapers of the country are carrying full-page advertisements of homes that are to be sold under the hammer to satisfy mortgages. When these homes are sold additional American citizens are separated from their last vestige of property to become recruits to the 8,300,000 laborers and the other millions of persons now out of employment.

We were informed last week by witnesses before the House Banking and Currency Committee that the insurance com-

panies which have loaned money on valuable farm lands in the Mississippi Valley and the great Middle West have become in a large measure the owners of that section of the country through mortgage foreclosures. I am reliably informed that 40 per cent of the lands mortgaged to the Federal land banks are either delinquent for annual payments due or for taxes. In many cases the percentage is much above that. It is freely predicted that if all the lands on which there are mortgages in this country were sold the proceeds would nothing like cover the obligations against them. The resources of the 240,000 miles of railroad in this country are shrinking up at a terrible rate. The largest steel corporation made a miserable showing for last year, with shrinkage in resources of more than $100,000,000. The entire steel industry is operating at less than 25 per cent its normal capacity. The automobile industry is doing no better, and so it is with every character of business. This is not an attractive picture, but I believe it is one we should get clearly in mind.

National income, or the amount of earnings of all the people annually, has shrunk from a high of $90,000,000,000 three years ago until it is no more than $54,000,000,000 at the present time. That is a clear loss of $36,000,000,000 a year, $3,000,000,000 a month, as compared with three years ago. Equal to $750,000,000 a week. This loss has gone forever and can not "come back." It is represented by those who are denied the opportunity to labor and convert that labor into money so they may become consumers. It is represented by the thousands in the bread lines and those being fed at the hands of charity. It is represented by the destitute and half-starving people on the farms who can not solve the problem that is intrusted to you and me, the President, and the Congress.

For the past several days I have taken particular notice of the county newspapers. It is the annual tax-sale time in my State. I look over the pages of those papers and I see column after column of lands for sale for taxes. Literally hundreds and thousands of farms and homes that the good people in my district have toiled long hours, year in and year out, to pay for are being sold for the taxes assessed against those homes, because, under our monetary system, which the Congress alone has power to provide for them, they are unable to sell their products and raise the funds with which to meet those taxes. The situation is heartrending when we visualize the people who have made this country the great country it is being driven from their homes by the authority of law because of the iniquitous money and credit arrangements maintained by Congress.

Banks have failed as never before; long-established business houses have been driven into bankruptcy; railroads that have unbroken dividend-paying records for half a century are threatened with receivership. The situation is serious. A deficit of $2,000,000,000 faces the National Treasury. The Ways and Means Committee of the House has struggled with this problem and has considered many plans for meeting the deficit. It agreed upon one—the sales tax—which would have placed the burden heavily upon the masses of the people regardless of ability to pay. It is a tax upon their necessity to spend. Congress was in no humor to accept any such scheme, and by its vote told the country so. Not long ago business was berating Congress and demanding that the Government be kept out of business. In the meantime business went on a rampage, ran away with the national financial and credit machinery, and wrecked it. Now business is crying out to Congress, "Save us! Save us!"

During the consideration of this tax measure the majority leader, Mr. RAINEY, said on the floor of the House as he appealed for support of the sales tax:

> But let me tell you, gentlemen, during this Congress we have made a longer step in the direction of communism than any other country in this world ever made except Russia.

I do not see the situation as does the gentleman from Illinois. I repeat again what I said in a speech in the House February 15 last:

> The greatest enemy the capitalistic system faces to-day is the effort of the metropolitan banking fraternity and the venders of international credits to saddle on the backs of the masses the burdens created by gold. Russia is trying an experiment in government antagonistic to the capitalistic system. Our Government seems to have reached the place where it has no effective plan to offer whereby the people may be made secure in their peace, happiness, and property holdings.

The natural resources of our country are great. Our people are of a high intelligence; they are skilled in every line of endeavor; they are expert in every field of action. Some five years ago one department of this Government announced that the American people had reached the highest plane of living that any people in the world had ever attained. What is the trouble to-day? It is not the aftermath of the World War, as some say who have no better excuse to offer because of lack of information. It is not any of the one hundred and one other reasons usually assigned and so frequently heard in Congress and about the streets. It is the unworkable money and credit system to which the owners of commodities and properties are subjected. It is that system which is without reason in its foundation, or efficiency in application. The more it is put to use, as illustrated in each war period, or in each peace time of great financial activity, the more it shows it is not dependable. When it breaks down and ceases to function to the great detriment and suffering of the masses, the more we excuse it and lay the blame for its weakness on imaginary causes.

Arthur Brisbane recently said, "No one understands money." The reason no one understands our present monetary set-up is because it is not founded on common sense or general honesty. Our monetary system is a patched-up, unworkable, and illogical arrangement which has come down to us unchanged in principle since the days of the ancients. If it were based on a sound, logical premise, reasonable men could understand it. It would be no more mysterious than a system of bookkeeping or accountancy or any other logical science. No one can make even a superficial study of the subject without coming to that conclusion. It is one of those fallacies to which the world has been committed and which it has not had the temerity to boldly oppose and overthrow for the good of mankind.

FAMOUS FALLACIES SPONSORED BY THE WORLD

Some great fallacies have been sponsored by the world. They are always protected by militant prejudices supporting them. There was a time when it was believed that surgeons should use a red-hot knife when performing a surgical operation; that bleeding wounds should be dressed in boiling oils; that to stop hemorrhage the wound should be seared with a red-hot iron. When Pare, the great French surgeon, as late as 1545 applied improved methods in surgery and employed the ligature in tying arteries to stop hemorrhage instead of using hot irons to sear, his practice was denounced by his surgical brethren as dangerous, unprofessional, and impracticable. The older surgeons banded themselves together to resist the adoption of his methods. We are told "they reproached him for want of education, more especially for his ignorance of Latin and Greek; they assailed him with quotations from ancient writers which he was unable to verify or refute." The answer to his assailants was that he had given the world a truth that must succeed through the ages and make easier the lot of afflicted and suffering humanity.

There was a time when the most learned physicians had no more conception of the circulation of the blood through the human body than we to-day have of the present monetary system of this country and the world. As late as 1628 Doctor Harvey, after having repeated and verified again and again proof that the blood circulated through the body, as we know to-day it does, announced his views to the medical world. We are told that his proofs "were received with ridicule as the utterance of a crack-brained impostor." He did not make a single convert for a time and gained nothing but contumely and abuse. He called in question the revered authority of the ancients, and it was even averred that his views were calculated to subvert the authority of the Scriptures and undermine the very foundations of morality and religion. Yet the truth he announced was accepted, and it is known and understood by almost every school child.

It was believed that smallpox was a natural malady with which the human race should be scourged at irregular intervals; that pestilence, destruction, and death must necessarily, from time to time, be scattered throughout the earth by this devastating plague. When Doctor Jenner, as late as 1798, announced his discovery of vaccination as a preventative of smallpox he was at first met with indifference, then active hostility. Not a single medical man could be induced to make a trial of it, and vaccination was denounced from the pulpit as "diabolical." Since that time vaccination has been the means whereby this dread malady has been almost driven from the face of the earth.

Not alone in the medical field has the world prejudice worked to the detriment of the human race; it is found wherever an accepted "institution" is sought to be displaced or changed.

Astronomy has been taught from the days of the ancients. Ptolemy, one of our great astronomers who flourished at Alexandria about the year 150 of our era, announced the doctrines that the earth is a globe; that this globe is at rest in the center of the heaven; that the heaven is spherical in form; that the earth, by comparison with the heaven, is but a point and that the heaven makes a revolution around the earth every day. These views were accepted until the days of Copernicus in the early part of the sixteenth century. The fallacy of these beliefs is now known to everyone, but the people of the world at that time devoutly believed that the earth was stationary and that the heaven, with all its planets, stars, and suns, made a revolution around the earth every 24 hours just as the blind worshipers of the money system of the world to-day believe that the gold dollar, with a fixed quantity of gold, is the stationary center of all values and that wealth of every kind and nature continually revolves about the gold. Copernicus gave the world the true theory concerning astronomy and how the sun and not the earth, was the center of our system and point about which we revolve. For a hundred years after the death of Copernicus his system was not generally accepted. The church authorities feared that it was contrary to the Scriptures.

When Galileo, a hundred years later, published his work, which conclusively proved the correctness of the heliocentric system, Galileo was hailed before the Inquisition in Rome because, it was claimed, the whole tenure of his remarkable work was in flagrant contradiction with the edict passed some years before its publication. The specific accusation against him was that he had written in contravention of the decree of 1616 and in defiance of the command of the Holy Office communicated to him. He was condemned as being "vehemently suspected of heresy." Notwithstanding the prejudices of the world and the difficulty he encountered in emerging from under them, the teachings of Galileo are now nowhere questioned throughout the earth. Other great fallacies could be mentioned, but these illustrate.

THE GOLD FALLACY

The gold fallacy is the most far-reaching and hurtful the human race has had to endure. It robs the masses, oppresses the rich, causes insanity, hunger, suffering, and suicide. The rich and the poor are alike the victims of its unfaithfulness, and yet the world loves it like the opium smoker loves his pipe. To-day it is inflicting awful suffering upon countless millions of American citizens, who are honest, upright, and seeking an opportunity to labor and earn a living. By the gold fallacy they are denied that right and condemned to become sufferers and wanderers on the face of the earth.

I do not propose that gold should be abandoned as a base for money. It should be retained and so related to commodity prices—the things that have true values—and made to serve the world instead of playing the rôle of an oppressive conqueror.

The Banking and Currency Committee of the House is now considering legislation which, if enacted into law, will beyond question give us a currency and currency and credit system which will serve the people and not oppress them. I do not have time to go into detail further now. But let me implore each Member of Congress that for the sake of your suffering people back home give study and thought to our currency and credit set-up, for as surely as you live there is where our trouble lies. If you think something is wrong and that times are out of joint, examine our money system. There you will find the whole trouble.

The CHAIRMAN. The Clerk will read the remaining section of the bill.

The Clerk read as follows:

SEC. 810. REVALUATION OF DEPRECIATED ESTATES—RETROACTIVE

Title III of the revenue act of 1926 is amended by adding at the end thereof a new section to read as follows:

"SEC. 326. (a) In the case of the estate of a decedent who died on or after September 1, 1928, and prior to January 1, 1932, and at the election of the executor, the value of the gross estate and of the net estate shall be computed based upon values as of a date 18 months after the decedent's death (hereinafter referred to as 'subsequent value'), and the tax to be paid under this title shall bear the same ratio to a tax computed without reference to this section as the subsequent value of the net estate bears to the value of the net estate computed as of the date of the decedent's death. Such election shall be exercised by the filing of a statement under oath which shall set forth all the necessary information, and shall be filed not later than one year after the date of the enactment of the revenue act of 1932. Any amount of tax refundable by reason of this section shall be refunded where such statement is filed within the prescribed time, but the amount refunded shall be without interest. The credit allowed by section 301 for estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia shall not exceed 80 per cent of the tax as computed under this section.

Mr. RAMSEYER. If the gentleman will yield, I have a motion to strike out the entire section, and I wonder whether we could not have the entire section read and then dispose of my amendment.

Mr. CRISP. I am agreeable to that.

Mr. TREADWAY. That will not prevent my getting recognition.

The CHAIRMAN. The Chair will recognize the gentleman from Massachusetts.

Mr. O'CONNOR. That will not prevent my offering an amendment to the paragraph?

The CHAIRMAN. It will not. The Clerk will proceed with the reading of the section.

The Clerk read as follows:

(b) In the case of any property (the value of which is required, under section 302, to be included in the value of the gross estate) which has been distributed or sold or otherwise disposed of, after the death of the decedent and prior to the expiration of 18 months therefrom, then the subsequent value of such property shall be its value upon the date of such distribution, sale, or other disposition (in lieu of its value 18 months after the date of death); and in the case of property (such as leaseholds, patents, remainders, and other interests terminating upon the expiration of a period of time), the value of which is necessarily affected merely by the lapse of time or by the happening or nonhappening of a contingency, then the subsequent value of such property shall be determined without any allowance for change of value due merely to lapse of time or to the happening or nonhappening of the contingency.

(c) In any case in which the estate tax to be paid in respect of the estate is computed under this section, then for income-tax purposes the basis for determining the gain or loss from the sale or other disposition of personal property acquired by specific bequest, or of real property acquired by general or specific devise or by intestacy, and the basis for determining loss from the sale or other disposition of property acquired by the decedent's estate from the decedent shall be the value at which such property is included in determining the subsequent value of the gross estate.

Mr. CRISP. Mr. Chairman, I move to strike out the last word. This section presents conflicting emotions in my mind, and as acting chairman of the committee I feel it my duty to acquaint you with the facts relative to it, so that you can act as your judgment dictates.

You all know that there was a great slump in stocks in 1929.

One case in particular was that of a Mr. Donnelly, an officer in Montgomery Ward for many years. He had a block of stock of about 88,000 shares. The market value was $130, and they had 18 months to liquidate the estate.

That stock went down to $9 or $10 a share. It was estimated when he died that he had an estate of four and a half million dollars, but before it was liquidated the value of the estate had dropped from four millions and a half dollars down to $450,000.

If the rate under the inheritance tax law were applied to it on the value at the date of his death, it would take all of his estate except $2,000. There are a few other cases like that. When the matter was brought to the attention of the Committee on Ways and Means, of course, the equity greatly appealed to that committee, and we understood there were only 10 or 15 cases that would be involved. Therefore we included this section in the bill to give relief. About a week ago I requested the Treasury Department to give me accurate information as to the number of cases involved, and I was advised that they found, to their astonishment, it would affect 30,000 cases, and involve refunds of $30,000,000, and a further loss of $10,000,000 in the estates that have not yet been settled. When that information was brought to me, of course, I determined to bring it to you. There is another question involved. A number of States, and Pennsylvania is one of them and New York another, have inheritance taxes, and they were entitled to participate in these estates up to the 80 per cent, and in many cases the sovereign States have settled with those estates and collected the tax. If this law is changed, it puts them in the position, possibly, of having to make refunds.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. McCORMACK. May I call my friend's attention to the fact that the value of stock which is listed on the day of a man's death is the value placed upon it for taxation purposes, whereas if the stock is not listed the Treasury Department then has the right to look into it later in an orderly way and determine what is the real book value. So in the case of a person who owns stock that is listed, the estate has to pay the tax on what the value of the stock is on the stock exchange on the day of his death, although that value may be greatly inflated.

Mr. CRISP. That is all I care to say. I think I have given the facts to the House.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. I am in hearty accord with the chairman of our committee in the statement that he has made to you in reference to this proposition. There is no question about the equity of a reinventory or revaluation of estates of people who died at the period of tremendous inflation of prices. I think we can do justice to the heirs of those estates only by correcting that situation as far as we can in this bill.

But I rose for a somewhat different purpose. We have completed the reading of this bill. We will begin voting very promptly upon it. Therefore there is no occasion to further discuss the merits of the bill. I want to say, however, that I do not consider the bill that is now presented to the House to be as meritorious as the original bill presented by the Committee on Ways and Means. When we reported the manufacturers' tax, we did so after the most mature deliberation, and with the united judgment practically of our committee. However, the House saw fit not to adopt it, and that has gone by. But I do think that eventually the American people will approve of the first report made by the Committee on Ways and Means, rather than this one. This is a specialized sales-tax proposition. We are putting on special sales taxes, and probably some of them are very detrimental, whereas previously we put on a general sales tax. That is the difference between this bill and the former one.

As one of the members of the committee on the minority side, I take this occasion to express our appreciation of the courtesy with which we, as minority men, have been treated by the members of the majority. To begin with, we were terribly upset by the sudden illness of our esteemed chairman, the gentleman from Mississippi [Mr. COLLIER]. No committee could have been better served than was the Ways and Means Committee during the period that our friend from Mississippi was presiding over our deliberations. It is a source of the greatest gratification not only to the committee, but I know to every Member of the House, that he has recovered from his serious illness. We hope the day is not far distant when he may rejoin our ranks and continue in active service in this branch for many years to come. [Applause.]

The illness of Mr. COLLIER threw upon the next man in rank a very serious, important, and unexpected duty. I refer to the gentleman from Georgia [Mr. CRISP]. Of course, gentlemen know Mr. CRISP, your colleague here in the House, as a most able Member and as an expert parliamentarian. We of the Ways and Means Committee, who have served with him all of these years, know him as a prince of good fellows, as square a man as ever stood in shoes. [Applause.]

Not only under Mr. COLLIER's leadership but under the leadership of the acting chairman, Mr. CRISP, we, as I have already stated, have been most fairly treated, as has every witness who has come before us. Certainly a spirit of comradeship and good fellowship never existed more under trying conditions in a committee of this House than has existed during the period of the chairmanship of these two men. I congratulate most heartily the gentleman from Georgia [Mr. CRISP] on having brought this bill to a successful conclusion this afternoon, and the only feeling of particular concern was as to whether or not the strain under which we knew him to be carrying on his work might not overcome him. We have wondered from day to day whether he could stand up under the pressure of work and study and the nervous strain attendant upon that work. I know I voice the sentiment of 433 other men when I say to Mr. CRISP that we are delighted that the strain has not broken him down.

I have but one other reference to make, Mr. Chairman, and that is to a service that it has been my privilege to participate in as one of a subcommittee of five who labored to produce this bill, which I confess is not as good as the original one, but is the best that we could get under the circumstances.

In that connection I simply want to express my thanks—and I think the gentleman from Oregon [Mr. HAWLEY] will agree with everything I am saying—to the chairman of that subcommittee, the gentleman from Arkansas [Mr. RAGON], for the manner in which he has worked day and night in an effort to bring out this bill in as good form as it was possible to do so. [Applause.] He has been a most able assistant to Mr. CRISP and I join my colleagues in thanking him for the hard work he has done in pushing the bill through that committee.

I trust I have not unduly intruded on the time of the committee. I am a partisan. I agree with what our distinguished Speaker said the other day when he said he believed in organization. I am an organization Republican, but just the same I like to see a square shooter, whether he votes the Republican or Democratic ticket, and certainly in COLLIER, CRISP, and RAGON we have three such men. [Applause.]

Mr. DOUGHTON. Mr. Chairman, I heartily join in all that has been said of a complimentary nature concerning the members of the subcommittee who have worked so diligently, so faithfully, and so assiduously in preparing the substitute measures which have been offered to the pending tax bill.

When the sales-tax fight was over, those of us who opposed it were anxious to do everything we could to help complete the bill, so that the major purpose would be attained—that the Budget would be balanced—and that the credit of the Government would be preserved and protected.

I appreciate the courtesy that has been extended to me by the acting chairman of the committee and by each and every member of the committee.

I regret, my friends, that in the closing moments of the consideration of this bill one member of the Ways and Means Committee, if I did not misunderstand him, saw fit to reflect upon and question the motives of every Member of this House who could not and did not support the manufacturers' sales tax. If I misunderstood the gentleman from New York [Mr. CROWTHER], I would be glad to have him correct me. If I did not, he said that those who had



opposed the manufacturers' sales tax were actuated by a spirit of prejudice and frenzy. I wait to see if I misunderstood the gentleman. If I did not, I say deliberately, and I say coolly but emphatically, that that was a gratuitous reflection, if not an insult, upon every Member of this House who could not conscientiously support the sales tax and who voted against it. [Applause.] I have never criticized or impugned the motives of anyone, and I never shall do so.

I regret that this debate could not have been concluded without some one assuming to himself the sanctified and omniscient position that he had the authority to criticize Members of this House who, according to their own conscientious convictions and under the impulse of their oaths, could not vote for the sales tax, because it was a matter of great and vital principle. I hope we will not soon again, when we have a measure as important as this before us, witness a scene where any one Member of this House will feel he is sufficiently inspired that he can rise on this floor and impugn those who honestly differ and disagree with him, including the Speaker of the House. My friends, I hope we will not witness a performance of that kind for a long time to come.

I want to say for myself and for those who did not favor the sales tax that I am proud of the fact that we have not insulted anyone, criticized anyone, or impugned the motives of anyone. [Applause.]

Mr. O'CONNOR. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 271, in line 20, strike out the word "September" and insert in lieu thereof the word "July."

Mr. O'CONNOR. Mr. Chairman, I hope this amendment will be acceptable to the committee. I think it corrects what has been taken as an arbitrary date—September 1, 1928. The Government does its business either on the fiscal year or the calendar year, and so do the States and most businesses. In my opinion, if January 1, 1928, were not taken, surely the fiscal date of July 1, 1928, should be taken from which to compute the 18 months.

Mr. CRISP. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. CRISP. So far as I am concerned, if the section stays in, I have no objection at all to the gentleman's amendment.

Mr. STAFFORD. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. STAFFORD. Did not the break in stocks begin on July 1, 1928?

Mr. O'CONNOR. I do not understand that was the reason for taking the September date, but the fact is that the break occurred late in October, 1929. So far I have heard no reason, valid or otherwise, for taking the September date. In lieu of a reasonable explanation I submit my amendment making the date July 1, 1928.

Mr. RAGON. Mr. Chairman, I move to strike out the last word. I do not believe even the committee is well enough advised upon this amendment that the gentleman from New York offers to give any too much information, and I want to propound a few suggestions to the chairman. How much money will this take out of the Treasury?

Mr. CRISP. I can not answer the gentleman; but if you are going to retain this provision I do not see any reason why it should not be at the beginning of the fiscal year. To be very practical and frank, I was pretty well satisfied that the whole matter would be eliminated from the bill, so I do not think it made very much difference what date was prescribed.

Mr. RAGON. I am not very familiar with the temper of the House with respect to the provision, and if it is going to be eliminated, all right; but if not, it is an exceedingly important matter.

The amendment was agreed to.

Mr. RAMSEYER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAMSEYER. Mr. Chairman, has an amendment been submitted to strike the paragraph?

The CHAIRMAN. It has not.

Mr. HAWLEY. Mr. Chairman, briefly, I wish to comment upon the proposal contained in the bill. The chairman of the committee has made a good explanation, but there is one point I wish to emphasize.

The purpose of the estate tax is to take for public purposes a stated part of the accumulations of any citizen or resident upon his death, and in the law we specify in figures the exact percentages to be taken. It is contemplated in the law that only this proportion of the estate shall be taken. If estates were always in cash, no question like this would ever arise, because then we would be taking the fixed part that we intended; but estates are not in money. They consist of property of various kinds, and when, in cases such as the bill provides for, there has been a great decrease in the value of the property comprising the estate and the tax on the estate is fixed on the value of the property at the hour of decedent's death, as near as possible, then if we do not adopt this remedial proposal we will be taking, in some instances, more than 100 per cent of the estate when we announced in the law that we only intended to take a specified fraction. But under the depressed condition of values now existing, resulting in the depreciation of property generally, unless this provision is agreed to the Government will take 100 per cent of the value of the estate at time of payment of the tax, and in some instances we leave the estate owing the Government money, and do serious injustice in many others.

The provision simply means that, as near as possible, we will carry out the intention of the law to take only a certain proportion of the real value of the estate.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. JOHNSON of Texas. I could not hear the reading of the section, and I would like to ask the gentleman just what the section would do.

Mr. HAWLEY. The section would take the value of the estate at the time of the man's death and compute the tax on that, and then if the estate has depreciated in value to, say, one-fifth of its original value we would take one-fifth of the amount computed on the value of the estate at the time of the man's death.

Mr. WOODRUFF. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. WOODRUFF. What happens in the event the market is, when settlement is eventually made, far above what it was at the time of the man's death? Does the Treasury then profit accordingly?

Mr. HAWLEY. That is not affected by this proposal in the bill at all, because all the estates affected by this have suffered diminution in value.

In any event under the law now the estates tax is imposed on the value of the estate at the date of the decedent's death and no depreciation or accretion developing later is taken into that account.

Mr. WOODRUFF. I understand that perfectly, but what does this amendment to the law do? Does it put in the Treasury of the United States any additional sum? For instance, suppose from the day the man died his estate increased in value 100 per cent because of a rising market——

Mr. HAWLEY. Since an estate is valued for estate-tax purposes at the date of the decedent's death, increases or declines in its value occurring later have no effect upon the tax to be paid.

Mr. WOODRUFF. Then I am to understand that the only change made is the case where the market is down and the estate has depreciated because of that fact before settlement is finally made?

Mr. HAWLEY. Yes.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment to strike out the paragraph.

Mr. RAMSEYER. Mr. Chairman, I also had a motion to strike out, but I shall second the gentleman's motion.

Mr. ESTEP. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. ESTEP: Page 273, after line 16, insert the following new subsection:

"(d) The provisions of this section shall be applied (without regard to an election by the executor) in the case of the estate of every decedent who dies on or after the date on which this section takes effect."

Mr. CRISP. Mr. Chairman, I would like to see if we can not get an agreement as to debate on this section. There will be five or six roll calls in the House after the committee rises.

Mr. RAMSEYER. I want a little time, and I hope to get through in five minutes, but I do not want to be shut off. This is an important matter.

Mr. CRISP. It is important, but I think the House knows all about it.

Mr. RAMSEYER. The House has not thought of it to-day. We ought to have time to explain it.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 30 minutes.

Mr. RAMSEYER. Reserving the right to object.

Mr. CRISP. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from Georgia moves that all debate on the section and all amendments thereto close in 30 minutes.

The motion was agreed to.

Mr. ESTEP. Mr. Chairman, I would hesitate to submit this amendment at this time, knowing that the committee is anxious to complete consideration of this bill, but it seems to me to be so important, in that it preserves the rights of various States at the expiration of the date set in this provision, that it ought to be seriously considered by the committee.

On yesterday I consulted with the chairman of the Ways and Means Committee, and he indicated at that time that he believed that this was a fair amendment, in that if we took care of the people whose securities have decreased in value between September 1, 1928, and January 1, 1932, that if anybody died to-day or to-morrow, or in the next 30 days, and then in 18 months their estate would have increased two or three hundred per cent, they ought to pay on the increased value, and not on the value at the date they died, which they would do unless my amendment is adopted.

Let me give you an illustration. If on September 1, 1928, a man died leaving an estate valued at a million dollars in securities, and that was the market value at that time, and this section is adopted, and it was revalued 18 months later, it might only have a value of $200,000, and the owner would be required to pay taxes on a value of $200,000 and not on the value as of the date he died.

Mr. BLANTON. But suppose we strike out the section, as the chairman said he would not object.

Mr. ESTEP. I did not understand the chairman had agreed to that.

Now, this perfecting amendment does this: Having taken care of this situation, so far as the depreciation of the estate up to January 1, 1932, is concerned, we now ought to adopt this amendment in order to protect the State in the future, so that if a man dies to-day or to-morrow leaving an estate worth $200,000, and in 18 months it appreciates to five or six hundred thousand dollars, he would be required to pay on the $600,000 value, and not on the value at the time of his death.

So in a way that would be fair to the man who died during depression, and fair to the State in time of appreciation.

Mr. BURTNESS. There was so much confusion I did not quite catch the reading of the gentleman's amendment, but if I understand correctly your amendment would give the same power in cases where the estate appreciated in value as it gives where the estate depreciates in value.

Mr. ESTEP. Absolutely. What my amendment does is to have the valuation of the estate made 18 months after death instead of at the day of death.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. ESTEP. Yes.

Mr. STAFFORD. Does not the gentleman believe he should change the language, and that instead of saying "who dies on" he should say "who has died"?

Mr. ESTEP. Who dies on or after the date this section fixes, January 1, 1932. It seems to me that is very plain.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. RAGON) there were—ayes 87, noes 72.

So the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Beginning on page 271, line 15, strike out section 810, ending in line 17, on page 273.

Mr. WHITTINGTON. Mr. Chairman, while the acting chairman of the committee, the gentleman from Georgia [Mr. CRISP] has announced that the Ways and Means Committee has no more amendments, with his usual fairness, he has just called attention to the far-reaching effect of section 810, which provides for the revaluation of depreciated estates. The provision is made retroactive to September 1, 1928.

As we approach the conclusion of the bill, the usual speeches of congratulation to the chairman, which he so well deserves are in order; but it strikes me that section 810, which is entirely new matter, is really a joker in the bill and is one of the most important items the committee has been called upon to consider in the course of the revenue act.

The section was intended to afford relief in certain cases of hardship, as a result of the declines in the values of property. It was pointed out that a citizen of Chicago, a Mr. Donnelly, an official in the Montgomery Ward Co., owned 88,000 shares of stock in that company. At the time of his death the market value was $130 per share, and that stock has now declined to $9 or $10 a share. It was estimated when he died that he had left an estate of $4,500,000, but before it was liquidated it had declined to $450,000. The inheritance taxes would take all of his estate except $2,000. This is a great hardship, but it is caused by the depression and not by the law. Lands have also declined in value. Property of all kinds has declined. My information is that the Treasury estimated at the time the section was incorporated in the act it would result in refunds of $10,000,000, but, as stated by the gentleman from Georgia [Mr. CRISP], the Treasury now finds, to their astonishment, that 30,000 cases would be affected, and that there would be a loss of $40,000,000 to the Treasury. It is difficult to tell how much greater the loss will be. However, it is impossible to relieve all hardships growing out of the depression. Why select one class of taxpayers for relief?

I have offered a motion to strike out the entire section. Many taxpayers have lost their all in the existing depression. Many who paid income taxes in 1929 are now bankrupt. Why refund inheritance taxes without at the same time refunding income taxes? Why provide for the dead and discriminate against the living? What about the citizens who still own Montgomery Ward Co. stock? What about the living owner who paid income taxes on that stock in 1929? Why go back and revalue estates without at the same time revaluing all property for income purposes? Why revalue an estate that could have paid its taxes immediately without taking 18 months, as provided by law, in which to settle? There has been much complaint about the refunding of income taxes during the past 10 years. From June 30, 1921, to June 30, 1930, under the administration of Andrew W. Mellon, Secretary of the Treasury, refunds of income and estate taxes amounted to $1,200,000,000, while credits and abatements aggregated $2,252,000,000. As a result of its

administration in making enormous returns, the income-tax system has been severely criticized. By retaining section 810, the Democrats, now in control of the House, would be promoting the continuance of the returns about which they have complained. If $40,000,000 of inheritance taxes are returned, it means that an additional $40,000,000 must be taken from the taxpayers in the existing depression. In relieving a few, a grave injustice will be done to the many. The discrimination is unwarranted and unjustified.

I advocate the elimination of section 810, because I believe in income and inheritance taxes. I am pleading for their integrity. Discretion in the return of taxes has been one of the loopholes which the committee has undertaken to stop. It is alleged that the abuse of the discretion has brought the system of income taxes into disrepute. I warn the committee that if this section is retained, a few will be relieved at the expense of the many. The opponents of income taxes and the advocates of the general sales tax can ask for nothing better. In straining at a gnat we may swallow a camel.

DEBT AND DEFICITS

In this connection, I detain the committee further to speak of the general provisions of the act.

Income taxes constitute the principal source of Federal revenue. As a result of the world-wide economic crisis, these taxes have now declined more than 50 per cent. Current expenditures far exceed current revenues. Loss of income is largely responsible for the deficits. The deficit for the fiscal year 1931 was $903,000,000. The estimated deficit for 1932 is $2,123,000,000. Exclusive of the statutory debt requirements for the sinking fund, there will be an estimated deficit of $1,241,000,000 for the year 1933. The act proposes additional taxes for the period of two years only to meet the deficit.

The United States Government is to-day spending $7,000,000 a day more than it collects. This means that the Government is going into debt $5,000 per minute. The Federal Budget amounts to $4,000,000,000. A large part of the Budget is for fixed expenses. One billion dollars is for the benefit of war veterans. Another billion dollars is for interest and sinking funds. The public debt was reduced from $25,485,000,000 on June 30, 1919, to $16,185,000,000 on June 30, 1930. During the past 10 years approximately $3,460,000,000 of the public debt was retired from surplus receipts. In the existing emergency, to meet the deficits of 1931 and 1932, substantially the full amount so retired has been absorbed, and the public debt in the past three years has been increased approximately $3,000,000,000 by the deficits of 1931 and 1932. The people of the United States are called upon in the greatest depression of modern times to raise in excess of $1,000,000,000 in taxes for the support of the Government. Our trouble comes more from decline in tax revenue than from reckless expenditure.

REMEDIES

Three remedies are suggested. First, additional loans are proposed; but the truth is that the Government can not sell its bonds in sufficient amounts. Long-time bonds are not wanted. Government securities are now selling from 85 to 90. It is suggested, in the second place, that expenses be cut down. I advocate retrenchment and economy, but reduction in Government expenses alone will not suffice. The third remedy is economy on every hand and additional taxes to make revenues equal expenditures.

If the Budget is not balanced, further disaster awaits the Nation. Practically every country in Europe, following the World War, tried inflation. We know what the effect was. England went off of the gold standard some six months ago. There was temporary inflation. Exports increased; but the plain truth is that to-day there is more unemployment in Great Britain than there was six months ago. The first step to economic recovery is the maintenance of the national credit.

INCOME TAXES

I believe in income taxes. Properly safeguarded, they are the most just of all taxes. They are based upon ability to pay. The general property tax can no longer be justified. Both tangibles and intangibles should be taxed. There should be classification of property. All property should pay taxes in proportion to its earning capacity.

A general sales tax has some features to commend it. The tax burden is equally spread, but it is primarily a tax upon consumers and upon the necessities of life. It involves taxation without respect to ability to pay. It violates the principle of equity in taxation. The rich and poor are taxed alike.

Taxes and taxation involve economic problems. They should no longer be stalking horses for political wars or party differences.

HIGH TAXES

Mounting taxes are alarming. National, State, and local taxes in 1903 were $1,570,000,000, of which the local taxes were $913,000,000, according to the National Industrial Conference Board. In 1913 the total was $2,919,000,000, while local expenditures were $1,844,000,000. During this decade the costs of municipal government more than doubled. In 1923 the tax bill of the Nation amounted to $9,920,000,000, of which the national bill was $3,885,000,000, the State bill $1,242,000,000, and the municipal and county $4,793,000,000. The story of the next six years is startling. In 1929 the national bill was $3,932,000,000. State taxes amounted to $1,990,000,000, and local expenditures aggregated $7,126,000,000. There was an increase in the per capita cost from 1913 to 1929 from $30.24 to $107.37. In 1913 the total taxes were $2,187,000,000. In 1923 they were $7,213,000,000, and in 1930 they were $10,251,000,000. The tax bill took 6.4 per cent of the national income in 1913, 10.1 per cent in 1923, and 14.04 per cent in 1930. The average family in America is to-day called upon to pay $416.05 in taxes annually. The national wealth is estimated at approximately $320,800,000,000, but most of the national wealth can not be used to pay taxes.

Only liquid wealth is available for this purpose. The total debt—local, State, and National—to-day amounts to $30,000,000,000. The total taxes amounted to $10,250,000,000, and the total expenditures aggregated $13,048,000,000 in 1929. Americans are spending $3 out of every $100 worth of property. Taxes amount to 3 per cent of the national wealth.

GOVERNMENT COSTS OUT OF STEP

While the income of the United States from 1929 to 1931 has declined 33 per cent, wage payments 40 per cent, corporation earnings from 68 per cent to 80 per cent, and commodity prices 27 per cent, yet the costs of government have actually increased 8 per cent. This is but a part of the story. Mounting taxes imposed upon diminishing incomes increase the load. The national income fell from $85,000,000,000 in 1929 to $57,000,000,000 in 1931. At the same time the costs of all government increased from $13,000,000,000 to $14,000,000,000. The chief offenders are the municipalities.

The average person in the United States to-day pays one-fifth of his income in taxes. Prior to the depression of 1929, the costs of government were already too high, but now the income of the people has been reduced. The cost of government is more than burdensome. The paradox of the situation is that taxes must be increased, while incomes have been materially reduced. The handwriting on the wall can be seen. Unless there are reductions and economies in Government, business recovery will be difficult if not impossible.

The cost of the Federal Government in 1914 was $1,098,602,065, while in 1931 it amounted to $4,820,374,569.

In 1914 the population of the United States was 97,927,516, while in 1931 the population was 124,070,000.

From 1914 to 1931 the population of the United States increased 27 per cent, while the costs of government increased 338 per cent. If it be said that the World War intervened, we have but to turn to the increased State and municipal budgets to observe how taxes have grown. The budget of the city of New York from 1915 to 1931 increased 217 per cent, while the population increased but 37 per cent.

The Federal Government includes 10 executive departments, 40 independent establishments, 200 boards, bureaus,

and commissions, and 550,000 employees. The structure of government in both the Nation and the States has grown like Topsy.

FARMS AND RAILROADS

All classes of property are feeling the results of high taxation. The taxes on farm property in 1927 were two and one-half times what they were in 1914. The average tax on farm property from 1922 to 1927 was 23.3 per cent of the net income. Twenty-five cents out of every dollar of net income on the farm goes to the taxgatherer.

Transportation is vital to the Nation. In 1910 taxes on railroads took 3.6 cents out of each dollar of operating revenue. For the fiscal year 1929 the taxes on railroads took 6.3 cents out of every dollar of operating revenue. In 1931 taxes amounted to 7.5 cents out of each revenue dollar. Since 1920 the railroads have been paying about 25 per cent of their net operating income as taxes. High taxes have promoted overproduction and underconsumption in the city and in the country. High taxes frequently mean no taxes. High taxes on estates can be levied but one time. There is a vanishing point in all taxes. Incomes of railroads and corporations have decreased. Railroads are earning less than 2 per cent, and corporation incomes have decreased 68 per cent to 80 per cent.

PUBLIC WORKS

Much has been said about public works for the relief of unemployment. There is a place for public works in the picture in these tragic days, but I suggest that in prosperous times governments should accumulate public funds to provide for unemployment in periods of emergency. Public as well as private expenditures indefinitely continued before the money is earned lead to inevitable bankruptcy.

NATIONAL CREDIT

Losses and gains fall to the lots of governments and individuals, but continued deficits mean impairment of public and private credit. It has been suggested that the Government borrowed during the World War. It is therefore urged that the Government should continue to borrow during the depression. We have borrowed for three years. Incomes, property, and commodity values were inflated during war times. Saving now obtains. Money is being withdrawn rather than loaned. There is a limit to the national credit. The danger signal is already manifest. We have borrowed all we can. Less than a year ago Government bonds were selling above par. To-day they are selling as low as 85. When deficits succeed one another, additional taxes must be levied, otherwise the credit of the Government is in danger. Deficits account for declines in Government bonds. They must not be permitted to continue to decline.

At the beginning of the depression, local bonds were in great demand. Commodities had declined in value. There were unparalleled deflations in real estate. Municipal, county, and State bonds were much in demand. To-day it is difficult to sell such bonds. It is largely because the State and municipal budgets are not balanced. The only bonds that are sought to-day are United States bonds. They are our last refuge. There is a saturation point in the national credit. That point has almost been reached. A failure to balance the Budget will result in havoc and destruction. The difficulties and tragedies of the depression will be increased. The burden will fall heaviest upon the poor and wage earners of the land. It is even more important, in periods of distress, than in normal times, to keep an unimpaired public credit. An unbalanced budget will endanger not only the national credit but the commercial credit of the Nation. An unbalanced budget means further bank failures, no credit facilities, and agricultural and industrial stagnation, with all the evils of unemployment.

INFLATION

There must be legitimate inflation. Increased commodity prices are essential to the return of normal conditions. The temporary inflation that would result from a depreciated currency would be worse than no inflation at all. It is urged that Treasury notes be issued to anticipate at once the payment of the adjusted-service certificates. An expenditure of more than $2,250,000,000 is involved. If Treasury certificates could be utilized with advantage to satisfy an obligation that will not mature for 13 years, could they not be better utilized to pay existing deficits? Or why not make loans to all citizens? No such visionary inflation was advocated in 1896. The beneficiaries of the certificates would be among the greatest sufferers from the calamities that would follow temporary inflation. They constitute the taxpayers of to-day. They would enjoy only a temporary profit. Cheap money works no permanent good. An unbalanced budget results in substantial harm. We recall what happened in England and France following the World War. A moment's reflection will convince any thinking man that the cost of unreasonable inflation or an increasing deficit would be incalculable, and that the injury to the Nation would be irremediable. The answer to the demand for the cash payment of the bonus is that the Government has not the money and can not borrow it. There may be some hoarding, but the people have no money with which to buy bonds. If currency could be used to pay the bonus, why not issue currency to pay the costs of Government? Why levy taxes at all?

ANALYSIS

To provide for the deficit of $1,241,000,000 for the year 1933, the Ways and Means Committee has recommended additional tax levies for a period of two years. Income taxes in the higher brackets have been increased 46 per cent. Corporate incomes have been raised from 12 to 13½ per cent. The Ways and Means Committee not only doubled income taxes but doubled estate taxes. The committee has adopted the Ramseyer amendment and has further increased estate taxes. Gift taxes are levied with a maximum rate of 30 per cent. This rate has also been increased by the committee. War-time surtaxes have been proposed by the Swing amendment which I oppose. They amount to 78 per cent in the higher brackets. Many States have income taxes. When the State income is added to the Federal income tax, but little, if any, would be left of the higher incomes. Unreasonably high income taxes result in decreased taxes, especially in times of depression. Capital is timid, risks in industry and in commercial enterprises will not be taken without some hope of profit. Investments will be made in tax exempt securities. No matter how sound the tax may be, the fact is that exorbitant rates will disintegrate any tax. In an effort to soak the rich, the burdens of the poor may be increased. The power to tax is the power to destroy, and if used to destroy and not to raise revenue, the result will be that capital will take no chances and taxes will diminish rather than increase.

TARIFF AND EXCISE TAXES

Excise taxes are proposed on crude oil and gasoline imports. The rate is 1 cent per gallon. It is estimated that the tax will yield $5,000,000 to $25,000,000. The independent oil producers have made out a good case for a reasonable duty, but I submit that a revenue measure is not the proper place for tariff duties. Inequalities and injustices will obtain. If there is to be an excise tax on oil, it opens up hundreds of other articles that are entitled to protection. I oppose injecting into the revenue act the troublesome tariff question. The debates have already demonstrated the unsoundness of including the tariff in the revenue act.

ECONOMY

A material part of the deficit should be met by economy and retrenchment in government. Waste and extravagance should be eliminated. Duplications should be abolished. Salaries should be reduced. A reduction of 10 per cent in all Federal salaries will result in a saving of approximately $135,000,000.

The Federal pay roll, including the Army and Navy personnel, amounts to $1,341,670,730 annually. The percentage of reduction should be greater in the higher salaries than in the lower. For the next two years, the salaries of Members of Congress should be reduced 25 per cent. As a member of the Committee on Expenditures, I have urged the reduction of salaries. I am supporting the Economy Committee in this movement. Much has been said with respect

to the reduction of smaller salaries. Congress is slow to reduce the salaries of those who receive less than $1,000 a year.

The number of persons who receive salaries in excess of $2,000 from the Government is relatively small. The salaries of Government employees should be comparable to those in private employment. An investigation by the Personnel Classification Board of the Federal Government reveals that after an exhaustive comparison between wages and working conditions in the Government and in private employment, the salaries paid by the Government for clerical work below $2,000 are more liberal than the average pay for similar work in private employment. For those receiving Government salaries above $2,000, it is said that the salaries are less than those engaged in private employment. It is also true, however, that the salaries paid by private concerns to their executives exceed by far the salaries paid by the Government for positions of similar responsibility and the excess is from 100 to 500 per cent.

No one likes to pay taxes. No one likes to have his salary reduced. But all must share in the reduction. Both public and private employees must make their contribution in the economic crisis. It is unthinkable that the salaries of public officials should remain the same when cotton has declined from 30 cents a pound to 6 cents a pound. It is unthinkable that Government employees should receive the same salaries when clerks in the store and workers on the farm have suffered enormous reductions. It is unfair for the stenographers in private employment to have reductions of from 10 to 50 per cent without reasonable reduction in the salaries of stenographers in the Government service. It is said that business and commerce are behind the movement for the reduction in Government salaries in order that salaries of private employees may be reduced. The fact is, however, that both business and commerce have reduced. Railroads and other corporations have retrenched. It is a question of whether the Government will reduce the deficit by following the leadership of business in retrenchment and reduction.

Again, it is asserted that the buying power of employees will be decreased by the reduction of salaries. A dollar to-day will buy as much as $1.50 would buy two years ago. Rents have gone down. Commodities are worth less. It is true that living expenses and rents have not been reduced in Washington, but they will decrease when salaries are reduced. It is said that a spirit of dissatisfaction will obtain in the public service if salaries are reduced. This is a challenge to the patriotism of those in the public service. They share the blessings of good government, and I resent any charge that they are unwilling to bear their share of the costs of government in the existing emergency.

How can Government expenses be reduced? Seventy-two per cent out of every public dollar is expended on account of wars, past and future. Approximately 29 per cent of this amount is expended in interest and sinking fund to apply on the public debt. It goes to citizens of the United States. Twenty-seven per cent is expended on account of pensions to soldiers of all wars and their dependents. Sixteen per cent is expended on account of the Army and Navy. Especially in times of unrest, an adequate Army and Navy are essential for the national defense. It costs $700,000,000 to maintain the Army and Navy annually. There is room for economy here.

Nine cents out of every Federal dollar is expended for public improvements, highways, rivers and harbors, and public buildings. There is thus left approximately 18 per cent out of the public dollar for carrying on the functions of the Government, which amounts to approximately $800,000,000. Out of this $800,000,000 must come the reduction of the expenses of the Government. The Committee on Ways and Means has estimated a reduction of $125,000,000. I believe that Congress should make an additional reduction of at least $250,000,000. Economy is essential in balancing the Budget.

MANUFACTURERS' SALES TAX

But with the increased income, estate, and gift taxes, and with the administrative changes, to stop the leaks and plug the holes in the collection of taxes, with taxes on admissions, lubricating oil, telegraph, telephone, and radio messages, and with the tax on imported oil and gas, there remains approximately $600,000,000 to be levied and collected.

The Ways and Means Committee has recommended a manufacturers' excise tax of 2½ per cent to raise this amount. It is said in behalf of this tax that it is levied at the source; that it is levied but once, without pyramiding; that it will be absorbed; and that there are liberal exemptions of food and clothing. It is said that it is an emergency tax. However, it is nothing more nor less than a general sales tax. I oppose such a tax. It is unsound. It violates the fundamental principle of taxation, which is based upon the ability to pay. It is a tax upon those least able to pay. It is a tax upon necessities. It is a tax upon consumption. A vast horde of employees to administer the tax will be required. The hearings disclose that representatives of the Treasury state that the machinery for the administration and collection of the manufacturers' sales tax would be entirely too expensive as an emergency measure for two years. It is significant that those who favor a general sales tax oppose an income tax. They desire to substitute a sales tax for an income tax. I oppose it as a permanent policy. I would not go to the extent of saying that I would vote against the bill with a sales tax in it, but I will say that I am opposed to it and voted to eliminate it from the bill.

RETAIL SALES TAX

A manufacturers' sales tax levied throughout the Nation at the source and on all imports is an entirely different proposition from a retail sales tax. Many States are considering such a tax to-day. West Virginia has a gross retail sales tax of one-fifth of 1 per cent. It was unsatisfactory in normal times. A retail sales tax is a tax on consumption. It is difficult to shift to the consumer. It results in the dislocation of business, in political agitation, and it is politically controversial. It is especially burdensome along the borders of States. The burden, where it can not be absorbed, falls heaviest upon the retailer. It is exceedingly heavy if the tax is too high to be passed to the consumer. The average net profits to the retail merchant, and particularly the grocery merchant, are 10 per cent in normal times. At present they are much less. A retail sales tax of 1 per cent is 10 per cent upon the net income, while a retail sales tax of 3 per cent is a tax of 30 per cent upon the net income. To this tax must be added privilege taxes, ad valorem taxes for State, county, and municipality. State and Federal income taxes must be added. The States, as well as the Nation, are facing deficits. It is imperative that their budgets be balanced. They must be balanced in fact as well as in theory, and to the satisfaction of bond buyers.

The taxes on lands must not be increased. Much real estate in Mississippi is advertised for taxes. The people of the country are face to face with bankruptcy. There must be reduction. There must be economy. But at the same time, additional and supplemental taxes must be levied. This means a sales tax, if imperative, in some form, for with all of its faults, it is a method of taxation. The gasoline is a sales tax, and it obtains in all the States. The supreme duty of the Nation and the supreme duty of the States is to balance their budgets. The general sales tax may not be the only way, but it is probably the worst way out. If necessary, all forms of taxation should be resorted to, so that the income of the Government may equal its expenditures.

Thomas Jefferson wrote a letter to George Washington 144 years ago, from which I quote:

> Calculation has convinced me that circumstances may arise and will arise wherein all the revenues of taxation will be necessary for the safety of the state.

All taxes, however, are not levied by the Government. The quaint philosophy of Benjamin Franklin, always interesting, is in point in respect to taxes:

> The taxes are, indeed, very heavy; and if those laid by the Government were the only ones we had to pay, we might more easily discharge them; but we have many others, and much more grievous to some of us. We are taxed twice as much by our idleness, three times as much by our pride, and four times as much by our folly; and from these taxes the commissioners can not ease or deliver us by allowing an abatement.

Those opposing a retail-sales tax should offer substitutes to balance the Budget. Substitutes include extending and widening the base of income and estate taxes, occupation taxes, increased privilege taxes, and selective taxes. The picture is uninviting. Reduction of appropriations is the first step in balancing the Budget.

SPECIAL OR LIMITED SALES TAX

As an emergency measure, I believe in a limited or special sales tax as a substitute for the manufacturers' or general sales tax. I regret the necessity of additional sales taxes; but as the less of the two evils, necessity forces me to the conclusion that limited sales taxes are preferable. I advocate them as a substitute. Taxes on stocks, conveyances, automobiles, and other selective articles have been proposed. They are preferable as emergency taxes to the general sales tax. The administration will be simple, collection will be less expensive, and existing machinery for the administration of the tax will suffice.

I oppose a special Federal excise tax on gasoline. There must be, sooner or later, coordination between the National Government and the States as to sources of taxation. The States have all taxed gasoline. It should be reserved to them. I may say in passing that the limited sales tax is no new thing. It obtains now in both the States and the Nation. Taxes on cigarettes and tobacco bring in much Federal revenue. There are other limited sales taxes at present. I invoke them only in the necessity of balancing the Budget.

TAXPAYERS

Taxpayers have complained. They are now petitioning. There was much sting in the question recently asked by Robert Quillen, "Do you enjoy forcing your family to economize in order to provide money for public servants to waste?"

One person out of every nine to eleven gainfully employed in the United States is on the public pay roll. One-fourth of all the money earned by the people and the property of the United States is required to pay the expenses of government.

Every person works one day each week to support the Government. Business expenses have been reduced. To say that Government expenses can not be reduced is worse than stupid. There is but one remedy. Only the ax will do the job. The taxpayer is waking up. He is determined that the costs of Government shall be slashed. Heretofore the organized minorities have unduly influenced legislation. In response to their demands, burdensome appropriations have been made, but to-day the taxpayer is on guard. He is scanning appropriations as never before. Public officials heretofore complying with the demands of organized blocs must now satisfy the aroused taxpayer. The people are determined that there shall be reduction and economy in government. They will no longer endure waste, duplication, unnecessary boards, and extravagant bureaus that require confiscatory taxes. They have heretofore spoken; they are now demanding reduction. Their demands are increasing in volume and are as ominous as the roar of the thunder preceding the fierce storm.

PUBLIC OPINION

Reduced governmental expenses are essential to the restoration of normal conditions. Taxes should never penalize prosperity. Success in business should be encouraged and not hindered by taxes. Public opinion for reduction, economy, and retrenchment in government must be crystalized. People are feeling the burden of taxation as never before. Taxpayers have organized. Their organizations should be continued. The voice of public opinion should be made vocal in the halls of State and national legislation. The organized minorities have their representatives at the city hall, the county courthouse, the State capital, and in Washington. Increased appropriations result largely from their propaganda. The majorities must now be heard. Eternal vigilance is the price of both liberty and economy. If taxpayers are advised when increased appropriations are made, and every time they are made, legislators will stop and think. Taxpayers can promote economy by maintaining representatives of the majorities in the city, county, State, and Nation. The remedy for the return to strictly governmental functions in appropriations is in aroused public opinion.

In conclusion, and to return to the pending motion, I insist that the chairman of the committee, the gentleman from Georgia [Mr. CRISP], was right when he virtually admitted that my motion to strike out section 810 should prevail. I plead for the integrity of income and estate taxes. I urge economy and retrenchment. I advocate reasonable but not ruinous taxes. I oppose taxes that would dry up sources of revenue and close business enterprises. I advocate reduction in expenses and reduction in the activities of government. Paternalism must be eliminated. Taxes should only be levied for proper governmental functions. Increased taxes during the depression will have a disturbing effect. A balanced Budget is imperative; but it can come largely by reduction in expenditures. The Nation can not prosper by continuing to spend one dollar in every four for Government expenses, local, State and national. There must be saving as well as paying. Above all, and as the first step in the return to prosperity, the Budget must be balanced. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, this bill contains many hardships. It contains many taxes which will be burdensome. It changes the administrative features of the revenue bill in many particulars which will prove very onerous to the taxpayer. Here is one single provision in this entire bill, which brings with it the milk of human kindness. Here is one single provision for the relief of unfortunate estates. Let us see what it means. The gentleman from Georgia referred to the Donnelly estate in Illinois. If the full tax were to be collected on that estate, that is, on the stock to which he referred, the tax would amount to $1,000,000 more than the present value of the entire stock.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. O'CONNOR. When did he die?

Mr. CHINDBLOM. In February, 1929.

Mr. O'CONNOR. It is currently believed that September, 1928, is not in the bill innocently, that it is there to cover some estate.

Mr. CHINDBLOM. September, 1928, is the date fixed in the bill. It was taken for the purpose of taking one year before the big fall of prices and then to run on until a reasonable time afterwards.

Mr. O'CONNOR. It was 14 months before the break.

Mr. CHINDBLOM. I am not concerned about the date, September 1, 1928.

Mr. O'CONNOR. I thought the committee had agreed to use the fiscal date.

Mr. CHINDBLOM. The gentleman's proposal would have been perfectly satisfactory to me. What I rose to say is this: This provision of the bill refers to all kinds of property. It is not confined to stocks, bonds, and securities, but it refers to real estate and personal property of all kinds which depreciated by reason of the drop in prices incident to the depression. With the amendment that was offered by the gentleman from Pennsylvania [Mr. ESTEP] there will be a corresponding increase in taxes accruing to the Federal Government.

So far as the estimates are concerned, to which the gentleman from Georgia [Mr. CRISP] referred, I beg to say that those estimates are not at all conclusive. The Federal Government gets only 20 per cent or one-fifth of the estate tax, and I do not believe that a total of $200,000,000 of taxes can actually be involved in this proposition.

When the committee put this provision in the bill, it put it in because it believed it to be right. What difference does it make whether some dollars more or less may be involved? Why should the Committee on Ways and Means and the Committee of the Whole House on the state of the Union balk at doing a thing which is fair, just, and equitable because, forsooth, it may cost some money to the Treasury in the collection of taxes? Are we here for the purpose of collecting taxes whether fairly or unfairly? Are we here

for the purpose of imposing unjust, unfair, and burdensome taxes upon the people whether they are right or wrong? It was never intended that the estate tax should confiscate property, yet that is what this tax does. It confiscates the estates of those who, unfortunately, died at a time when the values were inflated.

With reference to the particular estate mentioned by the gentleman from Georgia, which is one in point, let me say this: This stock had been held in this family for over a generation. It belonged to the daughter of the founder of Montgomery Ward & Co. The owners had never speculated in the stock. They had never sold a share of it on the market. They had nothing to do with the enormous rise in fictitious values which existed at the time of the death of Mr. Donnelly. They simply happened to own the stock and it was not at any time actually worth one-half of the value which it had on the board when the stock market broke in 1929.

[Here the gavel fell.]

Mr. RAMSEYER. Mr. Chairman, I hope I may have the attention of the members of the committee for a few minutes. If they will listen to me while I explain what is in this section, I think they will agree with me that this is an unjust and inequitable provision. [Applause.]

Under the present law estates are assessed as of the date of the death of the owner. Under various arrangements the estate can have six years to pay the tax. That treats everybody alike. This section which we seek to strike provides that at the option of the administrator the estate may be appraised 18 months thereafter. Of course, that is to take care of those who lost on stocks and bonds especially. I am not here to argue that estates have not been hurt by the general decline in values. They have been hurt, and maybe some have been wiped out. But I am here to tell you that these rich estates have not been hurt any worse than the farmers, the industrialists, the bankers, and the laborers of the country. They have all been hurt because of the decline in commodity prices. They can all be benefited by a rise in commodity prices and a restoration of prosperity.

Here is the proposal that is presented to the committee, not to help everybody, the farmers, the laborers, the business men, and the industrialists, but to reach down and help these rich estates and let the others float down the river. That is the thing I object to.

The gentleman from Mississippi [Mr. BUSBY] made an address in which he stated what the problem is. Here is a chart showing the index number for 100 years. Here is the war-time inflation and here is the postwar deflation [indicating on chart]. Where I am indicating, from 1921 to 1929, is this region in here [indicating]. Here is the general decline in commodity prices since 1929. Last year it was 71. Now it is down to 62, and farm prices are lower than the general average.

The question arises: Are you going to just help out this group of rich estates, or are you going to look forward to measures that will help everybody out and thus get out of our present economic difficulties?

Another reason why I am opposed to this section is that if it has any merit at all—and I claim under the circumstances it has no merit—it ought not to come up until we reach prosperous times and have money in the Treasury. The Treasury has estimated, as the gentleman from Georgia [Mr. CRISP] has informed you, that if this section stays in the bill it will mean a burden of $40,000,000 on the Treasury. We are trying to raise money to balance the Budget. Thirty million dollars of this $40,000,000 has already been paid into the Treasury and will have to be refunded. In what kind of a position are we here? We are scratching every means to raise money to balance the Budget, and by this section 810 we are voting $30,000,000 out of the Treasury to rich estates and blocking the flow of another $10,000,000 in estate taxes where the time of payment has not been reached.

I have every sympathy in the world for people who lose property, but we from agricultural districts have farmer after farmer who can not pay his taxes, and yet there is not a governmental body—local, State, or National—that is coming to his rescue, and he is losing every cent of his property.

I hope you gentlemen will vote to strike this out, as would be done by the motion of the gentleman from Mississippi [Mr. WHITTINGTON]. [Applause.]

Mr. McCORMACK. Mr. Chairman, I am not concerned at all about the retroactive features involved in this matter, if my friend from Iowa is addressing his remarks to that part of it. That is a question about which Members might honestly differ. However, the retroactive features are aimed to correct an unintentional injustice.

I do not intend to address myself to the retroactive feature but to the principle involved so far as it may operate to the future. I am convinced that it is a fair and proper principle.

I am not talking now about the retroactiveness of the provision, but, simply as far as the future is concerned, let us see what is the principle that is involved.

Take my friend the gentleman from Missouri [Mr. LOZIER], and suppose some relative of his died to-day leaving $200,000, and the estate consisted of certificates of stock, which stock was listed on one of the stock exchanges. The estate would be valued as of to-day, and if we were to go back two years to 1929 when stocks were greatly inflated and selling on the market greatly in excess of their book value or real value, the estate would have to pay the tax prescribed at that time upon the inflated value of the listed stock. Take an unlisted stock, which is not listed on any stock exchange, the Treasury, without any regard to what it was selling for on the street as an unlisted security, would ascertain the real or the book value, and if the real value or the book value was less than the street value in its unlisted form, you would pay the tax upon the book value. But the person who was unfortunate enough to own stock listed on the exchange must pay the value of the stock on the exchange at the time he died. What does this mean? This means that under the proposed amendment, if the retroactive feature is stricken out—and I am not going to defend that, although I think there is equity to it, but I realize the necessity at this time to balance the Budget—but so far as the future is concerned, what is the principle concerned? We would ascertain the value to-day of the property, whether the stock is listed or unlisted, real property or personal property, and we would determine what portion of that property the Government is entitled to in the form of estate taxes, and 18 months later that would be payable. If the Government is entitled to 20 per cent of the value of the estate as of the date of death, at the time of payment 18 months hence the Government would be entitled to 20 per cent of the value of the estate at that time.

You can not settle up estates in a day. It takes time. There must be proper administration and months must go by, and 18 months is a reasonable time. If the estate goes up in value, the Government gets 20 per cent of the value of the estate at that time and not 20 per cent of the value of the estate at the time of death. On the other hand, if the estate goes down, the Government still gets its proportionate share of the value of the estate 18 months from the date of death.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. WHITTINGTON. Is not the proper way to effectuate the gentleman's intention to support the motion to strike out this provision and then insert a new paragraph?

Mr. McCORMACK. That may be true.

Mr. RAMSEYER. I was just going to say to the gentleman that the retroactive feature is the heart of this provision.

Mr. McCORMACK. But with respect to its operation in the future, I think that should be retained.

Mr. RAMSEYER. The future is operated on by the amendment of the gentleman from Pennsylvania [Mr. ESTEP].

Mr. McCORMACK. That amendment should be retained so far as the future is concerned.

Now I want to address myself to the bill from another angle. When we go into the House I am going to ask a separate vote on the Crisp amendment. The Crisp amendment, you will remember, included coal and also includes oil, and if that amendment is voted down that eliminates from the bill a domestic tax on wort, on malt, on grape concentrate, and on lubricating oil, taking out of the bill $81,000,000. If that amendment is voted down that eliminates coal, but it still leaves imported oil in the bill. If this amendment is voted down I intend, if recognized, to offer a motion to recommit with instructions to eliminate imported oil and put back into the bill wort, concentrated grape juice, and lubricating oil, so that we will get back the $81,000,000 which is in the bill at the present time.

We do not want tariff in the bill, and the only way we can get tariff out of the bill is to vote down the Crisp amendment and vote for the motion to recommit which I shall offer at the proper time. [Applause.]

[Here the gavel fell.]

Mr. LEHLBACH. Mr. Chairman, let us take a concrete example of what section 810 does.

Here is a man who dies a few months before the 29th of October, 1929. His estate, consisting of stocks, is valued at the quotations on the stock exchange at the date of death. His estate is valued at $500,000. Before the executors can inventory that estate, proceed with the administration and liquidate and distribute the estate, the estate has shrunk to $100,000. The tax of 20 per cent on that $500,000 estate is $100,000; and if this section is not retained, the Government will confiscate every cent of the estate and leave the widow and the children penniless.

Now, you say other people have suffered losses. True; but other people are alive and can rehabilitate themselves as the country rehabilitates itself, but the fathers or the husbands of these women and children are in their graves and they have no way of rehabilitating themselves, and the estate can not again rise in value, because it has to be sold and distributed.

In many cases you are robbing the people of everything they have unless you retain this section.

Mr. JOHNSON of Washington. Would not the proposal bring a condition by which the Government might take all of the money that the decedent left to his widow?

Mr. LEHLBACH. Yes. In many instances the tax will exceed the estate, and they may take even the money of her own that a widow may have.

[Here the gavel fell.]

Mr. RAGON rose.

The CHAIRMAN. There are two minutes left.

Mr. RAGON. Mr. Chairman, I want to call attention to this particular provision and the amendment, both of which are important. If the amendment of the gentleman from Mississippi prevails, I shall not offer the amendment that I am suggesting. But if the amendment does not prevail and the bill remains as it is, I shall offer an amendment providing that in no event shall the reduction exceed 40 per cent of the original value of the estate.

The CHAIRMAN. All time has expired, and the question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTINGTON].

The question was taken; and on a division (demanded by Mr. WHITTINGTON and Mr. STAFFORD) there were 120 ayes and 121 noes.

Mr. WHITTINGTON. I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. WHITTINGTON and Mr. MCCORMACK.

The committee again divided; and the tellers reported that there were 130 ayes and 184 noes.

So the amendment was rejected.

Mr. RAGON. Mr. Chairman, I offer the following substitute section.

The Clerk read as follows:

Page 271, after line 14, insert a new section, as follows:

"SEC. 810. REVALUATION OF DEPRECIATED ESTATES—RETROACTIVE

"Title III of the revenue act of 1926 is amended by adding at the end thereof a new section to read as follows:

"'SEC. 326. (a) In the case of the estate of a decedent who died on or after September 1, 1928, and prior to January 1, 1932, and at the election of the executor, the value of the gross estate and of the net estate shall be computed based upon values as of a date 18 months after the decedent's death (hereinafter referred to as "subsequent value"), and the tax to be paid under this title shall bear the same ratio to a tax computed without reference to this section as the subsequent value of the net estate bears to the value of the net estate computed as of the date of the decedent's death, but in no case shall the tax be less than 60 per cent of the tax computed without reference to this section. Such election shall be exercised by the filing of a statement under oath which shall set forth all the necessary information, and shall be filed not later than one year after the date of the enactment of the revenue act of 1932. Any amount of tax refundable by reason of this section shall be refunded where such statement is filed within the prescribed time, but the amount refunded shall be without interest. The credit allowed by section 301 for estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia shall not exceed 80 per cent of the tax as computed under this section.

"'(b) In the case of any property (the value of which is required, under section 302, to be included in the value of the gross estate) which has been distributed or sold or otherwise disposed of, after the death of the decedent and prior to the expiration of 18 months therefrom, then the subsequent value of such property shall be its value upon the date of such distribution, sale, or other disposition (in lieu of its value 18 months after the date of death); and in the case of property (such as leaseholds, patents, remainders, and other interests terminating upon the expiration of a period of time), the value of which is necessarily affected merely by the lapse of time or by the happening or nonhappening of a contingency, then the subsequent value of such property shall be determined without any allowance for change of value due merely to lapse of time or to the happening or nonhappening of the contingency.

"'(c) In any case in which the estate tax to be paid in respect of the estate is computed under this section, then for income-tax purposes the basis for determining the gain or loss from the sale or other disposition of personal property acquired by specific bequest, or of real property acquired by general or specific devise or by intestacy, and the basis for determining loss from the sale or other disposition of property acquired by the decedent's estate from the decedent shall be the value at which such property is included in determining the subsequent value of the gross estate.'"

Mr. CHINDBLOM. Mr. Chairman, I reserve the point of order on that. I raise the question as to whether or not a substitute is now in order, the time for perfecting amendments having passed?

The CHAIRMAN. The only matter upon which action was taken by the committee was to close debate. The substitute, in the opinion of the Chair, is still in order.

Mr. RAGON. Mr. Chairman, my purpose in offering this amendment is to prevent the reductions in any event from amounting to over 40 per cent.

The CHAIRMAN. Under the unanimous-consent agreement debate is not permissible. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the amendment was agreed to.

Mr. CRISP. Mr. Chairman, that completes the reading of the bill. I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman, we have just concluded the consideration of one of the most important bills that have been before Congress during the 20 years that I have been a Member of it. It has been a most trying bill, and the House has worked diligently. Each Member has acted as his conscience dictated, each trying to serve our beloved country. During the consideration of the bill I have earnestly and vigorously tried to impress my views upon the House and to defend the committee bill, but knowingly I have not uttered one word of criticism against any Member of the House who differed with me. If I unwittingly wounded the feelings of any Member of the House, I sincerely regret it.

I appreciate the kind words the gentleman from Massachusetts [Mr. TREADWAY] said about me, and may I not say also to each Member of this House that I would be the basest of ingrates if I did not appreciate the friendship exhibited to me on numerous occasions by all Members, even when they were vigorously opposing the position I was taking relative to the bill. Personally you have shown me every kindness, and I thank you.

I rose principally to say that I am sure the entire House regrets the illness of the distinguished chairman of the Committee on Ways and Means, the gentleman from Mississippi [Mr. COLLIER], which prevented him from taking part in the consideration of the bill. I have borne the brunt for him as best I could, and I shall be happy if by his being relieved of this burden he shall be speedily restored to health. I am happy to say that he is rapidly regaining his strength. He is a gentleman, able intellectually, lovable in nature, devoted to his public duty. He loves his fellow man, and he has rendered his district and State very valuable public service. I am confident they appreciate it and will keep him in Congress as long as he desires to serve. [Applause.]

Mr. Chairman, I move that the committee do now rise and report the bill to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BANKHEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10236, the revenue bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. CRISP. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. CRISP. Mr. Speaker, I ask a separate vote on the Swing amendment increasing the surtaxes to 65 per cent.

Mr. McCORMACK. Mr. Speaker, I ask a separate vote upon the Crisp amendment relating to coal and imported oil, and relating to paragraph (d) of section 601, on page 228.

Mr. CHINDBLOM. Mr. Speaker, I ask a separate vote upon the Doughton amendment striking out the manufacturers' excise tax, and I ask unanimous consent that all of that title may be included.

Mr. CRISP. Mr. Speaker, that request forces me to ask for a separate vote upon all amendments. Later I may be able to withdraw that, but here is what I have in mind. Of course, I do not think it is going to happen, but still I have to be in a position to protect the bill. If the Doughton amendment striking out the manufacturers' excise tax should be defeated, that restores the manufacturers' excise tax to the bill, and, therefore, if that be restored to the bill, all of these special excise taxes levied will be unnecessary, and I would have to ask a separate vote upon them to have them eliminated from the bill.

The SPEAKER. The gentleman from Illinois asks a separate vote on what is known as the Doughton amendment, and the gentleman from Georgia asks a separate vote upon all amendments adopted in lieu of the Doughton amendment.

Mr. CRISP. I would have to ask a separate vote upon all amendments. To obviate that I suggest the Speaker ascertain the number of special votes desired on the different amendments and then I would ask that we first vote upon the Doughton amendment. If that is disposed of and the House agrees to it, of course I shall withdraw my request to vote on all of the rest.

The SPEAKER. Is there objection to the request just stated by the gentleman from Georgia?

There was no objection.

Mr. HAWLEY. Mr. Speaker, I ask for a separate vote upon the Crisp amendment subjecting dividends from stocks to the individual normal tax.

Mr. JOHNSON of South Dakota. Mr. Speaker, the gentleman from Illinois [Mr. CHINDBLOM] requested a separate vote on the Doughton amendment. If that is voted out of the bill, I then request a vote on all of the Doughton amendments with reference to the sales tax.

The SPEAKER. The gentleman from Georgia has already made that request.

Mr. SCHAFER. Mr. Speaker, I ask for a separate vote on the Crisp amendment which contains a 30 per cent sales tax on malt and wort.

The SPEAKER. The Chair will say to the gentleman from Wisconsin that the gentleman from Massachusetts [Mr. McCORMACK] has already asked for a separate vote on that amendment.

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent for a separate vote on the committee amendment providing for an increase in postal rates from 2 to 3 cents.

Mr. MOUSER. Mr. Speaker, I was going to make that request.

Mr. GOSS. Mr. Speaker, I ask for a separate vote on the one-half of 1 per cent tax on stock-exchange transactions.

Mr. MOUSER. Mr. Speaker, I ask for a separate vote on the amendment taxing real-estate transfers 50 cents.

Mr. McKEOWN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McKEOWN. The gentleman from Massachusetts asked for a separate vote on the Crisp amendment. I want to know if that covered the duty on crude oil, fuel oil, and gasoline?

The SPEAKER. The Chair understands it includes that.

Mr. McKEOWN. Mr. Speaker, may I make this observation? Those three items were not stricken from the bill?

The SPEAKER. They are in the amendment.

Mr. WHITTINGTON. Mr. Speaker, I ask for a separate vote on section 810 relating to the revaluation of depreciated estates.

Mr. CHINDBLOM. Mr. Speaker, I make a point of order against that request. There was no amendment to the section except the amendment offered by the gentleman from Arkansas [Mr. RAGON].

The SPEAKER. That struck out all of the language of section 810 and inserted a new text. That is an amendment within the rules, it seems to the Chair.

Mr. RANKIN. Mr. Speaker, I ask for a separate vote on the amendment providing for a tax on real-estate transfers.

The SPEAKER. That has already been demanded.

Mr. O'CONNOR. Mr. Speaker, if it has not been demanded—and in the confusion I could not hear—I ask for a separate vote on the Ramseyer amendment placing a tax on estates and a separate vote on the gift tax amendment, which is a companion provision.

Mr. KADING. Mr. Speaker, I ask for a separate vote on the amendment providing a tax on automobiles, trucks, and accessories.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. The gentleman from Oklahoma propounded a parliamentary inquiry as to a separate vote on the Crisp amendment including the so-called oil provision. The oil provision was in the bill as reported by the committee and a motion to strike it out was defeated in the Committee of the Whole. Did I understand the Speaker to say that a separate vote on the so-called Crisp amendment also included the oil provision?

The SPEAKER. That was in the Crisp amendment. The Crisp amendment is one amendment and it can not be separated. As the Chair understands, the Crisp amendment is one amendment and it includes coal, oil, and the other provisions. The Chair thinks the RECORD will so show. Let the Chair ask the gentleman from Georgia. The gentleman from Georgia ought to know what his amendment contains.

Mr. CRISP. I can tell the Chair what the amendment provided. The amendment offered by the gentleman from North Carolina [Mr. DOUGHTON] eliminated from the bill the tax on wort, malt sirup, lubricating oil, and grape concentrate. To put those matters back in the bill I offered an amendment reenacting all of those subject matters. After that an amendment was adopted levying a tariff on coal.

The SPEAKER. The Chair will request the Clerk to read the Crisp amendment.

The Clerk read as follows:

Amendment offered by Mr. CRISP: Page 228, strike out lines 9 to 24, both inclusive, and lines 1 to 5, both inclusive, on page 229, and insert in lieu thereof the following:

"(d) There is hereby imposed upon the following articles sold in the United States by the manufacturer or producers, or imported into the United States, a tax at the rates hereinafter set forth, to be paid by the manufacturer, producer, or importer:

"(1) Lubricating oils, of the grades designated (at the time of the enactment of this act) by Society of Automotive Engineers viscosity Nos. 20 to 70, inclusive, 4 cents a gallon.

"(2) Brewer's wort, liquid malt, malt sirup, and malt extract, fluid, solid, or condensed (unless sold to a baker for use in baking or to a manufacturer of malted milk or medicinal products for use in the manufacture of such products), if containing less than 15 per cent of solids by weight, 5 cents a gallon; if containing 15 per cent or more of solids by weight, 35 cents a gallon.

"(3) Grape sirup, grape concentrate, and evaporated grape juice, if containing more than 35 per cent of sugars by weight and not containing preservative sufficient to prevent fermentation when diluted, 40 per cent of the price for which sold or in the case of such articles imported into the United States, 40 per cent ad valorem.

"(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, 1 cent a gallon; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

The SPEAKER. That is the Crisp amendment, gentlemen.

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. The previous question has been ordered on the bill and amendments to final passage.

The question is on agreeing to the Doughton amendment, and the Chair wants to make a suggestion. In view of the confusion that would arise, it might be better, the parliamentarian suggests, that we take a vote on the Doughton amendment first——

Mr. CRISP. Mr. Speaker, I made that request, and the House agreed to it.

The SPEAKER. The Clerk will report the Doughton amendment.

The Clerk read as follows:

Amendment offered by Mr. DOUGHTON: On page 225, strike out paragraph (a), beginning with line 8 of page 225, down to and including line 6 of page 226.

The SPEAKER. The question is on agreeing to the Doughton amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CRISP. We are voting on the Doughton amendment, and an aye vote eliminates the manufacturers' excise tax title from the bill and a no vote restores it.

The SPEAKER. The gentleman is correct.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry. The gentleman from Georgia, in referring to the manufacturers' excise tax, means the manufacturers' sales tax?

Mr. CRISP. A rose by another name would smell as sweet, and that is true of these excise taxes and sales taxes.

The question was taken; and there were—yeas 236, nays 160, not voting 36, as follows:

[Roll No. 37]

YEAS—236

Adkins	Bowman	Carden	Condon
Allgood	Brand, Ga.	Carter, Calif.	Cooper, Tenn.
Almon	Brand, Ohio	Carter, Wyo.	Crail
Amlie	Briggs	Cartwright	Cross
Andresen	Browning	Cary	Crosser
Arnold	Brumm	Chase	Crowe
Bachmann	Buchanan	Chavez	Crump
Bankhead	Burch	Christgau	Davenport
Barbour	Busby	Christopherson	Davis
Barton	Butler	Clark, N. C.	DeRouen
Blanton	Byrns	Cochran, Mo.	Dickinson
Boehne	Campbell, Iowa	Cole, Md.	Dies
Boileau	Canfield	Collins	Disney
Boland	Cannon	Colton	Dominick
Doughton	Hogg, W. Va.	Major	Shannon
Douglass, Mass.	Holaday	Maloney	Shott
Dowell	Holmes	Mansfield	Simmons
Doxey	Hornor	May	Sinclair
Drane	Horr	Mead	Sirovich
Driver	Howard	Miller	Smith, Idaho
Ellzey	Jacobsen	Mitchell	Snow
Englebright	James	Mobley	Sparks
Evans, Mont.	Jeffers	Montet	Spence
Fernandez	Jenkins	Moore, Ky.	Stafford
Fiesinger	Johnson, Mo.	Moore, Ohio	Steagall
Finley	Johnson, Okla.	Morehead	Stevenson
Fishburne	Johnson, Tex.	Mouser	Summers, Wash.
Fitzpatrick	Jones	Murphy	Sumners, Tex.
Flannagan	Kading	Nelson, Me.	Swank
Frear	Karch	Nelson, Mo.	Sweeney
French	Keller	Nelson, Wis.	Swing
Fulbright	Kelly, Pa.	Nolan	Tarver
Fuller	Kemp	Norton, Nebr.	Taylor, Colo.
Fulmer	Kerr	Oliver, Ala.	Taylor, Tenn.
Gambrill	Ketcham	Oliver, N. Y.	Thomason
Garber	Kniffin	Overton	Thurston
Garrett	Knutson	Palmisano	Turpin
Gasque	Kopp	Parker, Ga.	Underwood
Gilbert	Kurtz	Parks	Vinson, Ga.
Gilchrist	Kvale	Parsons	Vinson, Ky.
Gillen	LaGuardia	Patman	Weaver
Glover	Lambertson	Patterson	Welch, Calif.
Golder	Lambeth	Peavey	Welsh, Pa.
Green	Lamneck	Perkins	West
Greenwood	Lanham	Pettengill	White
Gregory	Lankford, Ga.	Polk	Whittington
Griffin	Larrabee	Ragon	Williams, Mo.
Griswold	Leavitt	Rankin	Williams, Tex.
Haines	Lewis	Rayburn	Williamson
Hall, Miss.	Linthicum	Reilly	Wilson
Hall, N. Dak.	Lovette	Robinson	Wingo
Hare	Lozier	Rogers, N. H.	Withrow
Hart	Ludlow	Romjue	Wolverton
Hartley	McClintic, Okla.	Sanders, Tex.	Wood, Ga.
Hastings	McClintock, Ohio	Sandlin	Woodruff
Haugen	McKeown	Schafer	Woodrum
Hill, Ala.	McReynolds	Schneider	Wright
Hoch	McSwain	Selvig	Yates
Hogg, Ind.	Maas	Shallenberger	Yon

NAYS—160

Aldrich	Cullen	Huddleston	Rainey
Allen	Dallinger	Hull, Morton D.	Ramseyer
Andrew, Mass.	Darrow	Johnson, S. Dak.	Ramspeck
Andrews, N. Y.	Delaney	Johnson, Wash.	Ransley
Arentz	Dickstein	Kahn	Reed, N. Y.
Auf der Heide	Douglas, Ariz.	Kennedy	Rich
Ayres	Doutrich	Kinzer	Rogers, Mass.
Bacharach	Drewry	Kleberg	Rudd
Bacon	Dyer	Lankford, Va.	Seger
Baldrige	Eaton, Colo.	Lea	Selberling
Black	Eaton, N. J.	Lehlbach	Shreve
Bland	Erk	Lichtenwalner	Smith, Va.
Bloom	Ezlick	Lindsay	Somers, N. Y.
Bohn	Estep	Lonergan	Stalker
Bolton	Evans, Calif.	Loofbourow	Stewart
Boylan	Fish	Luce	Stokes
Britten	Foss	McCormack	Strong, Kans.
Brunner	Free	McDuffie	Sullivan, N. Y.
Buckbee	Gavagan	McGugin	Sullivan, Pa.
Bulwinkle	Gibson	McLaughlin	Sutphin
Burdick	Gifford	McLeod	Swanson
Burtness	Goodwin	Manlove	Swick
Campbell, Pa.	Goss	Mapes	Taber
Carley	Granata	Martin, Mass.	Temple
Cavicchia	Granfield	Martin, Oreg.	Thatcher
Celler	Guyer	Michener	Tierney
Chindblom	Hadley	Millard	Timberlake
Chiperfield	Hall, Ill.	Milligan	Tinkham
Clague	Hancock, N. Y.	Montague	Treadway
Clancy	Hancock, N. C.	Niedringhaus	Underhill
Clarke, N. Y.	Hardy	Norton, N. J.	Warren
Cole, Iowa	Harlan	O'Connor	Wason
Connolly	Hawley	Parker, N. Y.	Watson
Cooper, Ohio	Hess	Person	Weeks
Corning	Hill, Wash.	Pittenger	Whitley
Cox	Hollister	Pou	Wigglesworth
Coyle	Hooper	Prall	Wolcott
Crisp	Hope	Pratt, Harcourt J.	Wolfenden
Crowther	Hopkins	Pratt, Ruth	Wood, Ind.
Culkin	Houston, Del.	Purnell	Wyant

NOT VOTING—36

Abernethy	Connery	Johnson, Ill.	Reid, Ill.
Beam	Cooke	Kelly, Ill.	Sabath
Beck	Curry	Kendall	Sanders, N. Y.
Beedy	De Priest	Larsen	Schuetz
Beers	Dieterich	McFadden	Smith, W. Va.
Cable	Freeman	McMillan	Snell
Chapman	Goldsborough	Magrady	Strong, Pa.
Cochran, Pa.	Hull, William E.	Owen	Tilson
Collier	Igoe	Partridge	Tucker

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Goldsborough (for) with Mr. Beck (against).

Mr. Abernethy (for) with Mr. Tucker (against).

General pairs until further notice:

Mr. McMillan with Mr. Snell.
Mr. Collier with Mr. Kendall.
Mr. Larsen with Mr. Tilson.
Mr. Schuetz with Mr. Beedy.
Mr. Beam with Mr. Cable.
Mr. Connery with Mr. McFadden.
Mr. Dieterich with Mr. Magrady.
Mr. Kelly of Illinois with Mr. Reid of Illinois.
Mr. Chapman with Mr. Beck.
Mr. Sabath with Mr. Cooke.
Mr. Igoe with Mr. Strong of Pennsylvania.
Mr. Partridge with Mr. William E. Hull.
Mr. Cochran of Pennsylvania with Mr. Johnson of Illinois.
Mrs. Owen with Mr. Curry.

Mr. McCORMACK. Mr. Speaker, the gentleman from Massachusetts, Mr. CONNERY, is unavoidably absent. If present, he would vote "aye."

The result of the vote was announced as above recorded.

Mr. CRISP. Mr. Speaker, I withdraw my request for separate votes on all amendments except the Swing amendment.

The SPEAKER. Without objection, the Chair will put the amendments on which a separate vote has not been asked en gross.

There was no objection.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the Swing amendment.

The Clerk read as follows:

Page 14, line 17, strike out lines 17 and 18 and insert in lieu thereof the following:

"Net incomes in excess of $100,000 and not in excess of $150,000, 40 per cent in addition of such excess.

"42 per cent of the amount by which the net incomes exceed $150,000 and do not exceed $200,000.

"44 per cent of the amount by which the net incomes exceed $200,000 and do not exceed $250,000.

"46 per cent of the amount by which the net incomes exceed $250,000 and do not exceed $300,000.

"48 per cent of the amount by which the net incomes exceed $300,000 and do not exceed $400,000.

"50 per cent of the amount by which the net incomes exceed $400,000 and do not exceed $500,000.

"52 per cent of the amount by which the net incomes exceed $500,000 and do not exceed $750,000.

"54 per cent of the amount by which the net incomes exceed $750,000 and do not exceed $1,000,000.

"56 per cent of the amount by which the net incomes exceed $1,000,000 and do not exceed $1,500,000.

"58 per cent of the amount by which the net incomes exceed $1,500,000 and do not exceed $2,000,000.

"60 per cent of the amount by which the net incomes exceed $2,000,000 and do not exceed $3,000,000.

"62 per cent of the amount by which the net incomes exceed $3,000,000 and do not exceed $4,000,000.

"64 per cent of the amount by which the net incomes exceed $4,000,000 and do not exceed $5,000,000.

"65 per cent of the amount by which the net incomes exceed $5,000,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. SWING. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 211, not voting 43, as follows:

[Roll No. 38]

YEAS—178

Allgood	Busby	Crosser	Frear
Almon	Butler	Crowe	French
Amlie	Campbell, Iowa	Davis	Fulbright
Andresen	Cannon	DeRouen	Fuller
Arentz	Carter, Wyo.	Dickinson	Fulmer
Ayres	Cartwright	Dies	Gambrill
Bankhead	Cary	Disney	Garber
Barbour	Chavez	Dominick	Garrett
Barton	Christgau	Dowell	Gasque
Blanton	Christopherson	Doxey	Gilbert
Bolleau	Clague	Driver	Gilchrist
Boland	Cochran, Mo.	Ellzey	Glover
Brand, Ga.	Cole, Md.	Englebright	Golder
Briggs	Collins	Eslick	Goodwin
Browning	Condon	Evans, Mont.	Granata
Buchanan	Cooper, Tenn.	Fernandez	Green
Burtness	Cross	Fishburne	Gregory
Griswold	Kemp	Norton, Nebr.	Sumners, Tex.
Guyer	Kerr	Overton	Swank
Hall, Miss.	Kniffin	Palmisano	Swanson
Hall, N. Dak.	Kopp	Parker, Ga.	Sweeney
Hancock, N. C.	Kvale	Patman	Swing
Hare	LaGuardia	Patterson	Tarver
Hastings	Lambertson	Peavey	Taylor, Colo.
Haugen	Lambeth	Pittenger	Taylor, Tenn.
Hill, Wash.	Lankford, Ga.	Polk	Thomason
Hoch	Lovette	Rankin	Thurston
Hogg, Ind.	Lozier	Reilly	Underwood
Hogg, W. Va.	McClintic, Okla.	Robinson	Vinson, Ga.
Holaday	McGugin	Romjue	Warren
Hope	McKeown	Sanders, Tex.	Weaver
Hopkins	McSwain	Sandlin	Welch, Calif.
Hornor	Maloney	Schafer	Welsh, Pa.
Horr	Mansfield	Schneider	West
Howard	May	Selvig	White
James	Mead	Shallenberger	Williams, Mo.
Jeffers	Miller	Shannon	Wilson
Johnson, Mo.	Mitchell	Shott	Withrow
Johnson, Okla.	Mobley	Simmons	Wolverton
Johnson, Tex.	Montet	Sinclair	Wood, Ga.
Jones	Moore, Ky.	Sparks	Wright
Kading	Morehead	Steagall	Yates
Karch	Nelson, Mo.	Stevenson	Yon
Keller	Nelson, Wis.	Strong, Kans.	
Kelly, Pa.	Nolan	Summers, Wash.	

NAYS—211

Adkins	Cullen	Kahn	Purnell
Aldrich	Dallinger	Ketcham	Ragon
Allen	Darrow	Kinzer	Rainey
Andrew, Mass.	Davenport	Kleberg	Ramseyer
Andrews, N. Y.	Delaney	Knutson	Ramspeck
Arnold	Dickstein	Kurtz	Ransley
Auf der Heide	Douglas, Ariz.	Lamneck	Rayburn
Bacharach	Douglass, Mass.	Lanham	Reed, N. Y.
Bachmann	Doutrich	Lankford, Va.	Rich
Bacon	Drane	Larrabee	Rogers, Mass.
Baldrige	Drewry	Lea	Rogers, N. H.
Black	Dyer	Lehlbach	Rudd
Bland	Eaton, Colo.	Lewis	Seger
Bloom	Eaton, N. J.	Lichtenwalner	Selberling
Boehne	Erk	Lindsay	Shreve
Bohn	Estep	Linthicum	Sirovich
Bolton	Evans, Calif.	Lonergan	Smith, Idaho
Bowman	Fiesinger	Loofbourow	Smith, Va.
Boylan	Finley	Luce	Snow
Brand, Ohio	Fish	Ludlow	Somers, N. Y.
Britten	Fitzpatrick	McClintock, Ohio	Spence
Brumm	Flannagan	McCormack	Stafford
Brunner	Foss	McDuffie	Stalker
Buckbee	Free	McLaughlin	Stewart
Bulwinkle	Gavagan	McLeod	Stokes
Burch	Gibson	McReynolds	Sullivan, N. Y.
Burdick	Gifford	Major	Sullivan, Pa.
Byrns	Gillen	Manlove	Sutphin
Campbell, Pa.	Goss	Mapes	Swick
Canfield	Granfield	Martin, Mass.	Taber
Carden	Greenwood	Martin, Oreg.	Temple
Carley	Griffin	Michener	Thatcher
Carter, Calif.	Hadley	Millard	Tierney
Cavicchia	Haines	Milligan	Timberlake
Celler	Hall, Ill.	Montague	Tinkham
Chase	Hancock, N. Y.	Moore, Ohio	Turpin
Chindblom	Hardy	Mouser	Underhill
Chiperfield	Harlan	Murphy	Vinson, Ky.
Clancy	Hart	Nelson, Me.	Wason
Clark, N. C.	Hartley	Niedringhaus	Watson
Clarke, N. Y.	Hawley	Norton, N. J.	Weeks
Cole, Iowa	Hess	O'Connor	Whitley
Colton	Hill, Ala.	Oliver, Ala.	Whittington
Connolly	Hollister	Oliver, N. Y.	Wigglesworth
Cooper, Ohio	Holmes	Parker, N. Y.	Williams, Tex.
Corning	Hooper	Parks	Wingo
Cox	Houston, Del.	Parsons	Wolcott
Coyle	Huddleston	Perkins	Wolfenden
Crail	Hull, Morton D.	Person	Wood, Ind.
Crisp	Jacobsen	Pettengill	Woodruff
Crowther	Jenkins	Prall	Woodrum
Crump	Johnson, S. Dak.	Pratt, Harcourt J.	Wyant
Culkin	Johnson, Wash.	Pratt, Ruth	

NOT VOTING—43

Abernethy	Curry	Kennedy	Sabath
Beam	De Priest	Larsen	Sanders, N. Y.
Beck	Dieterich	Leavitt	Schuetz
Beedy	Doughton	McFadden	Smith, W. Va.
Beers	Freeman	McMillan	Snell
Cable	Goldsborough	Maas	Strong, Pa.
Chapman	Hull, William E.	Magrady	Tilson
Cochran, Pa.	Igoe	Owen	Treadway
Collier	Johnson, Ill.	Partridge	Tucker
Connery	Kelly, Ill.	Pou	Williamson
Cooke	Kendall	Reid, Ill.	

So the amendment was rejected.

The following additional pairs were announced:

On the vote:

Mr. Connery (for) with Mr. Beck (against).
Mr. Smith of West Virginia (for) with Mr. Pou (against).

Until further notice:

Mr. McMillan with Mr. Snell.
Mr. Collier with Mr. Kendall.
Mr. Larsen with Mr. Tilson.
Mr. Schuetz with Mr. Beedy.
Mr. Beam with Mr. McFadden.
Mr. Dieterich with Mr. Magrady.
Mr. Kelly of Illinois with Mr. Reid of Illinois.
Mr. Chapman with Mr. Beck.
Mr. Sabath with Mr. Cooke.
Mr. Igoe with Mr. Strong of Pennsylvania.
Mr. Abernethy with Mr. Cochran of Pennsylvania.
Mr. Doughton with Mr. Treadway.
Mr. Goldsborough with Mr. Maas.
Mr. Kennedy with Mr. William E. Hull.
Mrs. Owen with Mr. Curry.
Mr. Tucker with Mr. Johnson of Illinois.

The result of the vote was announced as above recorded.

Mr. CRISP. Mr. Speaker, may I ask that the vote next be taken on the Ramseyer amendment and the gift-tax amendment.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the vote be next taken on the Ramseyer amendment. Is there objection?

There was no objection.

Mr. RAMSEYER. The gentleman from Georgia does not mean to vote on them together?

Mr. CRISP. Oh, no. They are separable, and we could not vote on them together.

The Clerk read the Ramseyer amendment, as follows:

Substitute offered by Mr. RAMSEYER for the Lewis amendment: Page 169, strike out lines 8 to 14, both inclusive, and in lieu thereof insert the following:

"(a) In addition to the estate tax imposed by section 301 (a) of the revenue act of 1926, there is hereby imposed upon the transfer of the net estate of every decedent dying after the enactment of this act, whether a resident or nonresident of the United States, an additional tax equal to the excess of—

"(1) The amount of a tentative tax computed under subsection (b) of this section, over

"(2) The amount of the tax imposed by section 301 (a) of the revenue act of 1926, computed without regard to the provisions of this title.

"(b) The tentative tax referred to in subsection (a) (1) of this section shall equal the sum of the following percentages of the value of the net estate:

"Upon net estates not in excess of $10,000, 1 per cent.

"$100 upon net estates of $10,000; and upon net estates in excess of $10,000 and not in excess of $20,000, 2 per cent in addition of such excess.

"$300 upon net estates of $20,000; and upon net estates in excess of $20,000 and not in excess of $30,000, 3 per cent in addition of such excess.

"$600 upon net estates of $30,000; and upon net estates in excess of $30,000 and not in excess of $40,000, 4 per cent in addition of such excess.

"$1,000 upon net estates of $40,000; and upon net estates in excess of $40,000 and not in excess of $50,000, 5 per cent in addition of such excess.

"$1,500 upon net estates of $50,000; and upon net estates in excess of $50,000 and not in excess of $100,000, 7 per cent in addition of such excess.

"$5,000 upon net estates of $100,000; and upon net estates in excess of $100,000 and not in excess of $200,000, 9 per cent in addition of such excess.

"$14,000 upon net estates of $200,000; and upon net estates in excess of $200,000 and not in excess of $400,000, 11 per cent in addition of such excess.

"$36,000 upon net estates of $400,000; and upon net estates in excess of $400,000 and not in excess of $600,000, 13 per cent in addition of such excess.

"$62,000 upon net estates of $600,000; and upon net estates in excess of $600,000 and not in excess of $800,000, 15 per cent in addition of such excess.

"$92,000 upon net estates of $800,000; and upon net estates in excess of $800,000 and not in excess of $1,000,000, 17 per cent in addition of such excess.

"$126,000 upon net estates of $1,000,000; and upon net estates in excess of $1,000,000 and not in excess of $1,500,000, 19 per cent in addition of such excess.

"$221,000 upon net estates of $1,500,000; and upon net estates in excess of $1,500,000 and not in excess of $2,000,000, 21 per cent in addition of such excess.

"$326,000 upon net estates of $2,000,000; and upon net estates in excess of $2,000,000 and not in excess of $2,500,000, 23 per cent in addition of such excess.

"$441,000 upon net estates of $2,500,000; and upon net estates in excess of $2,500,000 and not in excess of $3,000,000, 25 per cent in addition of such excess.

"$566,000 upon net estates of $3,000,000; and upon net estates in excess of $3,000,000 and not in excess of $3,500,000, 27 per cent in addition of such excess.

"$701,000 upon net estates of $3,500,000; and upon net estates in excess of $3,500,000 and not in excess of $4,000,000, 29 per cent in addition of such excess.

"$846,000 upon net estates of $4,000,000; and upon net estates in excess of $4,000,000 and not in excess of $4,500,000, 31 per cent in addition of such excess.

"$1,001,000 upon net estates of $4,500,000; and upon net estates in excess of $4,500,000 and not in excess of $5,000,000, 33 per cent in addition of such excess.

"$1,166,000 upon net estates of $5,000,000; and upon net estates in excess of $5,000,000 and not in excess of $6,000,000, 35 per cent in addition of such excess.

"$1,516,000 upon net estates of $6,000,000; and upon net estates in excess of $6,000,000 and not in excess of $7,000,000, 37 per cent in addition of such excess.

"$1,886,000 upon net estates of $7,000,000; and upon net estates in excess of $7,000,000 and not in excess of $8,000,000, 39 per cent in addition of such excess.

"$2,275,000 upon net estates of $8,000,000; and upon net estates in excess of $8,000,000 and not in excess of $9,000,000, 41 per cent in addition of such excess.

"$2,686,000 upon net estates of $9,000,000; and upon net estates in excess of $9,000,000 and not in excess of $10,000,000, 43 per cent in addition of such excess.

"$3,116,000 upon net estates of $10,000,000; and upon net estates in excess of $10,000,000, in addition 45 per cent of such excess.

"(c) For the purposes of this section, the value of the net estate shall be determined as provided in Title III of the revenue act of 1926, as amended, except that in lieu of the exemption of $100,000 provided in section 303 (a) (4) of such act, the exemption shall be $50,000."

The SPEAKER. The question is on the amendment.

The question was taken, and the Speaker announced that the ayes had it.

Mr. O'CONNOR. I demand the yeas and nays.

The SPEAKER. The gentleman from New York demands the yeas and nays. The Chair will count all Members standing. [After counting.] Sixty-one Members have arisen, and under the last vote it requires 78. Not a sufficient number, and the yeas and nays are refused.

So the amendment was agreed to.

Mr. CRISP. Mr. Speaker, my request covered the gift-tax amendment.

The SPEAKER. The gentleman asks unanimous consent that the next vote be on the gift-tax amendment. Is there objection?

The Clerk read the amendment, as follows:

Amendment offered by Mr. RAMSEYER: Page 191, strike out lines 9 to 24, both inclusive, all of page 192, and lines 1 to 18, both inclusive, on page 193, and in lieu thereof insert the following:

"Upon net gifts not in excess of $10,000, three-fourths of 1 per cent.

"$75 upon net gifts of $10,000; and upon net gifts in excess of $10,000 and not in excess of $20,000, 1½ per cent in addition of such excess.

"$225 upon net gifts of $20,000; and upon net gifts in excess of $20,000 and not in excess of $30,000, 2¼ per cent in addition of such excess.

"$450 upon net gifts of $30,000; and upon net gifts in excess of $30,000 and not in excess of $40,000, 3 per cent in addition of such excess.

"$750 upon net gifts of $40,000; and upon net gifts in excess of $40,000 and not in excess of $50,000, 3¾ per cent in addition of such excess.

"$1,125 upon net gifts of $50,000; and upon net gifts in excess of $50,000 and not in excess of $100,000, 5 per cent in addition of such excess.

"$3,625 upon net gifts of $100,000; and upon net gifts in excess of $100,000 and not in excess of $200,000, 6½ per cent in addition of such excess.

"$10,125 upon net gifts of $200,000; and upon net gifts in excess of $200,000 and not in excess of $400,000, 8 per cent in addition of such excess.

"$26,125 upon net gifts of $400,000; and upon net gifts in excess of $400,000 and not in excess of $600,000, 9½ per cent in addition of such excess.

"$45,125 upon net gifts of $600,000; and upon net gifts in excess of $600,000 and not in excess of $800,000, 11 per cent in addition of such excess.

"$67,125 upon net gifts of $800,000; and upon net gifts in excess of $800,000 and not in excess of $1,000,000, 12½ per cent in addition of such excess.

"$92,125 upon net gifts of $1,000,000; and upon net gifts in excess of $1,000,000 and not in excess of $1,500,000, 14 per cent in addition of such excess.

"$162,125 upon net gifts of $1,500,000; and upon net gifts in excess of $1,500,000 and not in excess of $2,000,000, 15½ per cent in addition of such excess.

"$239,625 upon net gifts of $2,000,000; and upon net gifts in excess of $2,000,000 and not in excess of $2,500,000, 17 per cent in addition of such excess.

"$324,625 upon net gifts of $2,500,000; and upon net gifts in excess of $2,500,000 and not in excess of $3,000,000, 18½ per cent in addition of such excess.

"$417,125 upon net gifts of $3,000,000; and upon net gifts in excess of $3,000,000 and not in excess of $3,500,000, 20 per cent in addition of such excess.

"$517,125 upon net gifts of $3,500,000; and upon net gifts in excess of $3,500,000 and not in excess of $4,000,000, 21½ per cent in addition of such excess.

"$624,625 upon net gifts of $4,000,000; and upon net gifts in excess of $4,000,000 and not in excess of $4,500,000, 23 per cent in addition of such excess.

"$739,625 upon net gifts of $4,500,000; and upon net gifts in excess of $4,500,000 and not in excess of $5,000,000, 24½ per cent in addition of such excess.

"$862,125 upon net gifts of $5,000,000; and upon net gifts in excess of $5,000,000 and not in excess of $6,000,000, 26 per cent in addition of such excess.

"$1,122,125 upon net gifts of $6,000,000; and upon net gifts in excess of $6,000,000 and not in excess of $7,000,000, 27½ per cent in addition of such excess.

"$1,397,125 upon net gifts of $7,000,000; and upon net gifts in excess of $7,000,000 and not in excess of $8,000,000, 29 per cent in addition of such excess.

"$1,687,125 upon net gifts of $8,000,000; and upon net gifts in excess of $8,000,000 and not in excess of $9,000,000, 30½ per cent in addition of such excess.

"$1,992,125 upon net gifts of $9,000,000; and upon net gifts in excess of $9,000,000 and not in excess of $10,000,000, 32 per cent in addition of such excess.

"$2,312,125 upon net gifts of $10,000,000; and upon net gifts in excess of $10,000,000, 33½ per cent in addition of such excess."

The SPEAKER. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

Mr. McCORMACK. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. This amendment covers lubricating oils, domestic and imported; liquid malt, domestic and imported; grape sirup, domestic and imported; imported coal; and imported oil.

My parliamentary inquiry is this. Assume that the Crisp amendment is defeated, and that I am opposed to the bill in its present form as it finally comes to passage. No member of the committee ranking me on the minority or the majority side seeks recognition. I seek recognition for a motion to recommit. Would a motion to recommit with instructions to report back forthwith putting back into the bill the tax on lubricating oils, brewers' wort, liquid malt, malt sirup, grape sirup, and grape concentrates, and so forth, be in order?

The SPEAKER. As the Chair understands it, the parliamentary inquiry is whether, the Crisp amendment being voted down, the gentleman from Massachusetts would be recognized by the Chair to move to recommit the bill with instructions to report back forthwith the Crisp amendment, with the provisions respecting crude petroleum and fuel oil, and so forth, and coal stricken out of it.

The reply of the Chair is that under the usages of the House under the motion to recommit it has been customary for the Chair to recognize the opposition, which in the present case would be the Republican members of the Ways and Means Committee, to move to recommit provided they qualified as being opposed to the bill. If no Member on the minority side sought recognition and qualified for that purpose, the Chair would then recognize the majority side, according to their rank on the committee, provided they qualified for a motion to recommit. The Chair thinks that answers the question.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. If the House by its vote at this time strikes any subject from this bill, a motion to recommit reinstating that subject would not be in order.

The SPEAKER. A motion to reinstate a portion of that subject would be in order.

The Clerk will report the Crisp amendment.

The Clerk read as follows:

Page 228, strike out lines 9 to 24, both inclusive, and lines 1 to 5, both inclusive, on page 229, and insert in lieu thereof the following:

"(d) There is hereby imposed upon the following articles sold in the United States by the manufacturer or producers, or imported into the United States, a tax at the rates hereinafter set forth, to be paid by the manufacturer, producer, or importer.

"(1) Lubricating oils, of the grades designated (at the time of the enactment of this act) by Society of Automotive Engineers viscosity Nos. 20 to 70, inclusive, 4 cents a gallon.

"(2) Brewer's wort, liquid malt, malt sirup, and malt extract, fluid, solid, or condensed (unless sold to a baker for use in baking or to a manufacturer of malted milk or medicinal products for use in the manufacture of such products), if containing less than 15 per cent of solids by weight, 5 cents a gallon; if containing 15 per cent or more of solids by weight, 35 cents a gallon.

"(3) Grape sirup, grape concentrate, and evaporated grape juice, if containing more than 35 per cent of sugars by weight and not containing preservative sufficient to prevent fermentation when diluted, 40 per cent of the price for which sold or in the case of such articles imported into the United States, 40 per cent ad valorem.

"(4) Crude petroleum, fuel oil derived from petroleum, gas oil derived from petroleum, and gasoline, 1 cent a gallon; but the tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

That an excise tax shall be levied, collected, and paid upon the hereinafter-described articles when imported from any foreign country into the continental United States, upon coal (anthracite or bituminous), coke, or coal or coke briquets, 10 cents per 100 pounds.

The SPEAKER. The question is on agreeing to the amendment.

Mr. McCORMACK. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 187, not voting 41, as follows:

[Roll No. 39]

YEAS—204

Adkins	Driver	Kahn	Pratt, Harcourt J.
Allen	Eaton, Colo.	Keller	Purnell
Almon	Englebright	Kelly, Pa.	Ragon
Andrews, N. Y.	Erk	Kemp	Ramspeck
Arentz	Estep	Ketcham	Ransley
Arnold	Evans, Calif.	Kinzer	Reed, N. Y.
Ayres	Evans, Mont.	Kleberg	Rich
Bachmann	Fernandez	Knutson	Sanders, Tex.
Baldrige	Fiesinger	Kurtz	Sandlin
Barbour	Finley	Kvale	Seiberling
Blanton	Fish	LaGuardia	Shannon
Boehne	Flannagan	Lambertson	Shott
Bohn	Frear	Lamneck	Shreve
Bolleau	Free	Lanham	Sinclair
Boland	French	Lankford, Ga.	Smith, Idaho
Bowman	Fuller	Larrabee	Sparks
Briggs	Garber	Lea	Spence
Britten	Garrett	Leavitt	Stalker
Brumm	Gillen	Lichtenwalner	Stokes
Buchanan	Glover	Loofbourow	Strong, Kans.
Burtness	Golder	Lovette	Sullivan, Pa.
Butler	Goss	Ludlow	Sumners, Tex.
Byrns	Greenwood	McClintic, Okla.	Swank
Campbell, Pa.	Gregory	McClintock, Ohio	Swick
Canfield	Griswold	McDuffie	Swing
Carter, Calif.	Guyer	McGugin	Taber
Carter, Wyo.	Hadley	McKeown	Taylor, Colo.
Cartwright	Haines	McLaughlin	Taylor, Tenn.
Cary	Hall, Ill.	Major	Temple
Celler	Hall, N. Dak.	Maloney	Thatcher
Chase	Hancock, N. Y.	Manlove	Thomason
Chavez	Hardy	Mansfield	Timberlake
Chiperfield	Hastings	May	Turpin
Cole, Iowa	Hill, Wash.	Mead	Underwood
Colton	Hoch	Michener	Vinson, Ky.
Connolly	Hogg, Ind.	Miller	Watson
Cooper, Ohio	Hogg, W. Va.	Montet	Welch, Calif.
Coyle	Holaday	Moore, Ky.	Welsh, Pa.
Crail	Hooper	Moore, Ohio	West
Crisp	Hope	Mouser	White
Cross	Hopkins	Murphy	Whitley
Crowe	Hornor	Nelson, Wis.	Williams, Tex.
Crowther	Horr	Overton	Williamson
Culkin	Houston, Del.	Parker, N. Y.	Wilson
Darrow	Huddleston	Parks	Wingo
DeRouen	James	Parsons	Wolcott
Dickinson	Jenkins	Patman	Wolfenden
Dies	Johnson, Okla.	Peavey	Wood, Ind.
Disney	Johnson, Tex.	Person	Woodruff
Douglas, Ariz.	Johnson, Wash.	Pettengill	Wyant
Doutrich	Jones	Pittenger	Yates

NAYS—187

Aldrich	Bankhead	Brand, Ohio	Campbell, Iowa
Allgood	Barton	Browning	Cannon
Amlie	Black	Brunner	Carden
Andresen	Bland	Buckbee	Carley
Andrew, Mass.	Bloom	Bulwinkle	Cavicchia
Auf der Heide	Bolton	Burch	Chindblom
Bacharach	Boylan	Burdick	Christgau
Bacon	Brand, Ga.	Busby	Christopherson

Clague	Gilbert	McCormack	Schneider
Clancy	Gilchrist	McLeod	Seger
Clark, N. C.	Goodwin	McReynolds	Selvig
Clarke, N. Y.	Granata	McSwain	Shallenberger
Cochran, Mo.	Granfield	Mapes	Simmons
Cole, Md.	Green	Martin, Mass.	Sirovich
Collins	Griffin	Martin, Oreg.	Smith, Va.
Condon	Hall, Miss.	Millard	Snow
Cooper, Tenn.	Hancock, N. C.	Mitchell	Somers, N. Y.
Corning	Hare	Mulligan	Stafford
Cox	Harlan	Mobley	Steagall
Crosser	Hart	Montague	Stevenson
Crump	Hartley	Morehead	Stewart
Cullen	Haugen	Nelson, Me.	Sullivan, N. Y.
Dallinger	Hawley	Nelson, Mo.	Summers, Wash.
Davis	Hess	Niedringhaus	Sutphin
Delaney	Hill, Ala.	Nolan	Swanson
Dickstein	Hollister	Norton, Nebr.	Sweeney
Dominick	Holmes	Norton, N. J.	Tarver
Doughton	Howard	O'Connor	Thurston
Douglass, Mass.	Hull, Morton D.	Oliver, Ala.	Tierney
Dowell	Jacobsen	Oliver, N. Y.	Tinkham
Doxey	Jeffers	Palmisano	Treadway
Drane	Johnson, Mo.	Parker, Ga.	Underhill
Drewry	Johnson, S. Dak.	Patterson	Vinson, Ga.
Dyer	Kading	Perkins	Warren
Eaton, N. J.	Karch	Polk	Wason
Ellzey	Kerr	Prall	Weaver
Eslick	Kniffin	Pratt, Ruth	Weeks
Fishburne	Kopp	Rainey	Whittington
Fitzpatrick	Lambeth	Ramseyer	Wigglesworth
Foss	Lankford, Va.	Rankin	Williams, Mo.
Fulbright	Lehlbach	Reilly	Withrow
Fulmer	Lewis	Robinson	Wolverton
Gambrill	Lindsay	Rogers, Mass.	Wood, Ga.
Gasque	Linthicum	Rogers, N. H.	Woodrum
Gavagan	Lonergan	Romjue	Wright
Gibson	Lozier	Rudd	Yon
Gifford	Luce	Schafer	

NOT VOTING—41

Abernethy	Curry	Kennedy	Sabath
Beam	Davenport	Larsen	Sanders, N. Y.
Beck	De Priest	McFadden	Schuetz
Beedy	Dieterich	McMillan	Smith, W. Va.
Beers	Freeman	Maas	Snell
Cable	Goldsborough	Magrady	Strong, Pa.
Chapman	Hull, William E.	Owen	Tilson
Cochran, Pa.	Igoe	Partridge	Tucker
Collier	Johnson, Ill.	Pou	
Connery	Kelly, Ill.	Rayburn	
Cooke	Kendall	Reid, Ill.	

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Magrady (for) with Mr. Beedy (against).
Mr. Cable (for) with Mr. Connery (against).
Mr. Beck (for) with Mr. Pou (against).
Mr. Smith of West Virginia (for) with Mr. Abernethy (against).

Until further notice:

Mr. McMillan with Mr. Snell.
Mr. Collier with Mr. Kendall.
Mr. Larsen with Mr. Tilson.
Mr. Beam with Mr. McFadden.
Mr. Kelly of Illinois with Mr. Reid of Illinois.
Mr. Sabath with Mr. Cooke.
Mr. Igoe with Mr. Strong of Pennsylvania.
Mr. Goldsborough with Mr. Maas.
Mr. Kennedy with Mr. William E. Hull.
Mrs. Owen with Mr. Curry.
Mr. Tucker with Mr. Johnson of Illinois.
Mr. Chapman with Mr. Cochran of Pennsylvania.
Mr. Dieterich with Mr. Davenport.
Mr. Rayburn with Mr. Freeman.
Mr. Schuetz with Mr. Partridge.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote was demanded.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: On page 32, after line 16, insert a new paragraph, as follows:

"For the taxable years 1932 and 1933 the credit allowed under this subsection shall be limited to the amount received as dividends from a domestic corporation which is subject to taxation under this title, the gross income of which for the taxable year preceding the year in which the dividend was paid did not exceed $25,000."

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

Mr. McGUGIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McGUGIN. Mr. Speaker, I asked for a separate vote on the amendment providing an increase in postal rates. The gentleman from Ohio [Mr. MOUSER] and the gentleman from Wisconsin [Mr. KADING] advised me that they desired to make the same motion, but as I had made it, of course, they would not. I desire to withdraw my request for a separate vote on that amendment. My inquiry is: Have I the right to withdraw it without doing them an injustice?

The SPEAKER. The gentleman can not withdraw his request because the amendment has not been voted on. This is the postal amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 229, after line 8, insert a new section, as follows:

"SEC. —. POSTAL RATES

"(a) On and after the thirtieth day after the date of the enactment of this act and until July 1, 1934, the rate of postage on all mail matter of the first class (except postal cards and private mailing or post cards, and except other first-class matter on which the rate of postage under existing law is 1 cent for each ounce or fraction thereof) shall be 1 cent for each ounce or fraction thereof in addition to the rate provided by existing law.

"(b) Only 85 per cent of the gross postal receipts during the period the increased rate of postage provided in subsection (a) remains in force shall be counted for the purpose of determining the class of the post office or the compensation or allowances of postmasters or of postal employees of post offices of the first, second, and third classes. For the purpose of determining the commissions (as distinguished from the compensation and the allowances based thereon) of postmasters of the fourth class, only 85 per cent of the applicable cancellations, collections, and receipts during such period shall be counted."

The SPEAKER. The question is on agreeing to the amendment.

Mr. FULBRIGHT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The amendment was agreed to.

The SPEAKER. The next amendment is the stock-exchange amendment.

The Clerk read as follows:

(c) Effective July 1, 1934, such subdivision 3, as amended by subdivision (a) of this section, is amended by striking out "4 cents" wherever appearing in such subdivision and inserting in lieu thereof "2 cents," and by striking out the following:

"In no case shall the tax imposed by this subdivision be less than one-fourth of 1 per cent of the selling price of such shares, certificates, or rights: *Provided further*, That."

The SPEAKER. The question is on agreeing to the stock-exchange amendment.

The amendment was agreed to.

The SPEAKER. The next amendment is that dealing with real-estate transfers.

The Clerk read the amendment, as follows:

Committee amendment: Page 259, after line 12, insert a new section, as follows:

"SEC. —. STAMP TAX ON CONVEYANCES

"Schedule A of Title VIII of the revenue act of 1926 is amended by adding at the end thereof a new subdivision to read as follows:

"'8. Conveyances: Deed, instrument, or writing, delivered on or after the fifteenth day after the date of the enactment of the revenue act of 1932 and before July 1, 1934, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to or vested in the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $100 and does not exceed $500, 50 cents; and for each additional $500 or fractional part thereof, 50 cents. This subdivision shall not apply to any instrument or writing given to secure a debt.'"

The SPEAKER. The question is on agreeing to the amendment.

Mr. MOUSER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The amendment was agreed to.

The SPEAKER. The next amendment is the automobile amendment.

The Clerk read as follows:

Committee amendment offered by Mr. CRISP: Page 229, after line 8, insert a new section, as follows:

"SEC. —. TAX ON AUTOMOBILES, ETC.: There is hereby imposed upon the following articles sold by the manufacturer, producer, or importer a tax equivalent to the following percentages of the price for which so sold:

"(a) Automobile truck chassis and automobile truck bodies (including in both cases parts or accessories therefor sold on or in connection therewith or with the sale thereof), 2 per cent. A

sale of an automobile truck shall, for the purposes of this subsection, be considered to be a sale of the chassis and of the body.

"(b) Other automobile chassis and bodies and motor cycles (including in each case parts or accessories therefor sold on or in connection therewith or with the sale thereof) except tractors, 3 per cent. A sale of an automobile shall, for the purposes of this subsection, be considered to be a sale of the chassis and of the body.

"(c) Parts or accessories for any of the articles enumerated in subsection (a) or (b), 1 per cent. For the purposes of this subsection and subsections (a) and (b) spark plugs, storage batteries, leaf springs, coils, timers, tires, inner tubes, and tire chains, which are suitable for use on or in connection with, or as component parts of, any of the articles enumerated in subsection (a) or (b), shall be considered parts or accessories for such articles, whether or not primarily adapted for such use. This subsection shall not apply to chassis or bodies for automobile trucks or other automobiles. Under regulations prescribed by the commissioner, with the approval of the Secretary, the tax under this subsection shall not apply in the case of sales of parts or accessories by the manufacturer, producer, or importer to a manufacturer or producer of any of the articles enumerated in subsection (a) or (b). If any such parts or accessories are resold by such vendee otherwise than on or in connection with, or with the sale of, an article enumerated in subsection (a) or (b) and manufactured or produced by such vendee, then for the purposes of this section the vendee shall be considered the manufacturer or producer of the parts or accessories so resold."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CRISP. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The question was taken; and there were—yeas 327, nays 64, not voting 41, as follows:

[Roll No. 40]

YEAS—327

Adkins	Christgau	Garrett	Kerr
Aldrich	Clague	Gasque	Ketcham
Allen	Clark, N. C.	Gavagan	Kinzer
Almon	Cochran, Mo.	Gibson	Kleberg
Andresen	Cole, Iowa	Gifford	Kniffin
Andrew, Mass.	Cole, Md.	Gillen	Knutson
Andrews, N. Y.	Colton	Golder	Kurtz
Arentz	Connolly	Goodwin	Kvale
Arnold	Cooper, Ohio	Goss	LaGuardia
Auf der Heide	Corning	Granata	Lamberton
Ayres	Cox	Granfield	Lambeth
Bacharach	Coyle	Green	Lamneck
Bachmann	Crisp	Greenwood	Lanham
Bacon	Cross	Gregory	Lankford, Va.
Baldrige	Crowe	Griswold	Larrabee
Bankhead	Crowther	Guyer	Lea
Barbour	Culkin	Hadley	Leavitt
Barton	Cullen	Haines	Lehlbach
Black	Dallinger	Hall, Ill.	Lewis
Bland	Darrow	Hall, Miss.	Lichtenwalner
Blanton	Davenport	Hall, N. Dak.	Lindsay
Bloom	Delaney	Hancock, N. Y.	Linthicum
Boehne	DeRouen	Hancock, N. C.	Lonergan
Bohn	Dickinson	Hardy	Lovette
Bolleau	Dickstein	Hare	Luce
Boland	Dies	Harlan	Ludlow
Bolton	Disney	Hart	McClintic, Okla.
Bowman	Dominick	Hastings	McClintock, Ohio
Boylan	Doughton	Haugen	McCormack
Brand, Ga.	Douglas, Ariz.	Hawley	McDuffie
Brand, Ohio	Douglass, Mass.	Hess	McGugin
Briggs	Doutrich	Hill, Wash.	McKeown
Britten	Drane	Hoch	McLaughlin
Brumm	Drewry	Hogg, Ind.	McReynolds
Brunner	Driver	Hogg, W. Va.	McSwain
Buchanan	Dyer	Holaday	Major
Bulwinkle	Eaton, N. J.	Hollister	Maloney
Burch	Englebright	Holmes	Manlove
Burdick	Erk	Hooper	Mansfield
Burtness	Eslick	Hope	Mapes
Busby	Estep	Hopkins	Martin, Oreg.
Butler	Evans, Calif.	Hornor	May
Byrns	Evans, Mont.	Horr	Mead
Campbell, Pa.	Fernandes	Houston, Del.	Michener
Canfield	Fiesinger	Huddleston	Millard
Cannon	Finley	Hull, Morton D.	Miller
Carden	Fish	James	Milligan
Carley	Fishburne	Jenkins	Mobley
Carter, Calif.	Fitzpatrick	Johnson, Okla.	Montague
Carter, Wyo.	Flannagan	Johnson, S. Dak.	Montet
Cartwright	Foss	Johnson, Tex.	Moore, Ky.
Cary	Frear	Johnson, Wash.	Moore, Ohio
Cavicchia	Free	Jones	Murphy
Celler	French	Kahn	Nelson, Me.
Chase	Fuller	Karch	Nelson, Wis.
Chaves	Fulmer	Keller	Niedringhaus
Chindblom	Gambrill	Kelly, Pa.	Nolan
Chiperfield	Garber	Kemp	Norton, N. J.
O'Connor	Reilly	Stewart	Watson
Oliver, Ala.	Rich	Stokes	Weaver
Oliver, N. Y.	Robinson	Strong, Kans.	Weeks
Overton	Rogers, Mass.	Sullivan, N. Y.	Welch, Calif.
Palmisano	Rogers, N. H.	Sullivan, Pa.	Welsh, Pa.
Parker, Ga.	Rudd	Sumners, Tex.	West
Parker, N. Y.	Sanders, Tex.	Sutphin	White
Parks	Sandlin	Swank	Whitley
Parsons	Seger	Swanson	Whittington
Peavey	Seiberling	Swick	Wigglesworth
Perkins	Selvig	Taber	Williams, Tex.
Person	Shott	Taylor, Colo.	Williamson
Pettengill	Shreve	Temple	Wilson
Pittenger	Sirovich	Thatcher	Wingo
Prall	Smith, Idaho	Thomason	Wolcott
Pratt, Harcourt J.	Smith, Va.	Tierney	Wolfenden
Purnell	Snow	Timberlake	Wolverton
Ragon	Somers, N. Y.	Treadway	Wood, Ind.
Rainey	Sparks	Turpin	Woodruff
Ramseyer	Spence	Underhill	Woodrum
Ramspeck	Stafford	Vinson, Ga.	Wright
Ransley	Stalker	Vinson, Ky.	Wyant
Rayburn	Steagall	Warren	Yon
Reed, N. Y.	Stevenson	Wason	

NAYS—64

Allgood	Eaton, Colo.	Loofbourow	Schneider
Amlie	Elsey	Lozier	Shallenberger
Browning	Fulbright	McLeod	Shannon
Buckbee	Gilbert	Martin, Mass.	Simmons
Campbell, Iowa	Gilchrist	Mitchell	Sinclair
Christopherson	Glover	Morehead	Summers, Wash.
Clancy	Griffin	Mouser	Sweeney
Clarke, N. Y.	Hartley	Nelson, Mo.	Swing
Collins	Hill, Ala.	Norton, Nebr.	Tarver
Condon	Howard	Patman	Taylor, Tenn.
Cooper, Tenn.	Jacobsen	Patterson	Thurston
Crosser	Jeffers	Polk	Tinkham
Crump	Johnson, Mo.	Pratt, Ruth	Underwood
Davis	Kading	Rankin	Williams, Mo.
Dowell	Kopp	Romjue	Withrow
Doxey	Lankford, Ga.	Schafer	Wood, Ga.

NOT VOTING—41

Abernethy	Crail	Kennedy	Sanders, N. Y.
Beam	Curry	Larsen	Schuetz
Beck	De Priest	McFadden	Smith, W. Va.
Beedy	Dieterich	McMillan	Snell
Beers	Freeman	Maas	Strong, Pa.
Cable	Goldsborough	Magrady	Tilson
Chapman	Hull, William E.	Owen	Tucker
Cochran, Pa.	Igoe	Partridge	Yates
Collier	Johnson, Ill.	Pou	
Connery	Kelly, Ill.	Reid, Ill.	
Cooke	Kendall	Sabath	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Tucker (for) with Mr. Schuetz (against).

Until further notice:

Mr. McMillan with Mr. Snell.
Mr. Collier with Mr. Kendall.
Mr. Larsen with Mr. Tilson.
Mr. Beam with Mr. McFadden.
Mr. Kelly of Illinois with Mr. Reid of Illinois.
Mr. Sabath with Mr. Cooke.
Mr. Igoe with Mr. Strong of Pennsylvania.
Mr. Goldsborough with Mr. Maas.
Mr. Kennedy with Mr. W. E. Hull.
Mrs. Owen with Mr. Curry.
Mr. Chapman with Mr. Cochran of Pennsylvania.
Mr. Smith of West Virginia with Mr. Beck.
Mr. Pou with Mr. Cable.
Mr. Dieterich with Mr. Beedy.
Mr. Partridge with Mr. Johnson of Illinois.

Mr. ARENTZ. Mr. Speaker, several pairs were read here on other votes and I notice the name of the gentleman from Ohio, Mr. CABLE, was included. His name was not included on the last list of pairs. For the information of the House I want to say that the gentleman from Ohio, Mr. CABLE, is sick and can not be here this afternoon.

Mr. JENKINS. Mr. Speaker, I would like to add to the gentleman's statement that if the gentleman from Ohio, Mr. CABLE, were here he would vote "aye."

Mr. GRANFIELD. Mr. Speaker, my colleague the gentleman from Massachusetts, Mr. CONNERY, is absent on account of illness. If present, he would vote "aye" on the passage of the bill.

The result of the vote was announced as above recorded.

On motion of Mr. CRISP, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS—THE REVENUE BILL OF 1932

Mr. LONERGAN. Mr. Speaker, yesterday the Committee of the Whole House on the state of the Union, in considering

H. R. 10236, adopted an amendment providing for a tax on firearms, shells, and cartridges, which amendment reads:

SEC. —. TAX ON FIREARMS, SHELLS, AND CARTRIDGES

There is hereby imposed upon firearms, shells, and cartridges, sold by the manufacturer, producer, or importer, a tax equivalent to 10 per cent of the price for which so sold. The tax imposed by this section shall not apply (1) to articles sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, or the District of Columbia, or (2) to pistols and revolvers.

For some time there has been a 10 per cent excise tax imposed on sales of revolvers and pistols, and it is only justice that they are not included for taxation in the adopted amendment to the pending revenue bill.

The extent to which manufacturers of firearms were utilized by the Government during the late war is an indication of what a benefit it was to the Government to have existing and in operation industries trained for the production by skilled workmen of some of the most essential requirements of the War Department in time of emergency.

With the exception of Springfield Armory, where there is a small equipment for producing a limited quantity of rifles, the Government does not have an arsenal in which machine guns and small arms can be produced. It would be very expensive for it to maintain similar arsenals as a reserve measure, inasmuch as during the period between emergencies advances in the art are so frequent, in fact, almost regular, that there is not a suitable equipment which remains static for any great length of time. Changes in equipment, designs, and methods are constantly taking place.

A plant could not be maintained by private capital dependent upon return on investment from Government business alone. Private industry in the arms business is largely dependent for maintenance upon domestic, commercial, and foreign business. The War and State Departments are familiar with this fact, and I believe recommend the wisdom of leaving such industry untrammeled in its effort to procure such business so long as it is taken in markets and with customers whose operations are not a menace to the welfare of our Government policy.

It is from the profits on business other than that coming from our own Government that new development is encouraged and carried on. Without this development the Government would have to create and maintain development laboratories that would be an additional heavy burden upon the taxpayers. Each additional restriction against sales being permitted to the private industry tends to stifle the industry and cripple what are in reality valuable adjuncts to the War Department.

The gentleman from Wisconsin [Mr. NELSON] introduced the following amendment:

SEC. 723. INCREASE IN TOBACCO TAX

Subsection (a) of section 401 of the revenue act of 1926 is amended to read as follows:

"SEC. 401. (a) Upon all tobacco and snuff manufactured in or imported into the United States, and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by section 401 of the revenue act of 1924, a tax of 21 cents per pound in the case of tobacco, and a tax of 18 cents per pound in the case of snuff, to be paid by the manufacturer or importer thereof: *Provided*, That whenever any manufacturer proves to the satisfaction of the commissioner that manufactured tobacco in respect of which such tax is paid by such manufacturer was manufactured from tobacco purchased from a cooperative association or pool of tobacco growers, such manufacturer shall be entitled to a refund equal to 4 cents for each pound of such manufactured tobacco."

This amendment was defeated. I am among those who opposed it. It intended merely to favor members of cooperative growers associations or pool of tobacco growers.

In the first congressional district of Connecticut, which I have the honor to represent, are several hundred tobacco farmers. The Connecticut Valley tobacco is of the best quality.

The tax on tobacco for the year ending June 30, 1930, amounted to $450,339,060.50. The production of cigars has been on the declining scale for a number of years. While this decline may be attributed in part with changing habits of consumers, it probably has been accentuated in the past year by reduced purchasing power of consumers and declining prices in general. The reduced consumption of cigars therefore may be regarded as a factor in the low prices received by growers.

In the Bureau of Internal Revenue I have been informed that the rates of taxation under present law imposed upon tobacco products are as follows:

	Rate per 1,000
Cigars weighing more than 3 pounds per 1,000, if manufactured or imported to retail at—	
Class A—Not more than 5 cents each	$2.00
Class B—More than 5 cents each and not more than 8 cents each	3.00
Class C—More than 8 cents each and not more than 15 cents each	5.00
Class D—More than 15 cents each and not more than 20 cents each	10.50
Class E—More than 20 cents each	13.50
Cigars weighing not more than 3 pounds per 1,000	.75
Cigarettes weighing not more than 3 pounds per 1,000	3.00
Cigarettes weighing more than 3 pounds per 1,000	7.20
	Rate per pound
Manufactured tobacco and snuff	.18

Several States collect taxes on the manufactured product.

It has been estimated that tobacco pays from one-eighth to one-sixth of the annual cost of the maintenance of the Federal Government. The industry can stand no additional burden of taxation.

The Census Bureau reports that in 1929 tobacco was produced on 1,115 farms in Connecticut involving 19,115 acres and producing 26,225,827 pounds of tobacco.

Mr. PATMAN. Mr. Speaker, I am very sorry that I can not agree with my colleagues that this tax bill should be passed in order to balance the Budget. If I were convinced that the credit of the Nation would be impaired in the event of the failure of this bill, I would feel inclined to vote for it, although it has many obnoxious provisions.

Probably no more obnoxious to me than to other sincere Members who have voted for it, believing that its passage will benefit the general welfare. The bill contains many provisions that I dislike to vote against; many provisions that I would gladly vote for if included in a separate bill.

BILLS MAKING LARGE CONTRIBUTIONS TO DEFICIT

I can consistently vote against the measure, because I did not vote for the bills that have caused the principal part of this deficit, among them being the $2,000,000,000 reconstruction bill, which carried a direct appropriation from the Treasury of $500,000,000, and the moratorium which relieved England, France, and other foreign countries of paying to us on this debt more than a quarter of a billion dollars.

IS CREDIT OF NATION IMPAIRED?

The present Secretary of the Treasury, Hon. Ogden Mills, made a speech before the Economic Club of New York, December 14, 1931, in which he stated:

I do not mean to suggest that the addition of $3,000,000,000 or even $4,000,000,000 to our national debt could conceivably impair the national credit. That debt stood at $25,000,000,000 a decade ago and the national credit was unimpaired.

Mr. Mills further stated:

It is sometimes urged that, since in the course of 11 years prior to the fiscal year 1931 we had retired some $3,460,000,000 of debt from surplus receipts, we are justified in incurring deficits up to that amount. There is some force to the argument. We have created something in the nature of a reserve which we are warranted in drawing on, certainly to some extent. But there are definite limitations.

The Democratic platform adopted at Houston, Tex., in 1928 contained the following provision relating to taxation:

The Democratic Party avows its belief in the fiscal policy inaugurated by the last Democratic administration, which has provided a sinking fund sufficient to extinguish the Nation's indebtedness within a reasonable period of time without harassing the present and next succeeding generations with tax burdens which, if not unendurable, do in fact check initiative in enterprise and progress in business. * * * Taxes levied beyond the actual requirements of the legally established sinking fund are but an added burden upon the American people.

It would seem from the above provision of the Democratic platform that we should not exceed the sinking fund law in retiring the national debt. We have exceeded it; so it



occurs to me that the reserve, in the form of excess payments, should be taken into account before passing additional revenue legislation at a time like this when the people are least able to pay and when we must resort to taxes that will cause people to pay on what they owe and not on what they own; to pay in proportion to what they purchase rather than in accordance with their ability to pay.

NO DEFICIT IF EXCESS PAYMENTS TAKEN INTO CONSIDERATION

I hope you will carefully examine the following tabulation. The information upon which this tabulation is based was obtained from the report of the Committee on Ways and Means and other reliable sources:

Deficit for June 30, 1931	$902,716,845.07
Deficit for June 30, 1932	2,122,683,685.00
Total	3,025,400,530.07
The Government has paid, during the past 10 years, in excess of the sinking fund law	3,496,579,492.00
Deduct 1931 and 1932 deficits	3,025,400,530.07
Difference	471,178,961.93

Therefore we will move into the fiscal year 1932–33 with $471,178,961.93 to our credit. No deficit will occur, if the sinking fund law is to be followed until 1933, June 30.

Estimated deficit for June 30, 1933	$1,416,949,448
Excess payment unused	471,178,961
Postpone sinking fund payment	426,489,600
	897,668,561
Present bill would have raised without the special excise or nuisance taxes	596,000,000
	1,493,668,561

In this way we could commence the fiscal year 1934 with more than $77,000,000. The sinking fund will be paid except 1933. This is presuming that the income-tax estimates of the Treasury are correct. It is thought that the estimate is at least $100,000,000 low. It is inconceivable to think that this year is going to be worse than last considering the low prices of stocks and bonds and the fact that the capital gains and losses tax enters into the collections to such a great extent.

It will be noticed from the above information that if we use the reserve, accumulated by reason of overpayments on the sinking fund, we will not have a deficit until the end of the fiscal year 1933. If business improves—and it will have a better chance to improve without this measure—it is probable that the taxes on incomes will be sufficiently increased to offset the estimated deficit for 1933. Why cross a bridge until we get to it?

GOLD RESERVE SUFFICIENT FOR ADDITIONAL CURRENCY

In 1921 we had a per capita circulation of money of $55 on a gold reserve of $2,800,000,000. At this time we have a per capita circulation of money of $44 on a gold reserve that is twice as large as the gold reserve was in 1921. Prof. Irving Fisher, economist, of Yale University, testified before the Banking and Currency Committee of the House, March 28, 1932, on a method of raising and stabilizing the purchasing power of money. He said we must first raise our commodity price level; that this could be done by increasing the circulating medium; that we may increase the circulating medium by issuing new United States notes in purchase of United States bonds or in the purchase of anything else or by paying the Government's employees. We need in the United States about $2,300,000,000 to stabilize our currency; we have $4,500,000,000. Coined phrases have a wonderful effect. The phrase "flat money," when properly placed, will so disturb many Members of Congress and business men that a good, sound proposal will not receive their consideration. The coined phrase, "We must balance the Budget" has had a marvelous effect. The coined phrase, "Soak the rich" has been repeated by one closely associated with big business and special interests over the radio and through the newspapers for many months, doubtless with the hope that it would be indelibly impressed in the minds of the American people in order that any proposed plan of taxation or any legislation that was not looked upon favorably by this group could be immediately condemned by merely saying it is an effort to "soak the rich."

SUBMITTING TO INTERNATIONAL BANKERS

It was disclosed in the debate on the tax bill that before our Secretary of the Treasury could receive assurances from the Wall Street bankers that they would subscribe for the $900,000,000 bond issue recently offered to the public, he had to assure these New York bankers that the Budget would be balanced. And, of course, in the way they wanted it balanced. Not by soaking the rich but by soaking the poor. Since when has the created become greater than its creator? Since when have the bankers become greater than the Government of the United States? We can not commend the Secretary of the Treasury for yielding to this group of international bankers. Suppose the Secretary of the Treasury had told this group of bankers that unless these bonds are sold that he would recommend that new money be issued by the Government on its idle gold to provide for the Government's needs. The last thing the big bankers want is new money. They want the volume small in order that it may be more easily controlled. We did not look with so much disfavor upon the demands of the international bankers in New York when they were requiring England to reduce the doles paid to her unemployed before they would extend credit to her, neither was there a great deal said when these international bankers in New York required the Congress of Colombia, South America, to give to Mr. A. W. Mellon and to Mr. J. P. Morgan the Barco oil concession that was estimated to be worth $2,000,000,000 before credit would be extended to that little Republic; but when these same bankers get nearer home and make an attempt to dictate legislation by any such highjacking methods, there should be a great deal said about it and under no circumstances should they be yielded to.

BALANCE THE BUDGET FALLACY

"Balance the Budget or the credit of the Nation will be impaired" is a fallacy. The wealth of the Nation is $400,000,000,000, so we are told by President Hoover through the antihoarding advertisements. The Nation owes, or will owe, June 30, $18,000,000,000, or a ratio of 22½ to 1. The situation is comparable to an individual who owns a business worth $22,500 and who owes $1,000 on it. The increase of $4,500,000,000 in our national indebtedness will be comparable to the individual increasing his $1,000 debt on his $22,500 business to $1,250. Do you think such an increase would impair the credit of either the individual or the Nation? Let it not be forgotten that while we owe $18,000,000,000, the railroads, including the Panama Canal Railroad, the Emergency Fleet Corporation, Inland Waterways Corporation, the Federal Intermediate Credit Banks, the Federal Farm Board, Shipping Board, Grain Corporation, and foreign countries owe us $12,500,000,000. Not such a big public debt after all when we deduct what is owed to the Nation, which leaves $5,500,000,000. Can we collect from foreign countries? Not if we keep on paying for them without insisting on payment, but letting international bankers collect their money 100 cents on the dollar.

Mr. CELLER. Mr. Speaker, a little girl goes into a drug-soda shop, puts down a nickel, and asks for the usual 5-cent bar of chocolate. "No," says the fellow behind the counter, "that costs 6 cents now."

"Then, let me have that package of gum."

"I'm sorry, miss; that costs 6 cents now also."

"Then, let me have that bottle of soda water."

"Really, I'm sorry; that, too, costs 6 cents now."

Greatly disappointed the little girl walks out. At the door the soda man halts her and says, "Say, young lady, you left your nickel on the counter."

"That's all right," she says, "you may have it. It can't buy anything anymore anyway."

Mr. JENKINS. Mr. Speaker, within 10 minutes after we commenced the reading of the tax bill, known as H. R. 10236, it was very evident that there was absolutely no chance for its passage as introduced. It was evident that the great Ways and Means Committee had misjudged the sentiment of the large majority of the membership of the

House and had failed to interpret properly the sentiment of the people generally. It is easy, I think, to guess how this committee, composed of some of the leaders of the House, made this mistake in judgment. The committee has and deserves to have the confidence of the House and of the country. These men were put under a great strain for several weeks in their attempt to get some financial relief for our Government which was running behind at a terrific rate. They had been pulled and hauled in every direction by the many interests of the country until in desperation they reached out and accepted a plan commonly known as the sales tax. The great mass of the people known as the common people were not organized and did not make formal protest.

There are several theories of taxation. Several plans for getting money to meet the expense of the Government. One is by putting a tax on wealth wherever it is found. This tax is levied on the theory that he who has should pay. Another plan is to tax those articles which might be classed as luxuries on the theory that they are not necessities of life and that those who use them should pay to the Government something for that pleasure as well as to the manufacturers. This system of taxation is closely akin to a sales tax. The other plan heretofore referred to has no resemblance to a sales tax. Both of these systems are employed in our system of collecting money to operate the Government.

The first plan includes income tax, which produces far more than half of the revenues of the Government. It also includes inheritance taxes. The latter plan includes taxes on tobacco and theater tickets, automobiles, jewelry, chewing gum, and many other articles. The danger in the system that taxes earnings or wealth is that the tendency might be to go too far and to confiscate one's property. The danger from the other system is that if carried too far it would reach food and clothing and thereby be a tax on the poor. A tax law which recognizes the best features of each of these systems is ideal. That is the plan now proposed and which will no doubt be adopted.

I was opposed to the broad principle of the sales tax and indicated my position clearly and voted accordingly. It should not be applied to manufactured articles generally. If applied generally, it would result in additional burdens being placed on the consumer. It would apply the same against the poor as against the rich. My plan for relieving the situation in which the Government found itself was, first, cut down all expense as much as possible. To do this I have been willing to vote a reduction of my own salary by 25 per cent. There is much room for effecting savings in the plan recommended by President Hoover, which was to cut the Budget estimates in every department of Government. Second, increase taxes on those who are able to pay without confiscation and relieve those who can hardly provide their families with the necessaries of life and keep up payments on their homes. Third, increase taxes on all kinds of luxuries. All these plans working together will balance the Budget and, I hope, restore the confidence that the country so badly needs.

It might be interesting to note that of the taxes collected from the average business man or farmer practically none of it is applied toward maintaining the National Government. For instance a farmer living in Ohio who pays taxes on his land and his stock and other personal property and who pays no income tax, every cent of his taxes goes toward the expense of the county in which he lives, except a very small levy that is applied toward paying for the new State office building in Columbus.

The State government gets most of its revenue from the gasoline tax and automobile licenses. The average man, although he does not pay anything directly toward the maintenance of the National Government, has a great interest in governmental expenditures, and he should be so interested, and we in Congress should recognize his interest.

At the beginning of the present session of Congress President Hoover made several recommendations. To the credit of Republicans and Democrats may it be said that both political parties rallied to the support of his program. First, the moratorium was passed. Then the bill to stabilize agriculture was passed, then the Reconstruction Finance Corporation, and then the tax bill to balance the Budget. I hope that we will also proceed to enact the home-construction program, so badly needed to revive the thousands of building and loan companies in the country. Then we should proceed to enact legislation that will keep American jobs for Americans. This can be aided by the enactment of the Jenkins bill, introduced by myself, and which restricts the flow of immigrants into our country.

This bill passed the House in the last session of Congress, and would have passed the Senate but for a filibuster. This bill provides for a 90 per cent cut in immigration from all quota countries and puts Canada and Mexico and all the countries of the Western Hemisphere under a quota, and then reduces that quota by 90 per cent. This bill, if passed, will keep the American labor market for the American laboring man and will keep out the communists and many other undesirables that we do not need. The restriction of immigration is one of the most important national functions. President Hoover in his last message to Congress recommended the passage of legislation in line with that provided in the Jenkins bill.

This Congress should also enact legislation that would provide a guaranty of bank deposits. Nothing would restore the confidence of our people in our financial institutions like the passage of such legislation. I introduced a bill to this effect and which would, I think, do that which the American people so much desire.

In the passage of the important legislation considered by this session of Congress it is made very noticeable that those who have served longest in the House have secured the committee assignments that carry with them opportunities to take places of responsibility and leadership. The rule of seniority is a sure guaranty to those who serve long that the position of power and leadership will come to them. And, likewise it is a guaranty that a new man can not reach positions of power and influence. Champ Clark, one of the great Congressmen of the Nation, made some timely observations on the power that comes with seniority. In closing, let me quote from one of his speeches:

THE MAKING OF A REPRESENTATIVE

REMARKS OF CHAMP CLARK AT THE WASHINGTON PRESS CLUB RECEPTION, THURSDAY, MARCH 16, 1916

[Printed in CONGRESSIONAL RECORD, March 17, 1916]

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

It is an unwise performance for any district to change Representatives at short intervals. A new Congresman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the "topnotchers."

Let us take the present House and see how long the men who hold the high places have served. I can not name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker eight years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means his sixteenth year.

Go through the whole list, and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called "the Father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelly, O'Neill, Harmer,

and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "Father of the House," he stated that the five Philadelphia "Fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them!

Mr. LANKFORD of Georgia. Mr. Speaker, many will say the sales tax is defeated for all time. I fear this is not so. Those who are subject to estate, inheritance, and large income taxes have determined to shift practically all the tax burdens of this country from their immense wealth to the backs of the poor class, and they can not be defeated so easily. They are determined to succeed in the end. It is their deliberate purpose to take advantage of the present depression and at this time either write the sales tax into the present bill or have inserted into the bill such other vicious provisions as to punish the public and if possible later drive and stampede Congress into approving a sales tax. Some say we must balance the Budget at any cost.

Better a thousand times reduce the Budget along proper lines and then balance it, rather than further enslave the American people at this time by outrageous additional taxes.

Failure to balance the Budget would do infinitely less harm than the engrafting of a vicious sales tax on our system of raising revenue. Oh, they say unless we balance the Budget we will lose our financial standing with European nations. We have graciously loaned to and never re-collected from these nations billions upon top of billions of dollars—totaling thousands of dollars for every one that is now claimed necessary to be raised by a sales tax to balance the Budget, and any such suggestion comes with poor grace and is an insult. We borrowed all the money to make these loans and have repaid a large part of it. Surely we can reborrow during this depression a small part of what has been repaid. Our credit would not be hurt. All this useless, vicious propaganda is doing much more harm.

The amount now sought to be raised by a sales tax or other very vicious means is only about one-fourth of the amount Congress, over my bitter protest, decided a month or so ago we were able to take out of the people's pocket and loan and donate to the multimillionaire corporations of the Nation by the Reconstruction Finance Corporation. Now, there is a great cry to provide that this enormous amount for the corporations shall not come out of the pockets of all but out of the pockets of the poorest of the poor. There is very evidently much more concern about balancing or satisfying the greed of corporate wealth at the expense of the poverty-stricken people than about balancing the Budget.

This idea of balancing the Budget has been distorted, exaggerated, and overworked for the purpose of scaring the people into accepting a vicious tax system. Any such racket is extremely unfair and hurtful to our Nation.

Believing as I do about this proposal, I shall neither support a sales tax nor any kind of vicious tax levies or postage increases in lieu of the sales tax and shall vote accordingly.

Mr. PEAVEY. Mr. Speaker, the revenue bill in the form in which it passed the House and now goes to the Senate, with the general sales tax eliminated, the rate of taxation on incomes over $5,000 net, gifts and inheritances of estates over $50,000 increased about 100 per cent, was accomplished through the combined vote of the Progressive Republican-Democratic coalition in the House which united against the House regulars on both sides. The two principal objections I had to the measure brought to the House by the Ways and Means Committee, as stated in an earlier speech, have been met.

Our principal purpose having been accomplished, I feel morally bound to support the bill.

The same progressive group that accomplished the above also voted in the amendment taxing all stock and bond sales at one-fourth cent on each dollar of actual value. On a basis of last year's sales on the New York Stock Exchange this alone will produce one-half as much as a sales tax on the whole country.

By successive amendments the progressives provided for taxing dividends from stocks and against offsetting taxes paid abroad by corporations doing business in foreign countries. These are two very important amendments that will produce nearly a hundred million dollars in revenue.

Many Members voted for the publicity amendment requiring that Federal income-tax returns should be open to public scrutiny, but the leaders of the Democrats and Republicans combined to beat it.

The regular Republican-Democratic leaders secured the adoption of an amendment raising rates on postage stamps from 2 to 3 cents and several other similar levies to raise more revenue.

The Wisconsin delegation voted solidly against the postal increase amendments, but eastern and southern Members supported it and won.

The bill, in its present form, will produce, in the estimation of the Ways and Means Committee, $1,191,900,000, which is $91,900,000 more than that which would have been raised if the original bill brought in by the committee had been passed intact.

I will support the bill as now written for the following reasons:

First. I believe that most of the objectionable provisions, like the increase in postage rates, will be removed by the Senate.

Second. I wanted the bill when finally passed to be in a form that would insure enough revenue to the Treasury to warrant the enactment of a measure providing for the immediate cash payment of the balance due on the World War veterans' adjusted-compensation certificates. The 9,000 ex-service men in my district need this money badly. The bill as it now stands provides the revenue to do that. The Government has already acknowledged the debt and issued the soldiers' adjusted-service certificates. Why not pay them now? Relief to these men now will help every man, woman, and child in my district to overcome the present depression. If it is good Government policy to relieve the railroads and banks of the country by loaning them $2,000,000,000, as provided by the Reconstruction Finance Corporation act passed last month, then surely it is good, sound policy for the Government to relieve the soldiers by paying the money the Government owes them now. The passage of this revenue bill deprives President Hoover of any justification on which to hang a veto of the bill to pay the soldiers.

President Hoover, in a special message to Congress this week, said in substance: "The Budget must be balanced, but it must be done without reducing the appropriations for the Army or Navy or the building program of the 10 new cruisers." These three items of the Budget alone will require $900,000,000. In my opinion, this is the first place Congress should start in cutting national expenditures. Peace-time activities are now being cut to the bone. I believe we should stop building battleships now. I believe the people of my district and the Nation want to see future war expenditures reduced to the lowest possible minimum.

It seems unconscionable to me that anyone would advocate spending more than $100,000,000 building new cruisers this year when millions of farmers and workingmen and

their families are finding it hard to secure the necessities of life.

Mr. HASTINGS. Mr. Speaker, a number of record votes were recorded when separate votes were demanded, but a record vote was not had of a number of votes cast in the Committee of the Whole during the consideration of the revenue bill. It is not my purpose to enumerate them all. However, I voted for the amendment increasing the rate to be paid on income taxes in the higher brackets, which amendment was eliminated from the bill by a separate vote in the House.

First I voted for the Lewis amendment increasing the estate taxes, and when that amendment was defeated I voted for the Ramseyer amendment which retained in the bill the estates tax but with reduced rates.

I voted and made an extended speech against the general sales tax.

I opposed the increase of postal rates from 2 to 3 cents on letters and argued that inasmuch as this class of mail was carried at a profit, increases should be made on the other classes of mail now carried by the Government at a loss.

During the consideration of the bill I supported the amendment to increase the exemption from 25 cents to 45 cents on admission tickets to theaters, for the benefit of recreation for the middle classes.

I voted against the tax of 5 per cent on candy. This is not a luxury, and brings in but little revenue, and could easily be omitted.

I favor the balancing of the Budget through rigid economy, reducing the expenses of the Government—which is now promised by the several departments—and from other sources, rather than a general sales tax. I voted for the excise tax on imported oil and gasoline in favor of the independent producers as against the four large importers, because if these large importers crush out the small producers they will have a monopoly on crude petroleum and its derivatives, and raise the price to the consumers, as the Standard Oil Co. did years ago.

I voted to tax transactions on the stock exchange, estimated to raise revenue in the sum of $75,000,000.

There are many other amendments which I supported, but have discussed most of these in a general speech while the revenue bill was under consideration.

Mr. MAY. Mr. Speaker, I rise in favor of the amendment. I call the attention of this House to a memorable utterance of the immortal Patrick Henry, delivered before the Virginia Assembly 150 years ago. Patrick Henry, standing before the House of Delegates of the Virginia Assembly a century and a half ago, said to those great men who confronted him on that occasion:

> Are we of the class of those who, having eyes see not, and having ears hear not the things that so seriously concern our temporal welfare?

When I come before this House this afternoon to speak in favor of the provision imposing a tax on the importation of crude oil into the United States I am thinking about the 25,000 idle coal miners in my congressional district. I not only think about those 25,000 idle men, but I am thinking of the multiplied thousands in the coal industry throughout this country, all over Kentucky, West Virginia, Pennsylvania, Arkansas, Ohio, Illinois, and Indiana. There are four great competitive coal fields in America in the very heart of the Nation prostrate, with decaying tipples, while the outside oil industry of this country is importing crude oil in tankers in every direction along the coast, to be used as fuel in competition with coal. As I say, they are doing that, while our tipples are falling down, and the investment of men by the thousands have gone by the wayside. Crude oil is the greatest competitor of coal in this Nation. As a result of the oil industry built up in South America and old Mexico, with the refineries located along the south side of the Rio Grande River beyond the reach of our taxing authorities, and those men bringing this cheap oil, produced cheaply with cheap labor in these foreign countries, and refining it with labor of Mexicans, many thousands of coal miners in this country are starving and begging for bread. The independent producers that have developed our own oil fields are practically bankrupted by the unfair competition of a foreign oil octopus.

It is time, as representatives of the people, that we should open our eyes and realize that four great oil concerns propose to destroy a basic industry that has for almost a century rolled the wheels and turned the great machines of progress and prosperity in this Nation. In America to-day there are more than 100,000 coal miners in soup lines, begging for bread, and at the hands of the Red Cross they carry home something to their children, while the four great oil companies of South America and Mexico are competing with coal producers and the people are installing oil stoves and consuming outside oil without a tax upon it. Oh, yes; it is a revenue measure. I do not care whether you call it a tariff or a tax, I am in favor of putting on these industries their share of the burden of the American people in balancing the Budget of this Government. In last week's Collier's Magazine I read an article in favor of a sales tax. The author said, "Don't tax me, but tax that man behind the tree," and the man behind the tree is the laborer and the farmer all over this land. [Applause.]

In my congressional district there are more trees to the square acre than almost any other district in the United States of like area, and there is a man behind nearly every tree; and if you think I am not going to vote to protect the man behind the tree in my district, just wait till this matter comes to a vote and watch me. Multiplied thousands of men with wives and children dependent upon them for bread live in humble cabins on the mountain sides and in the valleys of my district; their spirits, their ambitions, and their hopes have been crushed by economic conditions produced by this foul competition of the Standard Oil and Texas Co., the latter of which is a Mellon-owned concern, and other unfair competitive conditions largely the handiwork of another Mellon interest, the Pittsburgh Coal Co., of Pennsylvania. The southern coal fields of the States of Kentucky, Tennessee, Virginia, and southern West Virginia, by reason of a superior quality of coal produced by them of a high-grade domestic, coking, and by-product character, have found a ready market for their product through the Great Lakes on the North and on to the domestic consumer of the Northwest.

The Pennsylvania operators, the largest of which is the Pittsburgh Coal Co., completely dominated by Andrew and R. B. Mellon, of Pittsburgh, Pa., who are the principal owners of it, have tried for more than 15 years to shackle the hands of the southern operators, and have in a large measure succeeded. Through sinister influences and the arbitrary and autocratic and, I might say, the ruthless power of the Interstate Commerce Commission, they have imposed and, to this good hour, enforced upon the producers of coal south of the Ohio River a freight differential of 35 cents per ton that has proven disastrous and destructive in the extreme. These northern interests and the commission, in the face of the application of the southern railroads with direct and through connection to the Lakes, have refused to allow the carriers who offered to voluntarily eliminate this differential of 35 cents to do so. I refer to the now famous Lake Cargo case, in which these sinister interests, not satisfied with an unfair advantage of 35 cents per ton, undertook to increase it to 45 cents per ton. After long years of litigation before the commission they have adhered to and upheld this differential, as a result of which, and the competition of foreign oil interests, the chief revenue-producing and labor-employing industry of four great Southern States lies prostrate and paralyzed.

Nor is that all, Mr. Speaker; there is pending before this Congress in House and Senate a measure emanating from Pennsylvania, proposing to create a Government subsidy of the coal industry of the entire country, in which it is proposed to create another commission to put the Government of the United States into the coal business; bureaucracy in its most hideous form. I refer to the Davis-Kelly

bill now pending before the committees of both Houses of the Congress. The immortal Patrick Henry, with a burning zeal for liberty, further said to the Virginia Assembly:

It is natural for man to indulge in the allusions of hope. We are apt to shut ours eyes against a painful truth and listen to the song of the siren until she transforms us into beasts.

Yes, Mr. Speaker and ladies and gentlemen of the House, we have listened to the song of the siren all too long now. We shall not become beasts, but unless we rise up as patriots and face unflinchingly the issues of this day, unless we shall stay the hand of paternalism in government, we may not become beasts, but we surely will become vassals and slaves. Slaves to autocracy and paternalism. This Government was founded upon the principles of the personal liberty and individual initiative of the citizen, and when the Constitution of the United States was adopted by the States, they reserved to themselves all rights not expressly granted and at no time did they submit to autocratic domination and control by the Federal Government.

The only thing in the minds of the framers of the Federal Constitution, sometimes called the "great charter of liberty," was to afford to every citizen regardless of religious opinions or political creed the equal protection of the law and the beneficent influences of good government and then trust him to work out his own fortunes. The thing uppermost in the minds of the great men who wrote the Constitution and provided for its submission to the States for ratification was a constitutional guaranty to every man of the blessings of life, liberty, and the pursuit of happiness. Upon these three—life, liberty, and the pursuit of happiness—hangs the salvation of the Nation and the preservation of democracy. But, Mr. Chairman, the Congress has subsidized everything under the sun except the coal industry, and now if we are to continue to create boards and Government bureaus for the operation of which multiplied thousands of new Government employees are to be required, and put the General Government into the coal business, then we might as well "shut our eyes against a painful truth and continue to listen to the song of the siren."

More than a million men and women are to-day on the Government pay roll, and the Treasury is going behind $7,000,000 every day we live, and to-day we face a deficit of more than $2,000,000,000, which must be provided for by the drastic method of taxation and the burdens of it all to finally rest upon the already burdened backs of the American taxpayer. Shall we continue to create Government boards and bureaus, the chief object of which, based on our past experience, shall be to spend money and breed bureaucrats and at the same time refuse to vote a tax upon the Rockefeller and Mellon oil industries of South America, Mexico, and Russia? Some say, Mr. Speaker, that 42 cents per barrel on crude oil will amount to an embargo and, therefore, produce no revenue which, of course, is the object of this amendment. If that shall be true, then I answer that we have an abundance of both coal and oil in our own country and hundreds and thousands of idle men ready, trained, and anxious to mine and produce enough for all our needs. But we are told we must have a commission of five members, whose salaries are to be fixed at $10,000 each, and that they must have numerous powers to appoint assistants, clerks, attorneys, and other employees of the board without limit, and that to a "Federal bureaucracy" here in Washington the owners of the coal industry must bow in meek submission to their masters, the bureaucrats.

If the people of this country are to continue to go down into their pockets to get the money with which to meet a huge deficit, and the ever-increasing cost of Government, the most expensive luxury known to man, then let the foreign oil monopoly pay its share.

Mr. PETTENGILL. Mr. Speaker, I shall vote to pass the revenue bill as it is now finally drafted. I do so with reluctance, because I with other Members from districts in which automobile manufacturing is a leading industry had hoped that motor vehicles might be entirely exempted at this time, and thus be given a free opportunity to lead the Nation to a return toward prosperity.

It is apparent, however, that all that could be done for the automobile industry in this House has been done. On Tuesday last when the alternative proposals of the Ways and Means Committee were first submitted the automobile schedule was adopted in the Committee of the Whole on debate limited to 20 minutes, or 10 minutes on a side. An amendment to reduce the rate on passenger cars from 3 to 2¼ per cent was rejected by a vote of 142 to 16; an amendment to exempt parts and accessories entirely was rejected by a vote of 123 to 22, and a final amendment to exempt automobiles and trucks wholesaling for $500 or less was also lost. Since Tuesday I have conferred with my colleagues from automobile districts, and they agree with me that everything possible has been done. In this decision Mr. Macauley, president of Packard, and also president of the National Automobile Chamber of Commerce, who was here on the ground, has concurred. The battle must now be shifted to the Senate.

Some people, interested in the welfare of the automobile industry, do not seem to understand that passenger cars, trucks, and accessories were subject to the 2¼ per cent rate in the general sales tax which has been defeated. They seem to think that if the general sales tax had been adopted the automobile industry would have escaped taxation. In this, of course, they err. To make the matter clear I attach a diagram of the three schedules affecting the automobile industry which have been considered. The first are the rates advocated by Secretary Mellon and the present Secretary Mills when they appeared before the Ways and Means Committee; the second are the rates in the general sales tax, and the third are the rates in the final bill which we are now to vote upon.

	Passenger cars	Trucks and chassis	Accessories	Estimated tax yield
	Per cent	*Per cent*	*Per cent*	
Rates proposed by Mellon-Mills	5	3	2½	$121,000,000
Rates in general sales taxes	2¼	2¼	2¼	[1]
Rates in present bill	3	2	1	56,000,000
Net taxes saved to automobile industry				$65,000,000

[1] Defeated.

From this it will be seen that the rates on trucks and chassis are lower in the present bill than in either of the other proposals; the rate on accessories is lower than in either of the other two; the rate on passenger cars is lower by 40 per cent than in the original proposal advocated by the Treasury and only three-fourths of 1 per cent, or 75 cents per $100, manufacturers' sale price, higher than the general sales-tax rate. This would affect the retail price of a car selling for $500 by only $3, or $6 on a $1,000 car. As originally advocated by Secretaries Mellon and Mills, the automobile industry would have paid $121,000,000 excise taxes. They now will pay $56,000,000, or a saving of $65,000,000, or over one-half.

Half a loaf is better than no bread, and in view of the necessity of balancing the Budget and preserving the credit of the Nation in a time more critical than any living Congressman has ever experienced, there is no alternative except to vote for the final bill. Of the billion dollars which it will raise, the automobile industry will pay less than 6 per cent, as against over 12 per cent as originally advocated by the Treasury Department.

My district, Mr. Speaker, is largely an industrial one. While automobiles are the largest single industry, there are many others—farm machinery, sewing machines, rubber footwear, factory tools and equipment, kitchen cabinets, band instruments, lathes, paints and varnish, railroad cars, fabricated steel, household furniture and furnishings, garments, plumbing supplies, paper, paper bags, wrappings and boxes, roofing materials, medicines, artificial flowers, awnings and tents, baby carriages, office equipment, art calen-

dars, paint sprayers, mirrors, electrical equipment, surgical webbings, processed foods, hardware, steel tubing, mattresses, brass goods, children's toys, oil burners, corsets, and many others.

Under the general sales tax as originally proposed, all of these industries would have been subject to the 2¼ per cent rate. They are now exempt. If the general sales tax had passed, the census of manufactures shows that the manufacturing industries of the district would have paid about $6,000,000 a year in excise taxes. Some of this, of course, would have been added to the selling price of the article and thus be passed on to the consumer, together with some inevitable pyramiding. In certain lines, however, competitive conditions are such that the sales tax could not have been passed on, and would necessarily have been absorbed by the industry with very serious results in many cases.

The general sales tax has never before been seriously proposed to Congress, even in time of war. It would have affected the selling price of 140,000 manufactured articles made throughout the Nation. Many of them were upon the very necessities of life. By increasing the selling price in all cases when it could be passed on it would have tended to reduce consumption. This, in turn, would have reduced production, and thus tended to increase unemployment in thousands of industries. Added sales cost would have closed out or greatly imperiled thousands of retail merchants. It would have added at least $25 to every family budget in the Nation. On the desperately thin margin of existence so many are clinging to it would have meant greater suffering and privation. It would have made it more difficult to pay general property taxes, interest, and land contracts. There are plenty of tax defaults already. To do anything which might increase their number would have caused serious repercussions on local, county, and State budgets and bond issues. The other day it was reported that one-fourth of all land in the State of Mississippi was to be sold under the hammer for defaulted taxes.

The final bill is no doubt a great hardship on many. But in the main the excise taxes are on the luxury or semiluxury trades rather than on the necessities of life—food, clothing, fuel, medicines, gas, electricity, and so forth—as first proposed by the Ways and Means Committee.

As an alternative to either the general sales tax or the special excise taxes, I favored and voted for a tax on 2.75 per cent beer. This is clearly nonintoxicating and within the eighteenth amendment. It was defeated. It would have raised from $350,000,000 to $450,000,000 in the States whose laws are not limited to one-half of 1 per cent. If it had been passed, neither the automobile industry nor the so-called semiluxury trades would need to have been taxed at all. The sad part is that the beer—and worse—is being drunk anyhow, contributing to the expense of government, and doing nothing to sustain it.

For helping to defeat the general sales tax I have no apologies to make to anyone. My party specifically declared against it in the 1924 platform. It was, of course, defended as an emergency measure. But behind the scenes the wires were being pulled by powerful interests to introduce it as a permanent revenue feature in the Federal tax program. A Republican member of the Ways and Means Committee admitted on the floor that if once passed it would never be repealed. The plan was obvious. Introduce the general sales tax and then, as soon as conditions permit, reduce or repeal entirely Federal income and inheritance taxation. In other words, shift the burden of government from the strongest backs to the weaker ones.

The battle against the general sales tax was the greatest contest made for the plain people of America since Wilson's first term. I am proud to have shouldered a private's musket in that struggle.

In closing, whose deficit is it anyway? It is the deficit of recent administrations which sat supine during the greatest orgy of gambling, stock watering, stock split-ups, and blue-sky salesmanship of European, South American, and North American securities (?) this world has ever known. Every dollar of it is due to the appropriations of previous Congresses. It should have been faced two years ago. The fiscal year ending June 30 last—the date of the moratorium to our European debtors—showed a deficit of nearly a billion. It is now twice that. We are now running into the red more than $7,000,000 a day. Only as late as last October the senior Senator from my State told newspapermen that no tax bill was contemplated. Now we are forced to jam one through to save the credit of the Nation.

After 10 years of spending public money like drunken sailors, we are now paying for it through the nose. There is the Hoover Dam, costing $165,000,000, to irrigate sagebrush and bring it in competition with the land of the Indiana farmer, taxing him to finance his competitor. There is the Department of Commerce—the fastest growing mushroom in Hoover's hothouse. Its new palatial building is now completed—the most costly Federal building in America, except possibly the Capitol. The building itself set the taxpayers back $17,500,000! It is said to occupy 52 acres of floor space, with a private elevator and private dining room for the Secretary. It is but one rank growth in the forest of waste.

Bureaucracy must be deflated. We must call a halt. The burden of taxes is a terrific load on business, on industry, on farming, on railroading, on the homes of our humblest citizens. What we need is what we have always needed, "a wise and *frugal* government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread that it has earned." That is what Jefferson stood for a century and a quarter ago. Would that he were alive to repeat it now, or if not Jefferson, then old honest Abe Lincoln, who said that "the principles of Jefferson are the definitions and axioms of a free society."

Mr. COYLE. Mr. Speaker, the tax bill which has just passed this House does not in every respect meet the wishes and desires of any Member of the House. There are in it many items which will call for some unfavorable comment from some quarter. My own choice, as expressed in the debate on this bill on March 12, was for a manufacturers' excise tax, and for a tax of that character which would be as nearly universal as possible.

There is, however, one item in the bill which I believe will be agreed to by almost every Member of Congress, and which could not possibly be objected to by any consumer in the country. I have particular reference to the excise tax levied on the importation of coal, on which a separate vote was had and which was advocated by practically all of the Members from the 28 coal-producing States in the Union.

In the preparation of the Smoot-Hawley tariff bill there was a desire on the part of a majority of the Members of the Seventy-first Congress to pass an act which would exclude the anthracite produced at the mines owned and operated by the Soviet Government in Russia. This paragraph, written into the Smoot-Hawley bill, has not, however, been effective. It takes much longer in this country to legislate, even when there is an overwhelming desire to accomplish the purpose that the legislation would effect. It early became apparent that the increasing importations of coal from Russia and other countries should certainly be producing some revenue at the time of entry into this country.

In the North Atlantic seaboard, during the year 1931, there was imported, free of all duty, nearly three-quarters of a million tons of anthracite, a large part of which came from Russia, although some came from Indo-China and some from Great Britain. When Great Britain abandoned her gold standard in 1931 and the British pound dropped to three-quarters of its normal par, and other currencies at the same time went sliding down to new low levels, any protective element on any goods which had been afforded by a tariff rate up to 25 per cent ad valorem was immediately and entirely extinguished, and, of course, at the same time

the American market for those articles which were on the free list, as was coal, stood as an inviting field for invasion by the foreign producer.

In addition to this, the large surplus of ocean tonnage lying idle has forced ocean transportation rates in the past year to levels lower than anyone can recollect in the present generation. During the month of February just past there was imported into the United States during that one calendar month over 140,000 tons of coal. Some of this coal had been carried halfway around the world, from Indo-China, and some from the Georgian country of Russia.

For every 6,000 tons of this coal for household use which comes into the United States there is lost to the American miner and the American railroad man the pay for the mining and preparation and labor of transporting of 10,000 tons; this because 40 per cent of the American production is in small sizes and sold as a by-product at a loss. Much of this coal has been sold by the importer to dealers in the Atlantic ports at from $2.50 to $2.70 per ton less than the going market rate. The ocean transportation on cargoes from Indo-China in American currency has amounted to about 50 cents per ton less than the established tariff for railroad transportation of coal from my district in Pennsylvania to these same New England or Middle Atlantic ports.

The amendment in the House putting the excise tax on coal was accomplished because of a very natural community of interest existing between the Members who came from oil-producing States and the Members who came from coal-producing States, and there joined with us a very considerable number of Members who do not believe that it is fair or right or economically sound for us to buy free of duty those raw materials from foreign countries which we can produce in superabundance in this country.

This amendment was accomplished not because of any trading or so-called logrolling but merely because of this natural community of interest, which did exist and which was recognized. I, for one, do not admit that there would be anything reprehensible in any alliance of that sort, if it had been made; the fact remains, however, that it was not made.

If the other body in its wisdom sees fit to approve of this excise tax, one of two objectives will be accomplished. Either the Treasury of the United States will be enriched to the extent of from one and one-half to two and one-half million dollars per year or there will be put back to work in mine and mill and on railroad in this country a sufficient number of men to earn an annual wage of from twenty to thirty million dollars. Perhaps a part of each objective will be accomplished.

There was no desire to write a tax on importations which would in itself be so high as to prohibit further importations of the commodity; on the contrary the tax of 10 cents per 100 pounds was purposely set at that level because this was a revenue bill, and this tax in itself would produce revenue and not prevent further importations.

Some fear had been expressed that the tax would lead to reprisals by Canada. This subject was rather fully covered by me in my address on March 12, when I gave notice to the House of our intention at the proper time to introduce this amendment. For coal, as for other commodities, our own American market is the prime requisite for the existence of the American mining industry. Canada, our biggest market for export coal, moved last year and moved effectively to protect herself by prohibiting all imports from Soviet Russia, and acted much more effectively and positively than we seem to have been able to do.

It does, however, appear that the Canadian Government has also been able to cut nearly in half the American exports of coal to Canada—in part by levying a tax on all coal which we send into Canada, and in part by force of circumstances, due to the decline in the rate of Canadian exchange. Long before this tax on coal was even suggested, or perhaps thought of in our Congress, the Canadian Government had moved to subsidize its coal producers in the maritime Provinces by affording them some aid on transportation charges to get that coal into what had hitherto been the market for American coal in Ontario and the Province of Quebec. As a consequence, American mines, having lost during 1931 more than half of the tonnage which they had heretofore moved into Canada, are in a fair way to lose a larger part of what remains unless the rate of international exchange shortly comes back more nearly to par.

Due to the suggestion of the Delegate from Hawaii, this amendment has been made applicable to the Hawaiian Islands, as well as to the Continental United States. And after all, there is no reason why American dollars in the Hawaiian Islands should not be used to purchase American coal and transport it in American ships. We have and can produce in this country ample coal equal to any coal in the world, and we have available for charter ample ocean-going tonnage to transport that coal.

Another point where this tariff rate will be advantageous, either as a revenue producer or to put American miners back to work, is in the Territory of Alaska. At the present time, coal is one of the principal freight items of the Government-operated railroad in Alaska. Canadian coal is being almost exclusively used in southern Alaska, when, with a very little development of loading piers it would be perfectly possible to use this American-Alaskan coal, which exists in ample quantity and is of high quality.

The House, in its wisdom, has again acted very courteously toward me and toward this industry. If any there be who fear that credit may not be given where credit is due, it is perhaps sufficient to say that with the ultimate accomplishment of our project there will be, I believe, ample credit for all. Our main objective is the "levying of an excise tax on coal importations for the production of revenue and/or the protection of American workmen." To those many Members who joined with us in this move, very sincere thanks are due. To those who did not and could not vote with us, there is nothing but appreciation for their straightforward and fair tactics in upholding the side in which they believed. To them particularly I would say, as coming from one who has had long experience as a worker in the coal industry, that this tax will be a real revenue producer which will not result in increased cost of fuel or in any other respect cost one dollar to any American consumer. The only loss will be the loss of a certain—as yet unearned profit—of a few importers on the Atlantic seaboard and a certain loss of potential markets by Soviet and Chinese miners.

LEAVE OF ABSENCE

Mr. CRISP. Mr. Speaker, I ask leave of absence for one week.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

VOTE OF A MEMBER

Mr. TREADWAY. Mr. Speaker, I was out of the Chamber when the roll was called on the Swing amendment. If I had been present so that I could have qualified, I should have voted "no."

MARYLAND'S TRADITIONS

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Maryland [Mr. COLE] be allowed to extend his remarks in the RECORD by printing a speech made before the Maryland Society on the 30th of March.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. COLE of Maryland. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech delivered by myself before the Maryland Society March 30, 1932:

On March 25, 1634, 298 years ago, the *Ark* and the *Dove* deposited at St. Marys the founders of Maryland. They laid early and continued emphasis on the complete separation of the state and the church until that principle became a corner stone of national policy, originated principles of government and new ideals of human society envied to-day by everyone not entitled to be called a Marylander.

Those principles and ideals furnishing love of self-government and religious liberty as the finest traditions our State have, it is not surprising in this day of rapidly changing conditions that the foundation upon which our State was built and which we so zealously strive to maintain becomes an object of envy and a source of help to those of our sister States who have forgotten the past and, realizing their mistakes, now seek to return. It would be a real service, and I believe of inestimable good, if, before the people of our country to-day, we could throw upon the screen a rehearsal of Maryland's contributions to the country from the time when the colonists established the first community in the world where those of all religious faiths could worship in friendship together, down through the ages to present-day conditions.

It would, of course, present the mountains of western Maryland, where George Washington gained his first military experience; the renowned Chesapeake Bay region, explored as early as 1608 by Capt. John Smith, of Jamestown; the grit, big-souled and real manhood presented by Gov. Leonard Calvert and those who stood with him under the cross which was planted on that eventful day in 1634; the burning of the *Peggy Stewart* in 1774,, which aligned her sons irrevocably with the force of freedom and served to cement the purpose of the Thirteen Colonies, of which she was such a vital part; the sound logic and reason which her delegation in the Continental Congress, headed by Charles Carroll, furnished; the fortitude and sacrifice of that famous body of soldiers, the Maryland line—companies, regiments, and brigades of which fought on every major Revolutionary battlefield from Massachusetts to Georgia; how she gave unstintingly men and money that the Colonies might be free; how her statesmen, with foresight and wisdom, realizing that the harmonious relations existing between the thirteen Colonies must inevitably be destroyed if the American armies triumphed, conceived, fought for, and established the action by Congress placing the ownership of the vast region northwest of the Ohio, east of the Mississippi, and south of the Great Lakes under the sovereignty of the National Government in order that it might be divided into new States and not enrich enormously any individual State, and this despite the fact that Maryland for a long time raised her voice alone; the life of Francis Scott Key and the inspiration and setting which Maryland association and environment furnished him as the author of the Star-Spangled Banner; of her ceding the soil upon which the Nation's Capital now stands, and the contribution of money and talent which started and has helped to maintain that beautiful city; and the—through the years—statesmanship and accomplishment which her sons were noted for during the trying period of our Government's organization and early growth.

This brief reference to our early history might be supplemented by much of the valiance and labor of her sons and daughters during the Wars of 1812, 1861, and the great World War, and many other references to interesting phases of State development. It is fitting and helpful that on this occasion we look back into the accomplishments of the past and rejoice as we should in the comfort and satisfaction which traditions of that time furnish. At the same time I believe we should take stock, so to speak, of the progress of our State is making at this time, and in doing so let us find, if we can, real and substantial reason based upon fact and accomplishment, to be worthy of the rich heritage and splendid traditions our forefathers handed to us.

At the present time, when the difficulty of the great agriculture industry of this country to make lasting and helpful progress is so vitally before our National and State Governments as one of the most serious problems for solution, it is most comforting to find less dissension and dissatisfaction and more honest and worth-while effort and intention to help the farmer in this State than in our sister States. Of Maryland's approximate land area of 6,362,240 acres, approximately 4,374,398 acres, or 68.5 per cent, is in farm land, of which over one-half is in farms operated by owners and the balance by managers and tenants.

According to the census for 1930, all of our State farm property has a value of $425,247,757, a little less than one-half thereof representing land exclusive of buildings, approximately one-third representing the value of buildings, and the remainder implements, machinery, and livestock. All of the foregoing is distributed over approximately 43,203 farms, with an average of 101 acres each. Maryland stands about thirtieth in the United States in its percentage of total land area in farms and compares most favorably with other States from the standpoint of value of land, improvements, and productivity. As to the value of its farm lands per acre, but 14 States exceed Maryland, and a number of those are credited with a very small increase in value over the estimate which is made for Maryland. With this vital industry so prominent, let us see some of the outstanding things which Maryland is doing as a State to encourage and foster development and improvement of her farming conditions. On October 1, 1923, our livestock sanitary service had under State and Federal supervision 5,031 herds, or 49,340 cattle. On October 1, 1926, they had under supervision 15,148 herds of 110,390 cattle. According to the 1930 census report, there were over 300,000 head of dairy cattle in Maryland. At the present time there are 264,216 head of cattle under supervision for the eradication of tuberculosis, representing 40,607 herds.

Due to the passage of a State law in 1924 authorizing the testing of all cattle and a Baltimore city ordinance requiring the tuberculin testing of cattle whose owners shipped milk to the Baltimore market, the total number of accredited herds (meaning the testing of only those herds whose owners wished to place their cattle under supervision) increased from 634 herds with 12,334 cattle, to 2,517 herds with 34,296 cattle. The necessity for this work is shown from the fact that infection in Baltimore County (the first area tested in 1925) amounted to about 26 per cent. The benefit to be derived therefrom is evidenced by the fact that the first annual test conducted in 1926 showed a reduction in infection to between 4 and 5 per cent. With the highly infected areas once tested and with adequate appropriations for indemnities, invaluable progress and benefit will result. For the fiscal year ending December 30, 1926, 91,883 cattle were tested, requiring State indemnity of $134,233.18.

Maryland stands with the first six States of the Union which obtain the largest amount as salvage in the marketing of these animals. Systematic distribution of helpful literature to eradicate this disease is made semimonthly to county agents, farmers' organizations, newspapers, and farmers through the State. Dr. Mark Welsh, inspector in charge of this work, reports the drop in losses for two 6-year periods here, according to data compiled by the United States Department of Agriculture, as 13 more per thousand in Maryland than the surrounding States of Pennsylvania, Delaware, and the Virginias, meaning in Maryland the saving of 6,480 additional hogs, or an average of $93,376 per annum. It is most interesting to read Dr. E. M. Pickin's report covering the work of the livestock sanitary laboratory located at the University of Maryland. The Maryland farmers are expending annually for feed, fertilizer, farm labor, and incidentals approximately $25,000,000. Our total farm population is approximately 250,000 men, women, and children, one-fifth of which is colored.

With livestock of an approximate valuation of $43,395,326; with milk production of 87,000,000 gallons per year, and a total of dairy products at a value of approximately $18,000,000 annually; with a wool output of close to 250,000 pounds each year; eggs sold to the extent of over $5,000,000 anually; a chicken industry with a value in 1930 of approximately $7,500,000; nearly 15,000,000 bushels of corn harvested and over 9,000,000 bushels of wheat threshed last year; over 1,000,000 bushels of oats; 300,000 bushels of barley and about 200,000 bushels of rye; a total acreage of nearly 400,000 in hay; 21,000,000 pounds of tobacco; nearly 3,500,000 bushels of white potatoes and over 1,500,000 bushels of sweetpotatoes; with approximately 10,000 acres of strawberries; and of vegetable growth for sale in approximate numbers of 2,500 acres in cabbage; 6,000 acres in cantaloupe; 39,000 acres of sweet corn; 48,000 acres of tomatoes; 1,900 acres of watermelons; over 2,000,000 bushels of apples; over 600,000 bushels of peaches; and large quantities of all other fruits, vegetables, and crops, it is easy to understand and appreciate the advantage to our agriculturists from the help and cooperation they are receiving through the efforts of the many worth-while associations such as we find reporting annually in the name of Maryland societies and associations.

Known throughout the world as the State of the diamond-back terrapin, the best oysters, canvasback duck, and unlimited fishing grounds, it is most interesting to note the working of the conservation department as now organized, which department assumed in 1916 the duties of the two commissioners of fisheries, board of shellfish commissioners, commander of the State fishery force, and the State game warden. Primarily for police protection of the various sea-food industries upon boats necessary to be placed on certain lines to guard the tonging interests from dredging and scraping interests and seeing that the license law and cull laws are enforced, the sum of $165,000 per year is expended. The difference between the expense and the revenue of this department is small compared with the benefits easily discovered from the difficult work this department is undertaking. In addition to the control of the aquatic resources of the State, the department has charge of the wild life, including terrapin, game, wild fowl, and fur-bearing animals. Due to the overfishing of our natural oyster bars within the two past decades and the removal of the oyster shell or clutch from the bottoms, there has been a great depletion in quantities of oysters produced, many of the bars which were at one time very extensive being reduced over 50 per cent.

Legislatures since 1927 have appropriated money for the rehabilitation of oyster bars and with that fund the department has purchased and planted 4,500,000 bushels of shells and transplanted from the head of the bay, where the young oysters are destroyed by freshets, over 50,000 bushels of seed oysters. The department has maintained an average of possibly 900,000 bushels of shells planted yearly since these appropriations started and for the past three years has been reaping the benefits from the young oysters that have been caught upon these shells. Until to-day, notwithstanding the fact that such oyster areas as Choptank River, Honga River, and Potomac River have been closed against scraping and dredging, and further that the season for marketing oysters has been bad, there have been caught this year more than one quarter of a million bushels of oysters over the year previous.

Our commercial fish are receiving special attention. In this work Maryland cooperated with the State of Virginia in the curtailment of nets in order that fish may reach the spawning grounds in the headwaters of the Chesapeake Bay. Special attention is being given the shad, the pride fish of the east coast, and last year from hatcheries controlled by our State department we liberated 6,330,400 shad fry, 278,770,000 yellow perch, 82,720,000 white perch, 2,500,000 herring, and 600,180 pike.

Aside from the commercial fish, the State fisheries located at Lewistown, Md., in Frederick County; Bear Creek Hatchery, in Garrett County; Cushwa Springs, in Washington County; and Fairlee Station, Kent County; and White Rock Rearing Station

last year liberated the following: 10,560 small-mouth bass, 3 and 4 inches; 17,286 large-mouth bass, 4 and 6 inches; 10,463 brook trout, adults; and 71,776 crappie, all of which were distributed in the frech-water streams of the State.

Through cooperative movements on the part of Maryland and Virginia, legislation was passed in Virginia about five years ago to protect the female crab bearing the egg sponge near the mouth of the Chesapeake Bay, where the female resorts to develop the egg. When you are told that one female crab is capable of producing 1,750,000 eggs, the value of such legislation is apparent. For the past three years there has been quite an abundant supply of crabs in the waters of Maryland and Virginia, and it may safely be said that the crab has come back into its own.

The game division of the department has been active in raising Chinese ringnecked pheasants, bob-white, and liberating cottontail rabbits. At this time Maryland owns 5,246 acres of land for game refuges, and has under lease 29,797 acres for the same purpose. It is proposed to have a game refuge in every county of Maryland where game may be protected and extended over larger territories of the State.

How easy it is for a Marylander to boast of the position our State occupies in the building and maintenance of good roads. I am advised that about 160 miles of new roads are added to our already splendid system each year. For the fiscal year 1931, £2,450,169.83 was received from motor-vehicle licenses, approximately $6,500,000 from gasoline tax, and other miscellaneous receipts, totaling something over $14,000,000. With these receipts increasing each year, it should not be long before the rural roads along with the main State arteries already constructed will afford a network of macadam driveways of immense and immeasurable profit and advantage to our people. Maryland boasts of the best system of roads in the United States, possessing, as it does, a comprehensive system which reaches every county seat and every town of a thousand people, maintained in good condition for travel every day in the year.

It must have been due to the farsightedness of Marylanders in blazing the way to the establishment of an efficient road-building program and the actual demonstration of the results coming therefrom that neighboring and sister States have taken our method as a basis for gigantic programs which in recent years have been and are now being launched, until to-day Maryland is rivaled, we are happy to admit, by a number of States in good-roads development. Under the Federal-aid plan, Maryland received over $8,881,882 for the fiscal years 1917–1931, with which was built 750 miles of roads.

Of the Federal fund available since that time, Maryland ranks third in the Union in its willingness to contribute its funds for new roads, and for the fiscal year 1932, $1,051,714 will be available. We have under our great State roads commission control of over 3,500 miles of macadam, concrete, shell, asphalt, and gravel roads, valued in March, 1932, at $132,000,000. It would serve no useful purpose for me to elaborate on this subject and point out to you the apparent willingness of Maryland's people to further contribute to the already huge sum spent in road construction and maintenance, because it would only emphasize all the more why Maryland deserves the distinction of being the pioneer State of the Union in good-roads work.

Maryland's school progress, especially since 1920, has been almost phenomenal. Furnishing as it has one of the undisputed, unchallenged, and worthiest accomplishments of our State administration during that period, and being the recipient of deserved and merited praise at the hands of many coming from other States for the purpose of observing its operation, let us focus our attention for a moment upon some of the work of that department. The school census taken in the counties in November, 1930, showed that of the 140,000 white children enumerated, of compulsory attendance ages between 7 and 16 years, inclusive, 82 per cent were in public schools, 9 per cent in private and parochial schools, and 9 per cent in no school. Of 31,000 colored children enumerated 82 per cent were in public schools, 3 per cent in parochial schools, and 15 per cent in no school.

Maryland is fortunate in having the county as the unit for the organization, administration, supervision, and financing of all the schools within each of the 23 counties. It has professionally trained superintendents and supervisors in every county appointed by the county board of education and approved by the State superintendent of schools.

Through the equalization fund which was set up by the legislature of 1922 it has been possible for every county in Maryland to provide well-trained teachers in the elementary and high schools. At present 97 per cent of the teachers and principals possess the desired training or its equivalent—completion of a normal-school course for elementary teachers and a 4-year college course with necessary courses in education for high-school teachers. And securing of these well-trained, well-paid teachers has been accomplished without putting an impossible financial burden on any county, for the State, through the equalization fund, bears the cost of carrying the State's minimum program if it exceeds what is available from other State-aid funds for schools and a county school levy of 67 cents on each $100 of property, assessable at the full rate, for county purposes.

Opportunities for public-high-school education are now available to boys and girls throughout every county of Maryland, and the extraordinary growth in the number and enrollment of public high schools is a truly remarkable indication of the desire of more and more parents to give their children, through education beyond the elementary schools, opportunities for adjusting themselves more satisfactorily to our complex and constantly changing civilization. At present over 30,000 pupils are attending the county high schools. Vocational education has proven most beneficial. During the school year ending in June, 1931, 516 boys who completed farm projects begun the previous year made an income of $26,203, or an average of over $55 per boy. Of the 1,051 boys enrolled for projects during 1930–31, 301 were carrying plant and 750 animal husbandry projects. Courses in trades and industry have been developed in Cumberland and Hagerstown as well as others.

It was for the purpose of studying Maryland's system of school supervision that the superintendents of schools of 13 Southern States visited the county schools of Maryland in December, 1925, one visitor saying:

"We came to Maryland because the greatest progress has been made here. Maryland is ahead of any State in the country in its system for classroom supervision."

Improvement in the instruction given in rural and town elementary schools in every county has resulted from the appointment of at least one supervisor in every county in the State.

For the year 1931–32 an equalization fund of $825,000 is available. This assures to the boys and girls in the financially poorer counties of the State the educational advantages equivalent to those which the children attending public schools in the wealthy sections of the State now enjoy. A recognized expert in the field of public-school finance, Dr. Fletcher Harper Swift, professor of education in the University of California, considers the present Maryland equalization plan perhaps the most far-reaching and scientific method from the standpoint of equalizing revenues of any State in the Union.

I have found no more convincing summary or more deserved declaration for our educational department than recent comments by Dr. Frank P. Bachman, who visited Maryland's schools, and Prof. Mabel Carney, of Columbia University. Doctor Bachman said:

"I believe that Maryland has the best legally established, the most unified, the most efficient, and the most professional State school system in America."

Professor Carney, head of the department of rural schools, Teachers College, Columbia University, says:

"Maryland rural schools have, in my judgment, made the greatest progress during the last five years of any State system of schools in the United States to-day. The reasons for this lie in her sound financial support, the high standards of her teachers, her unequaled county-school supervision, and the unquestioned integrity, efficiency, and devotion of the staff of the State department of education."

Forest protection and other work incident to that department of our State presents most illuminating conditions. As the greater part of the forest lands of the State are privately owned, the department recognizes the importance of rendering every assistance to such owners in the management of their forest lands, by giving them expert advice on the ground, and often conducting demonstrations in marking trees for selective cuttings, measuring and estimating their value, and assisting the owners to find suitable markets for forest products. Thirty-four thousand nine hundred acres of forests are now State owned, and it is intended to materially extend the present holdings up to a total of 200,000 acres.

At the growing cost, the State nursery during the year 1931 shows an output of 498,400 trees for forest planting and 4,630 for roadside planting. The effort along this line is to make use of the idle land within our State, and when we realize that Maryland possesses 180,000 acres of idle land capable of producing timber growth, a big forest-planting problem is presented. Seeing, as many of us have, daily evidence of our forest lands being cut over with little thought of future productivity, the department realizes that the forest area of 2,228,000 acres which Maryland possesses will be damaged and depleted beyond hope of recovery without some scientific rehabilitating effort and program being effective. Safeguarding our timber supply from the ravages of forest fires has been approached in recent years with most pleasing results.

An effective forest-protection system has been developed. For this purpose the State is divided into three districts, each presided over by a district forester. These districts are further subdivided into smaller districts, in charge of a district forest warden. A detection system for quickly locating fires is provided in 17 steel lookout towers, from 50 to 120 feet high, distributed over the State. Each tower is manned by a lookout watchman during the fire season. Assigned to each lookout tower is one or more forest guards, each provided with an automobile and fire-fighting equipment, and these guards are dispatched immediately to any fire that is discovered by the lookout watchman.

In handling the larger fires there is a force of 650 forest wardens, each in charge of a small forest district. The first warden has full authority to employ assistance and summon help in case of larger fires. Two hundred of these forest wardens have special crews of six to eight men who receive a higher rate of pay per hour because of their agreement to respond promptly when summoned by the warden.

This protection organization has been effective in controlling fires more promptly and reducing the acreage burned by the average fire. Maryland is proud of the fact that in 1930, the worst fire year in its history, the average fire was 44 acres, which is smaller than that of any other State south of New York.

Maryland has approached its forest problems with three outstanding objectives. The first is stopping forest fires; the second,

bringing about the universal practice of forestry on State and private lands; and, third, the reclaiming of additional abandoned lands and putting them to work in the growth of timber. The annual growth on the 2,228,000 acres of Maryland forests is approximately 68,000,000 cubic feet. The annual cut of lumber, other timber products, and firewood is approximately 72,000,000 cubic feet, or slightly more than the annual growth.

In other words we are cutting our forests more rapidly than they are growing. The annual consumption of wood and timber products is 158,000,000 cubic feet, or about two and one-third times the annual growth, but more than one-half of the timber and woods that is used in Maryland has been imported. The productive capacity of our forest lands under proper management and with adequate forest protection is 154,000,000 cubic feet, an amount nearly equal to the present annual consumption. These facts expressed in dollars show that our annual growth is worth $2,500,000; but with our forest lands working at full capacity and producing a higher quality of products, the annual growth would be worth $7,000,000, showing an annual loss of $4,500,000 due to forest-fire damages and lack of or improper forest management. To meet this very serious situation is one of the main purposes of the State forestry department, and I am advised by the reports of that department that despite the fact approximately 20 per cent of the lumber used in Maryland is shipped in from the Pacific coast, and that we are importing high-priced timber products to the extent of 90 per cent of all that is used in the State, it is possible to grow the great bulk of timber we require here in Maryland as and when our forests are fully productive. I was interested to read in the Washington Star a comment regarding the Maryland junior fire campaign by Charles L. Pack, president of American Tree Association:

"The State Department of Forestry of Maryland is leading the way in forest attention, which will have a tremendous effect on the next generation, and Maryland has in her junior fire campaign a plan that should be worked out in every State."

Immediate brevity makes it impossible to codify further statistics equally commendable with those hereinbefore cited, covering many other State activities. I refer to some of them only briefly.

Maryland has not been unmindful of her working mass in that a liberal compensation law administered by the workman's compensation commission of the State is in effect. Keeping pace with this there have been improvements in the child labor laws of the State.

We were fortunate indeed in having for a number of years, Dr. William H. Welsh as head of our State health department. Improved sanitary conditions, minimizing of pollution of streams, and the installation of modern and adequate sewerage, abundant water supply, and the almost total eradication of typhoid and similar diseases of yesterday making us proud of the great work this branch of our Government has done.

The corporation laws of Maryland have been liberalized and rewritten until to-day many of the largest corporations of the country come to our State with their charters in order to secure that easily understood and fairly administered method of statutory regulation which Maryland has installed.

The State tax commission, the public service commission, and many other administrative boards function with ability and credit to the State.

Hand in hand with the foregoing pleasing picture that our State government presents is found, at the present time, the administration of the city of Baltimore, the great metropolis of the State, which includes in its boundaries over one-half of the entire population of Maryland. Our county governments have, through cooperative and individual initiative and development, gone along in equally commendable manner.

To-day, with possibly the greatest period of depression and unemployment our country has ever witnessed, we find, as a result of a recent survey furnished me from an authoritative source, unemployment in Baltimore and the counties not comparable to that of other parts of our country, but with an earnest desire and real effort on the part of the charitable organizations to meet the pressing demands upon them it is to be hoped that Maryland will not find it necessary through legislative act to provide direct relief for this purpose, but that Baltimore city and other cities and counties of the State can continue to meet the situation locally as they are now doing.

Should it become necessary for the State directly to lend a helping hand, it can do so without the embarrassment which many other political subdivisions of the country are faced with. This is attributable to the model budget system installed about 10 years ago as the result of constitutional amendment. When the State expenses budgeted in a conservative and businesslike manner, instead of a definite or a large percentage of the taxable basis being covered by State bonds, we find at this time a comfortable sum on deposit in the State treasury and the bonded indebtedness less than 1½ per cent of the total of the State's taxable property. To my mind, one of the controlling causes for the stable condition of our State's finances has been the method installed not many years ago which has done away with the appropriations necessary to run the State government being initiated and controlled by legislative act and finally approved by the executive.

I can read from the expression of each one whose face I look upon to-night other thoughts they have of our great State. Supplementing what I have furnished in this somewhat lengthy and possibly tiresome paper with the individual contribution which you furnish, is it not easy for us to rejoice to-day as we reflect upon Maryland's past and the position she occupies in the Nation at this time?

Without detracting one bit from the well-known and recognized initiative and conception of government that the average Marylander must necessarily possess, and the contribution of others toward what we boast of tonight, there is one who, through sacrifice and desire, abandoned a career at the bar and laid his life upon the altar of service of the people of Maryland, and for the past 12 years has been chief executive of our State, and four years prior thereto our attorney general, to whom I want to pay especial tribute and on behalf of our people to convey especial thanks. That man is Governor Albert Cabell Ritchie. It might be said that politics dictates a suggestion of this kind at the present time; but whether it does or not, does not Governor Ritchie deserve it? As a result of Ritchie's conception of government, of the ability he has translated into law and actual accomplishment, he has seen many new industries come to Maryland, has seen agriculture fostered until that most ancient industry is in a better place than that of any other in the State; has built up the public-school system from a lowly position in the scale of States to a place around the top, and has developed the State university so that our children may get an education at the least possible cost; has developed the State's water resources; has given his aid to those projects that have specifically to do with the general welfare of society; and by his successful management of the business side of government has kept Maryland's financial status clear and unquestioned, so that to-day it enjoys a freedom from financial problems that is the envy of other States and other municipalities.

Maryland for three centuries has been something more than a mere political unit and has done something more than keep pace with her sister States in the rapid development of the last century. As I stated, in Maryland were founded and have endured the ennobling principles of righteous justice for all and through that justice have been preserved, as nowhere else, the personal rights of the individual. So much so is this true that the star of Maryland stands on that field of blue, among the galaxy of stars that together have won the place of leadership among the nations of the earth, as the brightest beacon of liberty.

As it is, the valiant struggle carried on by one of Maryland's sons, whom I have just mentioned, to preserve these ideals, on which the State was founded, has developed into a gospel that carries to all the Nation a new light of freedom. Maryland, with its preservation of the principle of an indestructible state in an indestructible union, has become in this respect the center of the country to the extent that its leader of this decade has become a leader of the Nation, and now is looked upon as possible head of that great political party which for a century has dedicated itself to the protection of human rights and happiness.

Few men have a background of experience in public administration such as that which is Ritchie's. As I said, 12 years as the chief executive of a State, 4 years before that as attorney general of the State, with a period of war-time service in the Federal Government as general counsel for the War Industries Board, the board which marshaled the industries of the country in the greatest undertaking ever attempted, is his record. With virtually his life spent as a public servant—and here I use public servant in the true sense of the term—in the service of the people, no other man now appearing on the horizon as a possible candidate can offer a background so rich in experience with the problems of government.

Maryland is not an easy State to govern, equally divided as it is with half of its people in one big city and the other half in rural sections, with half its people interested in an ever-growing concentration of industrial life and the other half depending largely on agricultural pursuits. Yet with such diversified interests Ritchie has not only governed well but so well that his people have each succeeding time returned him to office with increased majorities.

The problems of the National Government are, after all, little more than the problems of the State on a broader scale. And so able has Ritchie proved himself in mastering such problems that if we look at the question fairly we can not do other than accept him as a man with the best training and most successful experience to master those difficulties with which our National Government now is beset.

Ritchie has balanced his State budget and kept a good surplus, and he would balance the National Budget; Ritchie would step into international affairs and make the nations of the world respect our opinions; Ritchie would not hesitate to provide a national defense adequate to protect our homes against marauding nations, and at the same time would preserve those ideals that for more than a century have kept Jefferson's name before the Nation as the great champion of human rights.

No matter what may be the comments of the press, and no matter what may be the opinion of those who seek honors for others, will you join with me in laying down the challenge to the party I represent to present a national figure, outstanding in the life of our country to-day, whose experience in government, whose ability and nerve upon all major issues so vital to our people at this time begin to approach Maryland's illustrious son, her present governor, and, we hope, the next President of the United States—Albert Cabell Ritchie.

Recalling the past even in the inadequate manner I have; looking at the present with satisfaction as we must; being able to present our most distinguished son as the outstanding national figure of his party to-day, I feel that I have participated to-night

in a Maryland Day celebration second to none of the past, and only to be exceeded in the future when this society of Marylanders in Washington might be permitted to hold its celebration in the White House with a Marylander as your host.

ORDER OF BUSINESS

Mr. MICHENER. Mr. Speaker, may I ask the majority leader what will be the program for Monday? There have been many inquiries.

Mr. RAINEY. Monday is Consent Day. Tuesday the Kunz-Granata case will be taken up, and then the independent offices or the legislative appropriation bill.

Mr. MICHENER. Is it the purpose to call up anything under suspension of the rules on Monday?

The SPEAKER. That is a matter with the Chair. The Chair intends to submit on Monday a unanimous-consent request that the Philippines bill be taken up at 1 o'clock, with two hours and a half of debate. If this request is granted, we will have two hours and a half debate; otherwise, it is the present purpose of the Chair to recognize the gentleman from South Carolina for the purpose of moving to suspend the rules and pass the bill with 40 minutes of debate.

Mr. MAPES. Mr. Speaker, may I ask a question? If the unanimous-consent request to have two hours and a half general debate on the Philippines bill is granted, will it then be taken up under the 5-minute rule, or will it be voted upon under suspension of the rules?

The SPEAKER. The Chair would have no objection to the bill being taken up under the 5-minute rule, but the Chair would like to have the bill considered and disposed of next Monday. The two parties, for 30 years, have asked for consideration of Philippine independence. The matter has been discussed all over the country, and I think the entire House understands it. There is a unanimous report from the committee on the bill; and it does seem to the Chair that the House should be given an opportunity to vote on it, and the Chair will take the responsibility of recognizing the gentleman from South Carolina to move to suspend the rules and pass the bill.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. If the unanimous consent is granted, will there be any opportunity to amend the bill in any particular?

The SPEAKER. The Chair has just stated that, so far as the Chair is concerned, the Chair would like to see it considered under the rules of the House on Monday if consent can be given, but if the House is not willing to give unanimous consent the Chair will take the responsibility of recognizing the gentleman from South Carolina to move to suspend the rules and pass the bill.

Mr. HOOPER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOOPER. If the Speaker does recognize the gentleman from South Carolina, under a suspension of the rules, is it the intention at that time to have only the usual 20 minutes of debate on each side?

The SPEAKER. The Chair could not do otherwise if unanimous consent was not granted, because that is the rule of the House.

Mr. SIMMONS. As I understand the statement, if unanimous consent is given, it will be taken up under the 5-minute rule with two hours and a half general debate; and if unanimous consent is not given, it will be taken up under suspension of the rules.

The SPEAKER. It is a question whether the House wants to debate it 40 minutes or under the Rules of the House.

"GARNER TRIUMPHS FOR HIS COUNTRY"

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article which appeared in the New York Evening Journal, by Claude G. Bowers, on the services of the Speaker of the House of Representatives.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following article from the New York Evening Journal, by Claude G. Bowers, on the services of the Speaker of the House of Representatives:

[New York Evening Journal, March 31, 1932]

GARNER TRIUMPHS FOR HIS COUNTRY

By Claude G. Bowers

In one of the most dramatic and magnificent appeals in the annals of Congress, Speaker JOHN N. GARNER has rendered an incalculable service to his country; and in the timing of this appeal he has shown himself master of the psychology of leadership. There have been few incidents we can recall in congressional or parliamentary history that have so thrilled a people. These memorable events depend on the atmosphere, the setting. There is always an interest when a Speaker of the House goes into the arena of debate, for the House almost always likes its Speakers.

We recall the scene when Champ Clark descended from the rostrum to close the debate on the Underwood Tariff Act and began with the lines—

"This is the day I long have sought,
And mourned because I found it not."

But that speech was merely a gesture of triumph, delivered before a hilarious House—a party speech of the militant and jubilant sort well fitted to that occasion. But the occasion was not one deeply to touch the heart and imagination. When JOHN N. GARNER took the floor this week, there was a feeling that the welfare of his country, the very fabric of American society, was involved in his success or failure.

No statesman, any place or at any time, has stepped into the breach under more critical conditions. And disregarding the carping criticism of his enemies he had waited patiently for the right moment. And then he met it in the right way. There was infinite art in the very simplicity of his performance.

JACK GARNER IS REAL

The man who saved the day for common sense and manifest duty is a personality. His white hair, long and bushy white eyebrows, ruddy complexion, blue-gray eyes, would make him conspicuous as an individual in any crowd. Instinctively he has a friendly, kindly outlook on people and things. His smile, with which the House is so familiar, is a golden glow. It not only lights a room but warms a visitor. His voice and manner have all the heartiness of the West and South.

But no student of faces will fail to note the keen intelligence of those blue-grey eyes or to realize that they are the eyes of a fighter, capable of the reflections of cold steel. No pretense. No pose. No illusions here. Just a two-fisted, upstanding human being who has grown very wise in the many years he has dealt with men and politics. The men of the press gallery, incomparable in detecting the counterfeit, long ago concluded that JACK GARNER is real.

EVERY MAN HAS HIS SAY

Real leadership knows the virtue of patience and of timeliness. For months the House has moved forward with scarcely a hitch, and then, with the tax bill to meet the Hoover deficit of more than a billion thrown into the arena, and the realization of the Nation's desperate plight, the House went wild. Bitter things were said. Questionable things were done. And every man had his say—because GARNER is against the gag rule. He favored the bill submitted by the Ways and Means Committee providing a manufacturers' tax, albeit theoretically opposed to the sales-tax principle.

He favored it because he knew the one essential thing is the balancing of the Budget, and he agreed with the committee that this was the simplest way. And while the storm raged in the House he bided his time, while the critics fumed and his enemies jeered at the "lack of leadership." No human being could have led that House in any other direction than that of its choice.

But passion grows by what it feeds on, and impossible and intolerable things were said that indicated a possible failure to balance the Budget; and the outside world was shocked and shaken, and the market became panicky, and the dollar was being sold by the foreigner.

And into this crisis JACK GARNER entered—just at the right time.

NO EVIDENCE OF THE "BIG STICK"

As he asked recognition of the chair, and the House rose in tribute on both sides the Chamber, it was not the smiling GARNER that faced it. It was a serious man, but there was no evidence of the "big stick." There was emotion in his voice and feeling in his manner—and no "oratory" in his method. We have been surfeited with that. His was an appeal, straight from the mind and heart, in the conversational method of a conference among friends. He told a simple story. He put the immediate past behind him with a calm recital. He unfolded a tragic tale of the Nation's desperate needs. He made one of the strongest, manliest appeals for a common determination to balance the Budget for the country's good that any human being could have made.

Thus he told of the reaction to the impression given that the Budget would not be balanced:

"We found the foreigner selling the dollar. We found our exchange going down more than it has at any time in the last 12

years. We found that followed by a sharp reduction in United States securities."

And what did that mean?

"It simply means that the $1,800,000,000 of money belonging to foreigners who have come to us with the idea that this flag not only protected the person but protected property, and who put their credits in the banks of our country because they thought that the safest place on the face of the earth, have transferred their gold to foreign vaults."

And the ultimate result to us in America?

"As sure as I stand in the well of this House, I believe with all my soul that if this Congress to-day should decline to levy a tax bill there would not be a bank in existence in the United States in 60 days that could meet its deposits."

And then he summoned the Members of the House to stand in the eyes of the world and be counted as determined to balance the Budget—and they stood and cheered. Thus the gravest danger to the credit of the Nation in the entire history of the Republic passed.

A SIMPLE HUMAN APPEAL

And the peroration? None at all. Just this simple human appeal:

"I pray to you on this side to be in good humor as far as you can. Try to serve your country; and, gentlemen, let us put through this legislation at the earliest date possible in the interest of our country."

And the effect?

SNELL, the Republican leader, responded with an indorsement of GARNER'S stand and a pledge; and LAGUARDIA, who had led a revolt among the Republicans, rose and made his pledge; and DOUGHTON, of North Carolina, who had worked with LAGUARDIA, made his pledge; and in better, saner spirit than in days the House turned to the duty of saving the credit of the Nation and the very fabric of society.

RENDERED A SERVICE TO THE NATION

In the National Government GARNER has given us a leadership that has been lamentably and tragically absent. He had properly awaited the time when that leadership would be mostly needed. In a few minutes he had changed the jeer of editorial writers, ignorant of the psychology of management, to cheers.

And in so doing he had rendered a service of immeasurable value to the Nation.

CHANGE OF REFERENCE

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent, with the concurrence of the chairman of the Committee on Banking and Currency and the chairman of the Committee on Agriculture, to rerefer the bill, H. R. 10328, introduced by the gentleman from Indiana [Mr. LUDLOW]. The bill deals with the Farm Board and not with the Farm Loan Board, and therefore the Committee on Agriculture has jurisdiction.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

MANY VETERANS WILL OWE GOVERNMENT $112.18 IN 1945 WHEN THEIR CERTIFICATES MATURE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks, and to include a chart prepared by the Veterans' Administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, it is the ruling of the Veterans' Administration that where a veteran borrowed from a bank, using his adjusted-service certificate as collateral, and pays the bank 4½ per cent interest, compounded annually, as the present law requires, such a veteran will be required to pay 6 per cent interest, compounded annually, on this loan when the bank transfers it to the Government at the end of six months. This will result in the veteran who is the holder of a certificate of the average amount, $1,000, being indebted to the Government in the sum of $112.18 on the date of the maturity of his certificate in 1945.

TABULATION

The following table is based upon an assumed case. It is assumed that the veteran has a certificate for $1,000; that it was dated January 1, 1925, and made payable January 1, 1945; average age of 33 at the time of issuance; that loans were made by a bank in the eleventh (Texas) Federal reserve district each year on January 1, from 1927 to 1931, inclusive, then a loan on March 1, 1931, for the 50 per cent loan value and redemption of the note by the Government in six months:

Year	Loan value	Interest rate effective at date of loan	Interest due beginning of year	Cash to veteran	Reserve value
		Per cent			
1925					$31.14
1926					63.71
1927	$57.99	6		$57.99	97.77
1928	120.06	5½	$5.27	26.80	133.40
1929	153.59	6½	6.60	26.93	170.66
1930	188.67	7	9.98	25.10	209.64
1931	225.38	5½	13.20	23.51	250.43
Emergency loan act, Mar. 1, 1931	500.00	4½	2.06	272.56	
Redemption by the Government Sept. 1, 1931	500.00	6	11.25		
1932	500.00	6	30.67		293.11
1933	500.00	6	32.51		337.80
1934	500.00	6	34.46		384.59
1935	500.00	6	36.53		433.60
1936	500.00	6	38.72		484.96
1937	500.00	6	41.04		538.80
1938	535.73	6	43.51		595.26
1939	589.05	6	46.12		654.51
1940	645.06	6	48.88		716.74
1941	703.92	6	51.82		782.14
1942	765.86	6	54.93		850.96
1943	831.12	6	58.22		923.47
1944 [1]	900.00	6	61.71		1,000.00
Jan. 1, 1945			21.80		
Total			649.23	482.69	

[1] At this point the amount of principal and interest due on account of the amount paid the bank on Sept. 1, 1931, would exceed the face value of the certificate.

The above tabulation was prepared by the Veterans' Administration at my request and forwarded to me by Gen. Frank T. Hines.

By deducting the amount of cash received by the veteran from the amount of interest due by the veteran it will be discovered that the veteran will owe the Government $112.18 instead of the Government owing him one penny.

NO BOND ISSUE REQUIRED FOR FULL PAYMENT

It will require about $2,200,000,000 to pay the remainder due on all outstanding certificates. The amount can be paid now without a bond issue, without increasing taxes, and without unbalancing the Budget. No new obligation will have to be assumed by the Government. Money is being accumulated in the Tresaury yearly for the purpose of paying the certificates in 1945. Even the most conservative could not object to the plan of issuing $2,200,000,000 in currency to pay the remainder due with the understanding that the reserve fund so accumulated under the present law will be used to retire the currency from circulation. Those who insist that all currency must be backed by 40 per cent gold can be assured that we have sufficient idle gold in the United States Treasury that belongs to the people to back the amount of currency proposed to be issued if Congress so desires.

FULL PAYMENT WILL HELP ENTIRE NATION

If this debt is paid now, the entire Nation will be helped. It will cause $2,200,000,000 to be placed into the hands of consumers. If not paid now, most of the remainder will be consumed by compound interest paid to the Government and to the banks. The country needs this additional money in circulation.

EXTENSION OF REMARKS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to extend my own remarks, and incorporate therein a very appealing petition from the farmers of Cedar County, Nebr., in behalf of the repeal of certain legislation.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. STAFFORD. I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CABLE, on account of sickness.

Mr. SIMMONS. Mr. Speaker, I desire the RECORD to show that I voted in favor of the Ramseyer amendments on the estate and gift taxes.

THE LATE REPRESENTATIVE ALBERT H. VESTAL

Mr. PURNELL. Mr. Speaker, when the House began the consideration of the tax bill this morning, the gentleman from Oregon [Mr. HAWLEY] made the sad announcement

of the untimely death of our beloved colleague the Republican whip of this House, the Hon. ALBERT H. VESTAL. I was not present when he made the statement, but he informs me that he said to the House that if Mr. VESTAL knew of the procedure in the House to-day and were in position to speak, he would prefer that the House proceed with the serious and important business of balancing the Budget. I share in that belief. I am of the firm conviction that it was because of the stress of this session and his sincere devotion to duty that we are to-day robbed of his comradeship and inspiration. Mr. Speaker, I now offer the following resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 179

Resolved, That the House has heard with profound sorrow of the death of Hon. ALBERT H. VESTAL, a Representative from the State of Indiana.

Resolved, That a committee of 18 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The Speaker appointed the following committee:

Mr. WOOD of Indiana, Mr. PURNELL, Mr. CHINDBLOM, Mr. REED of New York, Mr. BURTNESS, Mr. WOODRUFF, Mr. GREENWOOD, Mr. CANFIELD, Mr. HOGG of Indiana, Mr. ENGLEBRIGHT, Mr. SIROVICH, Mr. LUDLOW, Mr. BOEHNE, Mr. CROWE, Mr. GILLEN, Mr. LARRABEE, Mr. GRISWOLD, Mr. PETTENGILL.

The SPEAKER. The Clerk will report the remaining portion of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn until Monday next.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 33 minutes p. m.), in accordance with the order heretofore made, the House adjourned until Monday, April 4, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Saturday, April 2, 1932, as reported to the floor leader by the clerk of the committee:

DISTRICT OF COLUMBIA—SUBCOMMITTEE ON STREETS, AVENUES, ETC.

(10 a. m.; room 377, House Office Building)

To appoint a commission to establish the boundary line between the District of Columbia and the State of Virginia (H. R. 10488).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. ANDREW of Massachusetts: Committee on Naval Affairs. H. R. 4657. A bill to authorize the disposition of the naval ordnance plant, South Charleston, W. Va., and for other purposes; with amendment (Rept. No. 977). Referred to the Committee of the Whole House on the state of the Union.

Mr. COYLE: Committee on Naval Affairs. S. 1047. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Historical Society of Montana, for preservation and exhibition, the silver service which was in use on the gunboat, No. 9, *Helena;* without amendment (Rept. No. 978). Referred to the House Calendar.

REPORTS OF COMMITEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 693. A bill authorizing the President to transfer and appoint Lieut. (Junior Grade) Arnold R. Kline, United States Navy, to the rank of lieutenant (junior grade), Supply Corps, United States Navy; without amendment (Rept. No. 962). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 1709. A bill for the relief of Burton Bowen; with amendment (Rept. No. 963). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 1710. A bill for the relief of Raymond C. Bogart; with amendment (Rept. No. 964). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 2978. A bill for the relief of Russell H. Lindsay; without amendment (Rept. No. 965). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 3539. A bill for the relief of William Bartley; with amendment (Rept. No. 966). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 5989. A bill for the relief of John O'Neil; with amendment (Rept. No. 967). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 7553. A bill for the relief of John McKenna; with amendment (Rept. No. 968). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. H. R. 8180. A bill authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy; without amendment (Rept. No. 969). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 9166. A bill for the relief of William E. B. Grant; with amendment (Rept. No. 970). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 9272. A bill to correct the rating of John Huntz Roloff, Fleet Naval Reserve; without amendment (Rept. No. 971). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H. R. 9473. A bill for the relief of Olen H. Parker; with amendment (Rept. No. 972). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. S. 433. An act to authorize the posthumous award of a distinguished-flying cross to Eugene B. Ely; without amendment (Rept. No. 973). Referred to the Committee of the Whole House.

Mr. DARROW: Committee on Naval Affairs. S. 462. An act for the relief of certain officers of the Dental Corps of the United States Navy; without amendment (Rept. No. 974). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. S. 2058. An act for the relief of William C. Rives; without amendment (Rept. No. 975). Referred to the Committee of the Whole House.

Mr. GAMBRILL: Committee on Naval Affairs. S. 2200. An act to authorize the presentation of a medal of honor, posthumously, to the late Henry Clay Drexler and the late George Robert Cholister; without amendment (Rept. No. 976). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 913. A bill for the relief of Charles W. Sumner; without amendment

(Rept. No. 979). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 3905. A bill for the relief of Maj. L. D. Worsham; without amendment (Rept. No. 980). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 6773. A bill authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, New Mexico; without amendment (Rept. No. 981). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 8216. A bill for the relief of the First National Bank of Junction City, Ark.; without amendment (Rept. No. 982). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 8800. A bill for the relief of Laura J. Clark; with amendment (Rept. No. 983). Referred to the Committee of the Whole House.

Mr. BOEHNE: Committee on Claims. H. R. 9476. A bill for the relief of the Merchants & Farmers Bank, Junction City, Ark.; without amendment (Rept. No. 984). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 221. An act authorizing adjustment of the claim of the Wilmot Castle Co.; without amendment (Rept. No. 985). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 914. An act for the relief of Katherine R. Theberge; without amendment (Rept. No. 986). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 968. An act for the relief of certain employees of the Forest Service, Department of Agriculture; without amendment (Rept. No. 987). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. S. 3536. An act for the relief of Jerry O'Shea; without amendment (Rept. No. 988). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Banking and Currency was discharged from the consideration of the bill (H. R. 10328) to prohibit loans or advances by the Federal Farm Board to any cooperative association or stabilization corporation paying salaries in excess of $15,000 per annum, and for other purposes, and the same was referred to the Committee on Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GILLEN: A bill (H. R. 11050) to provide for financial responsibility of operators of motor vehicles for hire in the Panama Canal Zone; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Alabama: A bill (H. R. 11051) to provide for the leasing and other utilization of the Muscle Shoals properties in the interest of national defense and of agriculture, and for other purposes; to the Committee on Military Affairs.

By Mr. JAMES: A bill (H. R. 11052) to authorize the Secretary of War to exchange certain tracts of real estate; to the Committee on Military Affairs.

By Mr. LaGUARDIA: A bill (H. R. 11053) to amend the railway labor act of May 20, 1926; to the Committee on Interstate and Foreign Commerce.

By Mr. MOBLEY: A bill (H. R. 11054) to prevent fraud, deception, or improper practice in connection with business before the United States Patent Office, and for other purposes; to the Committee on Patents.

By Mr. BLACK: A bill (H. R. 11055) to encourage the utilization of farming opportunities by certain destitute or unemployed persons; to the Committee on Labor.

Also, a bill (H. R. 11056) to provide farming opportunities for certain destitute and unemployed persons; to the Committee on Labor.

By Mr. SUMNERS of Texas: A bill (H. R. 11057) to amend section 129 of the Criminal Code of the United States; to the Committee on the Judiciary.

By Mr. FRENCH: A bill (H. R. 11058) to amend sections 5 and 8 of the Idaho admission act; to the Committee on the Public Lands.

By Mr. KENDALL: Resolution (H. Res. 178) to pay Jessie McKinley, daughter of Henry C. McKinley, six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said Henry C. McKinley; to the Committee on Accounts.

By Mr. POU: Resolution (H. Res. 180) authorizing the payment of funeral expenses and compensation to Henrietta M. Williamson, widow of Milton C. Williamson, late an employee of the House; to the Committee on Accounts.

By Mr. MAY: Resolution (H. Res. 181) requesting that the President of the United States be called upon to furnish complete data of unnecessary bureaus and employees of the United States Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOILEAU: A bill (H. R. 11059) granting a pension to Sarah A. De Gross; to the Committee on Invalid Pensions.

By Mr. CLAGUE: A bill (H. R. 11060) for the relief of L. F. Loomis; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 11061) granting an increase of pension to Oscar D. Baker; to the Committee on Pensions.

By Mr. HESS: A bill (H. R. 11062) granting an increase of pension to Margaret C. Eagle; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 11063) granting an increase of pension to Orrie S. McCutcheon; to the Committee on Invalid Pensions.

By Mr. HOLMES: A bill (H. R. 11064) granting a pension to Elmer J. Mouso; to the Committee on Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 11065) granting an increase of pension to Olive E. Tompkins; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 11066) granting a pension to Rosa Jacobi; to the Committee on Pensions.

By Mr. McCORMACK: A bill (H. R. 11067) for the relief of William Fisher; to the Committee on Naval Affairs.

Also, a bill (H. R. 11068) for the relief of William Martin; to the Committee on Naval Affairs.

By Mr. MARTIN of Oregon: A bill (H. R. 11069) for the relief of Squire Hensley; to the Committee on Military Affairs.

By Mr. MOORE of Ohio: A bill (H. R. 11070) granting a pension to Hattie A. Walters; to the Committee on Invalid Pensions.

By Mr. RANKIN: A bill (H. R. 11071) for the relief of James Rodge McKelvey; to the Committee on Military Affairs.

By Mr. SCHAFER: A bill (H. R. 11072) for the relief of George W. White; to the Committee on Military Affairs.

By Mr. SNOW: A bill (H. R. 11073) granting a pension to Marie Elizabeth Smith; to the Committee on Invalid Pensions.

By Mr. STEAGALL: A bill (H. R. 11074) for the relief of W. L. Horn; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H. R. 11075) for the relief of John Kumple; to the Committee on Military Affairs.

By Mr. WHITE: A bill (H. R. 11076) for the relief of Joseph C. Mistretta; to the Committee on Military Affairs.

By Mr. HILL of Alabama: Joint resolution (H. J. Res. 350) granting permission to Col. Richard T. Ellis, Quartermaster Corps, United States Army, to accept decorations and medals bestowed upon him by the Government of the Republic of France; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5306. By Mr. ANDREW of Massachusetts: Petition signed by George R. Player and 75 others citizens of Ipswich, Mass., urging full cash payment of the soldiers' bonus; to the Committee on Ways and Means.

5307. By Mr. ARNOLD: Petition of citizens of Centralia, Ill., urging that steps be taken to relieve the present financial situation by retrenchment in governmental expenditures and appropriations; to the Committee on Expenditures in the Executive Departments.

5308. Also, petition of citizens of southern Illinois, urging economy and retrenchment in governmental expenditures; to the Committee on Expenditures in the Executive Departments.

5309. By Mr. BOYLAN: Letter from New York Typographical Union, No. 6, New York City, opposing an excise tax on books and publications; to the Committee on Ways and Means.

5310. By Mr. BRUNNER: Petition of the Westend Republican Club, of Queens County, N. Y., urging Congress to take prompt steps to bring about prompt detection, capture, and punishment of all persons engaged in the crime of kidnaping; to the Committee on Interstate and Foreign Commerce.

5311. By Mr. CULLEN: Petition of the Chamber of Commerce of the State of New York, deprecating any legislation which may tend to check the progress or unsettle the conditions under which the Philippine people have been advancing during the past 17 years of American sovereignty; and that it is the sense of the chamber that our national obligations to this people require of us to continue in the original relation of responsible trusteeship until they shall have attained greater experience in self-government; to the Committee on Insular Affairs.

5312. Also, petition of the board of directors of Branch No. 2, Fleet Reserve Association, Brooklyn, N. Y., looking with disfavor upon salary cuts or reduction in wages of all Federal employees; to the Committee on Expenditures in the Executive Departments.

5313. By Mr. FRENCH: Petition of 41 citizens of Canyon County, Idaho, protesting against compulsory Sunday observance; to the Committee on the Judiciary.

5314. By Mr. GARBER: Petition of Rosenfields Jewelry Store, Abbott Kendrick, Kessenger Jewelry Co., Ray W. Gumm, jeweler, of Enid, Okla., and the Oklahoma Retail Jewelers Association, opposing the tax on jewelry; to the Committee on Ways and Means.

5315. Also, petition of John Drake, D. C. Spray, George Darrow, N. X. Stanley, A. B. McDonald, and O. E. Sargent, jewelers, of Ponca City, Okla., opposing the tax on jewelry; to the Committee on Ways and Means.

5316. Also, petition of residents of the eighth congressional district of Oklahoma, urging payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5317. By Mr. HOGG of West Virginia: Petition of Logan Coal Operators Association, protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5318. By Mr. JAMES: Telegram from Oliver Johnson, of the Oliver Sinclair Service, of Marquette, Mich., opposing any bills to reduce pay of workers employed in Government service; to the Committee on Expenditures in the Executive Departments.

5319. Also, petition of Hancock Lodge, No. 382, Fraternal Order of Eagles, Hancock, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5320. Also, telegram from Mrs. James Tamblyn, of Hancock, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5321. Also, telegram from Nellie French, of Marquette, Mich., opposing any bills to reduce wages of Government workers; to the Committee on Expenditures in the Executive Departments.

5322. Also, telegram from R. J. Dorow, secretary of the Central Labor Union of Marquette, Mich., opposing any bill to reduce Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5323. Also, telegram from Campbell Bros., of Marquette, Mich., opposing any bill to reduce wages of Federal employees; to the Committee on Expenditures in the Executive Departments.

5324. By Mr. JOHNSON of Oklahoma: Petition of 17 ex-service men, citizens and taxpayers of Fort Reno, Okla., requesting the Congress of the United States to pass legislation authorizing the Treasurer of the United States to pay the full face value in cash of the adjusted-compensation certificates, upon demand from any ex-service man who requests such payment; thereby enabling thousands to save their homes, keep their families together, relieve distress and suffering, and stimulate business conditions, so that everybody will benefit; to the Committee on Ways and Means.

5325. Also, petition of 202 members of the Raymond T. Hurst Post, No. 54, of the American Legion of Chickasha, Okla., asking that the balance of the adjusted-compensation certificates be paid in full at this time, eliminating all accrued interest on same to date; to the Committee on Ways and Means.

5326. Also, petition of 28 colored ex-service men, members of El Reno Post, No. 169, of Oklahoma, respectfully asking the Congress of the United States for the adoption of legislation for the immediate payment in full of all adjusted-service certificates; to the Committee on Ways and Means.

5327. Also, petition of 380 ex-service men of Canadian County, Okla., members of El Reno Post, No. 34, for the adoption of legislation for the immediate payment in full of service certificates; to the Committee on Ways and Means.

5328. Also, petition of 53 members of the Roy L. Rinker Post, No. 225, of the American Legion, Apache, Okla., and ex-service men of that community, realizing the great poverty and suffering caused by the present business depression and unemployment era now being passed through, and realizing that this suffering could be greatly relieved by the enactment of a law making the balance of the adjusted-service certificates of the ex-service men available through additional loans, request that such a law be enacted during the present session of Congress or at the earliest possible date; to the Committee on Ways and Means.

5329. Also, petition of 32 ex-service men of Alex, Okla., serving from 4 to 26 months, favoring payment of the remainder of the adjusted-compensation certificates; to the Committee on Ways and Means.

5330. Also, petition of 13 members of Outpost No. 1 of Lowery Post, No. 29, Lawton, Okla., and residents of Indiahoma, requesting payment of the last half of the adjusted compensation with interest deducted; to the Committee on Ways and Means.

5331. Also, petition of 39 members of Gold Eagle Post, No. 247, Canton, Okla., favoring payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5332. Also, petition of 40 citizens of Jefferson County, Okla., protesting against compulsory Sunday observance, Senate bill 1202; to the Committee on the District of Columbia.

5333. Also, petition of 32 ex-service men of Heffron Gatlin Post, No. 230 (outpost of Orliff R. Gilbert Post, No. 230), Caddo County, State of Oklahoma, enlisting support on House bill 1, calling for full payment of the bonus, believing this is necessary and just and knowing that it will help the country at large; to the Committee on Ways and Means.

5334. By Mr. JONES: Petition of T. B. Colwell and other citizens of Fisher County; also (5335), O. M. Beigler and other citizens of Wheeler County; also (5336), Walter Taylor and other citizens of Scurry County; also (5337), B. F. Nolan and other citizens of Swisher County; also (5338), C. E. Gafford and other citizens of Stonewall County; also (5339), Mrs. M. S. Hudson and other citizens of Hall County; also (5340), O. P. Jones and other citizens of Potter County; also (5341), E. H. Young and other citizens of Parmer

County; also (5342), Mrs. C. H. Wise and other citizens of Cottle County; also (5343), R. W. Hicks and other citizens of Childress County; also (5344), J. A. Pollard and other citizens of Collingsworth County; also (5345), Ernest Felton and other citizens of Haskell County; also (5346), John A. Dresslar and other citizens of Hockley County; also (5347), H. A. Hammond and other citizens of Dickens County; also (5348), J. M. Bell and other citizens of Donley County; also (5349), Grady Patton and other citizens of Terry County; also (5350), L. T. Shick and other citizens of Dawson County; also (5351), Allen Palmore and other citizens of Floyd County; also (5352), W. A. Black and other citizens of Gaines County; also (5353), L. D. Preston and other citizens of Gray County; also (5354), A. A. Hare and other citizens of Hardeman County; also (5355) W. F. Glenn of Castro County; also (5356), W. C. Metcalf and other citizens of Carson County; also (5357), Mrs. D. G. Smith and other citizens of Bailey County; also (5358), C. T. Painter, of Borden County; also (5359), E. A. Moseley, of Brisco County; also (5360), F. H. Taylor and other citizens of Lynn County; also (5361), P. W. Collins and other citizens of Crosby County; also (5362), M. Clymer, of Lubbock County; also (5363), Arthur Beedy and other citizens of Cochran County; also (5364), Jack Moss and other citizens of Lamb County; also (5365), W. E. Doggett and other citizens of Garza County; also (5366), H. R. Warren and other citizens of Hemphill County; also (5367), M. A. Darden and other citizens of Kent County; also (5368), W. W. Dozier and other citizens of King County; and (5369), O. D. Propps and other citizens of Knox County; all residents of the State of Texas, urging that Congress enact no legislation that would impair the effectiveness of the agricultural marketing act; to the Committee on Agriculture.

5370. By Mr. LINDSAY: Petition of Bar Association of Erie County, N. Y., 461 members voting for the repeal of the eighteenth amendment and Volstead Act and 50 members against; to the Committee on the Judiciary.

5371. Also, petition of Hardy & Co., members of the stock exchange, and employees, opposing the stock-sales amendment; to the Committee on Ways and Means.

5372. Also, petition of the American Fur Merchants Association (Inc.), New York City, opposing the 10 per cent tax on furs; to the Committee on Ways and Means.

5373. Also, petition of Markay Waist House, New York City, opposing the manufacturers' sales tax; to the Committee on Ways and Means.

5374. Also, petition of New York State Automobile Association, Albany, N. Y., opposing tax on passenger cars, parts, tires and accessories, and gasoline; to the Committee on Ways and Means.

5375. Also, petition of Holland American Trading Corporation, New York City, opposing the tax on foreign coal; to the Committee on Ways and Means.

5376. Also, petition of Fleet Reserve Association, Branch 2, Brooklyn, N. Y., opposing any salary reduction of the Federal employees; to the Committee on Expenditures in the Executive Departments.

5377. Also, petition of United States Addressing & Printing Co. (Inc.), New York City, opposing the 3-cent increase in postage; to the Committee on Ways and Means.

5378. Also, petition of Caye Construction Co., Brooklyn, N. Y., favoring the balancing of the Budget; to the Committee on Ways and Means.

5379. Also, petition of the Namm Store, Brooklyn, N. Y., favoring the balancing the Budget; to the Committee on Ways and Means.

5380. Also, petition of Grand Lodge, Brotherhood of Railroad Trainmen, Cleveland, Ohio, opposing the reduction of the Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5381. By Mr. MANLOVE: Petition of D. L. Stone, D. S. Mayhew, R. S. Kaufman, Millsap Bros., F. P. Smiser, W. E. Smedly, R. M. Callaway, P. N. Cook, F. E. Armstrong, and Floyd C. Calloway, business men of Monett, Mo., opposing the reduction of salaries of postal employees of the country; to the Committee on Ways and Means.

5382. By Mr. PARKER of Georgia: Petition of J. J. Horrigan, George H. Meinert, W. S. Saffold, and J. H. Kennedy, of Savannah, Ga., urging the enactment of legislation regulating busses and trucks engaged in hauling passengers and freight; to the Committee on Interstate and Foreign Commerce.

5383. By Mr. ROBINSON: Petition signed by F. M. Kline and other citizens of Hampton, Iowa, opposing the proposed reduction in the salaries paid Federal employees, believing same will have a bad effect upon the economic and industrial life of the Nation, and that it will encourage wage cutting among private industries, increase the number of unemployed, reduce the buying ability of many, and thus delay recovery from our economic depression; to the Committee on Appropriations.

5384. Also, petition signed by about 75 citizens of Melbourne, Iowa, urging that the Budget be balanced, not by increased taxation, either by sales or otherwise, but by cutting Government expenses sufficiently to raise the necessary half billion dollars; to the Committee on Ways and Means.

5385. Also, petition signed by Fred A. Osterholm, secretary, and other citizens of Waverly, Iowa, opposing the proposed reduction in the salaries paid Federal employees, believing it would have a bad effect upon the economic and industrial life of the Nation, and that it would encourage wage cutting among private industries, tend to reduce the buying power of thousands, and thus delay economic recovery or any improvement in the unemployment situation; to the Committee on Expenditures in the Executive Departments.

5386. By Mr. RUDD: Petition of Knickerbocker Letter Shop, New York City, opposing the increase in first-class postage; to the Committee on Ways and Means.

5387. Also, petition of New York State Automobile Association, Albany, N. Y., opposing the tax on automobiles, parts, and tires; to the Committee on Ways and Means.

5388. Also, petition of Fleet Reserve Association, Branch 2, Brooklyn, N. Y., opposing any salary reduction for Federal employees; to the Committee on Expenditures in the Executive Departments.

5389. Also, petition of Caye Construction Co. (Inc.), Brooklyn, N. Y., favoring the balancing of the Budget; to the Committee on Ways and Means.

5390. Also, petition of National Bridge Works, Long Island City, N. Y., favoring the passage of the Goss bill, H. R. 9921; to the Committee on Expenditures in the Executive Departments.

5391. Also, petition of the Namm Store, Brooklyn, N. Y., favoring the balancing of the Budget; to the Committee on Ways and Means.

5392. By Mr. SELVIG: Petition of Freeborn County Farmer-Labor Organization, favoring enactment of Frazier bill, S. 1197; to the Committee on Agriculture.

5393. Also, petition of Donald D. Center, Bluffton, Minn., favoring immediate cash payment of bonus; to the Committee on Ways and Means.

5394. Also, petition of John H. Johnson, Helge Arneson, and 32 other citizens of Fergus Falls, Minn., opposing any bill for compulsory Sunday observance; to the Committee on the District of Columbia.

5395. Also, petition of Milaca (Minn.) American Legion Post, favoring full payment of bonus and enactment of widows' and orphans' bill; to the Committee on World War Veterans' Legislation.

5396. Also, petition of Clearwater County Farm Bureau, Minnesota, favoring equalization fee; to the Committee on Agriculture.

5397. Also, petition of Frank R. Steineke and 19 other members of Post No. 214, Lancaster, Minn., and vicinity, urging cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5398. Also, petition of Aitkin Lions Club, Aitkin, Minn., indorsing recommendations of President Hoover to maintain strength of Regular Army and National Guard; to the Committee on Appropriations.



5399. Also, petition of Thief River Falls, Post 1140, Veterans of Foreign Wars, Minnesota, favoring cash payment of adjusted-service certificates in full; to the Committee on Ways and Means.

5400. Also, petition of Mrs. Lawrence Lee, Mrs. L. L. Colby, and 14 other citizens of Borup, Minn., protesting against the enactment of any Sunday observance bills; to the Committee on the District of Columbia.

5401. Also, petition of Olof Skime, C. J. Erickson, and 20 other legionnaires, of Bagley, Minn., and vicinity, urging cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5402. Also, petition of Even O. Ekre and 20 other members of Post No. 16, American Legion of Bagley and vicinity, Minn., urging cash payment of bonus certificates; to the Committee on Ways and Means.

5403. By Mr. SMITH of Idaho: Resolution adopted by the Pocatello Chamber of Commerce, Pocatello, Idaho, urging the imposition of a tariff on imported copper; to the Committee on Ways and Means.

5404. By Mr. STOKES: Petition of Philadelphia Board of Trade, supporting Senate bill 2973; to the Committee on Interstate and Foreign Commerce.

5405. Also, petition of Philadelphia Board of Trade, supporting Senate bill 1676; to the Committee on Interstate and Foreign Commerce.

5406. Also, petition of the Philadelphia Board of Trade, protesting against passage of House bill 435; to the Committee on Interstate and Foreign Commerce.

5407. By Mr. SWING: Petition of 57 residents of Riverside, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5408. By Mr. TARVER: Petition of Laura Longley and a number of other citizens of Georgia, protesting against any compulsory Sunday observance bill, and particularly Senate bill 1202; to the Committee on the District of Columbia.

5409. By Mr. TEMPLE: Petition of Bentleyville Post, No. 165, American Legion, Bentleyville, Pa., supporting the measure providing for full payment of adjusted compensation; to the Committee on Ways and Means.

5410. Also, petition of Rev. H. E. McNeely, R. F. D. 7, Waynesburg, Pa., supporting the amendment to make representation in Congress depend on United States citizenship; to the Committee on the Judiciary.

5411. By Mr. THOMASON: Petition of El Paso Retail Lumbermen's Association, urging immediate passage of home loan discount bill; to the Committee on Banking and Currency.

5412. By the SPEAKER: Petition of Virginia Baptist Board of Missions and Education, urging Congress to request the President of the United States to designate and set apart a day of prayer; to the Committee on the Judiciary.

SENATE

MONDAY, APRIL 4, 1932

Rev. Frederick Brown Harris, D. D., pastor of the Foundry Methodist Episcopal Church, of the city of Washington, offered the following prayer:

Our Father, God, we turn unfilled again to Thee. Thou art the light of all our seeing. Take Thou the dimness of our souls away.

We thank Thee for this quiet moment when, facing vast human issues, with heavy responsibilities committed to our hands, trusting a strength and a wisdom not our own, we can look away from things seen to things unseen and confidently confess our faith—in God we trust. In the secret places of the inner life may there be those spiritual deposits and resources, that strength of conviction, that loyalty to ideals, that vision splendid of faith and hope that shall give poise and courage and an undeviating devotion to the right as Thou shalt give us to see the right.

In the midst of the treacherous currents of a chaotic and changing world, help us with full measure of devotion to serve the present age. In all the perplexities and confusions of our time may we be conscious that Thy truth is marching on in the coming of a new spirit into society concerned for the common good. So may brotherhood and justice more and more prevail over selfish seeking and advantage, and Thy kingdom come and Thy will be done. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar days of Thursday, March 31, and Friday, April 1, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, communicated to the Senate the resolutions adopted by the House as a tribute to the memory of Hon. ALBERT H. VESTAL, late a Representative from the State of Indiana.

The message announced that the House had passed a bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Johnson	Robinson, Ark.
Austin	Dale	Jones	Schall
Bailey	Davis	Kean	Sheppard
Bankhead	Dickinson	Kendrick	Shipstead
Barbour	Dill	Keyes	Shortridge
Bingham	Fess	King	Smoot
Black	Fletcher	La Follette	Steiwer
Blaine	Frazier	Lewis	Thomas, Idaho
Borah	George	Logan	Thomas, Okla.
Bratton	Glass	Long	Townsend
Brookhart	Glenn	McGill	Trammell
Broussard	Goldsborough	McKellar	Tydings
Bulow	Gore	McNary	Vandenberg
Byrnes	Hale	Morrison	Wagner
Capper	Harrison	Moses	Walcott
Caraway	Hastings	Norbeck	Walsh, Mass.
Carey	Hatfield	Norris	Walsh, Mont.
Connally	Hawes	Nye	Wheeler
Coolidge	Hayden	Oddie	White
Copeland	Hebert	Pittman	
Costigan	Howell	Reed	

Mr. FESS. The senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] are absent attending the funeral of the late Representative Vestal. This announcement may stand for the day.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. HEBERT. The senior Senator from Rhode Island [Mr. METCALF] is necessarily absent because of illness. I will let this announcement stand for the day.

Mr. LOGAN. I wish to announce that the senior Senator from Kentucky [Mr. BARKLEY] is necessarily detained from the Senate on official business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

TRANSFER OF JURISDICTION IN MANAGEMENT OF INDIAN COUNTRY

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying enrolled bill, ordered to lie on the table:

To the Senate:

In compliance with the resolution of the Senate of March 31, 1932 (the House of Representatives concurring), I return herewith the enrolled bill (S. 3322) entitled "An act to transfer certain jurisdiction from the War Department in the management of Indian country."

HERBERT HOOVER.

THE WHITE HOUSE, *April 1, 1932.*

HOUSE BILL REFERRED

The bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, was read twice by its title and referred to the Committee on Finance.

PETITIONS AND MEMORIALS

Mr. CAPPER presented a resolution adopted by the Chamber of Commerce of Paola, Kans., favoring the passage of legislation regulating interstate bus and truck traffic for hire, which was referred to the Committee on Interstate Commerce.

Mr. ROBINSON of Arkansas presented a letter in the nature of a petition from Sahara Temple, Ancient Arabic Order Nobles of the Mystic Shrine, of Pine Bluff, Ark., praying that the march composed by the late John Philip Sousa, the Stars and Stripes Forever, may become the regularly authorized and adopted national march of the United States, which was referred to the Committee on the Library.

He also presented a letter in the nature of a memorial from Ury McKenzie, president of the Arkansas College, Batesville, Ark., remonstrating against the imposition of a 10 per cent tax on admissions to games and amusements held under the auspices of high schools and colleges, which was referred to the Committee on Finance.

Mr. KENDRICK presented the petition of 13 citizens of Basin, Greybull, and Cheyenne, Wyo., praying for the maintenance of the eighteenth amendment of the Constitution and the prohibition law, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Archie Hay Post, No. 24, the American Legion, of Rock Springs, Wyo., favoring the repeal of the eighteenth amendment of the Constitution and the restoration of State rights in the matter of prohibition, which was referred to the Committee on the Judiciary.

He also presented petitions of 954 citizens of the State of Wyoming, praying for the repeal of the eighteenth amendment of the Constitution and the prohibition law and the passage of legislation for the restoration of State rights in the matter of prohibition, which were referred to the Committee on the Judiciary.

Mr. ASHURST presented a memorial of sundry citizens of Tucson, Ariz., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

He also presented telegrams, in the nature of memorials, from Thomas J. Elliott, commander Department of Arizona, Disabled American Veterans of the World War; Dan Lyons, commander Morgan McDermott Post, No. 7; Frank Peyton, commander Department of Arizona, the American Legion; and James A. McGuire, all of Tucson, Ariz., remonstrating against the passage of the bill (S. 3769) to amend the act entitled "An act making eligible for retirement under certain conditions officers and former officers of the Army, Navy, and Marine Corps of the United States other than officers of the Regular Army, Navy, or Marine Corps who incurred physical disability in line of duty while in the service of the United States during the World War," which were ordered to lie on the table.

Mr. SHORTRIDGE presented resolutions adopted by the Brotherhood of the First Presbyterian Church, of Long Beach, Calif., indorsing the Geneva convention for the limitation of the manufacture of narcotic drugs, which were ordered to lie on the table.

He also presented resolutions adopted by the United Veterans of the Republic, Hollywood Unit, No. 27, of Hollywood, Calif., reaffirming their previous indorsement of the national defense act and the civilian institutions created by it and opposing the passage of any legislation curtailing the activities or abolishing the Reserve Officers' Training Corps and the citizens' military training camps, which were referred to the Committee on Military Affairs.

Mr. WALSH of Massachusetts presented petitions of 75 citizens of the State of Massachusetts, praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

He also presented petitions of 75 citizens of the State of Massachusetts, protesting against the passage of legislation imposing a tax on the sale of stocks and bonds, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the making of an appropriation of $100,000, as a separate item, to be included in the appropriations for the Federal Trade Commission to carry on the work of its trade-practice department, which was referred to the Committee on Appropriations.

Mr. BARBOUR presented a resolution adopted by the Rotary Club of Asbury Park, N. J., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Kiwanis Club of Newark, N. J., favoring the passage of House bill 10492, restricting the sale, purchase, and transportation of guns, pistols, and other death-dealing instruments, etc., which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the advisory committee of the Montclair Republican Club, of Montclair, N. J., favoring retrenchment in governmental expenditures and the passage of legislation providing for the balancing of the Budget, which was referred to the Committee on Finance.

He also presented a resolution adopted by the board of directors of the Bergen County (N. J.) Chamber of Commerce, favoring an investigation into the conditions of the sugar-refining industry, which was referred to the Committee on Finance.

He also presented a memorial of the Association of Mail Advertising Agencies and Letter Shops in Passaic County, N. J., opposing an increase in first-class postal rates, which was referred to the Committee on Finance.

He also presented memorials and papers, in the nature of memorials, from the Central Service Bureau, of Kearny; the Dan Colello Association (Inc.), of Jersey City; and the Public Employees' Protective Association of the State of New Jersey, Newark, all in the State of New Jersey, remonstrating against proposed reductions in Federal salaries, which were referred to the Committee on Civil Service.

He also presented a resolution adopted by postal employees of the city of Paterson, N. J., protesting against the passage of legislation reducing the compensation of postal employees, which was referred to the Committee on Civil Service.

THE WORLD COURT

Mr. PITTMAN. Mr. President, I ask permission to have printed in the RECORD a letter which I have addressed to Rev. Thomas Jenkins, Episcopal bishop of the State of Nevada, in reply to a telegram from him. The letter states the situation in the Foreign Relations Committee, as I understand it, with regard to the resolution of adherence to the World Court.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., March 31, 1932.

REV. THOMAS JENKINS,
Bishop of Nevada, Lovelock, Nev.

MY DEAR BISHOP: I am in receipt of your telegram of the 28th, requesting me to "do nothing by resolution or vote, or in any

way to delay or defeat the United States entrance into the Court of International Relations."

It is conclusively evident from the former action not only of the Foreign Relations Committee but of the United States Senate that there is an abiding opposition to the rendering of ex parte advisory opinions in matters affecting the United States. We do not tolerate advisory opinions by our courts. I feel the courts should only act where there are issues joined. That is the general theory of the World Court, but unfortunately this theory is set at naught by the provisions for an advisory opinion.

A majority of the committee are now ready to report out a resolution for adherence to the court, but exactly upon the same conditions that the Senate authorized adherence before, and which conditions were refused by the other governments, members of the World Court. Unless these governments have changed their position with regard to the matter, as indicated by Mr. Root and the Secretary of State, then they would again refuse to approve our fifth reservation.

I am fearful that another disapproval by the other member governments of the World Court would long delay, if not permanently end, any further efforts upon our part to adhere to the court. It is for this reason that I feel that we should attempt to ascertain definitely from such governments their attitude toward amending the protocol by reasserting the fifth reservation.

I have written to Mrs. Helen T. Belford fully with regard to this matter, and I am now requesting her to have the letter published in the press of Nevada, so that my position may be understood by all of my constituents, and save the necessity of individually answering many communications.

With expressions of respect and regard, I am,

Sincerely,

KEY PITTMAN.

PROTESTS AGAINST REDUCTION OF SALARIES OF GOVERNMENT EMPLOYEES

Mr. FESS. Mr. President, there came to my office this morning about 300 letters all in the nature of protests against the proposed reduction of salaries of Government employees. I am taking a leaf out of the experience of our genial friend from New York [Mr. COPELAND]. I am not going to reply to them because they all appear to be more or less in the nature of propaganda and expressing a personal interest. I am sorry I can not be influenced by this sort of thing in what I shall do in a matter of this kind. My vote will be determined by the needs of balancing the Budget. It will require reductions of Government expenditures and the imposition of new taxes. I simply want to place this notice in the RECORD that it may be considered a reply to the large number of letters which came to my office this morning relating to the subject. It is a physical impossibility for the office force working long hours to type the answer of each letter that comes to me, hence this necessary means of reply.

PROTESTS AGAINST TAX ON STOCK SALES

Mr. COPELAND. Mr. President, I wish to make a statement in the nature of a petition from a Senator who is overwhelmed by the correspondence which he has, confirming what the Senator from Ohio [Mr. FESS] has just stated. The Senator from Ohio was very modest. He said he had received 300 letters and telegrams. I found in my office this morning 3,000 letters and telegrams in protest against the tax on stock sales.

Mr. President, I was in New York on Saturday last and saw a great many people who are disturbed over this proposed legislation. I have explained to them that the matter is an open question; that it must receive first the attention of the Finance Committee of the Senate and then afterwards it will be considered by the Senate itself. I take it, if there shall be shown abundant reason why this proposed tax should not be levied at the rate fixed by the House, that some other rate or no rate will be fixed by the Senate; but I do wish to have it announced, if it may be, that we have been abundantly petitioned on this subject. I do not think I could be more strongly impressed than I have been.

I make it a matter of conscience to reply to letters of my constituents, but I would almost exhaust the funds of the country and ruin the Government if I were to reply to all the letters which come to me on this subject. If I have any friends in the press, I beg that they will say the same thing to the public, because it is a matter of great concern on the part of every Member of Congress that there must be any increase in taxation, but there must be found some way to balance the Budget and operate the Government. I hope, of course, because of my own constituents, that there may be some other way found than this particular tax; and I am sorry, Mr. President, that I can not make personal reply to these many letters and telegrams which I have received.

REQUESTS FOR LITERATURE OF BICENTENNIAL COMMISSION

Mr. FESS. Mr. President, I have received a letter from the associate director of the Bicentennial Commission referring to the fact that there have been referred to him letters from something like 45 Senators carrying a request from a citizen of Washington for all material available to the Senator on the George Washington Bicentennial. I observe that this same person has written to each Senator asking for material. The director has addressed to me a letter. He wants Senators to know that he is unable to respond to the requests because it would exhaust the material which the commission has. I ask that his letter to me may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

MARCH 31, 1932.

MY DEAR SENATOR: Corporations and individuals have been writing to each Senator asking that they be sent literature issued by the United States George Washington Bicentennial Commission for the balance of its existence. In other words, the photostat copy of the inclosed letter is a sample of a letter that has been sent to every Senator.

We have received about 40 requests from different Senators asking that we send to Mr. Fraser S. Gardner this literature, and I would suggest that any requests coming from the District of Columbia or any place outside of your own State, unless the writer is personally known to you, be sent to this commission for attention.

You can readily understand, Senator, if this Mr. Gardner should receive 96 different packages of literature that would naturally handicap this commission. I don't know to what use he is putting this literature, but if he will apply to this commission and is entitled to consideration I can assure you he will receive it.

Sincerely yours,

SOL. BLOOM.

BEHIND THE BALANCED BUDGET, BY VIRGIL JORDAN

Mr. LA FOLLETTE. Mr. President, I hold in my hand an article from the current issue of the Commonweal entitled "Behind the Balanced Budget," by Virgil Jordan.

Doctor Jordan for the last two years has been an economist connected with the McGraw-Hill Publishing Co., and for about nine years prior to that time was chief economist of the Industrial Conference Board of New York City. I wish to read the opening paragraph of this article:

Speaking in stock-market terms, and thereby reviving for a brief moment a language long dead and probably never to be resurrected, this economic mess into which we have wandered can better be described as a stupidity boom, a new era of asininity, a panic of intelligence, than as a business depression or a financial crisis. Every cliché of classical economic theory has been capitalized into a holding company, of those who want to hold on or to hold off doing anything. Every bromide of banking policy has been converted into an insecurity affiliate in which sevenfold split-up shares of uncertainty have been disposed of to the surviving tribe of investment-trustful conservatives, who still believe that old-style capitalism can be succored, if there are enough suckers. Every slogan of Samuel Smiles about self-help, smiling through, and going slow on governmental action has been subjected to high-pressure salesmanship by scatter-brained and insincere statesmen, in spite of any blue-sky laws there may be about bunk.

Among the leaders in this bull market of imbecility, the greatest of all time, must be counted the monetary, credit, and fiscal ideas, listed as idiocy preferred, in which the administration has taken a great deal of stock and on which, of course, the financial fraternity have always been as long as they were short on common sense. It would take too much space in this market letter to examine the unstable balance sheet of these conceptual insecurities, to expose the imaginary and wasting assets behind them, to show how they have been watered by wave after wave of depression in the world's history, to point out their high price earnings ratio in terms of suffering and their excellent prospects for speedy receivership in the next 10 years. Some day, a century or two hence, the story will be written by a wiser and less impatient commentator and read by a community more incredulous that such absurdities could ever have been possible. We are making, not writing, history; we are not concerned with a curious archæological theory; we are dealing with a desperate condition which cries for action.

I ask that the balance of the article may be incorporated in the RECORD as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The remainder of the article is as follows:

All that we need to recognize, and what is already clear to a considerable number of competent people, is that we and the world with us are suffering chiefly from a seriously defective and recklessly uncontrolled credit system, which has failed through ignorance or insanely selfish intent to provide a stable standard of value and an adequate supply of the monetary media of exchange necessary to keep consumption in pace with the increasing productive powers of modern industry. In consequence of the failure of money and credit in circulation in the channels of trade to expand in close step with the increase of trade after the middle of 1928, and of its acute contraction in the past year, prices of commodities, labor, capital goods, and real estate of every kind have collapsed, the first to pre-war levels, the others rapidly approaching them. The burden of all debt, public and private, incurred at previous price levels has been increased in proportion to the fall of prices, and large portions of it have already had to be written off or defaulted. Most of the remainder will perforce be written down, along with the rate structure of utilities, the capital structure of railroads, and the obligations of insurance companies, unless the commodity price level can be restored by returning to use the amount of currency or credit that has been destroyed through deflation or unless the gold content of the currency is reduced in proportion to the decline of the price level. Since the consequences of such a collapse of prices or contraction of the monetary medium as has occurred reach into every aspect of a capitalistic system based on credit and debt, it is not inconceivable that they may wreck that system itself unless they are offset by suitable and speedy measures.

This situation is in essence the outcome of the unfortunate fact that the people of this country, through Congress, have granted a franchise to private interests to create and control the amount of money and credit provided for the convenience of the community and to levy a tax upon them for this service. Although under the Constitution Congress was given the sole power "to coin money and regulate the value thereof," this power has not only been delegated to the private banking system, but Congress has permitted the public to be compelled to pay this system an almost arbitrary price to persuade it to exercise this power, however poorly and despotically it may do so.

Now that the banking system, at first unwilling, finally became unable to perform this function effectively enough to prevent paralysis of industry and trade, collapse of values, widespread loss and suffering and destitution, it was necessary, in successively more drastic stages, for the Government to assume its powers, to use the public credit to support the private credit system and save railroads and banks from suspension. It has not yet seemed necessary for it actually to take over operation of the banking system to protect the public interest, as it did the railroads when they were unable to function during the war; but it has all but done so, and this may be the next step if the measures so far taken prove ineffective in forcing the banks to perform the functions which the public has delegated to them. All that these measures have attempted is to make possible a resumption of credit expansion and a restoration of monetary purchasing power in use. They can not compel the banking system to operate to this end, if it still believes that such expansion and consequent business recovery are not desirable or are premature, and holds to the delusion that it can collect $1 debts (now worth $1.50) out of $0.50 incomes.

Whether, by good luck, it comes through regular banking channels or otherwise, a reinflation of credit and restoration of values nearly to the 1926 level is inevitable if we are to escape disaster. This can be done only by restoring purchasing power in use at that point in the system where it will be most promptly applied to purchase of commodities—that is, in the hands of the unemployed. It will be of no use to attempt to preserve the value of securities and capital investments against further depreciation—like the mummies which Herodotus tells us were taken by bankers as collateral by king's command during a financial crisis in Egypt—if the underlying basis of all capital values, the consuming power of the public, is not expanded. The Reconstruction Corporation and the reserve banks may protect bond and stock prices in their financial refrigerators for a while, but no embalming process will preserve them from disagreeable decay unless the purchasing power in the hands of the country's consumers is speedily increased.

For this fundamental reason the fiscal policies of Federal, State, and local governments are of paramount importance at the present, and the stupidities that prevail in respect of them are most depressing of all the imbecilities of the moment for those who are hopeful of recovery. The fiscal powers of government may be used as an effective force not only for stimulation of business activity during a depression period, but as the most efficient agency of stabilization at all times; but it is useless to expect them to be so employed so long as we repeat the prevalent parrot phrases about balanced budgets, and succumb to meaningless slogans about protecting the public credit.

Balancing the Federal Budget to avoid borrowing, and doing it mainly with consumption taxes, is only one aspect of the deflation being applied through our fiscal policies in direct opposition to other governmental efforts to promote expansion. State and local public expenditures are being blindly slashed in a sort of fiscal hysteria that is sweeping the country. Social services indispensable in a complex and matured industrial civilization, including even education and health work, are being recklessly curtailed. Communities are everywhere engaged in the suicidal effort to maintain their private standard of living by deflating the public standard of living and returning to the pioneer conception of government as consisting of a sheriff, a post office, and the extravagance of a little red schoolhouse.

This kind of economy is not only futile and foolish, it is in direct contradiction of the fundamental economic forces at work in every advanced industrial nation, especially during periods of depression. At such times the demand for public services does not decrease. We need more, not less, police and fire protection, more educational effort to conserve and develop the human and social assets of the community when more of its members are idle. At such times, too, more of its capital and credit is unused as private consumption of goods and services is curtailed. But at all times the problem that confronts every developed industrial community is to increase its collective consumption of social services which raise its standard of living, by converting an increasing proportion of its surplus capital into current consumer purchasing power.

This is essentially what happens when we pay taxes to Federal, State, and local governments, or when they borrow to pay expenses and make improvements in public facilities. The twelve billions of taxes collected and the still larger amount spent each year are not deducted from the national income and cast into the sea. They simply represent the sum shifted from individual to collective consumption. Every dollar is paid out to some citizen and appears again in the total purchasing power of the Nation, though in different places. In so far as it is drawn from surplus purchasing power not spent for goods and services by individual citizens who can not consume all they earn, but must invest most of it, its net effect is to expand the consumer market, increase concerns, prevent increase of productive capacity already excessive, and raise the community standard of living.

A period of depression is, therefore, the time for the public in its organized capacity not only to borrow but to spend; to divert idle capital and unused surplus purchasing power into the channels of consumption. When private business is paralyzed by lack of private consumer purchasing power, public business and collective consumption become of paramount importance. When private credit is crippled, it is imperative to utilize the public credit to the fullest extent, to avoid increased taxation altogether or at least avoid increasing the burden on consumers, and to use in advance part of the future productive power of the people to increase their current consumption. If the banking mechanism is unable or unwilling to mobilize the money and credit necessary to enable the public to utilize future purchasing power for present need, the community must and can use other means of accomplishing this end.

I do not deny the desirability or possibility of increased efficiency in public expenditures and of important improvements in our tax systems. These are too extensive and too technical questions to be discussed here. It is sufficient to assert that much that is being said on these subjects is an expression of sheer insincerity or ignorance, and some of it has a sinister purpose for which popular hysteria and distress is being exploited. Activities of Government which are being attacked on the ground of extravagance are in almost every case of extreme insignificance in the total of Government costs. All the civic functions of the Federal Government, for example, account for only 22 per cent of its expenditures, the remainder being for past or future wars, and most of the regulatory bureaus upon which attack is especially centered account only for fractional percentages of what is spent; so that if they were abolished altogether, along with the President and all the executive departments, the saving would never balance any Budget.

In any case, to talk of balancing budgets at the present time is sheer humbug, because it will not be done, and there is no intention of doing it. It is as impossible to raise tax revenues to meet expenditures in a period of profound depression as it is to do so during a period of war. No country has ever done it or can do it. The proposals being made to this end by the administration and in Congress, the estimates submitted which appear to promise a balanced Budget without further borrowing in the fiscal year 1932–33, or even later, are insincere and intended to deceive those affected by this sort of thing into a false sense of security or satisfaction founded on nothing whatever.

But the insincerity and deception is not the worst aspect of the matter. Political chicanery of the most contemptible kind is evident in the unblushing sponsorship of consumption taxes as a budget-balancing necessity by the Democrats and the shrewd complacency of the Republican acceptance of it with a cynical shrug. The administration knew better than to put its head in that noose; it never dreamed of attempting to put over a sales-tax measure by stampeding the public into a panic about the balanced Budget. It was quite willing to let the Democrats acquire the kudos coming to them for Budget balancing on that basis, and incidentally to show on which side their campaign bread was buttered. Astonishing it is how thin skinned the enthusiasm among both parties for Budget balancing became when an insurgent revolt threatened resort to higher income taxes as a substitute for the obnoxious sales tax. This episode of recent weeks has at least called the bluff of both parties on the budget-balancing bugaboo and shown that both are tarred with the same stick so far as protecting the higher-income brackets and passing the buck to the consumer are concerned.

Aside from this sickening exposure of the character of the two parties, which may return to harass them in the shape of a third party movement several years hence, it was an unnecessary and silly tactical error ever to have espoused the shibboleth of Budget balancing in the first place. What is there in this phrase, or that

of the public credit, that closes discussion and defies analysis? What is the imperative importance of balancing the Budget by taxation in the present situation? Who is interested in doing it, and why? Is the economic emergency and social crisis this country now faces any less serious to its future than the military emergency of the war period, when we borrowed $20,000,000,000 without breathing a word about Budget balancing or the public credit?

From the point of view of the public interest as a whole, it is not only impossible to balance the Budget otherwise than by borrowing, but it is perfectly proper, possible, and necessary to sustain and increase public expenditure in excess of revenue by borrowing. We reduced the public debt in the period of prosperity much faster than was contemplated in the original contract, and the excess reduction itself can justifiably be drawn upon now to meet pressing necessity. It acted as a persistent deflationary force while it was being done, and should be made to serve as a source of compensatory inflation now that the deflation process has been carried to the extreme by other forces. In fact, the use of enlarged Government borrowing to finance deficits out of idle bank credit and reserve resources is the only effective force for reinflation that remains in the power of the public to apply, and its effectiveness is further enhanced by the fact that this form of inflation influences the price level directly at its source in the purchasing power of consumer and in employment of idle labor.

The public credit can not be injured by such borrowing, for it depends at bottom solely on the productivity, employment, and purchasing power of the public, which is increased by governmental expenditures in excess of current tax income, and by the lightening of private debt burdens that results from inflation and the rise of the price level.

To talk of diverting capital, by increased public borrowing, from productive industry into unproductive public expenditure, in face of the notorious hoarding of capital by wealthy individuals and corporations and the hoarding of credit by banks, is not only sheer hypocrisy but is the shallowest sort of economic reasoning. At no time, and surely not during depression, is any public expenditure which provides employment and puts surplus or unused purchasing power into consumers' pockets unproductive. So likewise it would seem inconceivable—at this late stage of experience, and after the spectacle presented by the brokers' loans figures of a few years ago—that anyone still supposes that the public credit, or any other kind, depends upon the cash "savings" of the people; or that all the banking system does when it extends credit to government or individuals is to mobilize the widows' mites, act as a custodian of the community's cash, and lend it cautiously to "needy" customers. This financial fantasy is not only funny, but it has become a bit vulgar.

The public credit is nothing but the productive power of the community, and it can be diminished or destroyed only by prolonged paralysis of production, trade, employment, and purchasing power. Anything which revitalizes these restores the taxable resources of the community. The people of this country have at present a surplus of goods for consumption, a surplus of natural resources and capital equipment for further production, a surplus of idle credit power unreleased or hoarded by our banking system sufficient to supply the requirements of a vastly increased prosperity if they were intelligently used. This is a surplus crisis, not a deficit depression, and to raise questions about the public credit in such a situation is a stupidity shameful in a free, intelligent, and responsible people.

The truth is that such questions are never really raised or thought of by the public. The only questions that are involved in the issue of Budget balancing and the public credit are those raised by the private banking system, and those are merely questions of the price which it can compel the public to pay for the credit which that system supplies in terms of current purchasing power—that is, the price of the money or bank-book credits which it alone is in a position to provide under the monopoly powers that have been granted it.

But even this possibility of extortion is no reason for the shameless attempts of politicians to stampede the public into panic about its credit. For one thing, if the price is put too high, it will react upon the banks themselves, depreciating the market value of the past credit they have supplied, and indirectly expropriating part of their capital assets. In any case the Federal reserve banks, which are at least semipublic institutions, have been given almost unlimited powers under the Glass-Steagall Act to expand the currency and credit of the member banks, by force if necessary, to support the Government bond markets by absorbing bonds as a basis for currency and member-bank reserves. To suppose that the public, through the banking system, would be unable to absorb four or five billions of new Federal financing to balance the Budget in the next two fiscal years without resorting to consumption taxes is not only to fly in the face of the plain facts of the manyfold oversubscription of every short or long term Treasury issue offered in recent years at a reasonable rate, but is to suppose that the people of this country are without resources to resist the racketeering tactics of the financial system and must submit helplessly and permanently to its dictation of their future progress and prosperity.

The real facts that we should face in considering this question are those that are likely to confront us if we persist in the stupid attempt to pretend to balance the Budget by consumption taxes under the dictation of a banking system which has already forfeited the confidence of the common man. They are foreshadowed in the spontaneous insurgency in the House recently; in the riots in Detroit resulting from the closing of public libraries and recreation centers, which supplied the unemployed with a means to pass the time; in the juvenile delinquency, malnutrition, and disease which are accompanying the curtailment of public-school, health, and relief services in some communities. The ultimate outcome must be civic disorder and social disintegration, if we do not first resort to direct inflation of the currency to support increased public expenditures imperative in a period of unparalleled national distress which compels the community to invoke its ultimate powers of self-protection when its private institutions fail it. The American people are facing these facts, and phrases will not frighten them off from acting upon them.

BANKERS AND AGRICULTURE

Mr. FLETCHER. Mr. President, I desire to call the attention of the Senate to the following editorial appearing in the Florida Times Union on April 2, 1932, reading:

BANKERS AND AGRICULTURE

Since some years ago bankers in the various States, particularly in those in which agriculture is the chief industry, have recognized the importance of promoting farming in its broadest sense, great progress has been made practically everywhere that these men of finance have cooperated with agriculturists for the betterment of agricultural work and accomplishment of beneficial results.

The American Bankers' Association has led the way in which very much good is being accomplished in behalf of better farming and for the bringing of agriculture to a higher standard of perfection, with more of prosperity for those engaged therein. This does not mean that bankers have contributed only money for the promotion of the agricultural industry, but, in a broader sense, it means that bankers to a very considerable extent have joined hands with the real farmers of their various communities for the advancement of agriculture, and that also bankers have exerted themselves to encourage boys and young men of the farms to become real farmers and livestock raisers. This latter work is being accomplished largely through boys' clubs that are supported and encouraged by bankers. The resulting good work has proved both its necessity and its efficiency.

Within a few days past there has come from the headquarters of the American Bankers' Association in New York City a comprehensive report on the work of the agricultural committees of the various State bankers' associations for 1931, as made by the agricultural commission of the association. This report assigns North Dakota first place in each of the factors that go to make up a complete record in the plan of scoring this annual contest. "North Dakota receives 100 per cent rating in banker-farmer work for 1931," says Dan H. Otis, director of the commission. Mr. Otis further says that "this statement came as the result of a long-time program of constructive effort, endeavoring to build up a Commonwealth with a proper balance between educational, agricultural, industrial, and financial interests. Georgia and Oregon, which carried the honors the two preceding years, and therefore were ineligible for first place, still maintain their high standing," is noted in the report.

"North Dakota bankers," Mr. Otis says, "believe in teamwork. They cooperate with the agricultural college in their extension activities. They have helped to support and actively participated in the work of the Greater North Dakota Association. In many counties bankers are leaders of this organization, maintained by the business men in the interest of the economic development of the State, with special reference to agriculture." There was a reported expenditure of $3,617 for agricultural work during the year. Bankers, to the number of 352, it is reported, attended agricultural meetings in North Dakota during the year, and 1,177 bankers were reported engaged in special agricultural activities, such as addressing agricultural meetings, accompanying farmers to banker-farmer meetings, awarding prizes, trophies, etc. There were listed during the year 403 farmers, farm women, and farm boys and girls who were given encouragement or were influenced by bankers to undertake definite projects or demonstration work for improving farm practice.

All of the reported activities, on the part of North Dakota bankers, account for that State being given first place in the agricultural contest, sponsored by the American Bankers' Association, in the past year. Similar activities were engaged in by bankers in other States, particularly by Georgia and Florida bankers, in this section of the country in which the good results of combined banker-farmer work are to be seen. Very practical gains have been made in agriculture where these activities were most numerous and of the most practical character. By what has been accomplished, all of it of a most gratifying character, is indicated the very great need for continuing this work in agricultural sections of the country, and especially in the Southeast, where agriculture is the leading industry and which can be very much advanced through further active cooperation by and between bankers and farmers in the respective States and communities of this section.

PROPOSED DAY OF PRAYER AND SUPPLICATION

Mr. GLASS presented a letter from George T. Waite, executive secretary of the Virginia Baptist Board of Missions and Education, Richmond, Va., with an accompanying resolution of the Legislature of South Carolina, which, with the accompanying paper, was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

VIRGINIA BAPTIST BOARD OF MISSIONS AND EDUCATION,
Richmond, Va., March 29, 1932.

The CLERK OF THE SENATE,
Washington, D. C.

DEAR SIR: We are joining with the Legislature of South Carolina in petitioning Congress to request the President of the United States to designate and set apart a "day of prayer," as set forth in the inclosed resolutions. It is our earnest hope that your body will see fit to honor the resolutions and that the President will be pleased to concur in the request. It seems to us that this is the time when people should acknowledge afresh their dependence upon Almighty God.

Trusting that this may meet with your approval, we are

Sincerely yours,

VIRGINIA BAPTIST BOARD OF MISSIONS AND EDUCATION.
GEO. T. WAITE, *Executive Secretary.*

A concurrent resolution memorializing the Congress of the United States to call upon the President to designate a day on which the people of this Nation shall meet in their respective places of worship to ask the Supreme Being for divine guidance through these perilous times

Whereas there exists among the people of this and other Nations a spirit of world-wide unrest, unemployment, and distress that endangers the peace of nations, and, unless checked, threatens civilization itself; and

Whereas all thoughtful people must realize the imperative need of divine wisdom and guidance to solve the problems that are beyond the wisdom of man to solve; and

Whereas in times of deep gloom and dire distress in the past, united prayers were asked by the Presidents of the United States, and these prayers were heard and victory came to the banners of those who made supplication—notably, when President Lincoln designated a day of prayer for the saving of the Union, and again when President Wilson designated a day of prayer for the success of our forces in the World War, in each of which cases the tide of battle turned promptly after the people gathered and sent up their petitions: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That we memorialize the Congress of the United States to call upon the President to designate and set apart a day in the near future for the assembling of the people of this Nation in their respective places of worship to join their voices in prayer and supplication to Almighty God for a higher conception of duty and responsibility on the part of the individual citizen; for the removal of selfishness and the spirit of unrest among our people; for renewed faith and confidence in organized government; for a realization on the part of the people of this and all other lands of the utter futility of force, unless sustained by justice and right, and finally for the realization that God will heal and bless His people when they exalt Him above selfishness and greed for gain and godless pursuits: *Providing further*, That a copy of these resolutions be forwarded to the clerks of the two Houses of Congress for action as may seem fit and proper to that honorable body.

On immediate consideration, the concurrent resolution was adopted, ordered returned to the house with concurrence.

PROPOSED BITUMINOUS COAL COMMISSION

Mr. LOGAN. Mr. President, I present and ask to have printed in the RECORD and appropriately referred a memorial of the Louisville & Nashville Railroad Co., by W. R. Cole, president, protesting against the passage of Senate bill No. 2935, creating a bituminous coal commission.

There being no objection, the memorial was referred to the Committee on Mines and Mining and ordered to be printed in the RECORD, as follows:

OBJECTIONS TO UNITED STATES SENATE BILL NO. 2935, CREATING A BITUMINOUS COAL COMMISSION

LOUISVILLE, KY., *April 2, 1932.*

This bill proposes the creation of a bituminous coal commission of five members, to be appointed by the President. It provides (sec. 2) that no corporation now engaged in mining and shipping coal in interstate commerce may hereafter do so until it has applied for and secured a license from the commission, and that such license shall be granted only upon acceptance of the provisions of this act and in compliance with the rules and regulations promulgated by the commission to carry the act into effect. Furthermore, every license granted is subject to revocation if the commission finds that the licensee has failed to comply with the provisions of the act and the regulations which the commission shall promulgate.

The bill itself does not undertake to prescribe these regulations, but instead gives unlimited authority to the commission to promulgate rules and regulations for the production and marketing of coal in the United States and to provide that it shall be produced and marketed in interstate commerce in no other way. The effect of the bill, then, is to give the commission supreme control of the production, marketing, and transportation of bituminous coal in this country, and invests it with practically arbitrary power over this great industry.

There are at present literally thousands of operators engaged in producing bituminous coal in Alabama, Arkansas, Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Missouri, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, and Wyoming. In the very nature of things there are valuable individual interests in every one of these States, whose vested rights must be recognized, but this bill would authorize the coal commission to exercise uncontrolled and arbitrary power over these thousands of private interests representing producers, consumers, and transporters of coal, all in competition with directly conflicting interests.

The effort is made to popularize the bill by authorizing marketing pools or joint selling associations, subject to approval by the commission as to price schedules and other features; but if this were a benefit, the other provisions of the bill make the price for it entirely too high. If more orderly and better stabilized production and marketing of coal is deemed essential in the best interest of the producers and consumers of coal, that result can be accomplished without placing the entire coal industry under unrestrained, arbitrary dictates of a commission of five or any other commission. It can be effected by a simple amendment to the Sherman Antitrust Act, and there is no reason why such amendment should not be adopted inasmuch as the theory back of the Sherman Act—that monopolization would result in extortionate or unfair prices to the consumer—is impossible with this industry, which practically covers the United States and involves millions of acres and billions of tons of undeveloped coal. Furthermore, it must be remembered that in view of the rapidly growing oil and hydroelectric industries, coal no longer has a monopoly in creating heat and power.

In connection with the arbitrary control granted to the commission, attention is called to section 8 of the act, which prohibits a railroad building a siding or a switch for a new mine until and unless permission is received from the Interstate Commerce Commission, with the further limitation that the Interstate Commerce Commission can grant no such authority until it is approved by the coal commission. Here, then, is a proposal that the power of the coal commission shall be extended to the development or the nondevelopment of traffic on any and every coal-originating railroad in America. For example, the mines, or many of them, on a given railroad might "work out" and its coal traffic reach the disappearing point, and yet, should the coal commission conclude that it would be for the best interest of the coal industry as a whole that no more mines be opened on that railroad, it can simply refuse a permit for new mines and thus, in a supposed effort to benefit the coal industry, it may destroy the value of investments aggregating hundreds of millions of dollars in coal railroads, coal fields, and towns dependent upon coal operations. Indeed, the whole theory of this proposed legislation is a disregard of individual rights in a wholesale way. Upon the assumption that this bureau at Washington will be wise enough and honest enough to justify intrusting to it the making or breaking of a vast number of our citizens in respect of their private properties, worth billions of dollars, the alleged benefits of such legislation are still infinitesimal in comparison with the possibilities of evils of all sorts.

There is universal complaint that through its countless bureaus the Government is already far too much "in business." The creation of this proposed new commission would put it in deeper still, besides greatly increasing its administrative expense at a time when economy is needed as never before. Because this bill is in principle un-American, and in possibilities dangerous to the whole body politic, it should be defeated.

Some of the provisions of this act are believed by competent counsel to be unconstitutional, but it is inadvisable to take chances of that sort.

What the coal industry needs is an opportunity to work out its own salvation—like the hundreds of other private industries of this country—through natural competitive forces unrestrained by hampering legislation, new or old.

The Louisville & Nashville Railroad Co. is deeply concerned about this bill, for in normal times coal constitutes about 60 per cent of its tonnage, and to secure this it has invested many millions in the construction of coal lines to serve the fields of Kentucky, Tennessee, Virginia, West Virginia, and Alabama.

LOUISVILLE & NASHVILLE RAILROAD CO.,
By W. R. COLE, *President.*

REPORTS OF COMMITTEES

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 108) to authorize and direct the Secretary of Agriculture to investigate the cost of maintaining the present system of future trading in agricultural products and to ascertain what classes of citizens bear such cost, reported it with amendments and submitted a report (No. 499) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 4038) to amend section 1 of an act entitled "An act to provide home care for dependent children in the District of Columbia," approved June 22, 1926, reported it without amendment and submitted a report (No. 500) thereon.

Mr. KEAN, from the Committee on the District of Columbia, to which was referred the bill (S. 4039) to provide for the extension and widening of Michigan Avenue, in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 501) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 8087) authorizing the Secretary of the Interior to vacate withdrawals of public lands under the reclamation law, with reservation of rights, ways, and easements, reported it without amendment and submitted a report (No. 502) thereon.

He also, from the same committee, to which was referred the bill (S. 3711) to authorize the adjustment of the boundaries of the Chelan National Forest, in the State of Washington, and for other purposes, reported it with an amendment and submitted a report (No. 503) thereon.

Mr. KING, from the Committee on Immigration, to which was referred the bill (S. 34) to provide for review of the action of consular officers in refusing immigration visas, reported it with amendments and submitted a report (No. 504) thereon.

Mr. BYRNES, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2990. An act for the relief of C. O. Meyer (Rept. No. 505); and

S. 2991. An act for the relief of B. J. Sample (Rept. No. 506).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 4294) for the relief of Ernest B. Butte; and

A bill (S. 4295) authorizing the appointment of Frederick Funston, jr., as a second lieutenant, Army Air Corps; to the Committee on Military Affairs.

A bill (S. 4296) granting an increase of pension to Ella Gayle Reed (with accompanying papers); to the Committee on Pensions.

By Mr. FESS:

A bill (S. 4297) granting a pension to Sarah McGinnis (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4298) granting an increase of pension to Martha L. Trefethen (with accompanying papers); to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 4299) granting a pension to Bridget Otis (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 4300) to amend the act of June 11, 1930, relating to the medical treatment and hospitalization of certain retired enlisted men and reservists of the Navy and Marine Corps; to the Committee on Naval Affairs.

A bill (S. 4301) to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and render judgment upon the claim of Mack Copper Co. against the United States for damage to and cost of restoration of certain real property owned by Mack Copper Co., which was used and occupied by the United States for an Army cantonment or other military purposes; to the Committee on Claims.

By Mr. NYE:

A bill (S. 4302) to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air navigation facilities, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BROUSSARD:

A bill (S. 4303) for the relief of Elsie Segar, administratrix of C. M. A. Sorensen and of Holger E. Sorensen; to the Committee on Claims.

By Mr. NORBECK:

A bill (S. 4304) authorizing the President to present gold medals to Julius Bush, Walter Eggers, Benjamin F. Johnson, and George Jones (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 4305) for the relief of A. J. Hennings (with accompanying papers); to the Committee on Claims.

A bill (S. 4306) for the relief of Charles R. Wicker (with accompanying papers); to the Committee on Finance.

A bill (S. 4307) granting a pension to Truby Iron Moccasin (with accompanying papers); and

A bill (S. 4308) granting a pension to Ethan A. Meehan (with accompanying papers); to the Committee on Pensions.

By Mr. BLACK:

A joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas; to the Committee on Agriculture and Forestry.

By Mr. CAPPER:

A joint resolution (S. J. Res. 132) to safeguard rights of air-mail pilots to collective representation; to the Committee on Post Offices and Post Roads.

By Mr. WALSH of Massachusetts:

A joint resolution (S. J. Res. 133) authorizing the erection in Washington, District of Columbia, of a monument to the memory of Crispus Attucks; to the Committee on Public Buildings and Grounds.

By Mr. REED:

A joint resolution (S. J. Res. 134) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Manob Suriya, a citizen of Siam; to the Committee on Military Affairs.

LAW ENFORCEMENT IN TERRITORY OF HAWAII (S. DOC. NO. 78)

The VICE PRESIDENT laid before the Senate a letter from the Attorney General, reporting, in response to Senate Resolution 134, upon the administration and enforcement of the criminal laws in the Territory of Hawaii by the police authorities, the prosecuting officials, and the courts in said Territory, etc., and transmitting several documents relevant thereto, which, with the accompanying papers, was referred to the Committee on Territories and Insular Affairs and ordered to be printed.

Mr. BINGHAM. Mr. President, in connection with the report which has just been received from the Attorney General regarding conditions in Hawaii and his recommendations, a summary has been prepared by the Attorney General of which I have several copies for distribution. I ask unanimous consent that it may be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. McKELLAR. One moment, Mr. President. A day or two ago I received a letter from Mr. Rudolph Bukeley, of Honolulu, who was a member of the grand jury, and he has submitted to me not only this letter but a number of accompanying papers which, to my mind, throw a great deal of light upon the unfortunate affair in Honolulu. It seems to me it is nothing but fair that when the report of Mr. Richardson is printed at the same time the letter and papers submitted by Mr. Bukeley, a member of the grand jury, shall also be printed. Therefore I should like to ask unanimous consent that that be done.

The VICE PRESIDENT. Is there objection?

Mr. BINGHAM. Mr. President, the report of the Attorney General, with the accompanying papers, consists of two considerable volumes, now on the desk of the clerk of the Senate, containing some four or five hundred pages. I was about to ask unanimous consent that the report might be printed as a Senate document, and, in connection with that, I should have no objection whatever to the Senator from Tennessee asking that, as a part of that document, there may be printed the papers to which he refers. I asked to have printed in the RECORD a summary of the very long report, and I wish to ask unanimous consent to introduce sundry bills which have been prepared by the Assistant Attorney General and that they be referred to the Committee on Territories and Insular Affairs.

Mr. McKELLAR. I have no objection to printing in the RECORD the matter to which the Senator refers, nor have I objection to his introducing certain bills, with the understanding that the papers I hold in my hand, which I received from Mr. Bukeley, member of the grand jury, shall likewise be printed as a Senate document.

Mr. BINGHAM. I understand the Senator desires them printed as a Senate document?

Mr. McKELLAR. As a Senate document.

Mr. BINGHAM. I have no objection.

The VICE PRESIDENT. Without objection, the papers presented by the Senator from Tennessee will be printed as a Senate document, the report of the Assistant Attorney General will be printed as a Senate document, and both will be referred to the Committee on Territories and Insular Affairs; and the summary referred to by the Senator from Connecticut will be printed in the RECORD.

The summary referred to is as follows:

SUMMARY PREPARED BY ASSISTANT ATTORNEY GENERAL RICHARDSON OF HIS REPORT ON LAW ENFORCEMENT IN THE HAWAIIAN ISLANDS

GENERAL CRIME CONDITIONS

We found in Hawaii no organized crime, no important criminal class, and no criminal rackets.

We did not find substantial evidence that a crime wave, so called, was in existence in Honolulu, either disproportionate with the increase in the population or when viewed in comparison with crime records in cities of similar size on the mainland.

We found, however, ample evidence of extreme laxity in the administration of law-enforcement agencies.

We found a condition of inefficiency in the administration of justice which, in effect, constituted an invitation to the commission of crime, and which had largely destroyed the morale of the law-enforcement agencies, with a resulting loss of public confidence.

We found that such conditions had given rise to a feeling of personal unsafety among a substantial portion of the citizens.

We therefore believe that the unusual conditions of race, society, and industry in the Territory make a continuance of such laxity fraught with much social and political danger.

We found in the Territory no present serious racial prejudices. The races seemed to be still carrying on together with exceedingly little friction.

We are quite cognizant of the suggestion that if the condition of affairs in the islands to-day seems fairly comparable with the condition on the mainland, the mainland ought not to ask of Hawaii more law observance than it itself presents.

We appreciate the force of the suggestion, but the following reasons have persuaded us that steps should properly now be taken, when not only Congress but the public is interested in the subject, which will tend to improve things in the future:

(1) The Territory, because of its small area and great isolation, is reasonably capable of more consistent law enforcement than areas of similar size on the mainland.

(2) The Territory's position as a military and naval post of great importance requires a higher degree of law enforcement in order to avoid embarrassment of the military and naval force.

(3) The conditions which we found to exist in the Territory will, unless changed and remedied, quite certainly prevent effective law enforcement in the Territory in the not distant future.

(4) Moreover, Congress has no authority or control over crime conditions or law enforcement administration in cities on the mainland or in the various State governments. In Hawaii, however, the Congress has full control and may therefore address itself toward the establishment of such laws and prohibitions as, in its opinion, will create the best possible conditions in the Territory. Congress may not do more than this, and it certainly should not do less.

(5) Finally, the character of the Territorial population, with its oriental and Polynesian background, presents such an extraordinary experiment in the development of the American constitutional form of self-government among such peoples that no effort should be spared in providing proper conditions of law enforcement and a suitable administration of justice for the people of the Territory.

In detail:

POLICE

We found the police administration in Honolulu impotent, undisciplined, neglectful, and unintelligent, with its chief concern political activity.

We found the county sheriff, the head of the police system, wholly inexperienced in police administration.

We found that the governor, aided by organizations and citizens, had more than a year ago initiated steps to remedy such situation, through the appointment of a crime commission, looking to the enactment of its recommendations into law.

As a result, the head of the police department, formerly an elective official, is now under appointment from a police commission, itself under original appointment from the governor, such commission in the future to be appointed by the mayor of Honolulu. Residence in the Territory for such chief of police for a period of five years is required.

We regard the step thus taken as an improvement but as insufficient to meet coming necessities.

To be effective the head of the police department should be removed from politics. The racial characteristics of the population, as well as the great political activity, require it.

Moreover, in event of a great national emergency in the Pacific area any police organization subject to political control will make more difficult the task of national defense.

Hence, we recommend the appointment by the President, with confirmation by the Senate, of a Territorial police head for the entire Territory, the full power of control and organization to be given to such police head, to the end that ultimately a Territorial constabulary may be formed similar to the various organizations of State police in various of our States.

Such an organization would be removed from politics and would be in an available position to cooperate with the Government in time of national emergency, and would afford to the people of the Territory efficient, independent, reliable, and modern police protection.

Such a plan is similar in many respects to the plan originally adopted upon the formation of the Territory of Hawaii, but which has been inoperative since the organization of county government in 1907.

PROSECUTING ATTORNEYS

We found the prosecutions of crime to be in the hands of various county attorneys throughout the Territory.

In Honolulu we found an inexperienced, inefficient county attorney, immersed in politics, his deputies appointed largely for political purposes, with insufficient funds at his disposal to provide suitable deputies.

As a result prosecutions had fallen into disrepute and there was a lack of public confidence in the county attorney.

To remedy such conditions Governor Judd and various citizens, while pressing the police bill also pressed for passage by the legislature, early in 1931, a county and city prosecutor bill, and such bill finally passed in January, 1932.

The bill as proposed provided for appointment by the attorney general of the Territory, with the approval of the governor, but before passage the legislature changed the mode of appointment to appointment by the mayor with the right of removal in the governor.

Like the police bill, we are inclined to the view that the prosecutor bill is an improvement over existing conditions. But the office is still in politics, and when the present public interest passes it will be increasingly so.

Improvement in police administration requires a like improvement in prosecuting conditions. The two should go hand in hand.

Hence, we recommend the appointment by the President, with the consent of the Senate, of an attorney general for the Territory, who shall be the public prosecutor, and with his deputies shall have exclusive charge of prosecutions throughout the Territory, superseding all other prosecutors.

Under such an appointment we think politics in the office would be minimized and prosecutions given serious and experienced attention.

Such a plan is similar also to the plan originally applicable to the Territory, under legislative act, which also fell into disuse with the coming of county government in 1907.

With these two recommendations, the three great agencies in the administration of law enforcement, to wit, the courts, the prosecutor, and the police, would be directly responsible to the National Government, and in view of the pressing problem of national defense, racial diversity, and industrial development, together with the surpassing importance of the Territory as a military and naval base, would thus tend to promulgate a feeling of security, safety, and preparedness throughout the Territory and the mainland.

COURTS

We found no serious criticism of the courts.

There are now the United States district court and the Territorial circuit courts, with separate jurisdiction, and a Territorial supreme court.

The appointment of the judges by the President, with the advice and consent of the Senate, has provided good judges and a minimum of political interference.

It is felt, however, that since both the Federal district judges and the Territorial circuit judges are appointed by the President of the United States, and are paid by the United States, that a considerable saving of expense could be effected by abolishing the United States district court and transferring its jurisdiction to the circuit courts, with an appeal to the supreme court of the Territory, whose decisions are reviewable by the Supreme Court of the United States. Considerable complaint is made of the time and great expense necessary to prosecute appeals from the Federal district court to the Circuit Court of Appeals for the Ninth Circuit on the mainland, and the standing of the Territorial supreme court is of such a high nature that that court might well be substituted in the place of the Circuit Court of Appeals of the Ninth Circuit as an appellate court for all island litigation, with review, in proper cases, by the Supreme Court of the United States. Such a proposal would involve abolishing the offices of United States attorney and marshal, and giving to the Attorney General of the Territory, under supervision of the Attorney General of the United States, charge of criminal and civil litigation in which the United States is interested. The present United States district judges could be allowed, for the balance of their terms, to serve as circuit judges. It is recommended that Congress give consideration to this proposal.

JURY SYSTEM

We found no serious complaint of the jury system. Objections were made on account of the racial make-up of the juries, but the judges minimized such objections.

However, there is pending now in the legislature proposed amendments to existing jury laws which, if passed, would make the jury system function as well as any jury system can be expected to function.

PRISONS

The prison system was very inefficient. The high sheriff was, by law, in charge of the State prison. He was a man entirely without experience or disciplinary ability. The prisoners were improperly guarded both within and without the prison, and the entire administration of prison affairs was extraordinarily lax.

Since July, 1931, however, a new prison board has been in existence, which has made a very careful review of the prison conditions, and, on February 24, 1932, this board filed a voluminous report with the governor, pointing out the serious defects and conditions in the prison administration. Unfortunately the board had not been given authority to eliminate such defects or to appoint the warden of the prison.

A bill is now pending in the Territorial legislature to cure this lack of power, and, if such bill passes, the laws covering prison administration will be, in my opinion, sufficient.

PAROLE SYSTEM

The parole system we found to be exceedingly lax. No proper record was kept of paroles, no reports of paroled prisoners was required, and only a single parole officer was provided, and his duties were largely "playing politics." There were several hundred paroled prisoners about the Territory concerning whom no report had been made for years.

The prison board included a report on the deficiency of the parole system in its report to the governor and steps are now being taken to remedy conditions. It is imperative that more parole officers be provided by the legislature and that greater care be used in granting paroles.

MISCELLANEOUS

We found much prostitution in the Territory, due largely to the large number of single men and the large number of service men stationed within the Territory.

The enforcement of the prohibition law compared favorably with conditions on the mainland. There seemed to be no organized liquor traffic, no large importations, and no criminal liquor rackets. With the active support of the local police force much improvement can be made in the enforcement of the prohibition law.

We were not impressed with the seriousness of alleged bad conditions on the public beaches. Undoubtedly objectionable incidents have taken place in that regard but we do not think they constitute a material element in crime conditions in the Territory.

We are strongly inclined to think that a moving picture censorship ought to be enforced in the Territory in order that the class of pictures that are being shown to the island youth, constituted, as it is, of a mixture of Polynesian and oriental races, might be materially improved.

We do not think the public reports with respect to alleged proclivity of members of the Hawaiian race in sexual crime is substantiated by the facts. The investigation which we made, and the crime tabulations which we prepared, do not show that the crime, including sexual crime, in the islands can properly be laid at the door of the Hawaiian. He has his place in the picture, of course, but there are other races in the Territory which give more trouble in that regard. After all, the amount of sex crime in the Territory seemed less than reported from many cities and localities of similar population on the mainland.

We found Army and Navy conditions normal. We found no particular racial resentment between the service units and the island population, and, while the service units undoubtedly contribute materially to the crime situation in the Territory, we do not think such conditions are any different than exist on the mainland where an equal number of service men are stationed adjacent to an urban population.

We found considerable demand for an appointive commission government for the islands. But the great majority of the citizens of the Territory were opposed to such commission government, and, in view of the fact that the United States has now for 30 years been extending to the Territory a form of local self-government, we are unwilling to agree that the general form of such government should now be changed.

But we think that the Federal Government should assume a closer responsibility for the law-enforcement agencies in the Territory, as we have above indicated in our specific recommendations.

We see a very serious unemployment condition looming in the not distant future. The importation of foreign common labor into the Territory, together with the education of island youth, which results in an unwillingness on the part of the youth to do common labor on the islands, with only two industries, to wit, sugar and pineapples, makes the unemployment situation in the immediate future one of very serious portent.

Something must be done to stop the importation into the Territory of any more common laborers. The Territory must be required to furnish its own island labor on the island plantations. We have made some other recommendations which are referred to in our main report, and to which we do not now refer.

So far as existing cases of prominence, in which the public has shown much interest, are concerned, we have not occupied ourselves with an examination of those cases. These cases will have to be conducted under existing laws, by agencies for the administration of criminal justice, as they now exist. Judges who deal with these cases seem competent. The present prosecutor also seems competent, and it is to be hoped that the courts of the Territory can function fearlessly and efficiently.

We have some apprehension as to the effect upon racial antagonisms in the Territory, due to the violent partisanship existing in the islands with respect to the pending rape and murder cases. What that situation may eventually be no man may at this time intelligently foresee.

It has been, therefore, our hope that this report which we are making, and the recommendations attached thereto, may result, ultimately, in a better administration of justice and in improved conditions of law enforcement in the Territory.

The VICE PRESIDENT. The bills introduced by the Senator from Connecticut will be received.

By Mr. BINGHAM:

A bill (S. 4309) to provide for the appointment by the President of the United States of an attorney general in and for the Territory of Hawaii, and defining the duties of such official;

A bill (S. 4310) to provide for the appointment by the President of the United States of America of a high sheriff in and for the Territory of Hawaii and to prescribe his powers and duties;

A bill (S. 4311) to consolidate the Territorial and Federal courts and administration in the Territory of Hawaii;

A bill (S. 4312) to permit the removal of officers appointed by the Governor of the Territory of Hawaii, without the advice and consent of the Senate of the Territory of Hawaii, and to withdraw from the governor of the Territory of Hawaii the power to appoint the attorney general and the high sheriff, and for other purposes;

A bill (S. 4313) to prevent the successive disagreement of two juries, impaneled to try a criminal case in the Territory of Hawaii, from operating as an acquittal of the accused or from permitting the discharge of the accused from custody;

A bill (S. 4314) to authorize judges of the circuit courts of the Territory of Hawaii to comment upon the testimony in actions on trial in said courts; and

A bill (S. 4315) to provide for the reapportionment of the representation in the House of Representatives of the Territory of Hawaii; to the Committee on Territories and Insular Affairs.

PROPOSED PHILIPPINE INDEPENDENCE—AMENDMENTS

Mr. HAWES submitted two amendments intended to be proposed by him to the bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which were ordered to lie on the table and to be printed.

PRINTING OF PROCEEDINGS UPON THE OCCASION OF THE UNVEILING OF STATUES OF JEFFERSON DAVIS AND JAMES Z. GEORGE

Mr. HARRISON submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there be printed with illustrations and bound 15,000 copies of the proceedings in Congress, together with the proceedings held at the unveiling in Statuary Hall, upon the acceptance of the statues of Jefferson Davis and James Z. George, presented by the State of Mississippi, of which 1,000 shall be for the Senate and 2,300 for the use of the House of Representatives, and the remaining 11,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Mississippi.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

COMMENTS ON POLITICAL SITUATION—EDITORIAL BY JOHN W. DODGE

Mr. TRAMMELL. Mr. President, I ask unanimous consent to print in the RECORD an editorial written by Judge John W. Dodge, which appeared in the Deland (Fla.) Herald, entitled "Fraud Destroys Government."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Deland (Fla.) Herald, April 1, 1932]

THE HITOPADESA—FRAUD DESTROYS GOVERNMENT

By Judge John W. Dodge

The fable of the Jackals and the Elephant, in the Hitopadesa of India, written over 4,000 years ago, shows us of America to-day that we need to be on our guard as a nation, because the old

adage, "Fraud may achieve what force would never try," is still true. This is the fable:

"The Jackals, being hungry for a carcass to eat, proposed to the Elephant that it was not expedient for them to live without a king; in assembly, they commissioned some to advise the Elephant that he had been chosen as king. The commission was executed in these words to the Elephant: 'Let your majesty now accept that the moment of fortunate conjunction may not escape us.' So saying, the Commissioner led the way, followed at a great pace by the Elephant, who was eager to commence his reign. The Jackal presently brought the Elephant upon a deep slough, into which he plunged heavily before he could stop himself. 'Good Master Jackal,' cried the Elephant, 'What's to do now? I am up to my belly in this quagmire.' The Jackal, with an impudent laugh, said, 'Perhaps your majesty will condescend to take hold of the tip of my brush with your trunk, and so get out!' Then the Elephant knew that he had been deceived; and thus he sank in the slime, and was devoured by the Jackals. Hence, is why the leaders of the Jackals suggested stratagem instead of force."

The Elephants of our country, our massive brutes and leaders, representatives of great power and strength, with tusks, large trunks, ponderous feet, in lordly manner, beguiled by fraud, and seeking to reign over others, have been led into political and economic quagmires and mud, by the Jackals who were seeking fat carcasses upon which to feed.

Fraud has achieved what force would never try. We need new leaders, of Elephants, or others, who can not be beguiled by predatory Jackals seeking to feast upon the carcasses and living bodies of the people themselves.

There are Jackals to-day, who are destroying, by strategy and fraud, our National, State, and municipal Governments, using others to rule and reign over the people—such as Wall Street, crooked bankers and financiers, stock and bond houses, special corporate interests, governmental bureaus, commissions, special privilege and departments, and political leaders. The people need to destroy and remove from public power both the devouring Jackals and dumb Elephants.

PATHFINDER PRESIDENTIAL POLL

Mr. SCHALL. Mr. President, in view of the pessimistic talk of the enemies of the administration I think an account of the recent poll taken by the Pathfinder is illuminating, and I therefore ask that it be printed in the RECORD.

There being no objection, the tabulation was ordered printed in the RECORD, as follows:

It looks like a Hoover year—And how! President walks away with Pathfinder poll, receiving more votes than the combined totals for all Democratic aspirants, avowed and otherwise. The final figures—April 9, 1932

	Hoover (Republican)	Roosevelt (Democrat)	Garner (Democrat)	Smith (Democrat)	Murray (Democrat)	Borah (Progressive Republican)	Ritchie (Democrat)	Baker (Democrat)	Johnson (Progressive Republican)	Coolidge (Republican)	Dawes (Republican)	Pinchot (Independent Republican)	Norris (Progressive Republican)	Thomas (Socialist)	Reed (Democrat)	McAdoo (Democrat)	Robinson (Democrat)	Young (Democrat)
Alabama	956	963	112	122	89	1	15	12	1	49	-------	1	1	1	4	5	5	9
Arizona	451	667	205	49	140	5	3	2	26	9	1	26	3	9	12	3	1	10
Arkansas	633	911	237	51	318	8	33	47	4	14	2	1	7	13	8	2	104	2
California	6,180	1,482	1,526	369	101	198	54	85	722	34	93	13	31	35	14	16	3	34
Colorado	1,811	527	219	59	793	84	31	48	22	58	17	2	4	12	42	7	2	4
Connecticut	2,336	436	103	257	9	4	42	15	5	69	4	3	1	17	8	3	1	4
Delaware	122	99	18	38	2	1	3	3	1	3	1	8	-------	1	1	-------	-------	2
Dist. of Columbia	167	48	16	32	1	2	19	1	-------	4	2	1	1	3	-------	2	1	1
Florida	1,824	809	416	55	110	38	42	49	2	28	1	3	3	31	3	41	14	12
Georgia	369	778	121	86	32	41	17	2	1	2	-------	1	1	1	6	4	3	7
Idaho	666	439	142	51	165	473	15	93	19	14	4	5	16	17	7	11	1	1
Illinois	4,354	2,042	609	582	149	136	415	31	256	76	203	22	13	43	61	22	9	10
Indiana	3,167	1,583	673	334	201	84	116	114	49	13	122	15	3	14	7	5	17	7
Iowa	2,592	1,179	224	209	981	69	149	18	28	15	81	7	14	15	12	3	3	2
Kansas	1,996	452	339	378	683	218	24	63	12	15	10	8	22	16	16	14	15	3
Kentucky	2,964	1,770	661	163	179	41	106	67	25	106	29	5	4	4	11	40	6	31
Louisiana	332	484	228	257	28	3	10	14	11	9	16	1	36	1	8	41	14	2
Maine	2,008	742	104	129	18	21	37	36	2	36	3	2	2	1	10	1	1	1
Maryland	799	298	123	71	7	17	358	12	3	6	15	9	4	22	63	13	4	15
Massachusetts	4,567	622	47	553	17	14	7	9	13	72	13	15	7	11	9	8	7	31
Michigan	4,072	1,212	602	318	219	96	109	48	14	85	11	42	18	65	12	4	5	7
Minnesota	5,497	2,091	403	602	547	363	95	109	51	48	62	39	52	20	13	1	45	32
Mississippi	374	1,145	164	87	5	13	32	1	-------	2	2	3	1	7	4	3	9	-------
Missouri	2,381	1,551	292	318	478	63	41	46	17	31	13	42	5	18	66	6	8	16
Montana	2,618	1,819	445	374	636	387	39	12	32	15	4	14	16	33	8	4	5	1
Nebraska	1,867	943	433	137	347	111	43	4	29	58	5	56	207	7	13	2	3	3
Nevada	186	198	24	28	20	16	1	1	3	1	7	-------	11	-------	2	3	1	9
New Hampshire	1,417	411	16	34	31	28	10	3	10	31	3	4	2	13	1	1	1	11
New Jersey	3,262	1,014	243	494	103	47	197	62	37	20	14	8	33	19	9	4	7	19
New Mexico	396	289	86	141	212	12	5	7	5	36	4	15	6	4	7	4	4	2
New York	15,093	3,394	571	1,540	354	133	246	70	92	128	22	61	17	107	12	8	51	37
North Carolina	1,675	1,301	215	192	36	9	9	93	15	61	31	10	2	5	3	24	11	2
North Dakota	1,413	1,084	88	242	502	168	36	16	104	14	8	4	39	12	22	7	3	3
Ohio	7,056	2,386	703	537	217	174	51	735	28	63	241	20	22	33	9	50	7	32
Oklahoma	1,049	381	67	105	1,345	48	4	17	12	44	14	14	6	16	14	15	17	4
Oregon	1,363	1,013	107	52	240	506	43	62	15	14	24	34	51	33	7	11	6	8
Pennsylvania	8,544	3,198	1,146	993	291	148	199	168	116	110	87	453	45	69	18	13	12	29
Rhode Island	481	124	17	136	2	9	2	1	-------	4	12	8	1	7	3	2	2	1
South Carolina	168	222	39	67	25	2	17	52	4	2	2	1	1	3	21	4	9	-------
South Dakota	1,349	1,455	188	92	214	94	4	11	23	15	16	5	7	9	16	2	2	3
Tennessee	1,242	950	219	79	52	49	28	50	14	6	28	5	4	31	8	58	16	6
Texas	1,737	659	2,322	396	406	9	12	62	7	7	12	11	9	14	7	29	7	4
Utah	273	103	48	61	4	3	1	1	3	2	2	3	2	3	2	1	1	1
Vermont	1,328	266	33	109	17	1	8	4	20	32	3	2	10	1	6	2	4	1
Virginia [1]	1,093	853	135	131	24	7	32	97	41	8	13	23	3	24	14	9	6	6
Washington	1,321	797	762	166	113	95	13	33	116	24	16	4	32	18	12	7	2	7
West Virginia	2,746	1,648	430	155	87	82	21	212	17	103	32	92	29	32	13	9	7	8
Wisconsin	3,538	1,598	557	632	512	163	93	17	31	75	15	21	142	34	16	3	7	4
Wyoming	546	481	249	34	344	31	9	12	16	10	78	1	17	6	9	4	4	1
No State given	1,842	704	129	198	65	63	58	47	33	118	52	49	68	35	7	12	1	5
Total	115,042	49,636	16,956	12,299	11,541	4,387	2,954	2,780	2,130	1,942	1,509	1,213	1,036	948	656	553	474	449

[1] Also 367 votes for Byrd (Democrat).

HOLDING COMPANIES—ARTICLE FROM THE NEW YORK TIMES

Mr. COUZENS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New York Times of yesterday entitled "Holding Companies," prepared by Prof. William Z. Ripley.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, April 3, 1932]

HOLDING COMPANIES—SUPERVISION BY THE FEDERAL GOVERNMENT IS REGARDED AS IMPERATIVE

By Prof. William Z. Ripley

As Hamlet puts it, "When sorrows come, they come not single spies, but in battalions." The House Committee on Interstate Commerce at Washington at the moment is conducting hearings on a Senate bill to subject railroad holding companies, like operating roads, to regulation by the Interstate Commerce Commission. And then, all at once, a veritable bevy of other holding company news flutters down upon us. It reminds me of those days, five years ago, when everybody, the New York Stock Exchange included, got so hot up over nonvoting stock. Some of these happenings are a bit disquieting. I have no desire—far from it—to rock the boat. But I am interested to keep an eye out for trouble ahead, political as well as economic.

First off, Professor Bonbright and Gardiner Means of Columbia University publish an authoritative treatise, "The Holding Company"—a first-class performance! Then Ivar Kreuger, czar of a great international medley of finance corporations all over the world, puts an end to himself in Paris. Some $48,000,000 of debentures, two-thirds of them owned by people hereabouts, have no

least idea what they are really worth. This happened much as Alfred Loewenstein, a few years ago, under similar circumstances, stepped out the back door of his airplane, midway the English Channel. But his works remained to plague people, nevertheless. Forshay, head of a combined public utility and real estate contraption, gets sent up for 15 years by the Federal court at St. Paul. He distributed some $29,000,000 of securities all over the United States. Another House committee report on holding companies among public utilities is heading up for issuance at Washington.

NO NEW PRINCIPLE INVOLVED

The Senate bill in question proposes to subject railroad holding corporations to the same regulation by the Interstate Commerce Commission—no more, no less—as now obtains for operating railroad companies. The commission and the Senate Committee on Interstate Commerce recommend its enactment. Vigorous dissent from the proposal portends it as novel and revolutionary. The objections, fundamentally, are two: First, that it will render railroad consolidation, in the interest of economy and efficiency, impossible; and, secondly, that it stands in the way of economic recovery, as respects the prices of railroad securities. There is not a word of truth in the primary contention that this bill involves any new principle. It stands or falls with the financial control over steam carriers as such which was imposed by the transportation act of 1920.

How about its effect upon the progress of consolidation? That it obstructs such constructive endeavor is claimed by counsel for the Pennsylvania Railroad and the Van Sweringen aggregation, two groups which have made use of the holding company to effect consolidation without the approval of the Interstate Commerce Commission. They plead for the continuance of this immunity, alleging that railroad merger can not ensue under the present State laws. The consolidation clauses of the act of 1920, in other words, are said to stand in the way of such unification. This contention I am prepared to deny in toto. It is absolutely not true. The Rock Island, of which I have been a director for many years, is at this moment consolidating a dozen of its subsidiaries in a single corporation in order to facilitate important refunding operations in 1934. Operating in 14 States, it is proving entirely feasible to unite these properties, legally, under existing laws of the States and of the Federal Government. Section 5, paragraph 6, and section 1, paragraph 18, of the act of 1920 promise to overcome even the drastic prohibitions of Texas, provided, of course, that there be full approval in last instance as to all details by the Interstate Commerce Commission. If this can be done "out West," surely it is possible in Van Sweringen and Pennsylvania territory—distinguished and voluble counsel to the contrary notwithstanding. But—and this is the nub of the matter—the Interstate Commerce Commission holds jurisdiction over the operation. And, I submit, it is precisely to evade this supervision that this dissent is registered.

AN IMPORTANT ISSUE

This business of evading accountability looms perhaps unduly large in my thinking because of a generation of activity in seeking to bring about just such financial and administrative control. As economic counsel for the United States Industrial Commission of 1900, it was my privilege to induce Members of Congress and prominent industrialists to make, unanimously, the first recommendation for the regulation of railroad capitalization and of security issues. Then President Roosevelt took up the issue because of notorious scandals of his time. But enactment was not secured until 1920, when, under section 4, jurisdiction was expressly conferred upon the Interstate Commerce Commission in these matters. Subsequent service as economic counsel for this commission in the matter of railroad consolidation only confirmed the long-standing opinion as to the primary importance of such administrative supervision. It is indubitable that, without the enactment of this proposed bill—consult the House committee report on stock holdings among railroads of 1931 if you doubt it—the very pith of this hard-won financial regulation by Federal authority will be ripped out of it. The door will be left wide open for the most flagrant evasion.

All this recital of inability to effect combination under Federal supervision is nothing but claptrap. The hierarchy of railroad corporations cleverly devised by the Van Sweringens outdoes even the legal devices of the late Edward H. Harriman in Roosevelt's time in pyramiding control.

It now remains to deal with the contention, voiced by the Railway Security Owners' Association and the president of the Milwaukee road, that this measure will operate prejudicially upon financial recovery of the carriers; that, in other words, it will stand in the way of a rise of prices for railroad securities. It is not surprising that the Milwaukee should oppose financial jurisdiction of the Interstate Commerce Commission. But it is more difficult to understand the attitude of representatives of investors—life-insurance companies, investment trusts and the like—that this bill will work against their long-time interest, for it is precisely because of the corporate involvement and of the pyramiding of control through holding companies that the rights of railroad share and bond holders are put in jeopardy.

OPENS DOOR TO EVASION

Nor is this to accuse—far from it—either the Pennsylvania or the Van Sweringens of dishonesty in financing loose-jointed consolidations. All the facts are now spread on the records. But because their tactics as a whole have been constructive affords no guaranty, once the door is left wide open for evasion, that others, less scrupulous than they, will not perpetrate other scandals like those which brought about the enactment of the existing law respecting operating companies. Untold losses to investors in railroad properties in the past have resulted from such breaches of trust. I, personally, hold stoutly to the belief that sound railroad consolidation is one of the likeliest ways open for extrication of the steam carriers from their present distress. But the primary desideratum is a restoration of credit. That once attained the prices of railroad securities will automatically find their true level. But no resumption of earning power could withstand the shock of such abuse of power by insiders as we have witnessed in the past. The late unprecedented creation of hierarchies of corporations piled helter-skelter one upon another—wheels within wheels—is utterly opposed to sound public policy. There is no legal nor operating need of it. The rightful interests of shippers, employees, and of owners of railroad securities are all alike put in jeopardy by the practice. The only way to restrain it is through the exercise of governmental supervision.

Immediate interest, however, focuses upon the political angle of this opposition above described. This opposition, which both under cover and openly is seeking to prevent the passage of this legislation, threatens, indeed, to prejudice the whole program of congressional enactment for the relief of the railroads. After years of misunderstanding, distrust, and hostility Members of Congress, particularly from the West and Southwest, are not only at this time well disposed toward the railroads; they also stand ready to support important measures for their rehabilitation. They will vote for repeal of the recapture provisions of the act of 1920. Requisite bus and truck legislation will not be opposed.

The grant of wholesale financial relief through loans from the Federal Treasury has already been provided. But these western and southern Representatives reason quite simply and humanly, to my thinking, that the railroads must stand ready to take the bitter with the sweet. They see the carriers in dire distress, lining up at the counter, filing applications for credit in order to meet fixed obligations or to complete constructive programs. Yet the foremost of these suppliant corporations, by no means backward in holding out their hats—the Pennsylvania asks for $55,000,000 as a matter of fact, and the Van Sweringens' Missouri Pacific is "reluctantly" granted $12,800,000 by the Interstate Commerce Commission—are fighting tooth and nail to go scot free of such financial regimen as the Congress has seen fit to impose upon operating railroads.

DANGER IN RESENTMENT

The danger lest resentment against these tactics should put the other railroad bills in jeopardy is of peculiar immediate importance. Texas—and certainly not without provocation historically—has been determined and even bitter in subjecting railroads to public regulation. At the moment the chairman of the House Committee on Interstate Commerce and the Speaker of the House of Representatives represent the Lone Star State. Democratic success in the next election may still further emphasize the importance of the Democracy of the South and West in politics and economics. Insurgency as respects balancing of the Federal Budget has already assumed disquieting proportions. Is there not danger that resentment against this opposition to administrative control by the very carriers which have given most offense through misuse of the holding company shall prejudicially affect the passage of these other laws so sorely needed by the railroads as a group?

That the view just expressed is entertained by not a few other railway executives happens to have come to me just in the run of the day's work. These men know, and the more intelligent bankers share the view, that the long-time credit of the railroads can alone be restored by effectually stopping such scandals as have beset the carriers in the past. They know the temptations inherent in the possession of these keen-edged financial corporate weapons. They realize that the ultimate reservoir of capital upon which all industry must ultimately rely for future growth and prosperity is the purse of the people at large. They know also—or they ought to know—that as never before the divorce of ownership of property from its control and management steadily enhances the need of intervention by the Government in all lines of business, but more especially of those which are affected in any way with a public interest.

This railroad holding company bill moreover has a direct bearing upon the public-utility situation. The time is coming—and I predict it is not very far distant—when the Federal Government will be compelled to step in and supplement the activity of the States as respects financial and accounting regulation in this field. Some 50 or more of us, professionally interested in this matter, are, in fact, holding a 2-day powwow about it in New York this very week. Because so much of this business is intrastate, governmental supervision of rates and service has been predominantly local. But, more and more, electrical power is being transmitted across State lines. Of greater importance, however, as respects Federal control is the growth of great combinations through holding companies, which pretty effectually dominate the light and power business throughout the United States. Progressively, the local companies, subject to State regulation as respects rates and service, have been sucked dry by the taking over at staff headquarters of basic matters of management which determine both cost and service. All this has been effected by the prodigious use of the holding company as a legal device.

UTILITY SUPERVISION NEEDED

Tactically, in politics, this situation has been met by the holding companies—light and power, gas, pipe line, or what not—thus having denatured the local operating companies, vociferously advo-

cating "State," that is to say, local regulation. This string, by the way, has been pleasingly played upon by way of appeal for widespread popular investment. Hundreds of millions of dollars of the people's money are now in the hands of these public-utility managements. In all their financial and accounting affairs they are utterly without supervision in the common interest. This public-utility situation must be handled sometime by subjection of these great interstate combinations to some sort of Federal oversight. Grave constitutional questions, common alike to railroad and utility holding companies, will have to be settled before the Supreme Court of the United States. It is none too soon to initiate the first test in this field. It should be applied by the railroads.

There is yet another reason for advancing this issue of the holding company upon the congressional calendar. An amazing collapse of values among investments of the people has recently taken place all along the line. Whether it be industrials, municipals, real-estate bonds, railroad securities, or investment trusts, the losses to which the public have been subjected have been colossal. One great department of public investment has alone stood up. It is that of the public utilities. They have proved more nearly depression proof than anything else in sight. Such being the case, as soon as popular savings and investments begin to revive it should be no wonder if there were a rush of public funds into this channel. The utility situation as a whole is sound. Its services are of basic importance to every citizen. But it is imperative, in view of what we know about certain of these combinations, that means should be afforded for separation of the sheep from the goats. The industry is absolutely incapable, as were the railroads years ago, of policing itself. Its best leaders acknowledge the existence of evils and abuses, particularly in the field of finance. Only the Government, and in this field of finance only the Federal Government, can stop these leaks before they undermine the whole levee of utility credit. And with full acknowledgment of its merits, the holding company is accountable for some of the worst evils which obtain. It will be none too soon that the holding company among the railroads be put where it belongs, in order that precedents may be had upon which action in this other field may be firmly established.

CONCENTRATION OF INVESTMENTS

And, finally, the importance of this holding-company legislation transcends the range of the railroad and the public-utility industries. It has to do with the rapidly developing system of widespread popular investment. Under this system, as ownership becomes more and more scattered, control tends to head up in fewer hands. It also tends irresistibly toward localization in New York as the financial capital of the country.

Adolph Berle, professor of the law of corporation finance in the Columbia Law School, in a book soon to appear, Private Property and the Corporate System, will deal comprehensively with this situation. He has carried on, in jurisprudence, with the principle in economics which was enunciated some years ago in my little volume, Main Street and Wall Street. Berle will show conclusively that the holding company stands foremost among the so-called legal devices for undue control of corporations. That this engine of finance must itself be controlled in the public interest is perfectly clear. We might just as well face it and have done with it in the field of transportation to begin with.

Much of the spoliation of the private investor during the recent debacle has involved the use of this legal device. In banking the Bank of United States was a glorious example. In the field of investment trusts the instances were too numerous to mention. Among utilities the holding company is supreme. Six or eight control the light and power business of the country. In industry the so-called "spider-web" chart introduced in evidence in the Bethlehem-Youngstown steel litigation was a superb example. The situation was never better described than by Newton D. Baker: "It seems to me a most menacing and unwholesome thing, if any individual or a small group can put out bales of securities, create immense pools of other people's money, and use that money to control fundamental industries." This web of intercorporate investment has happily been torn asunder by the able and courageous order of the court. But the danger of its adoption and extension into every phase of our economic life is an ever-present one. This danger can be averted only by the application of control either through the courts or by our legislative bodies.

MODIFICATION OF ANTITRUST LAWS

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD a very able discussion by Mr. Alexander Levene, a prominent lawyer of the city of New York, of all bills pending in the Seventy-second Congress relative to the modification of antitrust laws.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

MODIFICATION OF ANTITRUST LAWS—A DISCUSSION OF BILLS PENDING IN THE SEVENTY-SECOND CONGRESS

By Alexander Levene, of the New York bar author of Does Trade Need Antitrust Laws?

The first and most important Federal antitrust law is the Sherman Act, which was adopted in 1890. It is generally supposed that this law was enacted for the purpose of maintaining competition. As a matter of fact, attempts were made in Congress to insert in this act provisions against restraint of competition, but in its final form as adopted these provisions were eliminated. Justice Holmes, in his dissenting opinion in the Northern Securities case (Northern Securities Co. v. U. S., 193 U. S. 197), clearly pointed out that this act "says nothing about competition." The Sherman Act was the first general law applicable to trade and industry enacted by Congress under its constitutional power to regulate commerce and was far from being a confirmation of the doctrine of laissez faire, but was a governmental measure to regulate trade, because of the public interest involved. As stated by Prof. Walton H. Hamilton (The Problem of Antitrust Reform, Columbia Law Review, February, 1932):

"The antitrust laws are a declaration that business is affected with a public interest; the moral value of this commitment must not be lost."

The general effect of the Sherman Act, aided by judicial interpretation, has been, however, to compel competition in all cases and in all industries without regard to its economic results.

Practically since its enactment recurring efforts have been made to modify the Sherman Act, but the only practical result of these efforts has been the enactment of the Clayton Act and the Federal Trade Commission act in 1914.

The current depression has made it particularly apparent that our present antitrust laws make it almost impossible to undertake constructive measures to overcome unrestricted, destructive, and cutthroat competition, and the demands for modification have become more insistent. The present demands may be classified into four groups, all of which are, however, interrelated, and all must be given weight in considering stabilization of industry, relief of unemployment, enlargement of consumption, and equalization of distribution.

The first group of demands involves the permission of cooperative agreements in industry among members of trade associations or among competitors in general.

The second group involves the specific legalization of retail-price maintenance.

The third group involves the amplification and definition of the legal concept of "unfair methods of competition."

The fourth group seeks the complete legalization of trade practice conferences and of the rules adopted thereat.

In the first session of the Seventy-second Congress the following bills and resolutions affecting the antitrust laws have been introduced up to March 26, 1932:

PENDING BILLS

S. 97 (Capper). To protect trade-mark owners, etc.

H. R. 11 (Kelly of Pennsylvania). Same as S. 97.

(These two bills are known as the Capper-Kelly bill to permit resale-price maintenance.)

H. R. 315 (Huddleston). To prevent frauds in commerce. (Compelling marks of quality, grade, quantity, etc., on subjects of commerce.)

H. R. 334 (LaGuardia). To amend the Federal Trade Commission act. (To include in the definition of commerce all dealings in securities or commodities, and to declare unlawful market manipulation and short sales.)

H. R. 360 (McClintic of Oklahoma). To amend the Federal Trade Commission act. (To regulate public offerings of securities.)

H. R. 473 (Sinclair). To amend section 2 of Federal Trade Commission act. (To amplify "unfair methods of competition.")

H. R. 5317 (Ludlow). To create Federal industrial commission. (To create a planning board.)

H. R. 5623 (Tinkham). To confer additional powers upon Federal Trade Commission. (To license persons transacting interstate commerce, and grant exemption to corporations from stockholding restrictions of Clayton Act.)

S. 2626 (Nye). To amend Federal Trade Commission act. (To legalize trade practice conferences.)

S. 2627 (Nye). To establish a Federal trade court. (To enforce antitrust laws and orders of Federal Trade Commission.)

S. 2628 (Nye). To amend Federal Trade Commission act. (To amplify definition of "unfair methods of competition.")

H. R. 7365 (Sinclair). Same as S. 2627.

H. R. 7366 (Sinclair). Same as S. 2626.

H. R. 7367 (Sinclair). Same as S. 2628.

(These six bills are generally referred to as the Nye bills.)

H. R. 7448 (Lewis). Giving the protection of the law to the worker's right to work * * *; forming trade associations * * *; to stabilize business and to provide certain benefits for their employees. (Contains provisions similar to Swope plan for employees' life and disability insurance; workmen's accident compensation; workmen's pensions and unemployment insurance through the medium of national trade associations under the supervision of the Federal Trade Commission, and provides for standardized accounting systems and exchange of information by members of trade associations.)

S. 2935 (Davis). To regulate commerce in bituminous coal. (Creates bituminous coal commission to license and regulate interstate shipment of bituminous coal and permit marketing pools. Outlaws "yellow-dog" contracts by licensees.)

H. R. 7536 (Kelly of Pennsylvania). Same as S. 2935.

(These two bills are known as the Davis-Kelly bill to stabilize the bituminous coal industry.)

S. 3256 (Walsh of Massachusetts). To protect and foster trade and commerce, to supplement the powers of the Federal Trade Commission. (Known as the Walsh bill to amend the Federal Trade Commission act. Permits advance approval of cooperative agreements in industry, including trade-association agreements,

resale-price maintenance and merger agreements, provided they are in the public interest; defines the public interest; defines and amplifies the definition of "unfair methods of competition" and "unfair trade practices"; legalizes trade-practices conferences and generally modernizes the Federal Trade Commission act.)

H. R. 8913 (McKeown). Providing for the filing of affidavit declaring that plaintiff has not violated the antitrust laws in actions at law, and in equity.

H. R. 8930 (McGugin). To amend Sherman Act. (To prohibit use of test of reasonableness. Attempts to repeal rule of reason.)

H. R. 9315 (Person). To establish a national economic council. (Similar to LaFollette bill (S. 6215), Seventy-first Congress, with additional provisions including filing of intent to issue securities.)

H. R. 9924 (Lewis). To stabilize the coal-mining industry. (Covers bituminous coal, anthracite, and lignite. Declares coal a public utility and provides for the regulation of production and distribution thereof by a coal commission.)

S. 4030 (Copeland). To amend section 5 of Federal Trade Commission Act. (Defines "unfair price competition" and declares it to be an unfair "method of competition.")

S. 6215 (71st Cong.) (La Follette). To establish a national economic council. (Introduced in the last Congress but still pending in committee.)

American Bar Association proposed bill. This bill has not been introduced in Congress, but has received considerable publicity, and should be discussed with the above bills. It seeks an amendment of the Federal Trade Commission act to provide for approval of cooperative agreements, with immunity from the criminal provisions of the antitrust laws.

PENDING RESOLUTIONS

H. J. Res. 96 (Patterson). To insure better enforcement of antitrust laws. (Directing Department of Justice to investigate trusts and prosecute violations of antitrust laws.)

S. Res. 46 (McKellar). Providing for the investigation of the operation and enforcement of the antitrust laws, and the question of their modification. (Directing investigation by Senate Judiciary Committee.)

S. Res. 75 (King). Authorizing an investigation to determine the necessity for the strengthening or extension of the antitrust laws. (Directing investigation by Senate Judiciary Committee.)

S. J. Res. 87 (Steiwer). To provide for the appointment of a joint congressional committee and to afford emergency relief to the natural-resource industries. (The joint congressional committee to investigate whether amendments should be made to the antitrust laws, and pending its report and action of Congress thereon, competitors in natural-resource industries to be permitted to enter into agreements regulating production, etc.)

H. Res. 153 (Sumners of Texas). Authorizing the Committee on the Judiciary (of the House) to conduct an investigation to determine what changes, if any, in the antitrust law and policy may be required.

RESOLUTIONS FOR INVESTIGATION

No criticism can be offered of the resolutions seeking a congressional investigation of the advisability of modifying the antitrust laws. The President in both his 1930 and his 1931 annual messages to Congress recommended such inquiry. The Steiwer resolution, S. J. Res. 87, is objectionable, because in addition to the investigation it attempts to grant exemption from the antitrust laws to the natural-resource industries. The latter provision should not be included in a joint resolution but should be the subject of a separate bill. It will be discussed, together with the bills included in group 1. The Sumners resolution, H. Res. 153, is the simplest and broadest, and having been introduced by the chairman of the House Committee on the Judiciary, seems to be the one which should lead to the most constructive results. The Patterson resolution, H. J. Res. 96, does not provide for a congressional investigation, but for an investigation by the Department of Justice, and is not addressed to the consideration of the modification of the antitrust laws.

CLASSIFICATION OF BILLS

The above list of bills is arranged in chronological order, but for the purpose of this discussion it may be helpful to classify these bills into the groups previously mentioned.

Group 1, involving permission to enter into cooperative agreements, includes H. R. 5623 (Tinkham), H. R. 7448 (Lewis), S. J. Res. 87 (Steiwer), S. 2935 and H. R. 7536 (the Davis-Kelly bill), H. R. 9924 (Lewis—the American Bar Association bill), and S. 3256 (the Walsh bill).

Group 2, involving legalization of resale-price maintenance, includes S. 97 and H. R. 11 (the Capper-Kelly bill) and S. 3256 (the Walsh bill).

Group 3, involving the amplification of "unfair methods of competition," includes H. R. 315 (Huddleston), H. R. 473 (Sinclair), S. 4030 (Copeland), S. 2608 and H. R. 7367 (the Nye bill), and S. 3256 (the Walsh bill).

Group 4, involving legalization of trade-practice conferences, includes H. R. 473 (Sinclair), S. 2626 and H. R. 7367 (the Nye bill), S. 2626 and H. R. 7366 (the Nye bill), and S. 3256 (the Walsh of Massachusetts bill).

The remaining bills can not be directly placed in any of these groups and must be separately enumerated.

Creation of a national planning board is contemplated under H. R. 5317 (Ludlow), H. R. 9315 (Person), and S. 6215 (71st Cong.) (La Follette).

Establishment of a Federal trade court is contemplated under S. 2627 and H. R. 7365 (one of the Nye bills).

Regulation under the Federal Trade Commission act of dealings in securities is contemplated under H. R. 334 (LaGuardia) and H. R. 360 (McClintic of Oklahoma).

Limitation of right to sue is proposed under H. R. 8913 (McKeown).

Repeal of rule of reason is attempted under H. R. 8930 (McGugin).

NATIONAL PLANNING BOARD

This discussion is primarily concerned with the pending proposals to modify the antitrust laws, and the bills which contemplate the creation of a planning board or a national economic council are not directly within its scope. The proposals to modify the antitrust laws have been made because of the expectation that their adoption will assist in equalizing distribution, stabilizing industry, and eliminating unemployment. It must be realized that in the final analysis these aims can not be accomplished without national economic planning. On the other hand, national economic planning can not be properly undertaken as long as the antitrust laws prevent cooperative stabilization of production and distribution. Because of this close connection between the two problems the planning bills have been mentioned, but it is not intended to include them further in this discussion.

FEDERAL TRADE COURT

The Nye bill (S. 2627—H. R. 7365) is not a direct proposal to modify the antitrust laws, but merely contemplates the creation of a separate court for the trial of commerce causes, with the idea of expediting their determination. Having been introduced by Senator NYE in conjunction with his two other bills, which do propose amendments to the antitrust laws, this bill is likewise generally referred to as an antitrust law amendment. This bill, however, does not come within this discussion, and without considering its provisions it is only necessary to state that its principle is sound, as anything tending to expedite judicial consideration of the problems of industry, will naturally be beneficial.

REGULATION OF DEALING IN SECURITIES

These two bills, H. R. 334 (LaGuardia) and H. R. 360 (McClintic), have been included in the above enumeration because their titles designate them as amendments to the Federal Trade Commission act, and they do, in fact, amend that act by including in its provisions the regulation of dealing in or offering securities. These bills, however, are not strictly within the purview of this discussion but cover another and perhaps equally important subject upon which numerous other bills have been intorduced. These bills are generally considered as relating to the problem of banking and not the problem of the antitrust laws.

OTHER UNCLASSIFIED BILLS

This item includes the two bills, H. R. 8913 (McKeown) and H. R. 8930 (McGugin) which do directly propose amendments to the antitrust laws, but can not be included in any of the four specific groups into which the classification has been divided.

The bill H. R. 8913 (McKeown) provides that every plaintiff engaged in the sale and distribution of commodities in every action at law or in equity in any court of the United States upon a contract made after the passage of the act shall be required to file an affidavit to the effect set forth in the bill, which is substantially that he has not violated the antitrust laws. It also provides that in all actions upon the sale or distribution of any commodity the commission by the plaintiff of any act forbidden by the antitrust laws shall be a defense. This bill might aid in the enforcement of the present antitrust laws and might help to clear the calendars of the courts, but it is difficult to conceive how it might possibly assist in the stabilization of industry and reduction of unemployment.

The other bill, H. R. 8930 (McGugin), provides that no department of the United States—executive or judiciary—shall have any jurisdiction to pass upon the reasonableness of any combination in restraint of trade or to excuse any combination or conspiracy in restraint of trade from prosecution and states that the sole question to be determined by the court is whether or not there has been any combination or conspiracy which is or was in restraint of trade. This bill is diametrically opposed to all the bills which seek to stabilize industry and is a futile attempt to reverse the rule of reason and to place the courts in a straitjacket.

The attempt is futile, because under the previous decisions of the United States Supreme Court the courts could undoubtedly hold that if a combination in question is not in undue restraint of trade it is not in restraint of trade under this bill, and the word "reasonableness" in this bill would be ineffectual. The court, in spite of the language of this bill, would be compelled to place its own judicial interpretation upon the question of whether or not there has been a combination in restraint of trade, for the bill fails to give any guide as to the meaning of the word "reasonableness" from which the legislative intent might be read, and failing such guide or definition, this act itself will have to be construed in the light of reason and not according to its literal terms.

Group I. Permission of cooperative agreements

Under present judicial interpretation the antitrust laws prohibit agreements made with a view of lessening competition, no matter how ruinous such competition may be. Competitive war must continue without regard to cost. Individual producers and entire industries must be slain, workers must be deprived of employment, and natural resources must be squandered to the point of exhaustion. The bills to be discussed under this heading con-

template, in one form or another, the granting of permission to competitors to enter into cooperative agreements to lessen the rigors of this war.

H. R. 5623 (TINKHAM)

This bill provides that persons engaged in interstate commerce may apply to the Federal Trade Commission for a license. The application shall set forth the character and nature of the interstate commerce transacted or to be transacted and other information. The commission shall make inquiry, and if satisfied that such interstate commerce does not constitute an unlawful monopoly, or an unreasonable restraint of trade or commerce, or unfair competition, or a detriment to the public, the commission shall grant the license, which shall thereafter constitute a complete defense to any prosecution or proceeding under the antitrust laws.

The bill further provides that if the licensee conducts such interstate commerce as an unlawful monopoly, or in unfair competition or unreasonable restraint of commerce, or to the detriment of the public, the commission may serve a complaint, and after a hearing may issue an order to cease and desist.

This bill also permits licensees to acquire or own stock of other corporations without violating section 7 of the Clayton Act, if the commission is satisfied that such acquisition will not constitute an unlawful monopoly, an unreasonable restraint of trade or commerce, unfair competition, or a detriment to the public.

No penalty is provided for failure to secure a license, so it seems that such application is not intended to be compulsory. The apparent purpose is to permit applications for approval of cooperative agreements.

This bill is absolutely ineffectual and the license intended to be issued thereunder will not serve any purpose whatever. In describing the cases in which such license shall be issued, or in which stock ownership shall not violate the Clayton Act, it follows the language of the present antitrust laws, with the addition of the words "a detriment to the public." The last words are not defined in the bill, and "a detriment to the public" would undoubtedly be construed by the courts to mean any action prohibited by the antitrust laws as at present interpreted. Persons who do not violate the antitrust laws will not need the license, and to persons who do violate the laws the license will be of no avail.

H. R. 7448 (LEWIS)

This bill is primarily concerned with the creation of national trade associations for the purpose of developing (a) employees' life and disability insurance, (b) workmen's accident compensation, (c) workmen's pensions, and (d) unemployment insurance along the lines of the Swope plan. The major features of this bill are concerned with an extremely worthy purpose, which is not, however, within the scope of this discussion.

The bill is included in this list only because its section 6 carries the heading "Stabilization of Production." This section is likewise along the lines suggested in the Swope plan and provides for standardized accounting forms, standard cost systems, balance sheet, and earning statements to be prescribed by each national trade association subject to supervision and approval of the Federal Trade Commission, and for exchange of information and data between national trade associations on volume of business, inventories on hand, and simplification and standardization of products. It also provides for annual statements of business and earnings on forms prescribed by the association subject to the approval of the commission, to be sent to stockholders and to the commission.

These provisions may in themselves have great merit, but the stabilization program contained in the bill is incomplete, in that it does not contain any provision which would permit cooperative agreements for the purpose of reducing ruinous competition. If the standardization of accounting and exchange of information which the bill permits should be considered sufficient to restrict competition, then the bill is extremely defective in that it lacks any provision for the protection of the public interest.

Mr. Swope in his elaboration of his plan stated that companies might be allowed "to make agreements and file them with the Federal Trade Commission and the Department of Justice." "Then," he said, "if at the time of filing, or at any time thereafter, either of these agencies should find that the agreements are contrary to the public interest, they may ask the companies to cease and desist. If there is a difference of opinion, the companies or the Government can still appeal to the courts."

This bill falls short in that it fails to follow Mr. Swope into the field of the protection of the public interest.

SENATE JOINT RESOLUTION 27 (STEIWER)

This is primarily a joint resolution for the appointment of a joint congressional committee to investigate whether amendments should be made to the antitrust laws.

It is included in this group because it also provides that pending the report of the committee and action thereon by Congress, natural resource industries shall be exempt from the antitrust laws. As stated before, this resolution is objectionable, because under the guise of an investigation, it attempts to grant an indeterminate exemption from the antitrust laws.

The exemption features will, however, be considered here, as though they were the subject of a separate bill. In section 2 the resolution grants an indeterminate and unlimited exemption from the antitrust laws to natural resource industries, which are defined as those engaged in the production of minerals and forest products.

This definition looks rather broad and dangerous. Might it not be considered that the United States Steel Corporation is engaged in the production of minerals, or that a furniture manufacturer is engaged in the production of forest products?

Section 3 directs the Federal Trade Commission "to determine whether any agreement proposed or undertaken (1) falls within the provisions of this act, and (2) if so, whether said agreement is contrary to the public interest, and its findings in respect thereof shall be conclusive." This section extends the exemption to any acts committed prior to notification of the commission's findings.

This borders closely on a repeal of the antitrust laws. No criterion is set up for the measure of the public interest. No appeal to the courts is permitted from any decision of the commission. No provision is made for the filing of the agreement with the Federal Trade Commission, but if the commission fails to consider the agreement and fails to notify the parties of its findings no legal proceedings shall be instituted in any court alleging violation of any provisions of the antitrust laws.

THE DAVIS-KELLY BILL (S. 2935, H. R. 7536)

This bill is concerned with the stabilization of the bituminous coal industry. It enjoys the full support of the United Mine Workers of America. In its original form it was introduced in the Seventieth Congress as S. 4490, and hearings were held on it by the Committee on Interstate Commerce. It was again introduced in the Seventy-first Congress as S. 2888.

In its present form it provides for the appointment of a bituminous coal commission, which shall have power to license corporations engaged in mining and shipping or in shipping bituminous coal in interstate commerce. No corporation shall so engage without a license, and licensees shall be subject to the provisions of the bill.

Licensees shall be permitted to enter a marketing pool or joint selling association, approved by the commission after a finding that the same is not against the public interest as an unreasonable restraint of trade, and while approval remains in force such pool or association shall be deemed valid as to its price schedules and production or trade practices. Any person is permitted to complain to the commission as to the reasonableness of the price schedules approved by it.

Licensees and their employees are permitted to negotiate collectively agreements concerning wages and working conditions, and licensees becoming members of marketing pools or joint selling associations shall not require their employees to sign "yellow-dog" contracts, but their mine workers may organize. Licensees who are not members of marketing pools or joint selling associations may employ nonunion miners but may not exact "yellow-dog" contracts.

Provisions are contained for the revocation of licenses, and railroads are prohibited from building sidings or switches to any bituminous coal mine except by permission of the Interstate Commerce Commission granted upon the approval of the bituminous coal commission.

The provision for the approval of marketing pools or joint selling associations may be ineffectual because of the qualification that such approval shall only be granted after a finding by the commission that the same is not against the public interest as an unreasonable restraint of trade.

The expression "unreasonable restraint of trade" may be construed by the courts as being any restraint of trade now prohibited by the antitrust laws, in which case the courts will overrule any approval which the bituminous coal commission might grant to any marketing pool or joint selling association that might now be prohibited under the antitrust laws. On the other hand, the provisions for licensing and for complaints against price schedules may induce the courts to uphold the rulings of the commission.

The condition of the bituminous coal industry is most deplorable. It is probably the worst victim of ruinous competition and overproduction. Its producers and workers are both entitled to speedy relief from the restrictions of the antitrust laws, and although general relief and stabilization of all industries must be undertaken, the plight of this industry is such as to warrant separate consideration in its case. It is suggested, however, that section 3 might be amended to make the measure of the public interest depend on reasonableness of the price schedules instead of reasonableness of restraint of trade. Sections 4 and 6 might also be amended so as to tie them closer together and so as to express that unreasonableness of price schedules shall result in revocation of the license.

H. R. 9924 (LEWIS)

This bill seeks the stabilization of the entire coal-mining industry, including bituminous coal, anthracite, and lignite, and declares coal to be a public utility.

This bill includes some of the provisions of the Davis-Kelly bill. It creates a coal commission similar to the bituminous coal commission of that bill. It has similar features with reference to licensing corporations engaged in mining and shipping or in shipping coal in interstate or foreign commerce, permission of collective bargaining between employers and employees, prohibition of "yellow-dog" contracts, and prevention of construction of sidings or switches without permission from the coal commission.

It also permits the creation of joint selling agencies. Having recognized coal as a public utility, it avoids mention of unreasonable restraints of trade but directly authorizes price fixing. It directs the fixing of a minimum price, effective at the mines in each district, based upon the average cost of production of the mines in such district plus a profit of 25 cents per net ton, and in fixing such price it directs that allowance for reasonable living wages for workers be taken into account. It also permits the coal commission to fix maximum prices in each district. Appor-

tionment of production is allowed, but the coal commission is permitted to increase any quota to avoid undue curtailment of production.

For its administration the bill divides the coal-producing area into 30 districts, the geographical boundaries of which are fixed in the bill. Twenty-seven districts represent bituminous coal and three anthracite. Each district shall elect a district board of five operators, and the bill creates a coal operator's council, consisting of one representative from each district, with an additional representative from each district for each 15,000,000 tons of annual output of coal in the district.

It also creates a national committee of investigation and district committees of investigation to be appointed by the coal commission. Aside from the chairman, half of each committee shall represent consumers, one-fourth owners of coal mines, and one-fourth workers. (Sec. 7 (b) (2) of the bill contains an arithmetical error in computing allocation of membership.) The committees shall function under the supervision of the coal commission and shall investigate complaints.

The bill provides for arbitration of disputes between districts, the arbitrators to be drawn by lot from a panel appointed by the council.

This bill consists of 40 pages, including the schedule of districts which occupies two closely printed pages, plus a 2-page index, and gives the appearance of careful thought and study. Its administrative features are worked out in great detail, and, although this bill may not be perfect and may require some changes, it is suggested that the proponents of the Davis-Kelly bill might cooperate with the proponents of the Lewis bill in an effort to secure the enactment of this legislation covering the entire coal industry.

AMERICAN BAR ASSOCIATION BILL

This bill has not been introduced in Congress but must be discussed under this group because of the wide publicity which it has received. It has been prepared by the committee on commerce of the American Bar Association and has been favorably mentioned by Mr. Swope in the address delivered by him on November 13, 1931, before the Academy of Political Science, in which he explained his plan for the stabilization of industry.

This bill is not limited to any industry, but seeks to permit cooperative agreements in all industries.

It provides that any party to a contract in commerce (as defined in the bill) may file such contract with the Federal Trade Commission, provided that notice of intention to file same shall be published not less than 30 days prior to the date upon which such contract by its terms becomes effective. A copy of the notice of intention and of the publication shall be filed with the commission and with the Attorney General. Thereafter if the Attorney General shall have reason to believe that such contract so lessens competition as not to be in the public interest or tends to create a monopoly, he may file a complaint and charges with the commission. The commission shall then proceed with a hearing, and pending the hearing, on application of the Attorney General, the commission may issue an order suspending and postponing the performance of the contract until further order of the commission.

After the hearing the commission shall make a report and state whether or not the performance of such contract so lessens competition as not to be in the public interest or tends to create a monopoly. If the commission objects to the contract, it shall issue an order to cease and desist.

The commission is not given any power to enforce its own orders; but if they are not complied with, the commission may apply to the circuit court of appeals for their enforcement.

The bill provides that if the commission approves a filed contract, or if no order of the commission or of the court is in force suspending the contract and directing the parties to cease and desist from performing it, the parties to the contract shall be immune to criminal prosecution and to liability for threefold damages under the antitrust laws.

It further provides that in any civil proceedings brought by the United States or by any person the approval of the contract by the commission shall be prima facie evidence that the contract will not so lessen competition as not to be in the public interest or will not tend to create a monopoly.

The procedural features of the bill generally follow the like provisions of the present Federal Trade Commission act.

There is grave doubt whether this bill accomplishes anything other than to grant immunity from criminal prosecution and from liability to threefold damages. In order to approve a contract under this bill the commission must find that its performance will not so lessen competition as not to be in the public interest or tend to create a monopoly. This language does not materially deviate from the language of the antitrust laws, and such changes of words as it does adopt are hardly sufficient to distinguish it from the prohibitions of the antitrust laws. The bill therefore fails to authorize the commission to approve any contract which violates the antitrust laws as now interpreted.

Prof. Edwin R. A. Seligman (Price Cutting and Price Maintenance, p. 344) in discussing this bill says:

"The Federal Trade Commission can render definite opinions only upon matters already decided by the Supreme Court. * * * The effect would be that in situations resembling those presented in adjudicated cases, the business man will receive no more from the commission than competent legal advice can now give him. * * * The plan would still be subject to attack at any time by the Department of Justice. Not until the matter were passed on by the Supreme Court could a business man be sure that his policy was legal. It follows that by seeking the opinion of the Federal Trade Commission the business man would be taking only one more step in an already tedious, expensive, and indecisive proceeding."

Mr. Gilbert H. Montague (The Federal Antitrust Laws—A Symposium Conducted at Columbia University, pp. 42, 43) in discussing this bill and other proposals, which attempt to change the phraseology of the antitrust laws, said:

"Any new words written into the antitrust law in the hope of setting up some new standard of legality must, indeed, be definite and certain and emphatic, if they are to succeed in drawing the Supreme Court away from the standard it has been following since 1911 and holding it to any new standard.

"Like the lean kine of Pharaoh's vision, the Sherman Act standard of legality as worked out in the Supreme Court decisions since 1911 has proved so dominating that it has swallowed up, or at any rate considerably masticated, whatever other standards of legality may have been hoped for in various new words that have been added to the body of antitrust legislation since 1890."

To the extent that this bill attempts to permit the approval of contracts which are now illegal under the antitrust laws, it is no more effectual than H. R. 5623 (Tinkham) previously discussed.

The American Bar Association bill provides that the approval of a contract by the commission shall be prima facie evidence of its legality. This merely affects the legal problem of who should have the burden of proving illegality but does not legalize the contract. The bill, in section 7, provides that under an approved contract no person may recover threefold damages, but only actual damages by him sustained, and costs of suit, thereby conceding that even an approved contract may be illegal under the antitrust laws.

This is absolutely a fatal defect, for unless the approved contract is declared legal for all purposes, there can be no advantage in applying for the approval. Unless the approved contract is declared fully legal, it can not be enforced even among the parties to it, and with an unenforceable contract, how can industry possibly expect to stabilize?

The only effect of this bill might be to grant immunity from criminal prosecution to any persons choosing to file an agreement. The commission could be swamped with contracts, making it utterly impossible for it to hold the necessary hearings and issue the cease and desist orders, and in the meantime the parties would be enjoying their immunity bath. Even after the issuance of the orders, appeals might drag for years, and it might then be contended that during the appeals the immunity still continued, on the ground that the orders were not "in force" pending the appeals.

This bill might save from criminal prosecution some of our antitrust law violators, but can not possibly help to stabilize industry.

THE WALSH (OF MASSACHUSETTS) BILL (S. 3256)

This bill involves a complete and thorough revision and modernization of the Federal Trade Commission act. It follows the section numbers of that act as they appear in the Code of Laws of the United States of America, the act being now part of chapter 3 of title 15 of the code.

The bill increases the membership of the Federal Trade Commission from five to nine, so as to enable it to handle the new duties imposed upon it, and the bill covers every phase of the modification proposals and comes within all four groups of the classification previously made in this discussion.

It gives broad and all-inclusive definitions to the terms "person" and "contract" as used in the bill and enlarges the definition of "unfair methods of competition," which, however, will be discussed under the Group 3 heading, this section being limited to its Group 1 provisions.

Its major provisions under this group are contained in its section 40. This provides that any person or persons who enter into or propose to enter into any contract with any other person or persons or group or groups of persons, to merge, consolidate, acquire stock ownership, fix prices, curtail production, apportion production, apportion sales, apportion territory, pool sales, pool profits, fix resale prices of patented, copyrighted, trade-marked or otherwise identified goods, or do any act or acts which are prohibited or which might be considered prohibited by the antitrust acts, may file with the Federal Trade Commission a petition with a copy of the contract and a schedule of the acts intended to be performed and a statement showing the reasons therefor.

It then provides for a hearing by the commission followed by approval of the contract if it is in the public interest and, without limiting the power of the commission, sets up as a standard of the public interest a fair and reasonable compensation to producers of average ability and efficiency and to labor, which does not result in a selling price of the goods or commodities in excess of a fair and reasonable price based on all fair and reasonable items of cost plus a fair and reasonable profit, but provides that the burden of proving that the contract is in the public interest shall be on the petitioner.

Herein lies its main advantage over the other general bills previously discussed. It does not attempt to evade or confuse the issue by stating that only such contracts shall be approved as do not constitute a restraint of trade, but with the courage of its convictions it enumerates various forms of contracts now prohibited and concludes with the broad phrase "or do any acts or acts which are prohibited or which might be considered prohibited by the antitrust acts."

This bill does not however grant any automatic immunity. Mere filing of the contract is of no avail. A hearing must be had on notice to the Attorney General (sec. 47 c), and the proposed

contract is of no effect until the approval is granted after the hearing. A definite, certain, and emphatic standard is set up for the measure of the public interest, but the burden of proof remains upon the contracting parties.

The public interest is further protected by permitting any person to intervene and appear in person or by counsel in any proceeding or at any hearing (sec. 47 (d)) and by assuring full publicity of all investigations, examinations, and hearings (sec. 47 (e)). Appeal to the courts from orders of the commission is permitted under section 48.

This bill does not leave the parties with an illegal contract on their hands, coupled with immunity from criminal prosecution; but, after protecting the public interest, it declares the approved contract to be valid and enforceable and exempt from all provisions of the antitrust acts as long as said approval remains in force and is not revoked or canceled. (Sec. 46 (c).)

Provisions are made for the revocation or cancellation of the approval if (1) the approved contract is used for the purpose of selling goods at prices in excess of a fair and reasonable price based on all fair and reasonable items of cost plus a fair and reasonable profit, or (2) the conditions operating to make the contract in the public interest no longer exist, or (3) new conditions make the contract no longer in the public interest, or (4) the petitioner or any party to the contract made material misstatements or misrepresentations in the petition or upon the hearings which materially influenced the opinion of the commission in granting the approval. (Sec. 46 (g).)

Upon revocation of the approval, the exemption from the antitrust acts ceases, but acts permitted by the approved contract done while the approval was in force shall not be construed as a violation of the antitrust acts, except that if the revocation is based on material misstatements or misrepresentations in the petition or on the hearing the approval shall not operate as an exemption. (Sec. 46 (h).)

Permission is granted to amend or modify a contract before disallowance of approval or before revocation of approval previously granted. (Sec. 46 (i).)

Under the above provisions the public interest is fully protected, and industry is permitted to cooperate in avoidance of destructive competition, provided the contracting parties are sincere and honest and are prepared to consider the public interest and to avoid extortionate practices.

The commission is not left with its present ineffectual remedy of a cease and desist order, requiring enforcement through a court proceeding, but may enforce its own orders by revocation. A direct penalty of $5,000 for each violation of an order of the commission is also imposed under section 53 (a) which is similar to the like provision of the Interstate Commerce Commission act.

The power of the commission to enforce its orders if further extended by providing that any person injured or damaged by any act done in violation of an approved contract may file a petition, whereupon, after notice and hearing, the commission may direct the payment of money damages or may direct such other action as it may deem proper.

The administrative and procedural features of the bill follow in general the present provisions of the Federal Trade Commission act but are strengthened where necessary.

The present power of the commission to conduct investigations at the request of Congress has been emasculated by the courts under the search and seizue amendment to the Constitution. This bill amplifies this power by providing that either House of Congress may direct the commission to make any investigation reasonably calculated to afford information useful and material in framing legislation, and in any such investigation the commission shall have the full powers of Congress, which are expressly delegated to it for the purposes of any investigation so directed. (Sec. 49, e.)

Other provisions of this bill will be discussed under Groups 2, 3, and 4.

Group 2. Resale price maintenance

The problem of permitting producers to fix the resale price of their goods has been debated for many years. Practically all foreign countries permit such action, but our courts hold that express contracts to this effect are prohibited under the antitrust laws. The refusal to permit resale price maintenance results in ruinous competition among retailers and has led to the imposition of discriminatory taxes on chain stores in several States.

The argument in favor of resale price maintenance was clearly stated by Justice Holmes in his dissenting opinion in the Doctor Miles case (Dr. Miles Medical Co. v. John D. Park & Sons Co., 220 U. S. 373), in which he said:

"I can not believe that in the long run the public will profit by this court permitting knaves to cut reasonable prices for some ulterior purpose of their own and thus impair, if not destroy, the production and sale of articles which it is assumed to be desirable that the public should be able to get."

Justice Brandeis, before he went on the bench, in his statement of January 9, 1915, before the House Committee on Interstate and Foreign Commerce, pointed out that when a retail price cutter makes a leader of an advertised article he ruins the trade in it; legitimate stores will thereupon cease to sell it because they can no longer do so at a profit, and the price cutter will then drop it because it has lost its advertising value, with the result that the manufacturer loses his good will and the public its supply of the article.

THE CAPPER-KELLY BILL (S. 97, H. R. 11)

This bill for the legalization of resale price maintenance has been pending in Congress about 20 years. In the Seventy-first Congress it was ordered out of committee and was adopted by the House after being amended beyond recognition. Its failure of enactment is undoubtedly due to the fact that it fails to protect the public against unreasonable prices.

The bill provides that no contract relating to the sale or resale of a commodity which bears (or the label or container of which bears) the trade-mark, brand, or name of the producer or owner of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed unlawful as against the public policy, or in restraint of commerce, or in violation of any statute, by reason of any agreement (1) that the vendee will not resell such commodity except at a stipulated price or (2) that the vendee will require any dealer to whom he may resell such commodity not to resell it except at the stipulated price, provided (3) the stipulated prices shall be uniform, differing only as to quantity, point of delivery, and manner of settlement.

Such contracts shall contain the implied condition that such commodities may be resold without reference to such stipulated price, (1) in closing out stock for the purpose of discontinuing dealing in such commodity, or (2) in disposing of damaged, deteriorated, or soiled goods with notice thereof, or (3) by a receiver, trustee, or other officer under order of court.

Before making such excepted sales, the goods must first be offered to the vendor, in writing, at cost, and the vendor after opportunity to inspect must refuse or neglect to accept the offer.

The contract may provide for disposal and/or seasonal sales at appropriate times without reference to the stipulated price, provided the goods are first offered to the vendor, in writing, at cost, and the vendor not less than 30 days before the proposed sale, after opportunity to inspect, refuses or neglects to accept the offer.

The practical problem of resale price maintenance is very complicated. The bill attempts to cover seasonal sales, closing-out sales, sales of damaged goods, and forced sales. Other conditions may arise which may properly require sales at less than the stipulated prices. The question of resale by cooperatives must be considered. Discounts for quantity purchased is one of the serious factors which enable large chain groups to undersell independent retailers, but such discounts seem to be directly permitted under this bill.

The bill attempts to dispose, in a few sentences, of a major economic problem and, therefore, fails for lack of flexibility. Resale price-maintenance contracts may vary in different industries, and the terms of the contracts can not be fixed by statute but should be fixed in each separate instance by an administrative commission acting under a law, worded in general terms.

The only standard for measuring the public interest under this bill is that the commodity must be in fair and open competition with commodities of the same general class produced by others. This is no protection to the public. Secret price-fixing agreements are only too common and can not always be proved. If resale price-maintenance agreements are to be permitted, the public must be protected against the maintenance of unreasonable or extortionate prices.

It is because of this defect that the House, in January, 1931, amended this bill by excepting from its provisions "such necessities of life as meat, meat products, flour, flour products, agricultural implements, tools of trade, canned fruits and vegetables, all clothing, shoes, and hats."

A further defect of this bill is that it would not affect an unscrupulous retailer who does not enter into the legalized agreement but secretly secures merchandise from unscrupulous jobbers. It might be difficult to examine the records of all authorized wholesalers and jobbers, and the nonassenting retailer could continue with his price-cutting tactics.

THE WALSH (OF MASSACHUSETTS) BILL (S. 3256)

This bill overcomes the objectionable features of the Capper-Kelly bill. It does not attempt to create a rigid form of resale contract for all industries and all classes of merchandise but includes in section 46a among contracts which may be approved by the Federal Trade Commission "any contract * * * to * * * fix resale prices of patented, copyrighted, trade-marked, or otherwise identified goods." This bill places the burden on the petitioner in each instance, to prove that his proposed contract is in the public interest according to the standards provided in the bill, and gives other persons the right to intervene and carries all the other protective features discussed under Group 1.

The contract may carry such resale exceptions as may be approved by the commission as a result of a hearing in each case. After the practice is developed and precedents are established, standard forms of contracts or clauses may come into general use, subject always to revocation by the commission in the light of new conditions or new experience.

Nonassenting retailers would not be free to indulge in price cutting, nor could excessive prices be charged by any lone dealer, because under section 44d (p. 9, lines 17–19) "all sales above or below * * * the resale price or prices fixed by a contract approved by the commission" are declared to be "unfair methods of competition" and "unfair trade practices," and as such are unlawful.

Group 3. Unfair methods of competition

The Sherman Act prohibits restraints of trade and monopolies. The Federal Trade Commission act is at present primarily



a procedural statute, and its only substantive feature is contained in section 5 (sec. 45, ch. 2, title 15, U. S. C.), which provides "That unfair methods of competition in commerce are hereby declared unlawful."

It was first thought that this language of section 5 stated a new proposition of law, but the courts have since construed the expression "unfair methods of competition" as applying only to those acts which are prohibited under the Sherman Act, and the attempts of the Federal Trade Commission to extend its meaning to new practices considered unfair by industry because of changing conditions have been frustrated.

This has led to numerous proposals to amend and amplify the statutory meaning of the words "unfair methods of competition."

H. R. 315 (HUDDLESTON)

This bill authorizes the Bureau of Standards to adopt and prescribe marks indicating the quality, durability, usefulness, size, strength, grade, quantity, composition, origin, date, and process of production, weight, and measure of all of the subjects of commerce, and to adopt regulations for the use of such marks thereon or therewith.

Placing in interstate commerce any subject of commerce without having complied with the regulations of the Bureau of Standards adopted under this bill is made unlawful, and it is also declared unlawful for any dealer to remove from any subject of commerce any mark placed thereon in compliance with this bill.

The purpose of this bill is good, but the division of jurisdiction is bad. If the Federal Trade Commission is to be charged with supervision over interstate commerce in goods, the carrying out of the provisions of this bill should be intrusted to it and not to the Bureau of Standards.

H. R. 473 (SINCLAIR)

This bill is identical with S. 5513 (Seventy-first Congress) introduced by Senator NYE. It defines several specific unfair trade practices. (It avoids the use of the expression "unfair methods of competition.") The Federal Trade Commission is empowered to receive complaints and hear testimony as to these practices, sitting as a court in equity, and to direct payment of threefold damages for violations.

The specific practices covered by the bill are (1) sale of any article of merchandise, the quality, weight, or food content of which is shown to be below the standard prescribed by the pure food and drug act, (2) sale below cost price, or without profit, as a trade incentive or inducement tending to injure a competitor or competitors, or by any other means which clearly vitiates the fair-trade practice rules approved by the Federal Trade Commission, (3) violation of any agreement approved by the Federal Trade Commission, arising from any trade-practice conference, (4) use of any material, either of domestic or foreign origin, to the injury of any individual or corporation engaged in the production and sale of commodity material of exclusively American origin, (5) injuring a producer of commodity material in the production of commodity material for domestic consumption, by individuals or corporations having a monopoly in and the unlawful power to fix prices of transportation or other facilities needed by said producer.

The fourth and fifth provisions are badly involved and the entire bill is confused and incomplete. This bill will be mentioned again under Group 4.

S. 4030 (COPELAND)

This bill provides that "unfair price competition" is declared to be an "unfair method of competition," and therefore unlawful.

"Unfair price competition" is then defined to mean any price representation or any price cutting or any other price action, whether direct or indirect, in the competitive sale or offer to sell or advertisement of any article of merchandise in commerce, which is effective or has a dangerous tendency either (a) to mislead or deceive or in any way to wrongfully impose upon or prejudice the purchasing public, or (b) to unduly undermine or lessen or prevent competition or in any way to wrongfully injure a competitor or competitors, or (c) to create a monopoly in any line of business or commerce.

The bill also states that "unfair price competition" does not mean a price reduction made in good faith for a legitimate merchandising reason or for a necessary or reasonable business purpose.

This bill aims at a very praiseworthy objective, but fails to reach it. Subdivision (b) and (c) of its definition will undoubtedly be construed by the courts to refer only to acts now prohibited by the antitrust laws.

THE NYE BILL (S. 2628—H. R. 7367)

This is one of the three Nye bills and seeks to amend the Federal Trade Commission act by adding a new paragraph at the end of section 5.

It defines the following specific "unfair methods of competition":

(a) Sale or offer to sell, as a trade incentive or for the purpose of injuring a competitor, any article at or below cost, such cost to be determined in accordance with the best accounting practice in the trade, or in accordance with any basis or method prescribed by the commission.

(b) Discrimination in price between different purchasers of commodities, not including discrimination in price on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.

(c) Violation of any rule adopted at a trade-practice conference by the industry of which the person violating the rule is a member: *Provided*, That such rule was subsequently approved or accepted by the Federal Trade Commission or by a court of record.

"A trade incentive" is defined to exclude a final closing out of a business, or other transaction made in good faith which in the judgment of the commission was justified by extraordinary temporary circumstances.

Subdivision (b) is practically identical in phraseology with section 2 of the Clayton Act and will not serve to modify the law as it now stands.

Subdivision (a) has merit but is not sufficiently defined to avoid the danger referred to in the remarks of Mr. Montague, previously quoted, to the effect that the Sherman Act standard of legality usually swallows up other attempted standards. The balance of the bill will be discussed under Group 4.

THE WALSH (OF MASSACHUSETTS) BILL (S. 3256)

This is the only bill which in its definition of "unfair methods of competition" sets up a new, definite, certain, and emphatic standard which the Sherman Act will be unable to swallow, masticate, or even bite.

This definition is contained in section 44d, which extends from line 13 on page 6 to line 10 on page 10, approximately four printed pages. It joins the term "unfair trade practices" to the term "unfair methods of competition," both of which are declared unlawful in section 45a.

The opening sentence of the definition is as follows:

"'Unfair methods of competition' and 'unfair trade practices' include all methods of competition heretofore recognized as or declared to be unfair under the antitrust acts or under the common law, and all other methods of competition or trade practices from time to time recognized as unfair under changing economic, business, or industrial conditions."

After enumerating many specific methods of competition and trade practices which are included as unfair, the definition concludes with the following saving clause:

"The enumeration herein of specific acts as unfair methods of competition and unfair trade practices shall not be held to limit or restrict the general meaning of said terms, and said terms shall be broadly and flexibly construed without limitation to the common-law interpretation of any specific acts enumerated herein, or of said terms, but to give full effect to the intent hereof."

Surely this definition fixes a definite, modern, and flexible standard of legality which can not be distorted by the common-law interpretation of the Sherman Act standard.

The specific prohibited acts are too numerous to quote. First comes discrimination in price, following the wording of section 2 of the Clayton Act, inserted so that the saving clause shall entitle it to a new interpretation. Then follow numerous specific acts which have been judicially interpreted as "unfair methods of competition" under the common law, and numerous other acts not so interpreted. Also "selling at or below gross cost, including selling expense, overhead, and other proper charges, except sales made in good faith to dispose of slow-moving or out-of-date goods." Numerous acts are included "which might tend to mislead or deceive competitors, the public, or the ultimate consumer." The language of the Webb Export Act is also included, as follows: "All acts which artificially or intentionally enhance or depress prices of goods or commodities within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States."

Finally, trade-practice conference rules are specifically included, in the following language:

"Also all specific methods of competition and specific trade practices which may from time to time be designated as unfair by the commission as a result of any rule, resolution, code of ethics, or statement of practices adopted at any conference that may be conducted by the commission with persons or groups of persons in any industry or any branch of any industry, or as a result of investigations conducted by the commission."

Group 4. Trade-practice conferences

Because of the difficulty of prosecuting each separate commission of an act constituting an "unfair method of competition," the Federal Trade Commission inaugurated group conferences of persons engaged in an industry for the purpose of adopting rules of practice. Because of the limitation of the judicial construction of the term "unfair methods of competition," the commission can not enforce all rules or codes of unfair practices adopted by industry but is compelled to classify the adopted rules into various groups. It is sufficient for this discussion to point out that some of these rules are fully enforceable in court as unfair methods of competition and others are voluntary unenforceable rules. The demand for legalization of trade-practice conferences is therefore based on a desire to make these unenforceable rules legal and enforceable.

The proper approach to this problem of legalization of trade-practice conferences is therefore by a statutory definition of "unfair methods of competition" so as to remove from this term its present limited common-law construction. This amplification of definition was considered under the preceding group and the proposals relating directly to trade-practice conferences will be here discussed.

H. R. 472 (SINCLAIR)

This bill empowers the Federal Trade Commission to receive complaints and hear testimony as to any alleged unfair trade

practices but does not directly authorize the holding of conferences in their present form.

Subdivisions (2) and (3), which are mentioned in the previous discussion of this bill under Group 3, mention fair trade-practice rules approved by the Federal Trade Commission, and agreements arising from any trade-practice conference authorized by the Federal Trade Commission, but these references are insufficient to enable the commission under this bill to enforce in court the trade-practice conference rules which are now unenforceable.

THE NYE BILL (S. 2628—H. R. 7367)

This Nye bill was discussed under Group 3 but must be again considered because of its reference to trade-practice conferences. In the previous reference to this bill it was pointed out that in its definition of "unfair methods of competition" clause (c) covers violation of any rule adopted at a trade-practice conference by the industry of which the violator is a member.

This bill further provides that any person who within one year from the date any trade practice becomes effective as to him may petition for revocation of the rule. If the commission finds the rule unduly oppressive, it shall revoke the same. Thereafter the commission shall issup its complaint against any who continue or revive such rule.

It is difficult to understand why application for revocation of a rule may not be made after the expiration of one year. It seems that the longer the period of time which elapses the more are conditions likely to change. Also, if a rule defining an unfair trade practice is revoked, just what does the bill mean by stating that thereafter the commission shall issue its complaint against any who continue or revive such rule?

This portion of the bill is very vague and indefinite and certainly can not help the commission to enforce rules which are not now legally enforceable.

THE NYE BILL (S. 2626—H. R. 7368)

This Nye bill is the one which has received the greatest publicity as the bill intended to legalize trade-practice conferences, and it should be carefully analyzed.

This bill amends the Federal Trade Commission act by adding a new section, to be known as section 5½.

It empowers the commission, either on its own motion or whenever requested by parties in interest in any trade or industry, to invite the members of such trade or industry to assemble for the consideration, adoption, and submission to the commission of agreements initiated and voluntarily entered into by the members of the trade or industry. Such assembly shall be known as trade-practice conference.

The bill then states that the agreements authorized thereunder shall be limited to such as provide for rules of business conduct covering:

(a) Abandonment of any unfair method of competition which at the time is alleged to be used;

(b) Prevention of any such method which in the future is likely to be used;

(c) Abandonment of any business practice which, in the judgment of the industry, would cause or have a tendency to cause the use of any unfair method of competition;

(d) Establishment of any business practice which will tend to keep the channels of commerce free from the use of unfair methods of competition, unreasonable restraints of trade, or monopoly in the particular trade or industry, or which would have a tendency to remove incentive from members to enter into unreasonable mergers therein; and

(e) Establishment or discontinuance of any business conduct or practice which would, in the judgment of the commission, tend to promote the public interest and the use of fair methods of competition.

So far the bill authorizes the assembly of a trade-practice conference and specifies the kind of agreements it may adopt.

The authorization of the assembly of the trade-practice conference is in itself no great accomplishment, for the commission has had no trouble in assembling the conferences. Its trouble has been its inability to enforce conference rules which are outside the present legal meaning of the term "unfair methods of competition."

The agreements which this bill authorizes the conference to adopt are all for the abandonment or prevention of "unfair methods of competition" or "unreasonable restraints of trade" or "monopoly." This does not extend the scope or power of the conferences or the commission. It merely legalizes the adoption of rules which are already enforceable and which are now grouped as such by the commission. It has accomplished nothing toward the legalization of rules which industry wants to adopt and the commission wants to approve, but which judicial interpretation does not recognize as "unfair methods of competition."

The use in clause (e) of the words "tend to promote the public interest" will not serve to change the judicial construction, as no guide or standard of the public interest is created in the bill.

The use in this clause of the word "establishment" with the phrase "of any business conduct * * * which tends to promote the public interest and the use of fair methods of competition" will probably be ineffectual as being merely an authorization of acts now considered legal. If, however, this language should be construed by the courts as granting new powers, it would be fraught with danger as a possible legalization of cooperative agreements, without proper provision for the protection of the public.

The following sentence defining the duration of the agreements is of no consequence.

The next paragraph authorizes the commission to approve trade-practice-conference agreements if their uniform observance will not unreasonably restrain trade or tend to create a monopoly. This paragraph, with its use of the words "unreasonably restrain trade or tend to create a monopoly," directly (to paraphrase the words of Mr. MONTAGUE) delivers the bill into the jaws of the Sherman Act to be masticated, swallowed, and devoured. This paragraph makes the bill entirely ineffectual to legalize the conference rules, which are now unenforceable.

The next paragraph provides that upon disapproval by the commission of an agreement, because its uniform observance unreasonably restrains trade or tends to create a monopoly, the members of the industry may file with the commission "an undertaking in writing * * * in evidence of the intention on the part of the signatories thereto to enter into, perform, and carry out such agreement." Upon receipt of such undertaking the commission shall issue a complaint and proceed under section 5 of the Federal Trade Commission act. This involves the lengthy proceeding of a hearing, an order to cease and desist, and an application to court for its enforcement, during all of which time the members of the industry may continue to commit acts in restraint of trade or which tend to create a monopoly under cover of an "undertaking" the form and condition of which are not defined in the bill. Wherein is the public interest protected under this procedure?

The most vicious feature is the final paragraph, which provides that all provisions of existing law inconsistent with or repugnant to the provisions of the bill or which prevent the provisions of the bill from becoming fully effective are suspended and repealed to the extent that they are inconsistent with or repugnant to or limit the effectiveness of the provisions of the bill.

The bill may be ineffectual as a modification of the antitrust laws, and those laws may therefore not be inconsistent with the provisions of this bill, but this certainly looks like an attempt to repeal the antitrust laws.

THE WALSH (OF MASSACHUSETTS) BILL (S. 3256)

This bill makes an entirely different approach to the solution of the problem of legalization of trade-practice conferences. It realizes that there is no difficulty in assembling the conference but that the trouble lies in the fact that many of the present conference rules are unenforceable under the present legal construction of the term "unfair methods of competition." It therefore amplifies and modernizes this definition as previously explained under Group 3. Including in this definition most if not all of the practices embodied in the various conference rules and "also all specific methods of competition and specific trade practices which may from time to time be designated as unfair by the commission as a result of any rule, resolution, code of ethics, or statement of practices adopted at any conference that may be conducted by the commission with persons or groups of persons in any industry or any branch of any industry."

For the purpose of convening the conference this bill in section 49a empowers the commission—

"To conduct and preside at trade-practice conferences with persons or groups of persons in any industry or any branch of any industry in order to determine what specific methods of competition or what specific trade practices are unfair, and to adopt rules for the conduct of such trade-practice conferences."

This bill fully legalizes trade-practice conferences for the purpose of determining "unfair methods of competition" and "unfair trade practices" and makes possible the legal enforcement of all conference rules.

No permission is necessary for the performance of lawful acts, and the conference should only have the right to determine what acts are to be considered unfair in its industry. The conference should not have the right to declare as fair or lawful any act of doubtful legality. Any industry desiring the approval of the performance of any acts of doubtful legality should file a petition under section 46 of this bill for the approval of such act as a cooperative agreement.

CONCLUSION

Of the various bills now pending in the Seventy-second Congress seeking a modification of the antitrust laws, only the Lewis bill (H. R. 9924) and the Walsh (of Massachusetts) bill (S. 3256) can be approved and recommended. The Lewis bill should greatly benefit the coal industry by declaring it a public utility and providing for its regulation, and the Walsh bill will greatly benefit industry in general by enabling it to avoid ruinous and cut-throat competition, and both bills will serve to protect the public interest.

These bills may not be absolutely perfect, but they will probably not require more than a minimum of amendment for enactment as true stabilization measures.

RESTORATION OF TRADE RELATIONS WITH RUSSIA

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial from the Washington News of the 4th instant entitled "Trade Worth Billions."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRADE WORTH BILLIONS

While America looks for a way out of depression and Secretary of State Stimson departs for the Geneva disarmament conference, one simple road to trade revival and peace remains neglected. More than any other single act, a restoration of friendly trade rela-

tions with Russia would improve business and quiet threats of world war.

It is doubtful if there is anything else the United States can do at the moment which will materially check the war forces in the Far East or prevent the eventual spread of those forces to Europe. Unfriendly Russo-American relations are a virtual invitation to Japan to continue her aggression into Siberia.

The dollar-and-cents argument for better relations with Russia is unanswerable.

One reason for our depression is the loss of foreign trade. As President Hoover and others demonstrated, exports absorbed the 10 per cent of our production which was the margin between prosperity and depression, between profit and no profit. That surplus, no longer sold abroad, now smothers us. Since 1929 our foreign trade has been cut almost in half.

That diagnosis of part of our economic sickness is clearer and easier than to find a remedy. Those who advise us to turn back and concentrate on the domestic market admit that this has not availed during the last two years. They admit further that there is a slight possibility of the domestic market in the near future requiring the full output of our factories and labor power.

And those who hope for a revival of general foreign trade admit that it is not in sight. As foreign nations raise higher tariffs and trade barriers in retaliation against the American tariff wall, and as our foreign debtors default upon their bonds, the prospects for a general increase in American exports grow less favorable.

Russia is an exception—the only important exception.

Russia needs and wants the goods our closed factories and unemployed labor could produce.

Russia pays her bills. Russia is the only European nation in the postwar period with a 100 per cent record in meeting her trade obligations. Russia in 10 years of dealing with hundreds of American corporations and buying hundreds of millions of dollars worth of American products has never defaulted on 1 cent.

Russia is the only important American market in which the trade balance is overwhelmingly in our favor—she has been spending $5 in this country to every $1 we spend in Russia.

Russian trade is not only safe, sure, and profitable, it also is almost completely noncompetitive with American products. Except for a very small coal trade and other minor items, the things we buy from Russia in the favorable 5-to-1 exchange are materials not produced in America.

With that rich Russian market waiting for us, an intelligent America might be expected to take advantage of it—or at least a depression-ridden America might be expected to grasp those offered orders for business.

Instead, we are killing our Russian business. Two years ago Russia was our seventh best customer. During January and February, 1930, Russia placed $24,000,000 worth of business here, compared with a little more than one million in the same period this year. That business has gone to Germany and England—while our factories are idle.

American business men who want orders and American workers who want jobs should ask their Government to send a delegation to Russia to make a billion-dollar trade agreement.

REPORT OF TARIFF COMMISSION ON PINEAPPLES

Mr. WALSH of Montana. Mr. President, I ask unanimous consent that there may be incorporated in the RECORD a review made by H. E. Miles, chairman of the Fair Tariff League, on the report of the Tariff Commission on the subject of pineapples, and I ask the attention of the two Senators from Florida to the review.

There being no objection, the article was ordered printed in the RECORD, as follows:

CRIME, PINEAPPLES, AND THE TARIFF COMMISSION

By H. E. Miles, chairman Fair Tariff League

(Purpose of the league: A just tariff adequately but not excessively protecting American industry and labor, lowering the cost of living, considerate of our changed position in world affairs.)

The report of the Tariff Commission on pineapples is just from the press.

In its statement of "findings and conclusions" to the President the commission presents only one table of cost comparisons, giving the difference in costs of Florida and Cuban pineapples delivered in New York City and Chicago.

The table is false because no Florida pineapples are shipped to either place. None in the last four years excepting eight carloads to New York in 1928 and six carloads to Chicago in 1929.

Imports can not compete with the Florida product except in Florida, where its entire product is consumed, or "just vanishes," as an informed expert says, sold by the roadside and in not-distant villages and cities, as apples were sold 50 years ago before the industry was standardized in production and marketing, and each producer delivered his small stock for consumption near by.

Out of 6,000,000 American farmers, and 59,000 in Florida, only 11 farmers, and those in Florida, grew pineapples last year, and on 86 acres. They produced less than 5,000 crates, worth $10,000. Their fields are neglected. In good practice, as in Cuba, fields are replanted by the third year. In Florida 29 per cent of the plantings are 11 years old, 52 per cent are from 8 to 11 years old, and only 15 per cent are 4 years or less. The fields are just too good to plow up and 59,000 Florida farmers are too wise to plant pineapples. Cuba's production is about 40 per cent per acre greater than Florida's, per the commission's report.

The industry was considered prosperous when there was no foreign competition of consequence and Cuba and Porto Rico were starving untaught, neglected, and wretched folk in jungles under Spanish misrule.

Nor are pineapples an infant industry. They have been grown in Florida for 72 years, since 1860, and the 11 farmers and 86 acres are all that are left of it. There were 13 farmers and 88.5 acres in 1930 when Congress increased the tariff 42 per cent to keep them going, but two of them knew better and quit.

The value of the crop in 1930 was $15,000, and in 1931, $10,000. If the growers got full benefit of the tariff, then 13 farmers in 1930 got a tariff bonus of $2,996, or $230 each; and in 1931, 11 farmers got a tariff bonus of $1,980, or $180 each.

In order that they might get this instead of raising other Florida crops of which the Nation never gets enough, the public was taxed at the customhouses about $563,000 in 1930, with $448,000 of this sum paid on imports that were consumed before June when the Florida crop ripened.

As pineapples, landed in New York, duty paid, were worth 8 cents each and retailed at 30 to 60 cents, with the prices varying greatly according to the market, it is reasonable to suppose that the duty was trebled in retail prices and cost consumers $1,500,000. It certainly cost much more than one million per year. This to keep 11 farmers from plowing up 86 acres that could be as well used otherwise, as 59,000 other farmers in Florida knew.

All these facts were given the commissioners by their able agricultural division and are discoverable, not in the letter to the President but in dry statistical tables, largely disassociated and serviceable only upon diligent analysis and rearrangement, confirmed and assured by the help of experts.

Why didn't the commission tell the President the truth directly and clearly? In the recent debate in the Senate on the tariff Commission, Senator SMOOT and others emphasized that it is mandatory upon the commission to disclose every important fact.

The commission did tell the President that the two years, 1930 and 1931, upon which its costs of production were figured, suffered from a frost in March, 1930, and cold weather during the growing season in 1931, and that these years were "not normal." In the summary, however, the commission said, "No data are available showing a normal year." In fact it is the good year, if any, that is abnormal. As the commission told the President, since 1910, 22 years ago, there have been crop shortages, loss of vigor, decreasing yields, heavy freezes and abandonment of acreage. Also, "the chief cause of the decline of the pineapple industry in Florida is red wilt, a fungus disease traceable to the soil, causing the roots to rot."

Consequently, the 1909 acreage of 3,527 was reduced to 229 acres in 1919, 125 acres in 1929, and 86 acres in 1931, after the tariff grabbers had hoped to better conditions by increasing the tariff 42 per cent the year before.

The commission knew all this and more, as hereafter disclosed.

It dodged the issue and tried to dodge all responsibility by stating its position, in three lines only, as follows: "After consideration of the facts (only a few of which were given the President in their statement to him) obtained in this investigation the commission does not specify an increase or a decrease in the duties on fresh pineapples." To the writer, this is evasive, cowardly, and disingeneous. The commission was like a bad boy, faced with a difficult question, and replying, "I won't answer."

The commission did answer, however. In refusing to raise or to lower the tariff rate, it definitely stood for the existing rate. It stood for tariff benefits to 11 or 13 Florida farmers of from $2,000 to $3,000 in the years considered by the commission, and at a cost of a possible $1,500,000 to the public. It gave the President no chance to act, and little or no chance to understand.

COSTS OF PRODUCTION

The commission's summary of information shows that even in Florida's worst years it costs less "to grow, harvest, and pack pineapples" (including packing material) in Florida than in Cuba, and that the tariff is justified only by presumably necessary but unreasonable allowances in Florida's costs of 82 cents per crate for fertilizer against 9 cents in Cuba, which needs no fertilizer except to make the fruit large. Also 24 cents per crate for depreciation of Florida's run-down acreage, with no depreciation allowed Cuba; 10 cents per crate as interest on investment, against 1 cent to Cuba, and 6 cents to Florida for other costs not named, with no like allowance to Cuba. Florida is given $1.22 for fertilizer and general charges in the production of a crate worth $2, with Cuba given only 16 cents. Evidently Florida's few acres are just too good to plow up, in the judgment of the 11 farmers.

What shall we think of the men who put this tariff through Congress?

In a sense, pineapples are trifling; but it is not a trifle to find that a commission, vested particularly with the public interest, hasn't stamina enough to face a trifle. It seeks to save its skin by putting the facts in an accompanying general summary, decipherable only upon greater labor than a hired servant, the commission, can, in decency, require or expect.

We have done our utmost to ruin Cuba by unwise tariff exactions. She has retaliated again and again purely for self-defense. She can not admit imports from us that she can not pay for. She produces approximately 700,000 crates on nearly 6,000 acres. She sends to New York and Chicago 1,200 to 1,700 carloads annually. Why not surprise her with a friendly gesture; make the

pineapple duty only nominal; double her production; break down our retailers' price monopoly by means of an abundant supply; and let millions of us eat pineapple? Let Cuba prosper in one industry at least.

WHEN IS A CRIME?

A few months ago Lord Kylsant, one of Britain's greatest, richest, most powerful, and kindly disposed leaders, was the head of the world's greatest shipping fleet, the White Star Line. To-day he is a common felon in an English prison. Why? He falsified a public document. Did he? He said nothing. He wrote nothing. He allowed the officials of the subsidiary Red Star Line to make a statement every word of which was true. But it omitted a fact that permitted or induced the British public to misunderstand. The statement said that Red Star dividends had been paid regularly in recent years. The crime was in omitting the fact that the dividends were not earned in these bad years but were paid out of big earnings during the war.

Said the judge in passing sentence, the statement "was false in material particulars if it conveyed a false impression."

The essence of the judge's statement is, "Half a truth is no better than a downright falsehood."

The way is short in Great Britain between half truths and prison.

Lord Kylsant's lawyers begged that his public services and his 69 years might mitigate the sentence. Said the judge coldly, "We have considered this matter already. We are quite unable to accede to the application."

Crime is not "mitigated" in Great Britain. Hence Britain tops the world in respect and confidence. Her people have been made to tell the truth always, and the whole truth. No omissions, no evasions. This has become a habit. And it pays.

On the contrary, at this writing friends of the Tariff Commission have spent part of two weeks of the Senate's time in extolling the character, power, and findings of the Tariff Commission.

Senator COSTIGAN, once a commissioner and fully informed upon its evil procedure for 10 years, closed the debate with the statement that no good can come respecting the tariff until the commission is thoroughly reorganized. An hour later H. R. 6662 was approved, to go to the President for his action. It goes part way and, fortunately, toward betterment, but by no means far enough.

CONSIDERATION OF CALENDAR UNDER RULE VIII

The VICE PRESIDENT. Morning business is closed.

Mr. McNARY. I ask unanimous consent that the Senate proceed to the consideration of the calendar of unobjected bills under Rule VIII.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will report the first bill on the calendar.

LEASE OF POST-OFFICE GARAGE AT BOSTON, MASS.

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office garage in Boston, Mass., and to readjust the terms thereof, was announced as first in order.

Mr. BLAINE. Mr. President, I should like to ask the Senator from New Hampshire [Mr. MOSES], the author of Senate bill 88, if he would be willing to have the bill recommitted to the committee for the reason which I will now briefly state. The select committee investigating post-office leases has had an appraisal in great detail made of this property, and I think the Committee on Post Offices and Post Roads ought to have the benefit of that detailed appraisal. I could give it here on the Senate floor, but I am rather of the impression that if the committee had that information they might want to make an entirely different report on this bill.

Mr. MOSES. Mr. President, the Senator will recall that he and I have discussed this matter several times, and each time the Senator has told me that the select committee was presently to make a report covering not only this piece of property but many other post-office leases, and because that report was pending I have been entirely willing that this bill should go over from time to time. I would hesitate to have the bill lose its preferential position on the calendar, in spite of the evidence which the Senator thinks should be presented to the committee, because ultimately that will have to be discussed in the Senate anyway. Under these circumstances, Mr. President, I shall make no effort to have the bill considered, and I am willing to have it go over constantly until the committee is ready to report. In other words, feeling that there are many other items in the report of the select committee other than this one, it is my opinion that we had better take the whole thing rather than recommit a single bill. In that way the purpose which the Senator from Wisconsin seeks to effect will be achieved.

Mr. BLAINE. I thought it might be helpful in the consideration of this bill if the committee had that evidence before it. I am not asking that the bill be recommitted, however, unless the Senator from New Hampshire consents.

Mr. MOSES. We will ultimately get the report of the select committee, anyway.

Mr. BLAINE. I have no objection to having the bill go over until the select committee shall make its report.

The VICE PRESIDENT. The bill will be passed over.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

ECONOMY IN GOVERNMENTAL EXPENDITURES (S. DOC. NO. 76)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read the message, as follows:

To the Senate and House of Representatives:

I have in various messages to the Congress over the past three years referred to the necessity of organized effort to effect far-reaching reduction of governmental expenditures.

To balance the Budget for the year beginning July 1 next the revenue bill passed by the House of Representatives on April 1 necessitates that there shall be a further reduction of expenditures for the next year of about $200,000,000 in addition to the reduction of $369,000,000 in expenditures already made in the Budget recommendations which I transmitted to the Congress on December 9.

It is essential in the interest of the taxpayer and the country that it should be done. It is my belief that still more drastic economy than this additional $200,000,000 can be accomplished. Such a sum can only be obtained, however, by a definite national legislative program of economy which will authorize the consolidation of governmental bureaus and independent establishments; and beyond this, which will permit the removal of long-established methods which lead to waste; the elimination of the less-necessary functions and the suspension of activities and commitments of the Government not essential to the public interest in these times.

These objects can not be accomplished without far-reaching amendment to the laws. The Executive is bound to recommend appropriations adequate to provide for the functions and activities of the Government as now established by law. This is mandatory and the opportunity for administrative savings is limited. The Appropriations Committees are likewise bound and can only act within restricted limits. Therefore, to lessen the burden upon the taxpayers in a substantial amount, it is necessary to enter upon other fields by amending existing laws which place unnecessary obligations on the departments and independent establishments. We need repeal of existing laws which require carrying on of functions not absolutely essential for the present. This means that we should undertake a definite, separate, and coordinated program of economy legislation which will enable the Executive and the Appropriations Committees to achieve the results desired.

A clear indication that the limit of executive authority to bring about economies has about been reached is shown by the fact that the total expenditures estimated in the Budget of $4,112,000,000 (including Post Office deficit after deduction of receipts) presented to the Congress, except for increased payments to veterans and expenditure on construction work in aid of employment, was the lowest in over five years. A further indication of the existing limitations is shown by the fact that of the whole Budget the appropriation bills passed by the House of Representatives, together with those recommended by the House Appropriations Committee and the permanent appropriations, already cover about 75 per cent of the Budget and do not yet include the Army and Navy. Yet the positive reductions, including the urgency deficiency bill, so far made by the House and by its committees on information supplied to me by the Director

of the Budget are less than $35,000,000. It is true that the committee has reported reductions of a total of about $113,000,000, but of this about $78,000,000 are effectively postponements until the next December session of the Congress, and must then be provided for in deficiency bills.

I say this in no wise in criticism of the action of the Congress or of its committees but as a demonstration of the fact that the latitude necessary for real reduction of expenses can only be secured by a thoroughgoing renovation of the law to bring about a real national economy program.

The Appropriations Committees of both the Senate and the House have given earnest consideration to these questions. Also a special Economy Committee and the Committee on Expenditures in the Executive Departments of the House have been engaged upon these problems. Many suggestions of opportunities for further material reduction in governmental expenditure have been made to these committees by the executive officers of the Government, but the major portion thereof require legislative action and authorization.

It appears to me that with four different agencies of the Congress at work on the problem, operating independently with the different departments, the time which has already elapsed and the short time available to us before the beginning of the new fiscal year all point to the absolute necessity of better-organized unity of effort in all the branches of the Government primarily concerned with the problem.

Therefore, I recommend to the Congress that in order to secure this unity of effort and prompt action, and thus insure the relief of the taxpayer and a balanced Budget, at the same time protecting vital service of the Government, that representatives be delegated by the two Houses, who, together with representatives of the Executive, should be authorized to frame for action by the present Congress a complete national program of economy and to recommend the legislation necessary to make it possible and effective. Such a course would expedite rather than delay the passage of appropriation bills.

I am convinced that only by such unified, nonpartisan effort, and by a willingness on the part of all to share the difficulties and problems of this essential task, can we attain the success so manifestly necessary in public interest.

HERBERT HOOVER.

THE WHITE HOUSE, *April 4, 1932.*

Mr. ROBINSON of Arkansas. Mr. President, this is an exceptional suggestion by the Executive authority. The preparation and submission of the Budget belongs to that branch of the Government, as likewise suggestions pertaining to the raising of revenues necessary to meet the burdens of the Budget. On other occasions I have pointed out to the Senate, and other Senators have done so, the errors subsequently admitted by the Executive in the estimates. Only recently it was admitted that there is a discrepancy in the estimates accompanying the Budget of approximately one-half billion dollars. Now the President suggests that legislation is necessary in order to effectuate essential further reductions.

The message points out that certain diminutions in appropriations carried in the Budget have been made by the Appropriations Committee of the House, and we all recall that this body, with respect to two of the general appropriation bills, has adopted motions looking to still further reductions in the amount of 10 per cent of the aggregate carried in the general appropriation bills referred to.

I think the President, when it was discovered that the Budget was erroneous, that the estimates upon which it was based were at variance to the amount of $500,000,000 or thereabouts, should have withdrawn that Budget and submitted a revised Budget, with revised estimates.

This proposition is to convert the Congress into a budget-making establishment. It is to shift from the Executive the responsibility that fairly falls there. Instead of recommending legislation designed to accomplish the reductions which the President says are necessary, he asks the creation of a mixed commission, composed of representatives of the two Houses and of executives, to perform the duties that are his.

It may be necessary to create a commission; but ordinarily a commission is a mere way of postponing decisive and effective action. During this administration we have seen numerous commissions created by Executive authority and some by legislative authority. Results usually are slow and unsatisfactory.

Why does not the Executive now suggest how reductions may be made? Why does he not withdraw and revise the estimates that have been submitted? Why does he shirk the responsibility that is upon him?

Every day or two we hear proposals for cutting down the high cost of government, for affording a measure of relief from the depressing burdens of taxation that are necessary to meet that cost. Can it be possible that the Executive is merely wishing to transfer from his own shoulders the weight of the burden of submitting a Budget supported by approximately reliable estimates and recommendations?

The duty is fairly upon the Executive. It is not met by the creation of a mere mixed commission. It is not discharged by transferring the obligation from the Executive to the legislative department, as this message recommends.

Speaking for myself, and I believe for many other Senators, particularly some on this side of the Chamber, we are ready and anxious to adopt well-considered measures. We are ready to advance them; and in the absence of legislation abolishing instrumentalities of the Government which are in the nature of surplus arrangements, we have said already that these great departments, instead of piling up additional costs, ought to be required to operate at reduced figures. We have fixed an arbitrary but a definite amount. We have said that these departments whose appropriation bills have already been referred to should operate for 10 per cent less than the aggregate amount carried in the appropriations.

It may be necessary, if the Executive refuses to discharge the responsibility of making a Budget and supporting it by an adequate tax plan, for Congress to take it over. The House had reduced these appropriations many million dollars below the Budget; and the 10 per cent that the Senate advocated as a still further reduction was that much below the sums carried in the bills as they passed the House.

In all probability, if a commission is created, its work will be carried over until the end of the present session. No immediate results will be obtained. The thing to do now is to cut these appropriations to the bone and then, if the Treasury Department or other branches of the executive can and will give the Congress approximately accurate estimates as to what may be required, meet the responsibility by such additional taxes as are found necessary.

There has been a good deal of talk in both Houses of Congress about salary reductions, and every time that subject is mentioned we hear an outcry coming from limit to limit of the country that there is something wrong with the proposal which would meet in any degree the difficulties in our fiscal arrangement by well-considered diminutions in the compensation which Government agents, including Members of Congress, receive. It is my candid judgment that if the Congress to-morrow had the courage to pass a measure reducing the salaries of Government employees, including those of Members of Congress, making the reductions on a fair basis, the moral effect of the action would be immeasurable, notwithstanding the fact that the greatest and most powerful lobby that has ever existed in this country is operating to try to prevent such legislation.

Commodity prices now are one-half or one-third what they were three to five years ago. As a temporary arrangement, at least, and as a measure giving some moral encouragement to those who must pay the heavy additional taxes which this Congress is going to propose, we ought to carry along with the taxation a sound and well-considered measure of reduction in salaries.

I am not speaking for any political organization; I am speaking my personal conscientious convictions. A dollar now will purchase twice what it would purchase only a few years

ago, and all who are secure in their positions are fully justified in voluntarily yielding a part of the compensation which they receive as a tribute to the general costs of the Government.

Mr. VANDENBERG. Mr. President, I have discussed many times the subject matter covered by the President's message to-day, and the Senate is familiar with my views. I am in cordial sympathy with the resolution long since submitted by the able junior Senator from Georgia [Mr. GEORGE] to clothe the Executive with authority and power to proceed in the direction which he charts in this message, and I have twice sought, without success, to get the Senate's consent to create this Executive authority. That is history.

I am in almost complete sympathy with the present observations of the able senior Senator from Arkansas [Mr. ROBINSON] in respect to the abstract question of economy. But I think he is unfair in one instance. He undertakes to say that the President in his message this morning is seeking to shirk responsibility—I think I have quoted his phrase—to shirk responsibility in connection with this reorganization problem.

I very frankly say to the Senator that I wish the President's message had included a bill of particulars, so that we might know in some detail precisely the type of reorganization which he has in mind. But I think the record stands clear that heretofore he has repeatedly asked us to give him authority to proceed upon his own responsibility to do the thing which the Senator from Arkansas says he is now undertaking to shirk.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. The Senator well knows that I favored consolidation of bureaus, and the authority necessary to enable the President to accomplish that end. The Senator also knows that I myself offered a resolution some time ago authorizing a joint commission of the two Houses to inquire into what bureaus, boards, commissions, and offices might be abolished in the interest of economy.

I agree with the Senator from Michigan; he declared just a moment ago that he has great regret that the President's message was not accompanied by a bill of particulars suggesting what changes might be made in order to accomplish this end.

I am indifferent as to the Senator's characterization of my own conclusion in that particular, since it is in no material point different from his own. I said, and I repeat, that the making of a Budget is an Executive function, and that in this message the President had not made specific recommendations, that he had not met the responsibility that is upon the Executive.

Mr. VANDENBERG. Mr. President, continuing my observations, I say, and I repeat, that I think the President has not heretofore sought to shirk his responsibility; on the contrary, if there has been any appropriate criticism of the request he has submitted to the Congress, it is that he has sought to take too much responsibility, without indicating how he intends to use it. Certainly he has not shirked.

I quote, for instance, from the President's message to the Congress on February 17, 1932, in which he asked, among other things, for the following:

(c) Authority under proper safeguards to be lodged in the President to effect these transfers and consolidations and authority to redistribute executive groups in the 10 executive departments of the Government or in the independent establishments, as the President may determine by Executive order—

By Executive order. This does not sound like shirking—

such Executive order to lie before the Congress for 60 days during sessions thereof before becoming effective, but becoming effective at the end of such period unless the Congress shall request suspension of action.

I quote a press statement which the President released on February 24, and which I happen to have in my papers in connection with the argument I previously made to the Senate in behalf of the exercise of Executive authority in reaching these economies. It was an argument, I regret to say, to which a majority of the Senate turned deaf ears. I quote the President:

My suggestion for the past five years has been that the responsibility should be lodged with the Executive—

That is not a shirking of responsibility—

that the responsibility should be lodged with the Executive with the right of Congress to review the actions taken. I, of course, continue to entertain that belief, because of the failures of the past, and I believe results would be most expeditiously and efficiently accomplished if responsibility is lodged with some one to do it.

Mr. President, whether or not there could be any advantageous results from a mixed commission of this character may be questionable. I am very sure there is no doubt whatever about the lack of results to be attained from a mere effort by Congress upon its own authority to undertake to reach such an objective, because we have the shining example before us of the tremendously complete program of reorganization which was submitted in 1924 by a joint Congressional committee, a program which is dead as Cæsar and which has never had favorable consideration in Congress since it was submitted.

Mr. FESS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. FESS. What the Senator has just now said is a rather strong contention to the effect that a joint commission might not have immediate or good results. The thought I have—and it has been a conviction with me for years—is that there naturally have grown up not only duplications which might be remedied by executive authority without additional legislative authority, but I am convinced that there are many changes which all of the Members of the Senate and of the House, including also the Executive, would like to see made, which would require legislative authority. My thought is that if a program could be recommended by a commission represented on the floors of the two Houses, its recommendations could more easily be put through if there were a spokesman of the commission on the floors when the matter was being discussed.

We are unfortunate, I will say to the Senator, in the precedent set in the case of the very complete report which was made as a result of two or three years of investigation, which report seems to have dropped out of existence. That is not a good precedent for us. But I am convinced that it is necessary that authority should be given by Congress for the doing of certain things which the President could not do without the authority being specifically granted.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BORAH. If the Senator from Ohio and others who are asking for authority would be more definite and specific as to what the authority is to be and what the one authorized to act is to do, I think Congress could act with more effect.

Mr. FESS. Mr. President, will the Senator from Michigan yield to me?

Mr. VANDENBERG. I yield.

Mr. BORAH. Just a moment. The President says in the message:

To lessen the burden upon the taxpayers in a substantial amount it is necessary to enter upon other fields by amending existing laws which place unnecessary obligations on the departments and independent establishments.

The President evidently has in mind some laws which he thinks ought to be amended; he evidently has some legislation in mind which ought to be enacted. If Congress could have a statement as to which laws he thinks ought to be amended, the specific laws he thinks ought to be passed, I am sure it would be helpful. General statements do not help to secure action or cooperation. I am ready to help in the repeal of any law or the enactment of any measure if I can know what they are and that they are in the interest of economy. But I can not vote for a generalization and I will not vote to delegate legislative power.

Mr. FESS. Mr. President, will the Senator from Michigan yield to me now?

Mr. VANDENBERG. Yes; but I would like to proceed in my own time.

Mr. FESS. I will not intrude on the Senator.

Mr. VANDENBERG. I intend to occupy the floor for but a moment, but I would like to complete that which I rose to present in response to the comments submitted by the senior Senator from Arkansas [Mr. ROBINSON].

Mr. McKELLAR. Mr. President, before the Senator proceeds, will he yield for just a question?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. Does the Senator conceive that any such program as the President outlines here would help in the present situation? It would be impossible to do what he suggests and have it apply to the appropriations for 1933. Is not that so?

Mr. VANDENBERG. Mr. President, I am very fearful that the reorganization which ought to occur immediately can not be accomplished under a program of this nature because of the lack of time, although I must be frank in saying that in a discussion with one of my colleagues upon the floor during the past week I did canvass the suggestion that a joint representation of the executive and the legislature might be given the plenary power to proceed to do the thing itself without coming back to Congress in the present emergency. On such a basis it might get results. It is results which the country demands and needs.

In the present emergency, Mr. President, it seems to me we find ourselves in this position, first, that there must be an elimination of needless public service, there must be an elimination of duplication and waste, there must be effective and actual public economies in the running expenses of the Government. Second, those things can not be obtained by congressional impulse.

It has been demonstrated time and time again that such results can not come from congressional inspiration. It is impossible for 531 minds to meet upon such a controversial subject. I repeat that the best possible example of it is the thoroughly splendid and complete recommendation which was made in 1924 by a joint commission upon which the senior Senator from Utah [Mr. SMOOT] and the senior Senator from Mississippi [Mr. HARRISON] were both members, with a complete chart of reorganization which I have in my hand, as complete and conclusive a survey as any joint commission or any other commission could ever make in respect to the functions of the Government—a chart and a program, Mr. President, the eighth anniversary of whose funeral we are shortly to celebrate.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to his colleague?

Mr. VANDENBERG. Certainly.

Mr. COUZENS. May I ask my colleague if any bills were introduced to carry out that reorganization plan?

Mr. VANDENBERG. I am unable to answer the question. I was not here at the time. It is my understanding that the legislation was introduced.

Mr. SMOOT rose.

Mr. VANDENBERG. I yield to the Senator from Utah to answer the question.

Mr. SMOOT. Mr. President, I did introduce a bill to carry the program into effect, but it failed of passage.

Mr. COUZENS. One bill?

Mr. SMOOT. One bill, because it was late in the session. The one bill covered every change recommended in the program submitted by the commission.

Mr. COUZENS. To what committee was the bill referred?

Mr. JOHNSON. Finance?

Mr. SMOOT. No; it was not the Finance Committee.

Mr. COUZENS. I would like to find out to which committee it was referred and which committee held it up.

Mr. SMOOT. I think it was referred to a special committee, but I am not sure about it.

Mr. COUZENS. And yet since 1924 no bill has been introduced to carry out the recommendations of that commission. I think that entirely sets aside the argument of my colleague that for eight years we have "passed the buck" and nothing has been done, when Congress itself has made no recommendation as to what should be done and has taken no action upon the recommendations of the commission to which he has just referred.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Michigan yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. Gladly.

Mr. ROBINSON of Arkansas. I inquire of the Senator from Michigan and the Senator from Utah what there is to indicate that if we rely again on a mixed legislative and executive commission to go over the field again and make its recommendation to Congress, the recommendation will take any other course than that of the joint commission of which the senior Senator from Utah was a member?

Mr. VANDENBERG. I would like to answer that question.

Mr. ROBINSON of Arkansas. What assurance can we have that the immediate requirements will be met by a procedure which upon its very nature would require months, if not years, to carry through? My point is that by a series of almost unaccountable blunders in which the revenues were overestimated and the expenditures were underestimated, we find ourselves in the situation now of having a $4,200,000,000 annual Government expenditure with a $2,100,000,000 annual revenue, and that if we wait until the process of making a thorough and scientific investigation is carried out the credit of the Government will be very materially impaired.

We are compelled now, by reason of the mistakes to which I have referred and by reason of the constant increase in Government expenditures, to take some decisive action. I think we must cut appropriations and increase taxes. The more we cut appropriations the less we will be compelled to raise taxes. But we must act promptly; we must act during this session of Congress. We must not wait until the national election of 1932 has come and gone, with both parties standing out in the open field and saying, "Yes; we are doing something remarkable; we are going to correct this great mistake in the course of time." What ought to be done is that the Executive ought to send in a supplemental or revised estimate cutting the Budget as much as possible. If that were done, we would have a basis for our action. But the recommendation is for a joint commission to make recommendations for legislation—no specific recommendation, nothing definite. The President wants this joint commission to find out what legislation he may wish to recommend at a subsequent session of Congress, and in the meantime we have a condition which is utterly distressing. We are doing very little. The effect would be to take the pressure off that is now being applied for immediate and decisive reduction. It would tend in a measure to quiet the demand.

Mr. VANDENBERG. Mr. President, will the Senator yield to me? [Laughter.]

Mr. ROBINSON of Arkansas. I take pleasure in yielding back the floor to the Senator from Michigan, by whose courtesy I was speaking, and I thank him for his courtesy.

Mr. VANDENBERG. Mr. President, there is no quarrel between the Senator from Arkansas and myself respecting the absolute imminence of the problem and the necessity for attacking it in an appropriate way. What I was undertaking to say in this brief presentation of my views is that since the imminent necessity exists we must implement the necessity with practical action.

I am saying in the first instance that it is not practical to leave the impulse and initiation of this reorganization in the Congress itself because it has been demonstrated that the Congress itself finds exceeding difficulty in accomplishing any actual results. The history of the complete legislative recommendation of 1924 is the conclusive answer. Legislation was submitted to carry out the terms of the recommendation, but the legislation never lived to see the statute books.

Personally I exceedingly doubt whether a mixed commission such as the President suggests could be any more effectual in its immediate effect unless it were given plenary

power to act. In such an event it could save many millions. But I am perfectly sure that the Chief Executive meant what he said in his previous messages when he was asking not for a mixed commission but when he was simply asking to be given the power himself with which to do the things that he seeks to undertake. Senators who are doubtful about his willingness or his capacity to proceed under the authority he has asked should be the first to grant him the authority so as to leave him no possible excuse if the eventuality is not a justification of the prospectus. The Executive should not be accused of shirking a duty when he has been denied the power he has asked so as to permit him to meet the duty.

In my thinking upon the subject, agreeing absolutely with the distinguished Senator from Arkansas respecting the imminence of the problem and the necessity for cutting to the bone in these expenditures, I am led to the belief that the appropriate short cut to an effective net result is for the Congress to proceed in the direction indicated by the resolution submitted by the junior Senator from Georgia [Mr. GEORGE], approved by the Finance Committee of the Senate, placing specific authority where it must and can be used, or else evaded and avoided and ignored, so as to accomplish the results which we are all seeking. The President asked for power to pursue these economies on his own executive responsibility. He asked this power repeatedly before submitting today's alternative suggestion. I prefer the former recourse. It was addressed by my two defeated amendments to the appropriation bills. It will again be addressed by the so-called George resolution, which shortly will challenge the Senate to a roll call. I hope there will be no shirking on the call. In lieu of such a plan, I should support the suggestion for a mixed commission.

Mr. COUZENS. Mr. President, the Senator from Arkansas [Mr. ROBINSON] made a wholesale demand for salary reduction among Government employees. I want to point out a statement he made during his demand for wholesale salary reduction which is receiving the inspiration of the big business executives who are drawing handsome salaries throughout the Nation. Among the statements the Senator from Arkansas made was this:

> A dollar now will purchase twice what it would purchase only a few years ago.

Of course, if the Senator is referring to wheat or something of that sort, his statement is true; but I want to say that the statement so far as it applies to the employees of the Government is wholly misleading. I do not charge the Senator with intending to mislead the public, but it must not go out to the people of the United States that Congress agrees with a statement that the employees of the Federal Government can purchase twice as much with a dollar as they purchased a few years ago.

I resent this wholesale demand upon the part of big business and other kinds of business for a reduction in the salaries of Federal employees. An analysis of the revenue bill, H. R. 10236, which has been placed upon the desks of Senators this morning will indicate the great leniency and consideration that has been given to the people who are to be taxed under the provisions for an inheritance tax, for the income tax, and for the corporation-profit tax. I doubt if Congress is going on record as favoring a reduction in salaries of Federal employees, who have an average income of $1,441 per year, and when there are only 32 in the whole Federal Government who get as much as $15,000.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. COUZENS. Not for the Senator to make a speech. I want to complete my statement quickly. The Senator from Arkansas always makes a speech when he interrupts. I do not mind his asking a question, and I do not mind answering his question.

Mr. ROBINSON of Arkansas. The Senator did not understand me to say——

Mr. COUZENS. It is not a question of what I understood the Senator to say. I got the exact words of the Senator from the official reporters.

Mr. ROBINSON of Arkansas. The Senator did not understand me to say that the salary reduction should apply to the lower salaries. I do not think anyone has ever suggested that be done.

Mr. COUZENS. The Senator did not discriminate. I want to point out that the average salary of Government employees is $1,441 per annum. The Senator from Arkansas knows that the propaganda which is coming from big business institutions and corporations everywhere is for the purpose of creating the impression that there is a wholesale demand for reduction of Federal employees' salaries.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. COUZENS. I yield.

Mr. ROBINSON of Arkansas. In reply to that statement I will say that the propaganda which is reaching me is largely from a very different class of people. I had many letters in this morning's mail, and have had in almost every mail, from citizens in my State who take the position that salaries above, say, $2,000 or $2,500 could stand a substantial reduction during the period of the depression without injustice, particularly in view of the fact that many people are losing their homes under foreclosure and are unable to pay the taxes on the properties which they possess.

Mr. COUZENS. The Senator knows, of course, that that has nothing to do with the Federal Government. Those people who are losing their homes and those people to whom the Senator refers are paying no taxes to the Federal Government. It is an obvious fact that on the basis of the income tax they do not have to pay any tax to the Federal Government, and so the tax can not be passed on and their cost of living raised thereby.

Mr. ROBINSON of Arkansas. I am not sure that the taxes, in quite a general sense, are not passed on. I know there has been a controversy about what taxes can be passed on and what taxes can not be passed on to the ultimate consumer. I think many of the taxes proposed to be levied in the bill, and many paid now, including the tariff tax that is paid, are in fact passed on, and most of them are absorbed and finally paid by people of limited if not little means.

Mr. COUZENS. I do not disagree with the statement that the tariff is passed on, nor do I disagree with the statement that the sales tax would be passed on. That is the reason why I was surprised that the Democrats of the House should propose the application of the sales tax, because that obviously can be passed on and put upon the consumer.

However, I referred previously to the leniency disclosed by the bill as to income, estate, and gift taxes; and I warn anyone that none of those taxes can be forced down to the ultimate consumer.

Mr. President, I desire to say a few more words as to the tax bill as it applies to the general demand for the cutting down of Federal salaries. When the Senator made the statement that a dollar now will purchase twice what it would purchase a few years ago he made no reference to salaries of about $2,000 or $2,500. I submit that it may not be a hardship upon those who receive salaries in excess of such amount, but the great majority of Federal employees receive less than $1,200 or $1,300 per year; and I do not want it to go out to the country that the Senate sat silently by without protesting vigorously against any contemplated reduction of salaries of that grade.

Mr. ROBINSON of Arkansas. I do not think what I said bears that construction. If it did, I must correct it. I myself do not think that the salaries of the class last mentioned by the Senator from Michigan can be or should be reduced but I think the statement that a dollar now will purchase twice what it would a few years ago is almost quite generally true.

Mr. COUZENS. The Senator can produce no record to that effect applicable to the living costs of Federal or any other employees. The Senator may talk about the dollar purchasing twice as much as it did a few years ago; that may apply to wheat and some other commodities; but I

submit the employees of the Federal Government can not live entirely on wheat and similar commodities. There are no statistics anywhere showing that persons who live on $1,400 a year can purchase twice as much with a dollar as they purchased a few years ago. I merely wished to say that in order that it may not be said that such a statement went unchallenged in the Senate.

Mr. LEWIS. Mr. President, I rise on this occasion to make some application of the present subject to my own conduct in presenting to this body a short while ago the necessity for amalgamations and consolidations of departments, together with the resolution which I submitted on Friday last looking to the appointment by the Chair of a committee of Senators to make investigation and report as to the advisability and practicability of such consolidations as are suggested in that resolution.

Mr. President, I concur with the Senator from Idaho [Mr. BORAH], and I desire for a moment to point out the deluding feature there is in this message and recommendation of the President. I do not know, and I can not conceive from any information I possess, who it was who prepared this message for the President or what particular influences suggested to him the political advisability at this particular time of making this gesture contained in the phraseology. Apparently nearly eight years have elapsed since recommendation that something of this kind be done has been placed upon the desk of the Executive, the predecessor and the new incumbent, by those of Congress, and while Congress did not take specific action in the form of a legislative measure, its views have been constantly expressed, and eminent leaders on both sides of the Chamber have ever referred to the redundancy of bureaus, and, to use the language of the leader of the Democratic side [Mr. ROBINSON], their "constantly increasing cost to the Government."

I now ask the attention of the Senate. This message, which comes under the ensign of the President, asks for some "authority" from Congress whereby certain branches of the Government may be lopped off, others consolidated, and others dismissed. Mr. President, the eminent junior Senator from Michigan [Mr. VANDENBERG] spoke of giving the President such authority. I ask what authority is it that the President feels he must have? Second, what authority does he assume is necessary to be conferred? Third, where is there the absence of authority for him to make recommendations to Congress of the particular things which he feels should be abridged, should be cut away, should be suspended, should be amalgamated or ended for the benefit of relieving the expenses of the Government?

It is easy enough to send a message of this order to the Congress. Let us assume the Congress will take some steps, and will, let us assume, pass certain legislation and offer to the President something of congressional act that appears to be increased authority; where have we any intimation from the President that he will adopt it, that it will meet his approval, that it will be the particular thing that he has in his mind, or that it will serve the purpose which suggests this message?

Mr. President, let us not delude ourselves with these playtoys of politics. The President has his Cabinet around him; he knows which of the departments protest against being banished and dissolved; he knows which one of these can consent for such, or he knows those that, though they do not consent, are in a condition where they should be abridged or dissolved. It is easy enough for the President, with these in his mind, aided by the advice and suggestions of his Cabinet, to inform Congress of that which he feels should be dismissed and ended and ask authority to do the particular thing which he feels there is not authority sufficient now existing to accomplish. Why play all around the circle with an apparent substance that leads to nothingness, all with the object of giving political lieutenants the basis to say to the people "the President wanted to consolidate and cut away, but Congress would not give the authority, the Democrats refused it"? This Government is in its present condition to-day because of these shifting demonstrations which have from time to time taken on the form of apparently some very solemn observations to end with nothing done. They are mere assertions from time to time of a need of reform which goes to the public as the prayer on the part of the eminent Executive recognizing the necessity and giving his approval to the remedy. Yet note that there is no remedy suggested; there is no place where Congress can address itself in order to carry out the recommendations of the President, if he has any particularly to request in detail and description.

Mr. President, what is meant by this watchtower call of cutting down expenses and "balance the Budget"? There never was a fallacy that so possessed the imagination of the Republic as this expression which we have educated ourselves to adopt from the system of English legislative and parliamentary procedure—"balance the Budget." We roll it out to the masses as a benediction or doxology. It is like a lollypop rolled under the tongue for the joy of taste and for the occupation of the procedure. What is meant by "balancing the Budget"? Where do we get that budget for the United States of America? Are there no plain terms to be spoken to the plain people of this country in plain sense? What is needed in this country, sir, is to have the distinguished Executive (who on both sides of the Chamber has met complete support) designate to Congress what particular things in suggested appropriations are to be cut off; second, what particular things need not be further taxed; third, what particular things, in his judgment, there need not be the provision for, to incur further indebtedness.

Sir, instead of ever rolling around the tongue the cushioned phrase "balancing the Budget," that it might attract the admiration of those who, hearing the phrase, imagine it has some fanciful delight which will appease all their financial sorrows and soothe their slumbers amidst disturbing dreams, instead of holding out to the country the duty to "balance" what is called a "budget," I say we should announce that the time has come when instead of balancing a stuffed budget there shall be an end of that inflating process of filling a list of multiplied quantities in the prospect of millions of money to pay for the creation of great bureaus and the multiplication of departments. Let us turn to the other course. Instead of creating what is called a budget and inflating it with this list of multiplied quantity and quality wherever desired to serve political necessity, let us begin by cutting them off the Budget and instead of balancing the Budget let us unbalance it by cutting off the items and elements that are unnecessary, that are burdensome, and that are being multiplied upon the people. Then, with these cut off and cut out, we will have some idea as to the extent of the tax that is necessary.

To impress the American public with the thought that merely because a list has been prepared by Government officials which comprehends great expenditures upon the public, therefore it must be met by an equal imposition of taxation, is a delusion and imposition upon the intelligence of a free government. So far as I personally speak, I regard it as an affront that we continuously tell the American public that it does not matter how much is put into this list, called a budget, and how much is incorporated in it as a demand against the American people, who are to be taxed in quantity and quality, that they must bear the burden sufficient to balance the demand of robbery upon the property of the citizen and the destruction of his future prospects.

We are back again to where the question to be answered is, Will we have a government economically administered? Is the President in favor of that Democratic policy which the Republican Senators, I am sure, would join us in executing? If so, will the distinguished Executive, in any message sent here, stimulated by his advisers, inspired by his surroundings, gathered from any form available, tell the Congress wherein he feels more economy can be achieved, what particular things he asks to have cut away, wherein he needs authority, and state the authority he asks and for what things he seeks it, and then, with these specifically set forth, we will know how, instead of balancing the Budget

with an excess of taxes, to cut the Budget away, sir, that we may have a lessening of demand, and then we will reach somewhere, for this is the hour when, if we are sincere in this undertaking, we will fulfill the command of the bard—

If it were done when 'tis done,
Then 't were well it were done quickly.

Mr. LONG. Mr. President, the Senator from Michigan [Mr. COUZENS] takes a little exception to the statement made by the Senator from Arkansas [Mr. ROBINSON], on this side of the Chamber, relative to the reduction of salaries of Federal employees. In the discussion which has been going on here in this Chamber there is really a little bit too much harmony; in fact, this is about 95 per cent the most harmonious discussion to which I have ever listened.

It seems that the Senator from Arkansas [Mr. ROBINSON] and the Senator speaking for the administration [Mr. VANDENBERG] are in accord that taxes should be saved the American taxpayer through whatever eliminations can be made at this time.

I see this morning, in one of the daily papers published here in Washington, that it is reported that a bipartisan drive is on among the leaders of the Senate. It says:

What worries Senate leaders is a fear that the so-called tariff taxes adopted by the House, such as levies on oil and coal, will lead to a bitter fight that will delay the bill. An effort, therefore, will be made to eliminate these taxes and substitute other levies to make up the loss.

As I said here on the floor of the Senate less than a month ago, when the balancing of the Budget reaches the point where there is going to be a tax on the Standard Oil Co., then it is going to become necessary to find other levies; and if you do not find other levies, then the demand is going to come here in the Senate to reduce salaries and wages of the employees of the Federal Government.

THE RICH MEN'S CLUB

I do not speak alone for the men drawing $1,200 a year nor for the men drawing $1,500 a year. I speak for the men drawing $10,000 a year, sitting in the Senate and in the House of Representatives. I say that there is not a man here who can stand the campaign expenses connected with election to the United States Senate and live six years on what he gets in the United States Senate; and to reduce the salaries of Congressmen and Senators to-day is not tending in any direction whatever except to make this body a rich men's club.

We know that there was a coalition over in the House on this tax bill, and on the raising of revenue for the Government. The newspapers tell us that there is a coalition in the Senate. I want to know if there is a coalition in the Senate on this tax bill; if so, whom it is between, where it was made up, where they met, who blessed the conference, and who was at the anointing, if there has been a coalition, conference, agreement or tentative agreement or effort to agree on this tax bill. They tell us it was so in the House, and the leaders said it was so. The publications of the United States condemned every man in the House who did not fall in line behind one or the other of the party leaders.

BLOATED FORTUNES

Of course, there is need of money for the Government. What are we to get? That is not the main need of this country, Mr. President. The reason why the Government needs money, the reason why industry needs money, comes from an infernal condition of concentration of wealth; and never has any of these bipartisan conferences in either one of the Houses of Congress recommended anything being done along the line of the redistribution of wealth here in the United States to avoid the alarming condition that we are in now.

Oh, no; something must be done to balance the Budget; but Mr. Hoover comes in when the time gets about ripe, and you can read his messages between the lines, and you do not have to eat a whole beef to tell when it is tainted—he comes in about the time when there arises the spirit in either one of these Houses to put these taxes where they ought to be put, and changes the estimates of the requirements of the Budget to suit the peculiar conditions and circumstances arising at that time. If the House looks like it is going to become rebellious in raising the funds, they report that there is a mistake of $500,000,000 in the Budget. Then the matter subsides, and the House becomes docile. Then they demand that other remedies be taken to balance the Budget.

O Mr. President and Members of the Senate, there never was a more determined fight than is being waged to-day—silently, under cover, behind the silken veil, and out in front—to keep this tax bill from going into the field of surtaxes and inheritance taxes, that would give the common man of this country a chance, and to give the wealth of this country an opportunity to be distributed among the people of the United States.

What is the tax bill going to contain when it comes out? We have waited a long time to get some help. If it has already been agreed upon, let us know now from the party leaders, as they gave it out in the House. Let us know in the Senate. Why wait? Is there going to be any relief for the masses of this country in this tax bill? Let us know what is going to come.

On this home by horror haunted—tell me truly, I implore:
Is there—is there balm in Gilead? Tell me—tell me, I implore!

What is to be the balm from the tax bill? What is to be the balm?

AMERICA'S CRISIS

Why, if this Congress adjourns and does not provide a law for the effective starting of a redistribution of wealth in the United States you need not be worried about the amount of deficit that there is going to be in the National Treasury. If we adjourn here with this tax bill before us, with a bill passed as a result of it or with this bill passed, without providing a means for the redistribution of wealth in the United States to-day, and allow this snowball to go downhill for two or three more years as it is now, and allow this panic to be exploited as it is now being exploited to concentrate every business enterprise in this country, you do not need to worry about the Federal Government nor the Budget of the Federal Government. You will have a problem before you that is a great deal bigger than any problem of the Budget of the Federal Government.

I have letters which I have received to-day, which I intended to read to the Senate. One man, a peaceable citizen, has undertaken to make a living as long as he could, and finally went into a business prohibited by law because it was the only thing out of which he could make a living for his wife and children. He is now in the Federal penitentiary. Another letter is from a widow with a 19-year-old son that she is undertaking to send to college, living in a college town; and he can not continue his work in the university because she can not find the funds even to buy the books. Yet we are sitting here talking about balancing the Budget.

THE UNBLESSED COALITION

Who is thinking about those people? Who is thinking about this condition? Who is doing anything about it? Where is this bipartisan conference? I want to find it and write it a letter. Has it been blessed as the House conference was blessed? Have Rockefeller and Morgan and Baruch sent in their ill-fated recommendations and demands that were so effective in other administrations? Have they been sent in now? Is that what we are going to see done in this tax bill that is coming out here?

We are told that there never was a ruling class that abdicated. A great deal of speculation is made over who is the leader and who are the party leaders of this Nation, who are the leaders of Congress. I have been here long enough to say that if I had any legislation in the United States Congress to-day, I would a whole lot rather know that it had the sanction and approval of Morgan and Rockefeller and Baruch than to know that it had the sanction and approval of every party leader in both Houses of Congress. They are here to fight the tax on the importation of oil. They are here to fight the tax on stock exchanges.

We have a cotton exchange and a stock exchange in the city of New Orleans, just as they have a stock exchange and a cotton exchange in the city of New York, and I am not

afraid to tell you that there is not a more nefarious enterprise that ever operated on the face of the globe than the stock exchanges and cotton exchanges in the city of New York and in the city of New Orleans. They have lived for years out of the miseries and the slim profits that might have meant some convenience and comfort to the people of this country, and there is no tax on the living face of the globe that can be more justly and properly assessed than a tax on the stock exchange and a tax on the cotton exchange. I am not politically afraid for them to know that I have expressed exactly those sentiments on the floor of the Senate. It does not make any difference to me whether they like it or not.

Now, these men are fighting the inheritance tax and the surtax. The newspapers tell us that this is a great effort to soak the rich. Soak the rich—the "soak the rich campaign." It is no campaign to soak the rich, Mr. President. It is a campaign to save the rich. It is a campaign the success of which they will wish for when it is too late, if it fails, more than anyone else on earth will wish for it—a campaign for surtaxes to insure a redistribution of wealth and of income, a campaign for inheritance taxes to insure a redistribution of wealth and of income.

IS WALL STREET ALONE TO HAVE THE COALITION?

Since we had a coalition of the Republican and Democratic leaders in the House and in the Senate that the House Members rebelled against, is it not possible that there can be some coalition of the Members of the United States Senate in the interest of the people of this country to raise these surtaxes and these inheritance taxes and to save these other forms of taxation that mean a prosperous America? Could there not be some anointed move from the Senate that would mean the protection of the people of this country?

Evidently we do not realize that there is a crisis. Apparently we do not. We do not have to go very far to find it out. Mr. Herbert Hoover, in his speech in Indianapolis the other day, said that we were now in the midst of the greatest crisis in the history of the world. If Mr. Hoover can be believed, neither disunion, rebellion, war, nor pestilence compares with the condition that faces the American people to-day. Mr. Hoover may not ever say this again. I do not think he will say it again. I think he had a rather unguarded moment, and probably his speech was not censored as it is going to be censored in the future. As campaign days draw closer, the artist who can make words mean and not mean will no doubt interpolate these messages in such a way that they will offend but few, and benefit probably fewer. But Mr. Hoover went on to say that a different means of taxation had to be found for this country; that we had to find a means of taxation that would take the taxes off the small man. That is what Mr. Hoover said. I am going to read in a moment just exactly what he did say; that we had to formulate a tax policy that would take the taxes off the farmers and home owners of this country; and in the same speech—which evidently was not censored as most of them probably will be hereafter and probably have been heretofore—he went on and said that the remedy was by the distribution of wealth.

But now every power of the administration which can be brought from the White House is exerted against anything being done which means the distribution of wealth among the people of this country.

THE LIGHT OF AMERICA'S DREAM IS FADING

The great and grand dream of America that all men are created free and equal, endowed with the inalienable right of life and liberty and the pursuit of happiness—this great dream of America, this great light, and this great hope—has almost gone out of sight in this day and time, and everybody knows it; and there is a mere candle flicker here and yonder to take the place of what the great dream of America was supposed to be.

ANOTHER SLAVE OWNER

The people of this country have fought and have struggled, trying, by one process and the other, to bring about the change that would save the American country to the ideal and purposes of America. They are met with the Democratic Party at one time and the Republican Party at another time, and both of them at another time, and nothing can be squeezed through these party organizations that goes far enough to bring the American people to a condition where they have such a thing as a liveable country. We swapped the tyrant 3,000 miles away for a handful of financial slave-owning overlords who make the tyrant of Great Britain seem mild.

Much talk is indulged in to the effect that the great fortunes of the United States are sacred, that they have been built up by the honest and individual initiative, that the funds were honorably acquired by men of genius far-visioned in thought. The fact that those fortunes have been acquired and that those who have built them for the financial masters have become impoverished is a sufficient proof that they have not been regularly and honorably acquired in this country.

Even if they had been that would not alter the case. I find that the Morgan and Rockefeller groups alone held, together, 341 directorships in 112 banks, railroad, insurance, and other corporations, and one of this group made an after-dinner speech in which he said that a newspaper report had asserted that 12 men in the United States controlled the business of the Nation, and in the same speech to this group he said, "And I am one of the 12 and you the balance, and this statement is correct."

Twelve men! If we only had that passing remark, which, by the way, was deleted from the newspaper report which finally went out, although we have plenty of authority that the statement was made; if we did not have other figures to show it, we probably might not pay so much attention to that passing remark.

You want to enforce the law, you want to balance the Budget? I tell you that if in any country I live in, despite every physical and intellectual effort I could put forth, I should see my children starving and my wife starving, its laws against robbing and against stealing and against bootlegging would not amount to any more to me than they would to any other man when it came to a matter of facing the time of starvation.

Whoever tries to guard the existence of these fortunes becomes a statesman of high repute. He is welcome in the party counsels. Whoever undertakes to provide for the distribution of these fortunes is welcome in no counsel.

They pass laws under which people may be put in jail for utterances made in war times and other times, but you can not stifle or keep from growing, as poverty and starvation and hunger increase in this country, the spirit of the American people, if there is going to be any spirit in America at all.

LET ALL ENJOY OUR WEALTH IF THE COUNTRY IS TO BE SAVED

Unless we provide for the redistribution of wealth in this country, the country is doomed; there is going to be no country left here very long. That may sound a little bit extravagant, but I tell you that we are not going to have this good little America here long if we do not take care to redistribute the wealth of this country.

Here is a report of the Federal Trade Commission published in 1926. On page 58 I find this:

> The foregoing table shows that about 1 per cent of the estimated number of decedents owned about 59 per cent of the estimated wealth, and that more than 90 per cent was owned by about 13 per cent of this number.

That is the very conservative and highly subsidized Federal Trade Commission, which said that 1 per cent of the decedents owned 59 per cent of the wealth. It had been previously estimated, as I read the other day from the report of the Industrial Relations Committee, just 10 years before that time, that 2 per cent of the people owned 60 per cent of the wealth, and in 10 years the cycle grew, so that from one Government report the estimate that 2 per cent of the people owned 60 per cent of the wealth, in 10 years had become 1 per cent of the people owning 59 per cent of the wealth of this country. That is how that condition grew.

I have here an editorial which appeared in the Saturday Evening Post at the time this first report was published. This editorial appeared on September 23, 1916, in the Saturday Evening Post under the heading, Are We Rich or Poor? I read from the editorial, which is just a column:

The man who studies wealth in the United States from statistics only will get nowhere with the subjects because all the statistics afford only an inconclusive suggestion. Along one statistical line—

This is the Saturday Evening Post in 1916 before its owner began to come to Washington in a $3,000,000 yacht. Says this editorial:

Along one statistical line you can figure out a nation bustling with wealth; along another a bloated plutocracy comprising 1 per cent of the population lording it over a starveling horde with only a thin margin of merely well-to-do in between.

That is from the Saturday Evening Post of September 23, 1916.

I saw an article in the World's Work for last month which gives the details of the Mellon fortune, and totals it up at seven billion nine hundred and ninety million four hundred and twenty-five thousand—that is enough without getting to the hundreds—seven billion nine hundred and ninety million. That is the Mellon fortune, with a footnote to the effect that it did not include two billion one hundred and sixty-six million his brother has. The Mellon fortune $10,000,000,000, and everybody knows that the Mellon fortune does not compare with the Rockefeller fortune. Thirty-two fortunes of the Mellon size would take every dime of property America has in it to-day. Thirty-two men! No wonder 12 men were in absolute control of the United States.

WHO OWNS AMERICA?

I have here the statistics showing the concentration of American industries.

Iron ore: 50 to 75 per cent owned by the United States Steel Corporation.

Steel: 40 per cent of the mill capacity owned by the United States Steel Corporation.

Nickel: 90 per cent owned by the International Nickel Co.

Aluminum: 100 per cent owned by the Aluminum Trust.

Telephone: 80 per cent owned by the American Telephone & Telegraph Co. It is more than that, as they would state if they understood the subsidizing contract which that company requires every little independent telephone company to sign in order to get long-distance connections. If that were stated, it would be found that the telephone industry in the United States is 100 per cent in the hands of the American Telephone & Telegraph Co.

Telegraph: 75 per cent in the Western Union.

Parlor car: Pullman Co., 100 per cent monopoly.

Agricultural machinery: The International Harvester Co. has 50 per cent.

Shoe machinery: The United Shoe Machinery Co. has a monopoly.

Sewing machines: The Singer Sewing Machine Co. controls that field.

Radio: The Radio Corporation, 100 per cent.

Sugar: The American Sugar Refining Co., 100 per cent.

Anthracite coal: Eight companies, 80 per cent of the United States tonnage.

Sulphur: Two companies own the world's deposits.

Oil: To show how conservative this report is, it states that 33 per cent of the oil is controlled by five companies, when, as a matter of fact, they own 105 per cent, if you can get that much out of the total quantity of oil produced. That which they do not own they have absolute dominion over and manipulate the oil tariffs and the importations of the foreign group in such a manner that no independent man can stay in the oil business in this country to-day in competition with the Standard Oil Co.

Meat packing: Two companies, 50 per cent.

Electrical equipment: Two companies, 50 per cent.

Railroad rolling stock: Two companies, monopoly.

Chemicals: Three companies, monopoly.

Matches: Two companies, monopoly.

Rubber: Four companies, monopoly.

Moving pictures: Three companies, monopoly.

Aviation: Three companies, monopoly.

Electric power: Four groups, monopoly.

Insurance: Ten companies, 36 per cent of the insurance in force.

Banking: 1 per cent of the banks control 99 per cent of the banking resources of the United States.

That is the concentration that has occurred in this country.

The statistics further show that only 2 per cent of the people ever pay income taxes. Mr. Mellon points out that that is a grave condition; that the law has been miraculously at fault in failing to collect an income tax against a larger percentage of the people.

It is not the law that is at fault. That is not the trouble at all. It is the infernal fact that 98 per cent of the people of the United States have nothing, rather than it being the fault of the fact that only 2 per cent of them pay any income tax.

Mr. Mellon wants to broaden the tax, so he said in his statement. He has gone to Europe by this time—at least we hope so. Mr. Mellon said that he wants the law broadended so as to cover more than 2 per cent. That means that he wants to go into the pockets of the little man living from hand to mouth on the bank of some creek or in some little cabin with 40 acres and a mule. That means that he wants to reach down lower into the lower strata and take from the starvation wages of that class of people so that he might relieve the upper crust from paying the burdens of government.

I have here the address by President Hoover delivered at Indianapolis. Here is what he said:

Above all, schemes of public works which have no reproductive value would result in sheer waste. Public works would result in sheer waste.

The remedy to economic depression is not waste but the creation and distribution of wealth.

"The creation and distribution of wealth." He said further that in this creation and distribution taxes have got to be lifted from the small man. Therefore, Mr. President, there is necessity that something must be done in this crisis for the benefit of the people of the country, as well as for the benefit of balancing the Budget.

OVER 2,000,000 EARN LESS THAN 504 PLUTOCRATS

I have the statistics here. Here is how the income is being distributed. In 1929 there were 504 supermillionaires at the top of the heap who had an aggregate net income of $1,185,000,000. That is 504 people. These 504 persons could have purchased with their net income the entire wheat and cotton crops of 1930. In other words, there were 504 men who made more money in that year than all the wheat farmers and all the cotton farmers in this great land of democracy. Out of the two chief crops, 1,300,000 wheat farmers and 1,032,000 cotton farmers—2,300,000 farmers raising wheat and cotton—made less than those 504 men.

From the official statistics we find that $538,664,187 was the net income of the 85 largest income-tax payers in 1929. The 421,000 workers in the clothing industry received in wages $475,000,000. Those 85 men could have paid the entire wages of the clothing industry of the Nation and have had $100,000,000 left. Yes; there has got to be relief from this condition.

Mr. Gompers was termed a socialist when he said:

Hundreds of thousands of our fellow men, through the ever-increasing extensions and improvements in modern methods of production, are rendered superfluous. We must find employment for our wretched brothers and sisters by reducing hours of labor or we will be overwhelmed and destroyed.

That was his statement, but the statement that the country faced any such thing as destruction was heralded as a preposterous statement, but Mr. Hoover came back and clarified the matter. He did not disturb Mr. Gompers's ashes, because they are underneath the earth all alone. Mr. Hoover came back and went Mr. Gompers one better. He said this is "the greatest crisis the world has ever known."

I have here a newspaper article in the nature of an interview with the Senator from Michigan [Mr. COUZENS]. I want to read a line from that. This was published in the St. Louis Post-Dispatch of May 27, 1931:

Senator JAMES COUZENS (Michigan) does not believe the depression in this country is due to world depression.

And I do not either.

Nor does he believe that our recovery depends upon world recovery.

Nor do I.

He believes, and emphatically says, that American capitalists caused the American depression mainly by taking an exorbitant share of the earnings of American industry, and that recovery can be accomplished only by securing the livelihoods and increasing the purchasing power of American workers.

ALL AGREED "NO SWOLLEN FORTUNES"

I have here an article appearing in the Saturday Evening Post on the question of the distribution of wealth of this country. Whenever fear comes around, as it did in 1919, there was a fear that Bolshevism was going to overrun this country like it threatened to overrun Europe. Then we get such expressions as this. We can not get them at any other time. Here was the Saturday Evening Post, the great conservative journal, saying this:

We want prosperity in America, but not swollen fortunes.

That is the Saturday Evening Post saying that we do not want "swollen fortunes in America." Then it went on to say:

We want big rewards for men who do big constructive things, and jail sentences for the big fellows who steal the fruits of their work and the savings of small investors.

They wanted to put Rockefeller and Morgan in jail, according to this editorial; but to-day the cry is, "Soak the rich," and the man who undertakes to levy a penny on the concentrated bloated fortunes in the hands of a few of them is considered an outlaw.

There have been altogether too many mavericks loose on the range, sucking cows on which they have no claim. There would be no real railroad mess, no necessity for trying to pare down wages in basic industries—

The same thing prevailed then that prevails now, the same condition practically, and the Saturday Evening Post said:

There would be no real railroad mess, no necessity for trying to pare down wages in basic industries, if there had been no banker control and no flagrant watering of the stocks of these corporations.

That was the Saturday Evening Post in 1919. It said, "We want prosperity, but no swollen fortunes," and that the men who have made most of those swollen fortunes by impoverishing the labor of the country ought to be put in jail. We are not trying to put them in jail. We are trying to save them from committing physical suicide in this country and pulling the temple down with everybody else in it.

But we have a coalition! We have a coalition of the Democratic Party leaders and the Republican Party leaders. Yes; we have a coalition. Who are the anointed of this coalition of Democratic and Republican leaders that is going to eliminate everything that means protection of the common men in this country? Where is this coalition? Where does it meet? With whom does it meet? Has it ever for once come out before the American people with anything except the statement that they have to hold the House in order? Will they come out with the same declaration that they have got to hold the Senate in order—not trying to do anything particularly, but only holding everything in order? The House is described as "being in rebellion" when it rebels against its leaders.

Is there going to be one coalition? Is that going to be the extent? Are there not men enough in the Senate of the United States who will see to it that there is a coalition for the people of the United States? Is there not some way there can be a coalition that takes into consideration the man with the house full of starving children, or has there got to be only one coalition to protect the banker control, which it was said, as I have pointed out, ought to have been in the penitentiary 20 years ago? What is to be the coalition?

The pastor of Mr. John D. Rockefeller's church had something to say about it. I do not suppose he will ever say it again. They probably did not get to look over this speech of his in advance. If they had done so, it would possibly have been different. There would have been a different interpretation of it and they would have had more interpolations in it. Here is what Mr. Rockefeller's pastor said on December 28, 1930:

See the picture of the world to-day—communism rising as a prodigious world power and all the capitalistic nations arming themselves to the teeth to fly at each other's throats and tear each other to pieces. * * * Capitalism is on trial. * * * Our whole capitalistic society is on trial.

I should say it is on trial—not the capitalistic system, but the lack of capital.

Then Mr. Rockefeller's pastor proceeded:

First, within itself, for obviously there is something the matter with the operation of a system that over the western world leaves millions and millions of people out of work who want work, and millions more in the sinister shadow of poverty.

There is bound to be something wrong with the system. Then he proceeds:

Second, capitalism is on trial, with communism for its world competitor.

And it is.

The verbal damning of communism now prevalently popular in the United States will get us nowhere. The decision between capitalism and communism hinges on one point: Can capitalism adjust itself to the new age?

THE EXAMPLE OF MARIE ANTOINETTE

When the poor people of France cried for bread, Marie Antoinette said, "If they have no bread let them eat cake." They reared back and took the head of the King and the Queen. To-day Marie Antoinette has been outdone forty times over. The poor people have pleaded for jobs, for the right to work; they have pleaded for a living; they have pleaded for their homes; they have pleaded for clothes to wear; they have pleaded for food to eat. There are plenty of homes; there is ample food; there is everything that is needed for humanity; but instead of saying, "If you have not bread eat cake," the American people witness a so-called bipartisan agreement that, under the claim of "balancing the Budget," reaches down and puts a tax upon people crying to this Government for relief.

Mr. John Dewey proceeds to say that there has got to be a redistribution.

Here is a quotation from the dean of the Harvard Graduate School of Business Administration, Wallace B. Donham:

If we have not in our several countries the brains, ability, and the cooperative spirit necessary to cure such world-wide conditions as those in which we now find ourselves, then our mass production, our scientific progress, our control over nature may actually destroy civilization.

And that is what is going to happen. Machines are created making it possible to manufacture more in an hour than used to be manufactured in a month; more is produced by the labor of one man than was formerly produced by the labor of a thousand men; fertilizers are available whereby an acre of land can be made to produce from two to three or even four times what it formerly produced; various other inventions and scientific achievements which God has seen fit to disclose to man from time to time make their appearance; but instead of bringing prosperity, ease, and comfort, they have meant unemployment; they have meant idleness; they have meant starvation; they have meant pestilence; whereas they should have meant that hours of labor were shortened, that toil was decreased, that more people would be able to consume, that they would have time for pleasure, time for recreation—in fact, everything that could have been done by science and invention and wealth and progress in this country should have been shared among the people.

REFUNDING MILLIONS TO THE WEALTHY

Mr. President, the senior Senator from Arkansas, our Democratic leader, whom I respect very highly and whom I

honor for the great service which he has done to this country, saw fit to join in the clamor for the reduction of wages. I maintain there is no need of reducing any wages. Anyone should have seen the trouble which was coming when former Senator James A. Reed, of Missouri, rose on this floor when the tax bill of 1926 was under consideration in the Senate and said that the Democratic Party had been betrayed by its leaders. I thought that statement was a bit beyond the proper or necessary limit at the time; but the surtax was manipulated downward and the drive went on.

The coalition between the progressive Senators and the Democrats managed to keep the surtaxes not where they should have been, but nearer where they should have been than otherwise would have been the case. However, all of a sudden, the famous coalition occurred and the Duke's Mixture amendment went through here. It might have done North Carolina some good; it might have done some good to some college or colleges in North Carolina, but it was a means by which the Treasury paid out millions and millions and multiplied millions of funds. It was a retroactive amendment to open wide the gates of the Public Treasury and tell the capitalists to come and get not only what the Government was going to collect, but to come and get what they had already paid. So there were refunded out of the Public Treasury enormous amounts of money.

That was followed by the Mellon crusade to return and throw to the winds or to the public financial manipulators of this country hundreds of millions more of dollars. Then, Mr. President, they pared down the income-tax rates from 65 to 50, to 40, to 25, and down to 20 and the inheritance-tax rates were pared down in about the same manner and proportion, until now a bipartisan bill comes here, with all the blessings it ever had and a defunct Treasury as a result of it, concerning which ample warning was given at the time. A blind man could have seen what the country was being led into.

Over in the House there was proposed to the bill which has been sent here from that body an amendment known as the Swing amendment. It does not entirely, according to the estimate of the President and his departmental heads, provide enough taxes to balance the Budget, and, according to him, they want to make a few little changes, but to them it is pretty satisfactory. Surely it is satisfactory. They managed to sweat the rate down to a point where the bloated fortunes of this country will have to pay but very little more than they have been paying, and they made the whole measure temporary, in that it is to last only two years. Why only two years? Because the people of this country get strong enough about every 25 years to make a fight and get a break and enjoy a chance of doing anything, and if the proposed taxed legislation can be made at the end of two years ipso facto to cease, it is not going to amount to a snap of a finger. That provision is in the bill.

There have not been provided, as the public press or some portions of the public press have been led to believe any such inheritance taxes or surtaxes as we formerly had in this country. Proponents of the bill are trying to say that they are going back to war-time rates, but they are not going back to the war-time rates by a jugfull. Their maximum is 40 per cent. They stop increasing the latter upward, in the case of surtaxes, after $100,000 is reached. They do practically the same thing in the case of inheritances over a million dollars. The war-time rates, however, do not compare with what the rates ought to be now, because at the time of the World War 2 per cent of the people owned 60 per cent of the wealth, whereas in these times 1 per cent of the people own 59 per cent of the wealth. In war time we had no such conditions as we have to-day, and we have the word of President Herbert Hoover to confirm that statement, that this is the greatest crisis the world has ever faced, in war times or any other times.

We had no such unemployment in war time as we have to-day. We had no such hunger and starvation and idleness; we had no conditions to compare with those now existing; and so, instead of those rates being held down to the war-time basis, they should have been boosted far beyond that on the centralized wealth of this country in order to give the people a share of the profits being earned in the country to-day. But the rates have not even been made equal to those of the war time. The war-time rates went up to 65 per cent, while the rates in the bill now pending in the Senate stop at 40 per cent.

Mr. President, I intended to close, but I want to make one more observation, briefly. I do not mean to criticize the courts of this country particularly. I mean to criticize the method by which the courts are composed. We are going to have to couple to tax legislation some antitrust legislation or write into the present antitrust law what the Congress originally wrote into it. The original Sherman antitrust law provided that any restraint of trade was a violation of the law; any monopoly, any conspiracy in restraint of trade was obnoxious to the law. When the question came before the Senate, on the floor of the Senate an effort was made to write into the bill that anything that "unreasonably" restrained trade would be prohibited, but the Senate and the Congress refused to write the nefarious so-called rule of reason into the antitrust law when it was passed.

Those who opposed the law came back to the Senate of the United States and tried to get it amended, but the Senate committee said we will not write the rule of reason in the law because it would destroy the antitrust law. So they went before the United States Supreme Court in Case No. 1, and the court held that there was no rule of reason in it, and the common law did not apply; they went back in case No. 2, and the Supreme Court said, "The common law does not apply and any restraint of trade is prohibited." They went back in case No. 3, and the Supreme Court said, "We are surprised that anybody should urge this question again, but we now again tell you for the third time that any restraint of trade is prohibited, and there is no rule of reason in the law." They went back the fourth time, and the Supreme Court of the United States said the same thing; they went back the fifth time and the Supreme Court of the United States said the same thing; but, oh, my, suddenly one day the papers blazoned forth the news that President Taft had done a most liberal and constructive and monumental thing in naming a Democrat, a former Confederate soldier, Chief Justice of the United States, and there were plaudits over the appointment. A little later other judges were placed on the Supreme Court of the United States, and then the monopolists went back to the Supreme Court. The trust lawyers who had fought this law had been made the masters of the law by being put on the Supreme Court of the United States, and then, with the dish all cooked up, the motions were gone through again presenting the case to the United States Supreme Court after they had passed on it five straight times, and the United States Supreme Court wrote a long opinion through its Chief Justice, Mr. White, from my native State of Louisiana, and said that "the rule of reason" had to be written into the Standard Oil case and the American Tobacco Co. case, and this country has virtually been without an antitrust law ever since.

Mr. William Jennings Bryan wrote a letter about this to Mr. Taft at the time.

William J. Bryan, three times Democratic candidate for President of the United States, openly charged Taft with backing the Supreme Court.

Mr. Bryan said to Mr. Taft—

You promised that you were going to amend the antitrust law in the presidential campaign of 1908, but you have got a Congress on your hands that will not permit its amendment, so you have appointed a Supreme Court—

And President Taft made more appointments to that bench than any other President—

and you have secured that amendment to the antitrust law by the Supreme Court.

Mr. George W. Perkins, head of the Steel Trust, came out with a statement. I quote:

George W. Perkins, associated with J. P. Morgan in trust control, delivered a speech in which he complained that the Re-

publican Congressmen had not tried to redeem their platform promise, but that it had been redeemed by the Supreme Court in the recent trust decision, wherein the rule of reason was applied.

In other words, they amended the law by the other legislative body that Mr. Taft had set up at the time—the Supreme Court of the United States—and that is not the only law that they have amended in that way; not by a jugful.

We had some jurisprudence against these public-service corporations. I appeared here before the United States Supreme Court in those cases, and before the other Federal courts in these cases. They involved the basis of value of a public-service corporation's property—whether it would be the actual prudent investment or whether it would be the so-called replacement value, less depreciation.

In the case of Smyth against Ames the Supreme Court of the United States had held that you had to consider the cost of the property and all other elements in determining the value of public-service property. In the case that I had, which, by the way, was a telephone case, the Circuit Court of Appeals—and they were upheld by the Supreme Court as far as they could go—held that that theory was still the law; that the cost and the replacement and all those elements had to be considered in determining the value of property; but they began to load down the court. The corporations began to pound, with all the anvils and with all the iron, that they should consider nothing except the cost of replacement of utility property, because they had all the engineers in the world. The ordinary city can not fight a public-service-corporation case. It cost the State of Louisiana all the money it could rake and scrape to fight one telephone case, and the telephone company submitted a bill of costs of about $500,000 for fighting that case, and then charged it back into operating costs. The ordinary city can not compete with the company's experts and technicians in cases of that kind. Finally, however, they loaded the Supreme Court down until the question was right before the court again; and in the Carrollton Railroad case, from the State of Georgia, as I remember, they came out again and said that they considered the cost of property and these replacements together in deciding its value. But then when they got another case up there, lo and behold, the skies opened, and they sent out to the Northwest and got a man and put him on the Supreme Court of the United States who had been doing more to bring about that doctrine of replacement value than any other man we knew of. He was made a member of the Supreme Court of the United States; and then they brought up the Indianapolis waterworks case, and they reversed the whole kit and boodle, and said that the dominant-cost theory must be on replacement.

That is how this matter has been manipulated. We have created boards and commissions, and we have courts. We have passed laws, and we have enacted various and sundry things, but we have never been able to create a commission that lasted very long. We have never been able to get a rule of law interpreted that stood for any particular time unless they began, by some contrivance or machination, to make the element that was affected by it the master of the law that was being enforced. They have become the masters of the law.

How long is it going to last? How long can it last? How long will it last? I tell you, Mr. President, it can not last very long.

In conclusion, I am not asking any man in the United States Senate to do anything harmful to the rich people of this country. If you want to do them a favor, provide some way to put some of that wealth among some of the people of this country. If you want to make their lives secure, provide a way for relieving the anxieties of 90 per cent of the people in this country to-day who are in absolute fear of want and impoverishment. Provide a way whereby the world is going to provide a living for the people of the United States, if you love these rich people as much as I love them. Yes, sir; provide a way to distribute it. If we sit here in this Congress and let this tax bill go back with a clause ipso facto annulling the law at the end of two years, so that these taxes will no longer be collected; if we do not raise these surtaxes and these inheritance taxes to a point where they can not continue to perpetuate these massive fortunes in the United States, like a snowball going downhill; if we do not regulate them, when you have gone and gathered it all and all and all, in what condition are you going to leave the country? It is in it already. You do not have to go any farther. It is in it already. You mark my words: When we come back to the next meeting of the United States Senate, things are not going to be any better than they are right now, and not as good. You mark my words: You will look back on the year 1932 as a prosperous year in 1933.

You remember what I am saying. If we do not provide surtaxes and inheritance taxes to break up these large fortunes, and to provide for the needs of this Government from sources that are able to pay the cost, when we come back here in 1933 you are going to find a changed condition, and you will be wondering how conditions could have been as good in 1932 as they are now.

BUT WHY NOT THE DREAM OF AMERICA?

But O Mr. President, if we could simply let the people enjoy the wealth and the accumulations and the earnings and the income and the machinery and the contrivances that we have. If, with the invention of every machine, we could secure the education of every man; if with increased production of every kind there could be less toil, more hours of pleasure and recreation; if there could be a happy and contented people enjoying what the Almighty has made it possible to provide; if there could be people clothed with the materials that we have to clothe them with to-day, and no place to put them; if the people could be fed with the food that we have to feed them with, and no place to put it; if the people could be sheltered in the homes we have to-day that the Federal land bank has taken away from them because they can not pay the interest on the mortgages—if that could be done, if we could distribute this surplus wealth, while leaving these rich people all the luxuries they can possibly use, what a different world this would be.

"THY SOUL SHALL BE REQUIRED"

Do not take away anything they need. Leave them with all the luxuries that the world can provide them for hundreds and hundreds and hundreds of years. Leave them with every palace, with every convenience, with every comfort; but do not allow the concentration and stagnation of wealth to reach the point where it is a national calamity.

Will we do that? Will they do it? No; we know they will not do it. Will we do it for them? Maybe we will. Maybe we will not. There ought to be a coalition of the people; there ought to be a coalition of the Senators representing the rights of the people in a situation of this kind, as efficient as is the coalition of the bipartisan movement recommending and sponsoring the other side of the field.

We can do this. If we do not, we will leave these masters of finance and fame and fortune like the man in the book of old, who said to himself, so the Bible tells us:

> I will pull down my barns, and build greater; and there will I bestow all my fruits and my goods.
>
> And I will say to my soul: Soul, thou hast much goods laid up for many years; take thine ease, eat, drink, and be merry.
>
> But God said unto him: Thou fool, this night thy soul shall be required of thee.

During the delivery of Mr. LONG's speech,

Mr. REED (at 2 o'clock p. m.). Mr. President, a parliamentary inquiry. What is the order of business?

The VICE PRESIDENT. The President's message being privileged, it will be proceeded with until disposed of; and then the unfinished business will be laid before the Senate.

After the conclusion of Mr. LONG's speech,

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi desire to discuss the message?

Mr. HARRISON. Yes; I desire to discuss the message. I have no objection, if the Senator from Pennsylvania desires, to the unfinished business being laid down.

Mr. REED. I ask the Chair to lay it down.

The VICE PRESIDENT. The message will be referred to the Committee on Appropriations; and the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. Resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. HARRISON. Mr. President, I desire to discuss briefly the President's message.

Mr. TYDINGS. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. HARRISON. No; I do not care to have that done. I thank the Senator very much.

The VICE PRESIDENT. The Senator declines to yield for that purpose.

Mr. HARRISON. I am led to preface my remarks because of what the distinguished junior Senator from Louisiana [Mr. LONG] has said about a coalition of leadership in the Senate with reference to the tax bill.

I ascribe to myself no part of the soft compliment of leadership. I only make this brief statement because I happen to be the ranking Democrat on the Finance Committee, and will be called upon in some degree to pass upon the policy and to help write whatever tax rates may come out of that committee.

I never knew anything about any coalition between any Democrats and any Republicans in the Senate with reference to the estate tax, the surtaxes, the corporation taxes, or anything else yet with reference to this tax bill. I think if there were anything going on with reference to that I would know something about it. The Democratic members of the Finance Committee, when this Congress first convened, did have several meetings. We met with reference to the Treasury Department's recommendations as to the balancing the Budget. We arrived at no conclusions, because the matter was one with which the House must first deal. We very much desired, however, to familiarize ourselves with the tax situation and exchange views.

During the whole discussion in the House with reference to the sales tax and with reference to other details of that important legislation the minority members of the Finance Committee did not meet at any time for the purpose of conferring about the sales tax or any other details of the tax bill. I am sure the distinguished leader on this side of the aisle, the senior Senator from Arkansas [Mr. ROBINSON], has done nothing to promote a coalition about retaining any particular tax or putting any particular tax in the tax bill up to this time. I am sure he has heard nothing about a coalition.

I say that in fairness to this side of the Senate; and I say further that so far as writing the details of the tax bill are concerned, every Member is going to have full opportunity to be heard in full discussion as to what the policy of this side will be in the matter of framing a tax bill.

I hope there will be nothing of a partisan character connected with this tax proposal. I hope it can go along in as much of a nonpartisan character as is possible. The minority members of the Finance Committee expect to meet, and we are going to discuss the bill. We are going to exchange views and try to get together upon details. The leader on this side told me that perhaps we will have a Democratic conference. I hope he will call one, so that every Democrat can express himself as to every detail of the tax bill. There will be no conspiracies. No ghost will walk, either by night or day. There will be no goblins or spirits. No suspicion will attach to anyone. Everything is going to be done in the open.

Of course, we will differ as to details of the tax measure. Some of us have always differed as to the details in connection with every tax measure that has come before the Senate or before the House. One of the great things about American life is that Americans differ and have the courage to express themselves. It is only through exchange of views that we are likely to arrive at the right conclusion.

I am not conceited enough to believe that my views with reference to any detail in the tax bill are going to be accepted by everyone on this side of the aisle, and certainly they will not be accepted by all of those on the other side of the aisle. But I hope that through a free exchange of views we can pretty well have our minds meet, and when the bill is finally written that we can get behind it.

There will be no coalitions at work. Men of the same mind and thought and idea will probably vote together when the time comes, and others of different views will have the opportunity to vote their views. I am not for 90 per cent or 75 per cent in the way of surtaxes in the higher brackets, but I find no fault with one who believes that the best way to bring back prosperity to this country is to tax the higher incomes 75 or 85 or 95 per cent, and who honestly believes that by that method wealth can be decentralized, deconcentrated, that everybody can be given some money, and that we will have prosperity in the country. My philosophy of thought is that no matter how much one has, we can tax him to such an extent that he will be driven into tax-exempt securities and driven out of employment of his capital in new or other legitimate investments. I believe that the man of wealth ought to pay proportionately more than the man of lower means. That has been the Democratic policy, that has been the Democratic fight in this body and in the House of Representatives, from the beginning on down the line. It was the fight in 1922, when the Mellon plan was presented here, and the Democrats would not stand for it; they changed the brackets; on the higher incomes they put higher taxes and went on down the line.

Mr. LONG. Mr. President, does the Senator favor further concentration of wealth in this country?

Mr. HARRISON. Mr. President, I do not want to get into a controversy with the distinguished Senator from Louisiana. I am just honestly expressing by viewpoint with reference to these matters. Of course I do not want to see any greater concentration of wealth in this country. There has been too much. But the Senator from Louisiana and myself may differ as to the methods that should be adopted in decentralizing and deconcentrating wealth in this country. I am taking my own responsibility, and I have no fault in the world to find with any other Senator who believes differently, but I do not believe that we can drive wealth into industry by taxing it more than it should be taxed. As to whether or not we should impose a 40 or a 50 or a 70 per cent tax on incomes in the higher brackets, we probably will differ, but all of us in the end will be trying to do the very best for the interests of the country.

Let us not, therefore, get some hobgoblins started going around. There is no coalition; there has been no meeting of minds about the matter; there has been no meeting of individuals about it. A charge of a coalition has been made at the time of the consideration of every tax bill that has been enacted, and we will probably hear it again this time. But let us try to balance the Budget in some way; let us try to raise enough taxes so that if possible we can restore confidence and restore the business of the country without being unjust or unfair to any particular industry or any particular class in this country.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. COUZENS. Does the Senator mean by saying that there will be no coalition that the Democrats have thrown the progressives out?

Mr. HARRISON. That we have thrown the progressives out?

Mr. COUZENS. Yes.

Mr. HARRISON. No. Did the Senator understand me to say that?

Mr. COUZENS. I thought the Senator said there would be no coalition and no agreement between the Democrats and——

Mr. HARRISON. I am sure the Senator is smart enough, because I have great respect for his power of conception, to have heard me a moment ago say that people differ about these questions. I know what the Senator's views on taxation are, generally speaking, and those gentlemen who feel as he does would vote as he intends to vote. Others who have different views would vote as they intend to, and naturally to that extent, in votes, it might be said that there would be a coalition. But I am saying that there has



not been up to now, and I do not think there will be in the consideration of the tax bill, I hope there will not be, any agreement upon the part of the leadership of any groups of people here to try to put over this or that particular thing in this tax bill. Have I answered the Senator?

Mr. COUZENS. Not exactly, because I understood the Senator to say that the Democrats were going to have a conference, and I assumed they would agree in conference.

Mr. HARRISON. It will be the adoption of no Democratic policy, it will be the adoption of no Democratic program. We are just trying to exchange views so that our minds may meet, if possible, and we can help this administration out, in a way; although we are not responsible for it. In other words, I want to approach this subject fairly, I want to approach it as an American, rather than as a Democrat, and I hope there will be no friction here and no anger aroused, because there is no reason for it. I believe that everybody recognizes that we are in a bog, and we have to pull ourselves out, that we need some increased taxes, and we must apply the increased taxes, even though we will differ as to details in passing a particular bill.

The Senator and I may differ as to the automobile tax. I may think there are not sufficient taxes levied in the automobile section; the Senator may think there are plenty of taxes levied in that part of the bill. It will be a case of difference of opinion if such a situation should arise, and I do not commit myself about the matter, because I have not yet read the bill. I tried to keep up with the proceedings in the House so far as I could from the newspapers and from conferences with one of the experts. But I am in no position to discuss details of the bill yet, and I do not think those who have not looked into it are.

Mr. COUZENS. Mr. President, will the Senator yield to me further?

Mr. HARRISON. I yield.

Mr. COUZENS. My reason for rising was that the Senator said that it was against his policy to have higher surtax brackets.

Mr. HARRISON. I did not say that.

Mr. COUZENS. I misunderstood the Senator then.

Mr. HARRISON. I said I would not be willing to go to 75 per cent or 80 per cent or 90 per cent. I did not state definitely how far I would go at this time. I did say that my party's policy had always been, and we had so framed bills, to put the higher incomes in the higher brackets, that that had been the Democratic fight from the beginning in the imposition of income taxes. I do not commit myself as to the details of any particular percentage. I may go higher than 40 per cent.

Mr. COUZENS. I hope the Senator will.

Mr. HARRISON. The Senator hopes I will?

Mr. COUZENS. Yes.

Mr. HARRISON. How high does the Senator want to go?

Mr. COUZENS. At least to the war-time figures.

Mr. HARRISON. The Senator wants to go back to the war-day figures. I hope it is not necessary to go back to those. I do not want to take every cent a man makes in this day and time, I do not care how much money a man has. I think such policy creates socialism in this country. I think it staggers initiative. I think it destroys industry, and I think it is un-American to take from a man in taxes all he makes. Certainly at this time it will not assist us in restoring confidence to the people or offering hope to business.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. LONG. If the Government needs money worse now than it did during the war, if there are more people out of work now than there were during the war, if there are more people starving now than there were during the war, would not the Senator be willing to apply brackets that were necessary under less drastic circumstances?

Mr. HARRISON. I never ran from a discussion in my life. I merely wanted to preface what I was going to say about this message by stating to the Senator and to everyone else that there is no coalition. I did not intend to get into a discussion about it. But there is all the difference in the world between imposing taxes to-day and imposing them during war days, between times when people are making little or no money, and times when there was prosperity, and people were amassing tremendous fortunes. There is much difference in imposing heavy taxes to finance your Government in war and imposing taxes in peace times to balance the Budget that business may be restored.

Of course then, through war activities, many people were making a thousand per cent, and to-day there is hardly anybody, whether he has tremendous wealth or not, who is making any money. There are few corporations which are making any money to-day.

In this tax bill there are imposed increased corporation taxes; but does that mean we are going to get a tremendous lot more in revenue? Many of the corporations in war days were prosperous, and the slightest increase, of even half a per cent, would bring into the Treasury a tremendous amount of money. An increase of the surtaxes in prosperous times in the higher brackets from 40 to 50 per cent would have yielded tremendous revenue. But if the surtax were put to-day at 90 per cent, we could not raise enough money to run the Government or to balance the Budget.

When we get down to conferring with experts getting cold facts, we can see what we can get from this surtax and that surtax, from this rate and from that rate. All of us will be surprised at the very little we can get in times like these. But we are going to stand, as we have stood in the past, for fairness, even though it might arouse in the breasts of some the thought that we are not taking everything that the rich have. We will try to graduate the taxes in accordance with the theory of Mr. Bryan and everyone else who in the beginning stood for income taxes that we ought to impose the heaviest taxes on those able to pay them. That is what is done in the bill as it passed the House. It may be that we will have to go higher; I do not say we will not. But I say let us be fair to everybody, because we have a man's job before us.

If there was ever a time when men in public life, especially in the Senate and House of Representatives, should think along straight lines, and free themselves from every prejudice and every feeling against some class of people, it is in this particular time; and the writing of the tax bill will call for that degree of consideration that the Democratic membership of this body ought to give, for fairness to every industry in this country, with an idea of trying to balance the Budget in order to maintain the credit of this country. So much for that.

Let us not, every time we see something in the Washington Post or in some other paper, believe that it is a fact. I have not seen anything in the Washington Post for so long that I would believe that—well, it seems to me as if it were in the past ages.

Mr. LONG. Mr. President, I would not have the Senator believe that the Louisiana Progress is the only paper in which I believe.

Mr. HARRISON. That is a good paper. It circulates in my State.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. ROBINSON of Arkansas. There is a practical and important consideration in connection with the subject which the Senator from Mississippi has been discussing which I think ought to be given emphasis, and that is that when the surtax rates are made too high, the tendency is for persons who possess wealth to withdraw their wealth from productive enterprise, from business, and from industry, and invest it in tax-exempt securities. When that is done, persons of large fortunes may enjoy liberal incomes without contributing anything whatever to the support of the Government.

It seems to me that fairness and a sense of justice would prompt the imposition of tax rates on a basis which would

not discourage enterprise, which would not destroy business, and which at the same time would produce an increased amount of revenue. What that rate is is a question which can not be determined by a mere declaration, but certainly there is a point at which the tax rate may be fixed so high as to drive money out of business into investments which are tax exempt.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. HARRISON. I yield.

Mr. LONG. Would the Senator from Arkansas prefer to have the people invest in chewing gum rather than Government bonds? Would it not help the Government just as much if they were to provide a better market for bonds at a better premium?

Mr. ROBINSON of Arkansas. The Senator's question is incomprehensible to me. I am perfectly willing to concede that it is due to obtuseness or lack of intelligence on my own part, because I know that the Senator from Louisiana possesses a quick, bright mind that grasps everything that comes within the range of his contemplation, and many things that do not come within the range of anyone's contemplation.

But, Mr. President, I think that one of the great dangers which this country must encounter is the constant increase of Government securities that are tax exempt into which rich men may pour the volume of their fortunes and thus find immunity from the burdens which are falling heavier and heavier on the backs of the people who are not in a position to invest in tax-exempt securities.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Montana?

Mr. HARRISON. Certainly.

Mr. WALSH of Montana. From the course the discussion has taken I fear that possibly some misapprehension may result from the remarks of the Senator from Mississippi if he does not say something at least about the arrest of the principle of the income tax, that the greater the income of the taxpayer the higher rate he should pay, and the fact that, as in the present law, the increase stops, in the bill to which reference is being made, at $100,000. In other words, the man with an income of $100,000 pays a surtax of 40 per cent, the man with an income of $500,000 pays a surtax of 40 per cent, the man with an income of $1,000,000 pays a surtax of 40 per cent, and the man with an income of $5,000,000 pays a surtax of 40 per cent. In other words, the basic principle of the income tax obtains until the limit of $100,000 is reached, and there it ceases. Would the Senator indicate what is his attitude with respect to that matter?

Mr. HARRISON. It would seem to me, may I say to the Senator, that the man with $100,000 income should not have to pay as much income tax as the man with an income of $500,000; that there should be a difference in percentage of taxes imposed. I think that is a matter for further consideration with a view to probably effecting some change, because, as I had stated in my remarks, I believe we ought to tax according to the ability to pay. But that does not mean that I am in favor of taking everything a man makes in this country. It is unfair and wrong, and I am sure the Senator from Montana shares the same view, because he knows how we made a fight on the Mellon plan that was suggested here in 1922 and were able in part to defeat it.

Mr. COUZENS rose.

Mr. HARRISON. I yield to the Senator from Michigan, if he desires to ask a question.

Mr. COUZENS. I was going to say that the Senator from Montana is looking at page 111 of the House bill. Of course, the 40 per cent applies only to the excess above $100,000.

Mr. HARRISON. That is true.

Mr. COUZENS. His point is well taken, because all over $100,000 is subject to a 40 per cent surtax, no matter what the amount of income might be.

Mr. HARRISON. That may be a matter that ought to be adjusted, because I can not readily believe that the man who makes $95,000 income and the man who makes $100,000 income should have some difference in the amount of tax on their incomes, but the man whose income is $1,000,000 is given no more in the matter of percentage of tax than the man whose income is $100,000. I think those are matters which might be readjusted and rearranged.

Mr. COUZENS. And made higher?

Mr. HARRISON. I do not commit myself on that point. I do not want to go into the details at this time. What I have tried to do as a member of the Finance Committee is to get every angle on every proposition. I do not care where it comes from, either. I believe that the only way to get at the real facts in the situation is to ask the people who ought to know and who sometimes appear before the committee. I want people to come before the committee and give us their reaction so we can at least approach the question with an understanding of what we are doing. A tax of 40 or 45 per cent or something like that on a $1,000,000 income does not appear to me to be too high, but the Senator was talking a while ago about 65 per cent.

Mr. COUZENS. That was the war-time rate.

Mr. HARRISON. I am not willing to go to the war-time rate in these depressed times.

Mr. COUZENS. We are worse off now than we were during the war.

Mr. HARRISON. The Senator has the right to the viewpoint that he is willing to tax incomes to-day to just as great an extent or even a greater extent than we reached during war times. I am not, because I recognize that during the war and following the war we laid every kind of a tax on the people. They sometimes paid 90 cents out of every dollar that they made, but they gave it pretty cheerfully in most instances. The American people were extremely patriotic. They were making money in those days. They are not doing so well now. I know that the Senator, because of his past training and experience and the great success he has made, knows business better than I do.

The Senator may think that to put a surtax of 75 per cent on incomes above $100,000 would restore confidence and cause the people to sell their tax-exempt securities and invest in new industries, rather than keep their funds invested in such securities where they can be sure of getting 4 per cent because they are tax exempt and they would not have to worry about anything. If the Senator thinks that the people under such a taxation basis would get rid of their tax-exempt bonds and invest in new business and run the risks and hazards of business and then have to pay a 75 per cent surtax, he is entitled to his belief, but I would doubt his judgment. I do not believe they are going to do it.

Mr. COUZENS. The Senator knows there is a great deal of propaganda about the dissemination of wealth and the great multitude of stockholders who own stock in the Pennsylvania Railroad Co. and the American Telephone & Telegraph Co., and the United States Steel Corporation. But does he suppose those millions of stockholders to whom have been sold all those securities are in that group which is reached by the 65 per cent surtax?

Mr. HARRISON. I do not know about that.

Mr. COUZENS. Certainly they are not. It is a well-known matter of fact that they are not. The income-tax returns show they are not.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Montana?

Mr. HARRISON. Certainly.

Mr. WALSH of Montana. I think I correctly state the attitude of the Senator from Mississippi, although a different view might be taken from his statement, that whatever the rate is on the excess over $100,000 there should be a higher rate on the excess over $1,000,000.

Mr. HARRISON. That is exactly what I said. I have stated it that way. I believe in a graduated income tax and

in the richer paying more than the others on a percentage basis.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. DILL. I want to get the Senator's view about this phase of the question. The Senator said that a tax of 65 or 72 per cent will discourage men from putting their money into business and attempting to develop business. What does the Senator think of encouraging men to try to make more than $5,000,000 a year in times like these? In other words, does not the Senator think there is something to be said for discouraging people from trying to make more than $5,000,000, and that is because these high rates do not apply except to the excess of over $5,000,000?

Mr. HARRISON. I must admit that I do not exactly understand the point the Senator is trying to make.

Mr. DILL. The Senator submits the argument that if we apply this high rate of 65 per cent it will discourage men with money from trying to make new money.

Mr. HARRISON. It would discourage them from going into new business and new industry.

Mr. DILL. Yes. But the Senator realizes that the tax applies only to the excess over $5,000,000 as the bill was passed by the House. I want to invite the Senator's attention to the viewpoint of whether it is wise in these times to encourage men to try to make over $5,000,000 in one year?

Mr. HARRISON. I may be old-fashioned, but I think this country of ours ought to offer an opportunity to make money. I think when a man makes money he ought to pay in proportion to the amount of money he makes, in proportion to his wealth, and so forth. I do not think it is just exactly the American spirit to want to prevent a man from making money. That is all. I have that feeling about it. I may be wrong and I find no fault with people who have the other viewpoint about it. I have no fault in the world to find with those who want to take all of a man's income and all of a man's estate and put it in the Treasury of the United States. But I have the idea that, when a man has worked throughout his lifetime and amassed some money and saved some money, his family ought to have a part of his earnings and savings. I would not take all of his estate. I think the estates ought to pay a pretty large tax, but it does not seem to me to be the American spirit to take all of a man's estate, as I believe some would undertake to do.

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Mississippi yield to the Senator from North Carolina?

Mr. HARRISON. I yield.

Mr. MORRISON. The Senator realizes that under the law a citizen might have a very large income and yet a very great loss in net worth, and that the property from which the income was derived might have depreciated in value many times more than the income for that particular year amounted to.

Mr. HARRISON. Oh, yes.

Mr. MORRISON. Does not he realize that that was true last year in this country to a very great extent?

Mr. HARRISON. I do not think there is any doubt about it. I think everybody lost money last year, no matter in what business he was engaged or what investments he had.

Mr. MORRISON. And the more income they had the more they lost.

Mr. HARRISON. Oh, yes.

Mr. MORRISON. While during war times it was quite the reverse. Then when they were having some income they were increasing their net wealth and were taxed accordingly.

Mr. HARRISON. Yes. I had no desire in the world to enter into this line of discussion. I rose only for the purpose of stating that in the consideration of the tax bill every degree of patience and fairness and deliberation is going to be employed by at least the Democratic membership of the Finance Committee, and I am sure that applies equally to the majority membership of that committee. Every Democrat will have an opportunity to express himself and vote on the floor with reference to his particular viewpoint. If our leader will permit a suggestion, I am going to ask him to call a Democratic conference on the matter so we can discuss it, purely for the purpose and in the hope that we may have no unseemly incidents such as some which are now historical, which might possibly occur here—not in the hope that we can iron out all our differences, because that is no doubt an impossibility.

When I make that statement I do not want anybody to say that we are going to try to stamp the measure as a Democratic bill, because it will not be a Democratic bill. I hope it will be a nonpartisan measure. I hope that we can balance the Budget and that we will all withhold our feelings as far as possible and not get angry over this or that particular detail if we do not have our individual way about it. In the hope that in the end we will get together as well as we can in this bad mess, because it is a difficult proposition that we have to solve in relation to this tax matter, let us all forget our differences so far as we can. Nobody wants to be taxed. Every interest is protesting, and we have a tremendous job on our hands that we will have to work out.

Mr. McNARY rose.

Mr. HARRISON. Does the Senator desire to have an executive session at this time?

Mr. McNARY. Yes.

Mr. HARRISON. Very well; I yield the floor.

EXECUTIVE SESSION

Mr. McNARY. Mr. President, several days ago the able Senator from Delaware [Mr. HASTINGS] submitted a motion in executive session which I would like to have disposed of this afternoon. To that end I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

REPORTS OF COMMITTEES

Mr. HALE, from the Committee on Naval Affairs, reported favorably sundry nominations of officers in the Navy and the Marine Corps.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

CHARLES A. JONAS—MOTION TO RECONSIDER

The PRESIDING OFFICER. If there be no further reports of committees, the calendar is in order.

Mr. McNARY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McNARY. I assumed that when we entered executive session the pending motion of the Senator from Delaware [Mr. HASTINGS] would have a preference over the calendar and would come up first.

The PRESIDING OFFICER. The Chair was waiting for the Senator from Delaware to take the floor.

Mr. HASTINGS. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware entered a motion to reconsider the action of the Senate in rejecting the nomination of Charles A. Jonas to be district attorney for the western district of North Carolina.

Mr. HASTINGS. I make that motion now.

Mr. HARRISON. I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Broussard	Dale	Gore
Austin	Bulow	Davis	Hale
Bailey	Byrnes	Dickinson	Harrison
Bankhead	Capper	Dill	Hastings
Barbour	Caraway	Fess	Hatfield
Bingham	Carey	Fletcher	Hawes
Black	Connally	Frazier	Hayden
Blaine	Coolidge	George	Hebert
Borah	Copeland	Glass	Howell
Bratton	Costigan	Glenn	Johnson
Brookhart	Couzens	Goldsborough	Jones

Kean	McNary	Schall	Tydings
Kendrick	Morrison	Sheppard	Vandenberg
Keyes	Moses	Shipstead	Wagner
King	Norbeck	Shortridge	Walcott
La Follette	Norris	Smoot	Walsh, Mass.
Lewis	Nye	Steiwer	Walsh, Mont.
Logan	Oddie	Thomas, Idaho	Wheeler
Long	Pittman	Thomas, Okla.	White
McGill	Reed	Townsend	
McKellar	Robinson, Ark.	Trammell	

Mr. FESS. I wish to announce that both the senior and junior Senators from Indiana [Mr. WATSON and Mr. ROBINSON] are detained from the Senate, being absent from the city on the occasion of the funeral of the late Representative VESTAL.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Delaware [Mr. HASTINGS] to reconsider the action of the Senate in rejecting the nomination of Charles A. Jonas.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Idaho?

Mr. HASTINGS. I yield.

Mr. BORAH. Mr. President, there are two treaties on the calendar which have been there for some time but have been held in abeyance at the request of the Senator from Montana [Mr. WALSH]. I understand the Senator from Montana has no desire to have them longer held on the calendar.

Mr. WALSH of Montana. I desire to make an observation or two with respect to the treaties.

Mr. BORAH. Then I will not ask the Senator from Delaware to yield.

Mr. WALSH of Montana. I will say to the Senator from Idaho that as soon as the pending matter shall have been disposed of I shall be glad to proceed.

The VICE PRESIDENT. The question is on the motion of the Senator from Delaware to reconsider the vote by which the nomination of Charles A. Jonas was rejected.

Mr. HASTINGS. Mr. President, when this nomination was before the Senate some days ago I was unavoidably absent. I had given the matter some consideration——

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WALSH of Montana. Will the Chair advise us how this question comes before the Senate at this time?

The VICE PRESIDENT. The Chair is advised that a motion was made and agreed to to proceed to the consideration of executive business; and the question then arose on the motion to reconsider the action of the Senate in the case of the Jonas nomination, which motion had been entered by the Senator from Delaware.

Mr. WALSH of Montana. To reconsider the action of the Senate in rejecting the nomination?

The VICE PRESIDENT. That is the question.

Mr. WALSH of Montana. I desire to inquire whether the President was notified of the rejection of the nomination?

The VICE PRESIDENT. The Chair is advised that the President has not been notified.

Mr. WALSH of Montana. I want to ask as a parliamentary inquiry: If the President had been notified, would the motion to reconsider be in order?

The VICE PRESIDENT. The Chair understands that question is now pending in the court, and he does not care to pass upon it.

Mr. HASTINGS. Mr. President, I repeat that at the time this nomination was considered by the Senate I was unavoidably absent. I read, however, with great care the record of the proceedings in this case, and, from my knowledge of the facts, I am reasonably well satisfied that the facts have not been clearly stated to the Senate.

I want, in the first place, to say that, so far as my personal interest in this nominee is concerned, I have none. I had never seen him in my life until to-day, but I observe from the record made before the Judiciary Committee that he has been a practicing lawyer in the State of North Carolina for a period of 26 years. He states that he represented a Democratic district in the State Senate of North Carolina for two terms; that he represented a Democratic county in the State house of representatives for one term, and a Democratic district in the National House of Representatives for one term. He served as a member of the city school board and as city attorney in his home town, which is overwhelmingly Democratic. He was elected in 1917, and was twice reelected by the Democratic legislators to membership on the board of trustees of the University of North Carolina. He served as assistant United States attorney for the western district of North Carolina four years, and has served as United States attorney for one year. He is a member, in good standing, of the North Carolina Bar Association and the American Bar Association. In addition to that, my understanding is that he is the Republican national committeeman from the State of North Carolina, the highest position, perhaps, his party could give to him.

The rejection of a nominee by the Senate is merely a part of the day's work of the Senate; but to a nominee who has been rejected it is a very serious thing. I respectfully submit that it is a serious thing for the Senate, too, if it does it without full knowledge of the facts, or, in doing it, has done an injustice to the nominee.

The objection made to this nominee when this matter was before the Senate was fourfold in character.

The first objection was that by some remarks he had made he had offended the Nye committee, a committee of the United States Senate.

Second, that he had made an attack upon the courts of his State.

The third objection was that the junior Senator from North Carolina [Mr. BAILEY] had said that his confirmation would be personally obnoxious to him.

Lastly, that Jonas had inspired the contest filed by Pritchard against Senator BAILEY for the purpose of forcing his own confirmation.

I shall undertake to show that whatever indiscretion Mr. Jonas may have been guilty of with respect to his criticism of a committee of the United States Senate, the record shows, I think conclusively, that he did not intend that statement to be published. I think I shall be able to show beyond any question to those who are interested that he said nothing that could be construed as a reflection upon the courts of his own State; and if I know anything about what this rule of a man being personally obnoxious is, I think I shall be able to show to the Senate that the junior Senator from North Carolina has in no sense brought himself within that rule.

There has been much made of the point that the Nye committee was merely investigating the expenditures of money, and had no authority and was not interested in discovering either fraud or irregularities that did not involve the expenditure of money. It is a fact, however—and I think it will be admitted by all the members of the committee—that the investigators sent out by that committee did in fact, time and again, report irregularities and fraud that they discovered in the States where they went. I do not recall this fact to the attention of the Senate as in any sense a criticism of that. I think it was but natural that persons who had been sent out to discover whether money had been improperly used should have reported to their employers all of the irregularities or all of the frauds that they may have discovered.

In the first place, however, I want to point out how the public looked upon this committee, and what impression the public got with respect to this committee, and what its duties were when it visited the State of North Carolina.

In the Greensboro Daily News of October 15, 1930, there is this headline:

Nye probe viewed as big aid to campaign—Democrats regard outcome as year's best contribution to their cause—Are impressed by NYE.

The latter part of that article is as follows:

As to political corruption growing out of loose election laws, the findings in Raleigh were even more in favor of the Bailey men than anybody had a right to expect.

It was thought that the committee at least would rate the North Carolina laws as archaic, and thus a reproach to a free

electorate. Instead, the committee praised them. Mr. NYE thought the citizenship of the State had been rather jealous of a good political name. There was a good deal to be said against certain looseness in the absentee ballot act, but the committee thought well of the election laws, an estimate not shared by thousands of good Democrats who have had occasion to observe elections in recent years. Thus the Nye-Patterson-Wagner visit has made the Democrats feel very good. It turned up nothing that will be difficult to explain in a campaign; indeed, the answer of the Democracy to the conventional charges of the Republicans must be the report of the committee. To be sure, it isn't yet framed, nor has the Senate been asked to receive Mr. BAILEY. But Mr. NYE's visit has nullified much campaign material which has been in circulation all the fall.

In the Asheville Citizen of October 15, 1930, the headline is as follows:

Inquiry in this State pleases Nye committee—Absolutely nothing is found to verify any charges made—Term conditions here refreshing.

On the second page, where the article is continued, the heading is—

Primary probers praise clean politics in North Carolina.

In respect to this matter, Mr. Jonas, when he appeared before the subcommittee, had this to say:

Well, it was in the heat of the campaign, Senator, that the Nye committee came down there. It was three weeks before the election that Senator NYE came down there and held these two hearings, and the newspapers all over the State, from one end to the other, gave out the statement that the Nye committee had come down there and found conditions refreshing, and one newspaper went far enough to say that the activities of the Nye committee were the best Democratic campaign dope there was in the whole campaign. They reported Senator NYE as having said that the people of North Carolina apparently were very jealous of their elections, and one newspaper carried the headlines that not a single charge that had been made with reference to election conditions had been substantiated. It was in reference to that that I said that I was fighting with my back to the wall.

Editorials were written in practically every newspaper in North Carolina to the effect that Senator NYE had approved of conditions there and that there were no grounds for any of these charges.

I was not interested in the primary, but I was vitally interested in my own election and the election of my party associates, and I realized then—and I realized every day from that time until now—I feel now that I was greatly prejudiced in my campaign. Senator NYE later said that he had been misunderstood, that the reports in the newspapers did not correctly contain his references, and that the only thing he meant to say was that it was refreshing that the witnesses came before the committee without questioning the power of the committee to hold that investigation and testified fully, and that that is all he had reference to when he said that conditions were refreshing, and immediately thereafter I offered the best kind of an apology that I knew how to make.

I am not contending, and nobody else is contending, that these facts justified Mr. Jonas in saying:

If the Democrats did not pay him to come to the State and, without any serious effort to secure evidence, give out a statement that the situation in the State is refreshing, then they at least owe him a debt of gratitude.

Mr. Jonas insists that he did not intend this article to be published, and his statement is found in the report, as follows:

The material for the article had been assembled over a considerable period and in "piecemeal." When the first draft was assembled it included the first two paragraphs as published, containing the references to Senator NYE and others which are objected to. I corrected this draft personally by deleting all references that could be personally objectionable to anyone. I was not interested in personalities. My complaint was against a system and not against persons.

A copy of the final draft was handed to me as I passed my office going from the Judiciary Committee room to the floor of the House. At the first opportunity I began reading my copy and was amazed to find the first two paragraphs were included as in the original. It is apparent to me that the final draft was made from the original instead of from the proofed draft.

I immediately called my secretary, Miss Lucy Rarey, to see that copies were not given the press until I could make proper corrections.

He further states that he and his secretary spent the afternoon trying to overtake the article. He says that it never occurred to him to try to overtake it except through the correspondents to whom he had given it, and that when he did locate one of them, that correspondent said that it had gone by wire and it was too late to recall it. It appears that he had given it to two correspondents and that he did succeed in getting it back from one of them.

If this statement was not true, if Jonas was not making a statement that he did not intend to be published and did not try to get that statement back from the correspondents, I inquire, why should he have secured it from one and let the other go? If he wanted to make it public, he undoubtedly would have made it public through the two correspondents, and would not have left it with one and withdrawn it from the other.

Mr. President, it is undoubtedly true that the Judiciary Committee were clearly of the opinion that Jonas did try to get these statements back, and did not intend that they should be published. I remember distinctly, when the matter was discussed in the committee, that somebody said, in reply to a question that I asked with respect to that, "But it is reprehensible that he should have thought any such thing as that about the United States Senate."

Mr. President, I think that is an impractical objection. It may be true, and it should be true, that all of us have been trained from youth not to have evil thoughts, not to speak evil, not to do anything that is evil, not even to think it; but when it comes to applying that principle to what the United States Senate may do in considering whether or not it should vote to confirm a person who has been nominated for some office, I respectfully submit that it is an impractical thing. I suggest that the Senate is lucky indeed if it escapes spoken criticism, without taking cognizance of what some individual may have thought with respect to it.

We spare no man when we come to discuss what somebody has said on the outside. We hide here behind the cloak of our privilege and say what we please, regardless of whether it may be a slander upon some person or whether it may not. We use our discretion with respect to it, regardless, I repeat, of whether it is fair to some other person or whether it is unfair. Then, that being true, I respectfully submit that we should not be quite so careful and should not be quite so ready to invoke punishment within our own power upon somebody who has dared say something with respect to the United States Senate. Particularly should that be true when to my mind, and it seems to me to the mind of any reasonable person who reads that record, it is perfectly clear that, after all, Mr. Jonas did not intend that statement to escape, and did not intend that the public should ever read any such statement as that.

I submit, Mr. President, that that is the greatest offense this man has committed. If you get past that you have no other reason to say that he should not be confirmed.

Senators may have different views with respect to that. There is no particular dispute about the facts, except as to whether he intended that the statement should be published; but when you get past that there is not another single thing in this record to condemn this man in the eyes of the country or in the eyes of the United States Senators themselves.

But I want to read what the junior Senator from North Carolina [Mr. BAILEY] has placed in the RECORD as his objection; and I think it may be necessary for me to discuss my next two propositions together; namely, as to whether Mr. Jonas made an attack upon the courts; and, secondly, whether or not the junior Senator from North Carolina has brought himself within the rule which has been so much discussed in the past, and, in my judgment, will be much discussed in the future, if the Senate undertakes to hold to it.

Here are his objections:

First, that Jonas makes blanket charges of fraud and rascality involving the honor of the State and the election officers.

Second, that Jonas's statement about the courts of North Carolina are wanton and insulting, and are calculated to disgrace the Commonwealth and bring the courts into disrepute.

Third, Jonas's attack upon the Nye committee.

The fourth and fifth are upon the same subject.

The sixth refers to a statement made by Mr. Jonas concerning the North Carolina senatorial contest.

The seventh refers to some prosecution of the secretary of the Republican executive committee of North Carolina—a thing that apparently was not mentioned when this matter was before the Senate.

In the last paragraph of his complaint he makes this very significant statement:

I may have other objections, but for the present I will rest upon these.

In a speech made by the junior Senator from North Carolina upon this subject when this matter was before the Senate he had this to say:

Again, Mr. Jonas, in this article, attacks the courts of the Commonwealth of North Carolina, and, so far as I am concerned, that is the gravamen of his offense.

I urge Senators to read carefully this statement of the junior Senator from North Carolina:

I do not hesitate to say that if he had attacked me personally I would not have filed objections to him on that account. If he had reflected upon me in a political campaign I would have taken it as in the ordinary course of politics. If he had very greatly offended me personally, I can not conceive that I would be willing, and I do not think in the term that I shall serve here I shall ever be willing, to use the high privilege that is vested in a matter of this sort by way of venting anything that is personal or anything that is political. I hope the years which are to follow will justify the statement I have made.

When Mr. Jonas, however, publishes to the world that justice can not be had in the courts of the Commonwealth which I represent here with my distinguished colleague, that is personally obnoxious to me; I resent it, I abhor it, and it moves me to throw everything I have in the way of personal resentment against the exaltation of the man who will deliberately utter words tending to bring obloquy and disgrace upon the courts of the Commonwealth of North Carolina.

That is plain language. But I say here the most precious possession of my Commonwealth is the honor of its courts and the confidence of its people in the administration of justice there.

I think the Senate's attention ought to be called to the particular thing said by Mr. Jonas which it is claimed was such a reflection on the courts that he ought not to be confirmed. It is to be found at the bottom of page 7 and the top of page 8 of the hearings, and is as follows:

The Charlotte News rightly said a few days ago there should be a complete investigation. But when? How? And where? There is little use to depend upon the Nye committee. Besides, our Democratic friends do not desire that committee to nose around too much in the State.

This is the part which is objectionable:

Criminal actions in the courts are out of the question, if for no other reason than the multiplicity of actions.

There certainly can not be any particular objection to that point about the courts. There is nothing said yet which ought to shock anybody.

Further, the case of double voting——

Mr. REED. Mr. President, I think the Senator has inadvertently left out something.

Mr. HASTINGS. I will read it again:

Criminal actions in the courts are out of the question, if for no other reason than the multiplicity of actions, and enormous expense and time required, if private citizens should undertake this method.

I did not observe that I did not read that latter. I continue:

Further, the case of double voting by Doctor Avery and wife at Maiden, the registrar case at Shelby, completely show the futility of pursuing this course. The 18 solicitors of the State could wake the dead if they were minded to perform great public service, forget politics, and sift these charges to the bottom, in an impartial and nonpartisan way. But will they?

I want to analyze that statement, because as I read this record, so much was said about the terrible things which had been said about the courts of North Carolina that I thought I must have missed something. But I am quite satisfied, and I think it is not contended to the contrary, that this is the only thing that was said:

Criminal actions in the courts are out of the question, if for no other reason than the multiplicity of actions, and enormous expense and time required, if private citizens should undertake this method.

I certainly assume that nobody can find any particular objection to that. Now, I want to take the last part of it:

The 18 solicitors of the State could wake the dead, if they were minded to perform great public service, forget politics, and sift these charges to the bottom in an impartial and nonpartisan way. But will they?

I do not know whether anybody considers that a reflection upon the North Carolina courts or not. I do not. I look upon these solicitors, who are prosecuting officers, as being like most prosecuting officers, and there are two lines of duty with a prosecuting officer, some looking upon the statutory duty solely and prosecuting the persons who have been brought before them, and saying, "Unless a charge is brought, then I shall take no action with respect to it. You make your complaint, and if the complaint is good, I shall follow it up and prosecute the person who is charged with some sort of a crime."

There are other prosecuting officers who may take what might be called a progressive view, and say, "When I am elected prosecuting officer I propose to see to it that I shall make investigation of all rumors of crime, and see what I can do to get those things acted upon, see that justice is done everybody, and that everybody is prosecuted who ought to be prosecuted."

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER (Mr. HEBERT in the chair). Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. BAILEY. I just want to call the attention of the Senator to the fact that it is the duty of the solicitors in the superior courts of North Carolina to bring all violations of law within their knowledge, or of which they may be informed, to the attention of the grand jury.

Mr. HASTINGS. Of course, that is not different from what I just said. I assumed that was true when I made my statement a moment ago. The Senator from North Carolina has stated what is usually true of all prosecuting officers.

What was said could hardly be considered as a criticism. He just asked a question. He stated what they might do if they would, and then asked a question, "Will they?" I shall refer to this a moment later. But this must be the thing which shocked the Senator from North Carolina with respect to this:

Further, the case of the double voting by Doctor Avery and wife at Maiden, the registrar case at Shelby, completely show the futility of pursuing this course.

May I suggest to the Senator from Pennsylvania that there is not a thing in the record to show what those two cases are; there is nothing to show that anything improper was done with respect to them. There is no criticism of any judge in what has been said about those two cases. Jonas is merely calling attention to the fact that there are two experiences, about which everybody in North Carolina, or at least a great many people in North Carolina, knew, two cases which he says demonstrate the futility of following this process.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. HASTINGS. In just a moment. I propose to show, and I think my information is correct, what those cases were, and then I propose to ask every Senator here whether he does not believe that anybody would be justified in criticizing the court, when it comes to considering what actually happened to those two cases.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. HASTINGS. Inasmuch as I referred to the Senator from Pennsylvania, I yield to him.

Mr. REED. The Senator admits, then, that that was a criticism of the courts, and claims, if I understand him, that it was a merited criticism of the courts. Is that the Senator's meaning?

Mr. HASTINGS. What I am contending is that there is nothing upon the record itself which could shock anybody, but in order that the Senate might know just what the cases are, I propose to show to the Senator just what they were.

and then let him decide for himself whether or not this was a criticism or whether it was not. I contend that it was not a criticism.

So far as anything appears in the record, and so far as these decisions go, and so far as what Jonas said with respect to that is concerned, one can very well reach the conclusion if he wants to that without any criticism of the courts, if the courts of North Carolina are going to treat cases like that, then it is not worth while for anybody to pile up a lot of cases to be prosecuted, and I submit we are bound to reach that conclusion ourselves.

I now yield to the Senator from North Carolina.

Mr. BAILEY. Mr. President, I call the attention of the Senator to the fact that there is a reference here in the record of the examination of Mr. Jonas before the subcommittee, on page 8, as to one of the cases. I understood the Senator to say that there was nothing in the record here on the subject.

Mr. HASTINGS. It may be that there is something there which I overlooked. At any rate, I will come to the cases themselves, and see what we think of them.

The first case mentioned was the Doctor Avery case. I will read the letter from Caldwell, the prosecuting officer, and let us see just what happened in this Avery case:

State of North Carolina.
Dr. E. S. Avery——

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WALSH of Montana. Before the Senator goes to that, I think the Senate ought to be advised what Mr. Jonas himself said about that Avery case. My recollection is that he said there was nothing about that with which he could find fault.

Mr. HASTINGS. If the Senator does not object, if I leave out something which he thinks the Senate ought to know, he may inform it in his own time.

Mr. WALSH of Montana. In other words, Mr. Jonas left upon the subcommittee the impression that there was nothing in the Avery case which, in his judgment, warranted a prosecution.

Mr. HASTINGS. Well, I have not seen that in the record. It may be there.

The above-entitled cause was brought in the recorder's court.

But before going to that I would like to explain that these two cases were in the recorder's courts of North Carolina. A recorder's court in North Carolina is created by the county commissioners of the county, and, so far as criminal cases are concerned, they have only to do with petty misdemeanors. In most instances the judges are not required to be lawyers. In a great many instances they are lawyers, and in a few instances the act of the county commissioners creating the court requires them to be lawyers. I just wanted the Senate to understand that this was not the high courts of the State of North Carolina which have been affected.

Mr. REED. Are those the only courts in which election offenses can be tried?

Mr. HASTINGS. I can not answer that question; I am sorry.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BAILEY. Election cases are tried in the superior courts, and not in the local courts, except in very rare instances. The local recorders' courts are created by act of the legislature.

Mr. HASTINGS. It is true, is it not, that the recorder's court took care of the Avery case and the registrar case?

Mr. BAILEY. The recorder's court may have taken jurisdiction, but the rule is to try election cases in the superior courts of the State, which are circuit courts.

Mr. HASTINGS. I read:

The above-entitled case was tried in the recorder's court of Catawba County, N. C., on the 2d day of December, 1930.

I want Senators to observe this date:

In the Avery case I have a statement which I wish to read. The Avery case was begun shortly after the election in November, 1930. The statement reads:

The undersigned had served as county solicitor, prosecuting the docket in the recorder's court in which this case was tried, for the two years next preceding the first Monday in December, 1930. I had gone out of office just the day before this case was tried; but since I had been connected with the prosecution of the case for the three or four weeks before the trial, I had been requested to continue with the prosecution of the case and did appear for the State in the trial. I am therefore entirely familiar with what occurred during the trial of the case and will attempt to give in the following words a correct statement of the case.

Mr. Avery was indicted upon a warrant sworn to by Mr. H. H. Abee, of Hickory, N. C., and was charged with fraudulently voting twice in the general election of 1930. He appeared in court and plead guilty to "aiding and abetting in the casting of an illegal ballot by absentee." Prayer for judgment was ordered continued by the recorder, Mr. W. B. Gaither, upon payment of the costs by the defendant. From the bench the recorder made the statement before passing the above judgment that if the defendant had not plead guilty he would have held him not guilty. The case therefore went off the docket upon the payment of the costs.

Doctor Avery testified on the witness stand under oath that he was a graduate physician and active in his profession; that he had never registered in person in Morganton, N. C., but that he had voted there several times by absentee ballot. He was born and reared in Morganton. He had moved from Morganton to Maiden about 10 months before the election. He testified that he received absentee ballots from Morganton; that he took them before a notary public—C. O. Murray, of Maiden—and executed the attached certificate before him, and mailed the ballots to the registrar of elections in Morganton, N. C.; that thereafter he registered in person in Maiden before E. G. Mauney, registrar of elections for Maiden precinct, and voted in person on election day, same being the general election of 1930.

Mr. Beach testified under oath from the stand that he was registrar in precinct No. 3, Morganton, N. C., and as such received the absentee ballots from Doctor Avery through the mail, and that said ballots were cast and counted in the general election of 1930. He further stated that Doctor Avery had never registered in person in that precinct, and that he was at a loss to know how he could have become registered, although his name appeared upon the registration books in said precinct in 1928.

Wilson Warlick, superior court judge elect at the 1930 general election, appeared at one hearing on this case before the final trial on behalf of the defendant and secured a continuance of the case. The case was continued twice, and was not tried until the day after the county administration changed from Republican to Democratic, W. B. Gaither, the Democratic recorder elect, having succeeded a Republican recorder.

The grounds used by the defense attorneys for the continuance was that a most important and material witness for the defendant could not be present at that time. At the final trial this witness was not present.

In the Shelby registrar case Mr. Bynum E. Weathers is a practicing lawyer at Shelby and represented the prosecuting witnesses at the trial. While there is no record as to the evidence offered, Mr. Weathers states that the witnesses whose names appear on the warrant testified that neither of them appeared before the registrar or offered to register, nor took the oath of citizenship. In fact, they all testified they did not authorize anyone to place their names on the registration book. The registration book was produced at the trial and showed that the names of the prosecuting witnesses appeared thereon. The defendant testified that he did not place the names on the book and did not know how they got there. Notwithstanding that testimony the recorder dismissed the case.

There is no written opinion in either of these cases.

I have one other letter. The senior Senator from North Carolina [Mr. MORRISON] called attention to the fact that there were Republican solicitors present and, in commenting upon this criticism of the solicitor, said, "Why did they not proceed and do something that would awake the dead, as Jonas said might be done?"

I hold in my hand a letter from a man by the name of Jones, in which he said:

At the last general election in Watauga County, Boone, N. C., the election was held in the courthouse hall. The ballot boxes were placed in the extreme rear end of the hall. The two Democrat judges appointed to assist in holding the election directed that the Republican judge should occupy his post of duty in the front end of the hall, a distance of at least 40 feet from the ballot boxes. A number of Republican leaders insisted that this arrangement would be unsatisfactory and highly unfair, in that no Republican would be near enough the ballot boxes to discover any misconduct or fraud on the part of the Democratic judges. After

some discussion the bystanders were ordered to leave the hall, and on leaving the hall a fight ensued. W. H. Bingham, prominent Republican, was assaulted over the head and on the body with a blackjack and a billy. Grady Hayes, Republican, was stabbed in the back.

He goes on to state the names of the people he tried to indict, which I shall not read because it might not be fair to them.

At that term of court the following persons were selected on the grand jury.

Then he gives their names, 17 Democrats and 1 Republican.

The traverse jury at that term of court was composed of the following.

Then he gives their names.

* * * * * * *

It will be noted that they selected 17 Democrats and 1 Republican for the grand jury. The bill of indictment for an affray was sent before this Democratic grand jury and the bill was never returned. I wrote to the clerk of the superior court to make diligent inquiry and to search the files of his office, and he, on May 2, 1931, informed me that he did not know what became of the bill. I am informed that the bill was possibly destroyed and thrown in the wastebasket.

It was my purpose to have indicted the parties who were responsible for the failure to act on the bill or the parties who mutilated the bill, but before another court could convene Watauga was taken out of my district, which separated the district by putting Mitchell and Avery in one district and Wilkes, Alexander, Yadkin, and Davie in another. In other words, my district is not contiguous.

If a fair election could be obtained in Watauga County, the Republicans would carry the county by possibly three to five hundred majority; and in the selection of the grand jury, party lines are supposed to be ignored and men are selected for their fitness and for their ability to serve and not for political reasons. The jury is selected by the county commissioners. Isn't it a peculiar thing that the traverse jury was about equally composed of both Democrats and Republicans, while the grand jury was composed of 17 Democrats and 1 Republican?

This was not the first time that the grand jury had been composed of a majority of Democrats. There had been such unfairness in selecting the grand jury I deemed it my duty to make an investigation, and I wrote Mr. Austin E. South, clerk of the court, asking him to send me a list of the grand jury and to mark after each grand juror's name his politics, and he sent me a list which discloses that there were 17 Democrats and 1 Republican on the jury.

I have no complaint to make against the judges of the superior court of this State. They have all treated me with the utmost degree of consideration and fairness, and have joined me in my effort to bring about justice, and I am of the opinion that if Watauga had not been taken out of my district I could have brought these parties to justice and exposed in the courts the manner and high-handed methods that were employed in holding the elections in Watauga County. The trouble is not the judges on the bench or the prosecuting officers. It is the election officials and the officeholders of the county that has created so much unfairness in the elections. * * *

At one of the precincts in Watauga County conditions were so intolerable that they closed the polls and carried the boxes to Boone, N. C., and then later in the day went back and reopened the election and let a number of Democrats vote, but did not notify the Republicans that the election was going on. If Mr. MORRISON and Mr. BAILEY could really know the truth about the situation in Watauga County, I am confident that they would invite an investigation. The parties who are responsible for the conditions in this county should be exposed, and it would be to the everlasting credit of the Democratic Party to help do it.

As you know, I have tried to honestly prosecute the docket; and whenever officials have violated the law, whether they are Republicans or Democrats, I have prosecuted them vigorously. I believe you would testify to this fact. I can think of no more disgraceful performance than for county officials to defeat justice by manipulating the affairs of the county in such a way as to put on the grand jury men who are of their political faith in order that some bill of indictment may be returned not a true bill or be lost or mutilated.

In my opinion, the witnesses who were subpœnaed to go before the grand jury against said parties for an affray would have furnished sufficient evidence to have caused the grand jury to have returned a true bill, if they had been willing to have done their duty regardless of politics.

I made some inquiry about that and find as to this county, in which the senior Senator from North Carolina says that he and his colleague had so much responsibility, that in January, 1931, the legislature deliberately carved out of this prosecuting officer's district this one county, leaving on either side of him counties which he represented, but leaving this county to some other solicitor.

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. MORRISON. In my reference to the solicitors I did not mean at that particular time. There have been a great many Republican solicitors during the past decade, among them Mr. Pritchard, my colleague's opponent, who was solicitor for a long time in one of the districts. Why have they not prosecuted some of these people in the court?

As to the particular matter to which the Senator refers I do know that they had an election row up there in which both sides claimed the other was to blame, as usual, and that a case growing out of it is now pending in the Federal courts. Some of the participants were indicted.

As to what this gentleman says about not being able to get an indictment in that county may I say that the county is "nip and tuck" politically, and I suppose the grand jury would necessarily have been about half and half between the parties. I do not know why they did not indict, but I do know we have had some very able prosecuting Republican solicitors in the State in a number of our districts, and I never heard of any effort to bring a lot of people to justice for these grievous violations of the law. I never heard of that until the Senator told us about it just now.

Mr. Jones, as I understand it, is a Republican. I do not know about his county being taken out of the district, but the statement shows some considerable partisanship, I think. We created four new judicial districts in that State, as I remember, and of course they had to be reformed. I am quite sure there is no justification for the intimation that the General Assembly of North Carolina took that county out of his district to prevent a prosecution of those cases. I want to say now that the solicitor into whose district they transferred that county is the peer of that gentleman or any other officer or lawyer in North Carolina.

Mr. HASTINGS. Of course, I am entirely satisfied to have the senior Senator from North Carolina make any explanation that occurs to him to be made in this unusual situation. All I was endeavoring to do when I called attention to the fact that Republican solicitors had not done what Jonas complained of Democratic solicitors not doing was to give him one illustration of why this man did not act.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the junior Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. BAILEY. I am sure that the Senator from Delaware would not willingly utter anything from anybody that would tend to reflect upon the courts of North Carolina.

Mr. HASTINGS. That is true.

Mr. BAILEY. However, the import of the letter just read distresses me. The import of that letter is certainly in the nature of a reflection. I do not intend to respond to it now, but I wish to point out one simple fact: The names of jurors in North Carolina are put in and drawn from the boxes under supervision of the county commissioners. The county commissioners are directed by the law, and frequently by the judge, to go over the tax books of the county, obtain the names of substantial and responsible citizens, mainly freeholders, and to place them in the box. When a criminal term of court approaches——

Mr. HASTINGS. Mr. President——

Mr. BAILEY. I want to get the facts before the Senator, because I am not going to rest with this implication against my Commonwealth. I think, since the matter has been brought up, I am entitled to make a clear, and, of course, a very courteous and patient statement about it; and, if the Senator is willing, I should like to proceed.

Mr. HASTINGS. May I inquire does the Senator want to give me some facts in order that I may correct some statement that I have made?

Mr. BAILEY. Precisely; but not with a view to giving the Senator the slightest offense. I began by saying that I was sure he would not willingly utter anything that would

tend to reflect upon my Commonwealth, and I shall maintain that position. I rise mainly to get the facts in the mind of the Senator, in the light of the statement by Mr. Solicitor Jones in the letter as read.

The grand jury and other juries in North Carolina are so drawn that they can not be selected according to political affiliations.

Mr. HASTINGS. Now let me inquire, does the Senator believe one can reasonably draw any other conclusion than that the grand jury, consisting of 17 Democrats and 1 Republican, was drawn for the purpose of making it that way rather than for the purpose of having it impartial? I will ask the Senator that question.

Mr. BAILEY. I do not quite get the Senator's question. The Senator asks do I believe what?

Mr. HASTINGS. I understand the Senator to say that under the law the names of jurors are drawn from a list of citizens?

Mr. BAILEY. Their names are placed in the box and are then drawn.

Mr. HASTINGS. I understand also that the drawing is supposed to be nonpolitical?

Mr. BAILEY. That is right.

Mr. HASTINGS. And that there are to be as many Democrats as there are Republicans. Is that true?

Mr. BAILEY. That is correct.

Mr. HASTINGS. Then I ask the Senator—and I am not reflecting upon any particular person, for I do not know who did it—is it reasonable to suppose that in the particular grand jury where this particular thing happened it was possible to draw 17 Democrats and 1 Republican and to do it in a perfectly fair way?

Mr. BAILEY. That may have been so, Mr. President, and it may not have been so, without intending to reflect upon Mr. Solicitor Jones, whom, it happens, I know, and against whom I would lodge no imputations. He may be mistaken in his statement that there were 17 of one party and 1 of the other, and it may be that there was a coincidence; but the entire point of my remarks is just this: If that had been so, all that the solicitor had to do would have been to call the attention of the judge to the fact; and it does not appear——

Mr. HASTINGS. To call the attention of whom?

Mr. BAILEY. Of the judge of the court, who has absolute control of the court. That is the point I wish to get before the Senate. It will not serve for Mr. Jones to come here with a letter months and even years subsequent to the event complained of when it does not appear that he ever opened his mouth on this subject, either in the court or anywhere else in our Commonwealth.

Mr. HASTINGS. Did the Senator hear me read in the letter the statement that he had intended to have the persons prosecuted at the next term of the court, but that the legislature took the county away from his jurisdiction?

Mr. BAILEY. I heard that.

Mr. HASTINGS. Has the Senator any explanation to make of that situation?

Mr. BAILEY. I think the senior Senator from North Carolina [Mr. MORRISON] made a proper explanation of it.

Mr. HASTINGS. Very well.

Mr. BAILEY. Now, there is a coincidence in that it happens that Watauga County—I am sure that is the county to which the Senator has reference—was taken out of the district in which Mr. Jones lived. Mr. Jones lived in Wilkes County. It happens that I know that Wilkes County is, in a sense, considerably removed from Watauga County. Wilkes County is in a mountainous region, but is on the eastern side of the Blue Ridge, while Watauga County is on the crest of the Blue Ridge.

I agree that a strange significance may be attached to such a situation; that it can be made the subject of insinuations; but I must insist that the people of North Carolina and the General Assembly of North Carolina do not do those things. It comes with amazement to me, who have lived there nearly all of my life, that the suggestion should be made in the Senate.

Mr. HASTINGS. Has the Senator finished?

Mr. BAILEY. I have finished.

Mr. HASTINGS. I hold in my hand a petition signed by 34 lawyers of the county adjoining that of Mr. Jonas. My understanding is that the number includes every lawyer in that particular county.

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. MORRISON. As to the paper the Senator was just reading, I wish he would indulge me a moment. Watauga County has been in a Republican district for a great many years. There may have been some disturbances in the election there, mere irregularities or something of that kind. I recall that Mr. Frank Linney, who was one of the greatest Republicans of modern times in my State, was for a long time solicitor of that district. I think that county has been in a Republican district for many years. It is one that the Democrats have seldom carried, but I am quite sure that there has never been anybody prosecuted by the solicitor in that or any other county of that district, and that the mention by Mr. Jones of his intention to prosecute people in the particular case is the only instance where the Republican solicitor of that Republican district has ever sought to bring anybody to justice because of election offenses.

Mr. HASTINGS. Mr. President, I hold in my hand a petition signed by 86 lawyers in Charlotte, the home town of the senior Senator from North Carolina. Eighty-six members of the bar, all of them Democrats, have signed this petition, saying:

> We cheerfully bear testimony to the high character and splendid legal attainments of Mr. Jonas, and we believe that he would perform the duties of this high office with ability and fidelity.

The petition was signed on the 14th day of January, the day after this statement made by Mr. Jonas was published in the press.

Mr. MORRISON. Mr. President, will the Senator yield to me again?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. Yes.

Mr. MORRISON. I do not think the statement of Mr. Jonas appeared in the press of that city; I am quite sure it has never appeared in the press of that city.

Mr. HASTINGS. Never appeared in the press of what?

Mr. MORRISON. In the press of Charlotte, where the bar recommended him; and I do not believe that those lawyers were aware of the statement which was made the basis of the objection to Mr. Jonas.

Mr. HASTINGS. Very well. I may say, however, that I can hardly conceive of anybody in North Carolina not having read this statement. I should like now to read the letter from Mr. D. B. Smith, transmitting the indorsement of the 86 lawyers to Mr. Jonas. It is dated January 17 and is as follows:

> I hand you herewith the indorsement of practically all of the Charlotte lawyers. I never circulated a petition that was signed with such unanimity and with such appears good will. The boys seemed to think that it was eminently the proper thing for you to receive this appointment. A number of them offered to write personal letters, if it should be deemed necessary, and all of them join in an invitation to you to bring the office to Charlotte. In circulating this petition I was assisted by Mr. H. Eugene Kiser and Mr. Fred C. Hunter.
>
> If there is anything further we can do at this end of the line, you will please command us.

There is another communication, dated January 17, from Catawba County, inclosing the indorsement of 34 lawyers, one of whom is the judge who disposed of the Avery case.

The Senator suggests that he doubts whether they knew about the statement of Mr. Jonas at the time. I desire to take enough time of the Senate to read a letter from the judges who specifically refer to the article and state their opinion with respect to the effect that it ought to have. I have no doubt the Senators from North Carolina know all these gentlemen. Walter E. Moore, judge of the Superior Court of the Twentieth District of North Carolina, says:

I am writing you in reference to Charles A. Jonas, United States attorney for the western district of North Carolina.

I have just closed the State courts as judge of his district, the sixteenth. I found him in his practice in the courts before me to be a gentleman of fine ability, courteous, candid, and perfectly ethical. I think him well qualified for the position he now holds, and, further, I do not believe partisanship or any considerations would in the least swerve him from the duties of his office.

I will quote a letter from Henry A. Grady, judge of the superior court, residing at Clinton, N. C., directed to the Senator from Montana [Mr. WALSH], which reads:

As one of the judges of the superior courts of North Carolina, with 10 years' experience on the bench, and as a lifelong Democrat, I feel that I ought to make this statement to you in reference to Hon. Charles A. Jonas, of Lincolnton, N. C., whose confirmation as United States attorney for the western district of North Carolina is now under consideration by the Senate subcommittee of which you are chairman.

I understand that his confirmation is being opposed because of certain alleged intemperate partisan accusations made by him in reference to certain election officers, following a heated campaign, evidencing his unfitness for the position of Government prosecutor; that is to say, it is alleged that he is temperamentally unfit.

I have no interest in Mr. Jonas; we are not related in any way by blood, business, religion, or politics. He lives in Lincolnton and I live in Clinton, 200 miles apart. I do not recall that I ever saw him more than a dozen times in my life; but I know him by reputation, and I feel that these charges, in the light of his character, ought not to have serious weight in passing upon his confirmation. It is possible that in the heat of debate he may have said some things that he ought not to have said. As to this I am not informed, but who among us, Democrats or Republicans, has not said things at times which we afterwards regretted.

If the opposition to Mr. Jonas is purely political, then I have no patience with it. The present administration is Republican, and the dominant party has a right to select its officers. It would be the same way if we had a Democratic administration. It would then be but natural for the President to appoint a Democrat.

I have not the remotest idea that Mr. Jonas, if confirmed, would allow partisanship, or any other consideration, to influence him in the administration of this office. I would not hesitate to trust him as State solicitor in my own courts. I have discussed this matter with some of the leading Democratic lawyers of Charlotte, and, judging from their utterances, I am satisfied that the bar here, where I am now holding court, would offer no opposition to Mr. Jonas.

You do not know me, but I refer you to Senator MORRISON and Senator BAILEY, both of whom know me well.

T. B. Finley, of North Wilkesboro, N. C., writes to the Senator from Montana, as follows:

This is to write you a line in behalf of Hon. Charles A. Jonas, who has been appointed United States district attorney for the western district of North Carolina by the President.

I have been on the superior court bench for the last 13 years, and have had the opportunity to see Mr. Jonas many times in the practice of his profession. I have always regarded him as a good lawyer and a man whose conduct has always shown that he has a high regard for the ethics of the profession and a man I believe who would not allow politics or any other consideration to interfere with the discharge of his duties as United States attorney, and I hope you will urge his confirmation. I have always been a Democrat and all my people are of that persuasion, but, occupying the position I do, I take but little interest in politics, and am not looking at this matter from a political viewpoint. My Senators may have a reason unknown to me for opposing him, but I doubt the wisdom of the course they are pursuing.

I had the pleasure of meeting you—

And so on, the reference being personal.

Another letter from James E. Boyd, United States District Court, Western District of North Carolina:

UNITED STATES DISTRICT COURT,
WESTERN DISTRICT OF NORTH CAROLINA,
Greensboro, N. C., January 27, 1932.

Hon. THOS. J. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: I am informed that objection has been made to the confirmation of Hon. Charles A. Jonas as United States attorney for the Western District of North Carolina, on the ground of certain communications appearing in the public press, said to be intemperate and insulting to the Senate and some of the Senators.

In this connection I wish to say that I recall the instance that is probably made the basis of objection to his confirmation. It was made during the heat of a political campaign in which he was trying to be reelected to Congress and should not, in my opinion, be held against him in passing upon his competency to be United States attorney. He has been appearing in my court for the past 25 years, and I have never known of a single instance where his conduct and demeanor did not clearly show that he had regard for the ethics and proprieties of a practicing lawyer. The Government would be fortunate in securing the services of a man so well qualified, and I am sure that he would not permit partisanship or other considerations to adversely affect him in the discharge of the duties of the office.

In my opinion, to defeat the confirmation of Mr. Jonas would not only be a great injustice to him but in so doing the Senate would deprive the United States of a most valuable prosecuting officer.

With highest regards, I am, yours very truly,

JAS. E. BOYD.

Another letter from United States District Judge Hayes:

UNITED STATES DISTRICT COURT,
MIDDLE DISTRICT OF NORTH CAROLINA,
Greensboro, N. C., January 29, 1932.

Hon. THOMAS J. WALSH,
Chairman Subcommittee of the United States Senate Judiciary Committee, Washington, D. C.

DEAR SIR: I have enjoyed an intimate acquaintance with Hon. Charles A. Jonas since 1914. While we have lived more than 100 miles from each other, I have had an opportunity to know him and come in contact with him in court, in the General Assembly of North Carolina, and on many other public occasions. He was assistant United States attorney for four years in that portion of the State where I resided. I was at that time the State's attorney in the seventeenth judicial district, and came in contact with all of the State judges who held court where Mr. Jonas lived, and from 1914 to the date of the opposition to his confirmation as United States attorney for the western district of North Carolina I have never heard a judge or an attorney in North Carolina speak disparagingly of him. On the other hand, he is universally recognized as a lawyer of exceptional ability and in every sense of the word a man of the highest character. He believes in clean government and a square deal. He does not hesitate to denounce crookedness, whether political or otherwise, and regardless of party consideration. He has fought for the purity of his own political party and has not hesitated to criticize the members of his party if they launched upon questionable practices or policies. He has spoken perhaps too frank at times.

Having been defeated for Congress in the last election, and perhaps felt his defeat very keenly, he, no doubt, said things which would have been better left unsaid. Unfortunately, too much political bitterness exists in this State. I regret to see our citizens engaged in warfare upon each other, but I do not think these matters affect in a material sense his fitness to discharge the high duties of the office of United States attorney. Without in any sense reflecting upon the other United States attorneys, I am confident he is above the average throughout the United States, at present or in the past.

I have never heard an intimation that he has used his office for political purposes; I believe he has too much character to stoop to such conduct. He has made an efficient official, and the public whom he serves is satisfied with him. For these reasons, and believing that he is in every sense qualified to fill the office acceptably, I sincerely hope that your committee after hearing the evidence will feel warranted in recommending his confirmation.

Respectfully submitted.

JOHNSON J. HAYES,
United States District Judge.

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. MORRISON. I desire to say to the Senator and to the Senate that Judge Hayes was for many years a prosecuting attorney in one of these districts in a State where Mr. Jonas has said it was futile to resort to the courts about election frauds. Judge Hayes was a long-time solicitor of the district in which the very difficulty that we referred to a while ago took place. He was a candidate for the United States Senate against the late Senator Overman, and received a very handsome vote in the State. He was indorsed by practically the entire bar of the State for judge, and his confirmation was supported by both of our Senators. Yet he, together with other able Republican lawyers, has been a part of our State courts which were decorated by Mr. Jonas with the statement that the two cases to which the Senator referred showed the futility of resorting to them for justice about elections.

Mr. HASTINGS. I gather from what the Senator says that the opinion of Judge Hayes should have very great weight with the Senate upon this subject.

Mr. MORRISON. Mr. President, I do not think it should have a bit. If Judge Hayes would read what Mr. Jonas said about the courts, I do not believe he would vote to confirm him himself if he were here.

Mr. HASTINGS. Another letter from Raleigh, N. C.:

RALEIGH, N. C., *January 20, 1932.*

Hon. T. J. WALSH,
United States Senator, Washington, D. C.

MY DEAR SENATOR WALSH: I am writing you in reference to Mr. Charles A. Jonas, whose name is before the United States Senate for confirmation as United States district attorney for the western district of North Carolina.

Mr. Jonas has been in courts presided over by me two or three times, and I have observed his conduct as an attorney and his manner of performing his duty to his clients and the court. I have always found him very considerate of the court and possessed of a proper sense of propriety in the performance of his duties. He has also impressed me as a lawyer of real ability and with a high sense of honor.

I have no hesitancy in making the foregoing statement.

With feeling of high esteem, very truly,

G. V. CRISPEY,
Special Judge Presiding Over the Courts of the Eighth Judicial District of North Carolina.

A telegram from Judge Webb to the Senator from Minnesota [Mr. SCHALL]:

SHELBY, N. C., *February 7, 1932.*

Senator THOMAS D. SCHALL,
United States Senate, Washington, D. C.:

Answering your telegram asking my opinion of the character, ability, temperament, and general qualifications of Charles A. Jonas for United States attorney, beg to say that in my opinion his character and legal ability are good. He has served for a number of years as assistant district attorney and as United States attorney in the court over which I preside, and I regard him a conscientious, vigorous, and efficient public official. In the performance of his official duties I have seen nothing deserving censure or criticism.

E. Y. WEBB,
United States District Judge.

Now, Mr. President, I have called attention to the particular language that is so much objected to by the junior Senator from North Carolina [Mr. BAILEY]. I have in my hand a statement made by the junior Senator from North Carolina in 1926 relative to the conditions in North Carolina. I shall read portions of the article for the purpose of showing the Senator's own statement with respect to these matters before he reached the Senate. I want particularly to contrast the language used by Mr. Jonas relative to the courts with what Senator BAILEY said with respect to other officials of his own State.

The particular language used is to be found on page 26 of the hearings; not at the beginning of it, because I want to call attention to this first:

This is supposed to be a progressive State, but it is the most backward of all, excepting possibly South Carolina, in the means of assuring a fair and accurate count of ballots.

Now I want to call particular attention to this charge:

I say that our election and primary laws are not framed for the assurance of a fair election but for the purpose of enabling fraud to be perpetrated and of concealing the perpetrators.

Mind, this is not a charge where he says the laws of North Carolina have been so framed that persons can commit fraud and can escape punishment; but he makes the deliberate charge that the Legislature of North Carolina and the executive who approved that law have deliberately framed the law for the purpose of permitting fraud to be perpetrated and enabling the perpetrators to escape punishment.

I want to compare that statement of the distinguished Senator from North Carolina with the statement he now complains of that Jonas made, when all that we can find out about Jonas's statement with respect to the courts is when he says, "There is the case of Avery and the registration case which show the futility of any such action as this."

That is not all that I want to call your attention to with respect to this statement, however, because it is not only that that the junior Senator from North Carolina objects to, but here is what he says he bases his objection on; and this is what he says makes this man personally obnoxious to him—these charges, the gravamen of which I have already discussed:

My objections to the appointment of Mr. Charles A. Jonas are as follows:

First. Mr. Jonas has published wanton and insulting statements in the papers of North Carolina, reflecting upon the conduct of elections in the State, with blanket charges of fraud and rascality involving the honor of the State, and likewise the honor of the election officials, both Democratic and Republican. Copies of these papers are filed herewith.

I could not possibly object to legitimate criticisms in the ordinary course of political partisanship. But the statements of Mr. Jonas are so insulting, so false, and so wanton and unfounded, that I feel that, in the name of the State and of the thousands of good men who conduct our elections, I must object to the confirmation of his appointment.

I shall undertake to maintain that his utterances are such as to show that temperamentally he is unfitted to represent the United States in the district court as United States attorney.

Second. I call attention to the wanton and insulting statement by Mr. Jonas reflecting upon the courts of the State of North Carolina calculated to disgrace our Commonwealth and to bring our courts into disrepute. The statement is false, and I offer it as evidence of the unfitness of Mr. Jonas for the office of district attorney.

Now, let us see what the Senator from North Carolina himself said with respect to his own State. The Senator from Pennsylvania [Mr. REED] will probably be interested in this, also:

Pennsylvania has the Australian ballot, but you saw not long ago what happened up there; Illinois has it, and you read about the corruption in the recent primary in that State. * * * But this thing is denounced in our law. It is against the law to contribute to candidates without making a report of them; it is against the law to stuff ballot boxes; there are 20 criminal acts providing fines and even penitentiary sentences in our election laws. But the trouble is we don't pay any attention to them, just as they do in Pennsylvania and we have just as much corruption here in North Carolina as they have.

After talking about the millions spent in Pennsylvania and Illinois to get a $10,000 job, he concludes in this way:

They don't spend that much in North Carolina because they don't have to. But they do spend $250,000 in North Carolina, and if it becomes necessary to spend a million they will spend it.

* * * * * * *

I may be a little cynical, but I wouldn't trust a politician.

Here is the Senator talking about his own State; and I suppose he has politicians down in his own State that he is complaining about.

We have got to preach the gospel of manhood in politics. They spend money to swing elections right here in Wake County. They said I was in on this last election, but I was not; I kept clear of the whole thing. But no less than 10 men came to my office during that campaign and asked for money to be used in controlling the vote. These were not ordinary sorry-looking fellows who came up asking for $100, and they can and do control the vote. And if one candidate does not come across with the money they will go around and talk to the other candidate. So that's the situation right here in Raleigh and Wake County.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I do.

Mr. BAILEY. I have no regrets about the statement. It is a newspaper report. I am not going to undertake to modify it in the slightest degree. I would not say it was entirely accurate. I have made it a rule all my life not to undertake to check newspaper statements.

That statement is a protest against the disposition of people to take money in politics. The Senator has just read it. I was trying to arrest the progress of what I considered to be a very bad thing in any State. I am perfectly willing to stand on it.

Mr. HASTINGS. Well, this statement has been in the record for weeks, and I assume that there is no doubt about its being a correct statement of what the Senator said.

Mr. BAILEY. I have made my statement just by way of being on guard, lest I should admit some statement that was not true; but I did not rise for the purpose of trying to correct anything. I just wished, by my statement, not to be committed on any particular item in the statement. There is no question on earth but that I made a very earnest campaign in North Carolina from the year 1921 until the year 1929, when the present Australian ballot system was established in the State. There is no question about that; and I perhaps made one or two hundred speeches on the subject.

Mr. HASTINGS. I shall have something to say about the present conditions, in response to what the senior Senator from North Carolina had to say about them in his argument.

I called attention to the fact that the charge had been made here that the legislature and the executive had deliberately passed a law so as to permit fraud to be perpetrated, and to conceal the perpetrators.

I read in another place:

Now, why was that proviso put in there?

Referring to a certain provision in the law.

It was put in there by some smart politician. If it pays the dominant element in control of the precinct to rope off the walk way, it is roped off; if it doesn't pay to rope off the walk way, it isn't done. It's just a matter of which way they can get the most votes. That provision was put there in the interest of fraud and not in the interest of fairness.

This is what the distinguished Senator complains of on the part of Mr. Jonas:

Mr. Jonas has published wanton and insulting statements in the papers of North Carolina reflecting upon the conduct of elections in the State, with blanket charges of fraud and rascality involving the honor of the State, and likewise the honor of the election officials, both Democratic and Republican. Copies of these papers are filed herewith.

And based upon those charges, he says this man is personally obnoxious to him.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BAILEY. I beg the Senator's pardon, but it is of some importance to me, and I think to the Senate, that we keep this record perfectly clear.

The Senator read my protest, and the very severe criticism of mine as against the use of the word "may" with respect to marking up the voting places. I insisted that it should be "shall," and that "may" gave the election officials a freedom which they ought not to have. The law now declares the word "shall" in place of the word "may."

Mr. HASTINGS. I read:

But the judges of elections are men who owe their appointment to the dominant political machine or element. They have got to get the backing of the ruling powers to hold their offices, and when they do get it, they are hard to dislodge.

I read from another place:

Take an instance back yonder in 1912, over in the second division of the first ward; it was at White's store. At that precinct they voted a setter dog. The dog with the ballot in his mouth, went up to the box and the ballot was placed in the box and counted. The man who did that made no bones about it; he regarded it as a great joke. There is no way to count the votes after they are cast and there is no power to go behind the registrar and poll holders to attack the dog's vote unless somebody shows an inaccuracy in making the returns.

Now, in another place:

The election law at the time it was framed in 1901 had a simple unfortunate thing to justify it—the negro situation. I firmly believe that it is the policy of this State that its affair should be dominated and run by the whites; and it ought to be that way. But we fell by the wayside in 1893, and the State went to the Republican Populists by about from 30,000 to 40,000 majority. But in 1898 we got back in the saddle and in 1901 Aycock came in and the task of writing an election law that would prevent a similar situation in the future was undertaken. But although it is a good gun to have behind the door, the law now is not being used to keep out the negro, but to keep the people in power who controlled the election machinery regardless of the strength of the opposition. This situation can not be remedied until the people rise and demand a test vote.

We also have on the statute books the absentee voters' law. That law was put there in time of war, so that the soldiers who went to France could have an opportunity to vote. I think that was the right thing to do. But now the soldiers have come back, and the law stays on the books. Why? Because in any election or primary anybody with control over the registrars and poll holders can go to any precinct in the State and vote any number of votes he wants to. I believe it can be proved that cigarette coupons have been cast as ballots and counted under such circumstances.

Mr. MORRISON. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. MORRISON. Is the Senator aware of the fact that in 1928, under our election law, Mr. Hoover carried North Carolina by 63,000 majority?

Mr. HASTINGS. Yes; and I gather from that that there must have been a good many election officials who were Republicans that year instead of standing Democratic, as they had done in the past, or that might not have happened.

Mr. MORRISON. In reply to that, under our law the Democrats picked their election officers, and the Republicans picked their election officers through their State committee; they have to be named and were named, and they gave President Hoover the State by 63,000 majority.

Mr. HASTINGS. Mr. President, it is contended by the senior Senator from North Carolina that the law has been changed, and that charges made by Jonas were false. Let us see whether Mr. Jonas stands alone in his charges about the condition in 1930.

The Senator from Minnesota [Mr. SCHALL] placed in the RECORD some evidence dealing with that, and it is to be found somewhere in the proceedings; I have forgotten just where. This appears in it:

Report of hearing before election laws committee of house of representatives, appearing in Greensboro Daily News, February 14, 1929:

"He (Westall) told how Miss Bonnie Franks, a school teacher, was voted as an absentee with Grady Turner as witness. She voted ballot 231 and did not authorize anybody to get her absentee ballot. Grady Turner is a fictitious name. R. L. Melton, former resident of Asheville, now living in Detroit, Mich., was voted twice in the precinct which was making Miss Franks so energetic. Melton was on the poll books as No. 393 and 580. Both witnesses, C. F. Flemming and Robert Bridges, are unknown."

Mr. MORRISON. Did I understand the date of that to be in January, 1929?

Mr. HASTINGS. I think that is true.

Mr. MORRISON. That is the election, and in one of those counties President Hoover received over 5,000 majority.

Mr. HASTINGS. Suppose I bring the Senator up to date by quoting from the Asheville Labor Advocate under date of March 25, as follows:

PERSONALLY OBNOXIOUS

In spite of the embarrassing situations that have developed in Congress, the charges and countercharges that have been flung about, the bipartisan alliances, the bought Senatorships, and other disgraceful and nauseating occurrences that have been paraded before the American people by their representatives in Washington, it is comforting to note that there still remains, pure and untarnished, the dignity of a United States Senator.

If a United States Senator resorts to that magic phrase: "He is personally obnoxious to me," he wins.

Party lines are forgotten—it's getting easier all the time now. The senatorial courtesy must be extended. No man may be appointed to any position if he is "personally obnoxious" to a United States Senator.

We have no brief for Charles A. Jonas nor for his claim to the office of district attorney. Personally we don't give a hang whether Jonas gets the job or somebody else gets it.

But to exclude him because he has dared to assert that there have been election frauds in North Carolina and that the brand of justice in North Carolina courts as pertains to election cases may not always be what it should be is pure rot.

If Senator BAILEY wants some instances of election frauds in North Carolina, let him come to Asheville and look around. If he is interested in samples of what the courts do in election cases, we wish to direct his attention to the behavior of some Buncombe County grand juries who have had evidences of election frauds presented to them.

I read in another place an extract from the Presbyterian Standard, Charlotte, N. C., containing part of a sermon by the Rev. F. F. Campbell, D. D., pastor of the First Presbyterian Church, as follows:

For instance, we have an absentee law, whereby under certain restrictions people who are absent or physically unable to go to the polls are enabled to vote. This thing is abused and perverted in a shameful way. There have been people, I doubt not, who voted the absentee ballot who were absent from this planet, and it could not be known where they were. And no medium was present to communicate with them as to how they wanted their votes cast. These absentees did not vote; they were voted through corruption of the ballot by the ring.

Another thing that I want to hit hard. I understand that under the laws of this State all the registrars are of the dominant party, whatever that party may be. Whenever a party is ashamed to let the other party know what it is doing in the matter of registrations, that party is rotten to the heart. It means that the dominant party would manipulate, if necessary, the registration books. Why this law? Because the dominant party keeps it for its own corrupt purposes.

That is the party to which I belong. I wish a number of you Democrats would come out and say you won't stand for this any longer; that no party can select registrars of its own party alone. Who is responsible? You Democrats, every one! You are responsible until it is repealed. You have the stain upon your own hands. Do not try to put it on somebody else. How many of you do it? How many of you refuse to stand for things you know are evil, the corruption of the ballot and the manipulation for this in party interest, largely under the control of the ring I have spoken of?

I quote from a letter written by an editor in Winston-Salem, N. C.:

I thoroughly agree with you that we need drastic reforms—

He is now talking about the present law, the law which the distinguished Senator from North Carolina says has been so amended as to improve it and make it unobjectionable—

I thoroughly agree with you that we need drastic reforms in our system of voting. The absentee ballot law is an abomination in the sight of the Lord and should be abolished. I have been advocating its repeal for a year or more, and find some encouragement, at least, in the action of the legislature exempting Buncombe County from that law. I have said editorially that if the absentee law is bad for Buncombe it is equally bad for the 99 other counties in the State and that the legislature should lose no time in giving them the same relief it has given Buncombe.

Here is a letter from the attorney general.

Mr. MORRISON. Mr. President, the Senator directed his attention to me, but I did not hear who signed that letter he has just read.

Mr. HASTINGS. This is from the Winston-Salem Journal, and the Journal and Sentinel, Mr. Martin, editor.

Mr. MORRISON. Is it an editorial?

Mr. HASTINGS. It is a letter written to Mr. W. E. White under date of February 10, 1931.

Here is another letter directed to Mr. White and written by the attorney general on December 30, 1930.

Now I read from a letter from Mr. White:

For your information, would say that the best element of the Democratic Party of Asheville and Buncombe County, after the election of 1930, organized thoroughly and they sent members to the legislature who were pledged to repeal the absentee vote, so far as Asheville and Buncombe County were concerned; and the legislature was compelled to accede to these demands and did repeal these laws for Asheville and Buncombe County only; but this was done for the simple reason that the good people of Asheville and Buncombe County absolutely demanded relief from such practices as had been practiced on them in the past election.

Mr. MORRISON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. Certainly.

Mr. MORRISON. I want to ask the Senator from Delaware if there is an absentee ballot law in the State of Delaware?

Mr. HASTINGS. Yes; there is.

Mr. MORRISON. Does the Senator know that in most of our States we have an absentee ballot law?

Mr. HASTINGS. I do not know about that.

Mr. MORRISON. But the Senator has one in his State?

Mr. HASTINGS. Yes; we have one in our State.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Delaware yield to the Senator from Oregon?

Mr. HASTINGS. I yield.

Mr. McNARY. I find it quite agreeable to the able Senator from Delaware to discontinue his speech at this time and to continue in executive session to-morrow. Therefore I request that we proceed to the consideration of other business on the Executive Calendar.

The PRESIDENT pro tempore. Is there objection?

Mr. LONG. Yes. The Senator is moving that we go out of executive session and leave unfinished the matter of the Jonas appointment?

Mr. McNARY. No; I am suggesting that we call the Executive Calendar and recess as in executive session until to-morrow, when we will proceed with the further consideration of the Jonas matter.

Mr. LONG. Very well; I have no objection.

The PRESIDENT pro tempore. The clerk will state the first order of business on the calendar.

TREATIES

The legislative clerk proceeded to read Executive KK.

Mr. WALSH of Montana. Mr. President, I desire to submit some observations with respect to the two treaties now on the calendar, which will probably take half an hour. Would the Senator from Oregon be willing to postpone the consideration of the treaties until after we have concluded the Jonas case to-morrow?

Mr. McNARY. I would prefer to do so.

Mr. REED. Mr. President, I think the treaties ought to go over in the absence of the chairman of the Committee on Foreign Relations.

The PRESIDENT pro tempore. The treaties will be passed over.

COAST GUARD—JAMES A. ALGER

The legislative clerk read the nomination of James A. Alger to rank as captain from January 1, 1932, in the Coast Guard.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COAST GUARD—FREDERICK H. YOUNG

The legislative clerk read the nomination of Frederick H. Young to rank as captain (engineering), to rank as such from January 1, 1932.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. REED. I ask that all postmaster nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all postmaster nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. REED. I ask that all nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all Army nominations will be confirmed en bloc. That concludes the calendar.

RECESS

Mr. McNARY. I move that the Senate, in executive session, recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate in executive session (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, April 5, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4, 1932

COAST GUARD

James A. Alger to be captain.

Frederick H. Young to be captain (engineering).

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Thomas Brady, jr., to Quartermaster Corps.

First Lieut. Thomas Eginton Whitehead to Quartermaster Corps.

First Lieut. Steven Livesey Conner to Ordnance Department.

PROMOTIONS IN THE REGULAR ARMY

Robert Emmett O'Brien to be lieutenant colonel, Infantry.

Frank Austin Heywood to be major, Quartermaster Corps.

Frank Lauderdale Cook to be captain, Air Corps.

Thomas Benjamin White to be first lieutenant, Coast Artillery Corps.

William Benjamin Hawthorne to be first lieutenant, Coast Artillery Corps.

POSTMASTERS

ALABAMA

Margie Gardner, Aliceville.

Charles L. Jackson, Ashford.

George F. Schad, Brewton.

Virgil B. Huff, Brundidge.

Scottie R. Wester, Center.

John T. Mizell, Clio.

Dyer B. Crow, Collinsville.

James F. Baker, Columbiana.

Alexander H. Byrd, Eutaw.

Allie L. Boutwell, Flomaton.
Jesse G. Moore, Florence.
William A. Giddens, Frisco City.
Annie K. Fazenbaker, Fulton.
John H. Nixon, Goshen.
Blevins S. Perdue, Greenville.
Robert O. Atkins, Heflin.
Oliver P. Williams, Henagar.
James W. Coker, Irondale.
Ora B. Wann, Madison.
Thomas C. Latham, Marvel.
Grover C. Warrick, Millry.
Willer B. Goodman, New Brockton.
Phil B. Payne, New Market.
Ivy J. King, Opp.
Annie R. Sherrer, Phenix City.
Melvin D. Jackson, Phil Campbell.
Zula L. Persons, Prichard.
Albert H. Quinn, Quinton.
Clyde Oldshue, Sulligent.
Glenn E. Guthrie, Townley.
Lucious E. Osborn, Vina.

COLORADO

Charles C. Hurst, Antonito.
John M. Miller, Campo.
Frances Lessley, Granby.
William L. Butler, Vona.

KENTUCKY

William A. Work, Augusta.
Flo W. Stamper, Beattyville.
William C. Huddleston, Butler.
George D. Montfort, Campbellsburg.
Dewey Daniel, Hazard.
George R. Warren, Lexington.
Don C. Van Hoose, Paintsville.
Albert E. Brown, Pembroke.
James A. Clapp, Pryorsburg.
William E. Ashby, Shepherdsville.

NEW YORK

Roscoe C. Van Marter, Ithaca.

NORTH CAROLINA

Richard J. Pace, East Flat Rock.
Elsie E. Boyette, Kenly.
Jesse W. Wood, Littleton.
Charlie H. Murray, Middlesex.
Rosa J. Cooper, Nashville.
May C. Campbell, Norwood.
Anna W. McMinn, Pinebluff.
Ralph A. Kennedy, Sanford.
James C. Stancil, Smithfield.
Arthur H. Gibbs, Whittier.
Mary F. Hight, Youngsville.

PENNSYLVANIA

Will O. Depp, Big Run.
Jones Eavenson, Christiana.
Sherwood B. Balliet, Coplay.
Arthur Bensley, Dingmans Ferrys.
T. Vance Miller, Downingtown.
Kathryn L. Petrini, East Brady.
Ambrose S. Plummer, Elizabethtown.
William T. Davies, Forest City.
John N. Sharpsteen, Honesdale.
Frank P. Lightner, Loysville.
J. G. Blaine MacDade, Marcus Hook.
Charles Lunden, Mount Jewett.
Samuel L. Rogers, Newell.
Raymond A. Kistler, Palmerton.
William M. O. Edwards, Pencoyd.
Robert C. Shup, Trumbauersville.
William W. Downing, jr., Wayne.

TEXAS

Annie K. Turney, Alpine.
Harry A. Wulff, Brady.
Chessell Gra, Brookshire.
Lela T. Toone, Brownfield.
Louise Sackett, Bullard.
Francis O. Drake, Donna.
Robert F. Myers, Ferris.
Sol D. Smith, Granbury.
Olive Raoul, Gustine.
Eva M. Reed, Hempstead.
James S. Colley, Legion.
Daniel B. Gilmore, McGregor.
Amos E. Duffy, Matagorda.
Ewald Straach, Miles.
William R. Williams, Montague.
Ruth Young, Mount Calm.
Duane B. Scarborough, Oakwood.
Hal Singleton, O'Donnell.
Arba A. Cooper, Olney.
Jesse R. Davis, Pearsall.
Maggie Thomas, Petersburg.
Thomas B. Higgins, Reagan.
Tolbert Hannon, Richmond.
Homer H. Turner, Rockdale.
Jesse L. Holcomb, Seminary Hill.
Clarence V. McMahan, Waco.
Alice Pipes, White Deer.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 4, 1932

The House met at 12 o'clock noon.

The Rev. William S. Abernethy, D. D., minister of the Calvary Baptist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, we approach Thy throne this morning with hearts that are grateful and glad for all the gifts that have come to us from Thy bountiful hand. For life and strength and health, for friends and loved ones, for work to do, for all the powers of body and mind and spirit with which Thou hast endowed us, we are humbly grateful. May we again to-day dedicate to Thee and Thy service these powers. May we walk humbly before God; may we love mercy; may we do justly; and to that end we pray Thee that Thou wilt give us clear vision and sound judgment and wisdom. Bless the Members of this body, we pray Thee, and give them all needful things that they may do their tasks efficiently and well. And now may God, in His mercy and love, watch over us and guide us, and we ask it in the name of Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, April 1, 1932, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed the following resolution:

Senate Resolution 192

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. ALBERT H. VESTAL, late a Representative from the State of Indiana.

Resolved, That a committee of 11 Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative, the Senate do now adjourn until Monday, April 4, 1932, at 12 o'clock meridian.

The message also announced that pursuant to the foregoing resolutions the Vice President had appointed Mr. WATSON, Mr. ROBINSON of Indiana, Mr. SHEPPARD, Mr. FESS, Mr. DILL, Mr. PATTERSON, Mr. BARKLEY, Mr. DICKINSON, Mr. CONNALLY, Mr. WHITE, and Mr. BYRNES members of the committee on the part of the Senate to attend the funeral of the deceased Representative.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6662. An act to amend the tariff act of 1930, and for other purposes.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

RECOMMITTAL OF A BILL

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent that the bill (H. R. 309) to amend section 4 of the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, be stricken from the calendar and recommitted to the Committee on the Territories.

The SPEAKER. The gentleman from Texas asks unanimous consent that the bill H. R. 309 be recommitted to the Committee on the Territories. Is there objection?

There was no objection.

INDEPENDENCE OF THE PHILIPPINE ISLANDS

The SPEAKER. This is unanimous-consent day, and the Chair will recognize the gentleman from South Carolina for the purpose of making a unanimous-consent request.

Mr. HARE. Mr. Speaker, I ask unanimous consent that it may be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7233) to provide for the withdrawal of the sovereignty of the United States over the Philippine Islands and for the recognition of their independence, and so forth; that there shall be two hours of general debate, one-half to be controlled by the chairman of the committee and one-half to be controlled by the ranking member of the minority opposed to the bill, and that for the purpose of amendment in the Committee of the Whole the substitute committee amendment may be considered by the Committee of the Whole as an original bill.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that it may be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering the bill H. R. 7233, known as the Philippine independence bill; that there shall be two hours' general debate, that then the bill shall be considered in the Committee of the Whole House on the state of the Union under the 5-minute rule, and that the committee substitute be considered as the original bill for the purpose of amendment in the Committee of the Whole. Is there objection?

Mr. BACON. Mr. Speaker, reserving the right to object, I consider that a matter of this importance should be taken up at a time when there can be a great deal more debate than two hours. Many Members are absent to-day and it was the general understanding that no matter of importance was to come up until Tuesday. I believe this bill should be considered under a rule giving ample time for full discussion of this measure, particularly as it involves a tariff policy, trade relations, immigration matters, and other matters of great importance. Therefore, Mr. Speaker, I am constrained to object.

Mr. HARE. Mr. Speaker, I ask unanimous consent that this bill may be given a privileged status, to be considered under the rules of the House of Representatives.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that this bill be given a privileged status, to be considered under the rules of the House of Representatives. Is there objection?

Mr. BACON. Mr. Speaker, I object.

Mr. HARE. Will the gentleman reserve his objection?

Mr. BACON. I will reserve my objection.

Mr. HARE. Mr. Speaker, I understood that the gentleman from New York only reserved the right to object to the original request. I would like to say to the gentleman that we are very anxious to give all the time possible to the discussion of this bill, but I might say that under a rule, to be obtained for the purpose of considering this bill, it would be impossible for us to get over two hours of general debate and then consider it under the 5-minute rule, where it would be subject to amendment.

Mr. BACON. I will say to the gentleman that there are many Members not present to-day who are very much interested in this matter.

Mr. HARE. The only thing to be gained by objecting to the bill to-day would be to delay it, because we could not expect to get more time under a rule than is contained in the request made at this time.

Mr. BACON. It would at least give a number of Members who are not present to-day an opportunity to be here. It would also give a great many Members interested in this subject a chance to examine and study the bill and read the hearings.

Mr. HARE. I might say to the gentleman that these hearings have been printed for three weeks; the report has been filed for upwards of two weeks, and notice was given on last Friday that we would make this request to-day.

Mr. BACON. The gentleman well knows we have been very busy on tax matters for the past three weeks.

Mr. LaGUARDIA. I want to point out to my colleague from New York that this Philippine question has been pending before Congress ever since I have been here during the last 14 years. The committee has held hearings, the hearings have been printed, and I understand it is a unanimous report.

Mr. UNDERHILL. Oh, no.

Mr. LaGUARDIA. Well, practically a unanimous report.

Mr. BACON. No; it is not unanimous.

Mr. LaGUARDIA. The bill has been on the calendar, and this matter of raising the question now that to-day is Monday and some Members are absent, I do not believe is a justifiable argument to present, and I want to point out to my colleague that he is not interfering with the ultimate passage of this bill if we take it up to-day, and we might as well take it up under unanimous consent as to take it up under a rule. I can not reconcile the gentleman's position of suggesting that this is "gag" and in the same breath recommending a rule. I hope my colleague will permit the House to resolve itself into the Committee of the Whole House on the state of the Union. We can discuss it there and, finally, make good a solemn promise that is in the platform of both parties.

Mr. BLANTON. Mr. Speaker, will the gentleman from South Carolina yield?

Mr. HARE. I yield to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, I want to call the attention of the gentleman from New York [Mr. BACON] to the fact that in yesterday's paper there was an interview from him of Saturday, showing that he knew as early as Saturday about this matter coming up to-day, and showing what he intended to do about it this morning; and if the Speaker were to recognize the gentleman from South Carolina to move to suspend the rules, the gentleman would have but 20 minutes' debate on the side, whereas now by agreeing to the unanimous-consent request, the gentleman has the advantage of having two hours' debate, giving one hour on the side.

Even under a suspension of the rules, which will require a two-thirds majority, this bill will pass by an overwhelming vote. Objecting to the unanimous-consent request will avail nothing but will cause the time for debate to be reduced from two hours to only 40 minutes. Many Members are prepared to vote right now.

Mr. STAFFORD. Mr. Speaker, may I present a parliamentary inquiry, with the gentleman's permission?

Mr. HARE. I yield.

Mr. STAFFORD. If the bill is granted a privileged status as suggested in the unanimous-consent request, I assume that the Consent Calendar will be called to-day and when that is finished, then the bill may be taken up under the privileged status requested by the gentleman or may be taken up at some future time?

The SPEAKER. The Chair will state for the information of the House, in response to the parliamentary inquiry, that the Chair suggested to the gentleman from South Carolina that he make the request which he has just made, and in case that request was not granted, that he ask that the bill be given a privileged status. If this request were granted, then the Consent Calendar would be called for two and a half or three hours, when the Chair would recognize the gentleman to move to go into Committee of the Whole House on the state of the Union to consider the bill under the general rules of the House of Representatives. It is then within the power of the House to limit debate or extend it to 12 hours, or 14 hours, or limit it to 2 hours or 1 hour. In case objection is made, it is the intention of the Chair to recognize the gentleman from South Carolina not later than 2.30 or 3 o'clock this afternoon to move to suspend the rules and pass the bill.

The Chair has undertaken to give the House a full opportunity to consider this bill under the rules of the House of Representatives; and if it declines to give this consent, the Chair is going to recognize the gentleman to see whether the Membership of the House wants to pass this bill to-day under suspension of the rules or not.

Mr. MICHENER. Mr. Speaker, reserving the right to object, as suggested by the gentleman from New York [Mr. BACON], this is a matter of vast importance. It has been before the country for many, many years. Therefore, following his line of argument, it would necessarily be proper that the House act deliberately and not speedily in disposing of so important a measure. This committee has been before the Rules Committee and has asked for a rule. A hearing has been held, and I think the Rules Committee is possibly inclined to grant a rule. The time for general debate asked from the Rules Committee, as I recall, was two hours, and then that the bill be considered under the 5-minute rule. This is the general rule that is granted, and I assume it is the rule that will be given if a rule is granted in this matter.

Now, the only thing that can be gained by granting the request of the gentleman from South Carolina as to a privileged status for the bill is that the bill may be brought up to-day for consideration. Nothing is to be gained other than the question of bringing the bill up for consideration to-day. General debate would be fixed by the House. Therefore, it seems to me that the only ground on which the gentleman from New York [Mr. BACON] could object is that sufficient notice has not been given, or that the membership was not fully advised that the bill will come up to-day. There was notice given last Friday in answer to a question which I propounded as to what would be brought up to-day. This bill should not be considered without opportunity to amend.

Mr. HOOPER. Will my colleague yield for a question?

Mr. MICHENER. Yes.

Mr. HOOPER. As a member of the Rules Committee, does my colleague from Michigan think that where we have before us a bill involving, outside of the rights of the people of the United States, the rights of 12,000,000 people of the Philippine Islands, where there are questions of immigration involved, where there are questions of tariff involved, where there are involved, in a way, serious international questions—does my colleague think that two hours or two and a half hours is a sufficient amount of time on such an important subject, when we will decide an election contest tomorrow with two hours' debate, or perhaps take all day?

Mr. MICHENER. In answer to the question propounded by my colleague from Michigan, let me say that the Committee on Insular Affairs asked for two hours I think, and I was basing the action which the Rules Committee might take upon the request made by the committee, of which the gentleman from Michigan [Mr. HOOPER] is a member. Time for debate is not as material as the opportunity to amend.

Mr. UNDERHILL. Will the gentleman yield there?

Mr. MICHENER. Yes.

Mr. UNDERHILL. It is my understanding, Mr. Speaker, that the committee asked for a whole day.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Mr. Speaker, I do not think we are making much headway. I demand the regular order.

The SPEAKER. The gentleman from Alabama demands the regular order.

Mr. CHIPERFIELD. Mr. Speaker, reserving the right to objeect——

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. BACON and Mr. CHIPERFIELD objected.

The SPEAKER. The gentleman from South Carolina [Mr. HARE] will be recognized not later than 3 o'clock to move to suspend the rules and pass this bill.

The Clerk will call the Consent Calendar.

MEMORIAL FOUNTAIN AT CHEVY CHASE CIRCLE

The first business on the Consent Calendar was the resolution (H. J. Res. 152) to provide for the erection of a memorial fountain at Chevy Chase Circle, and to accept donations for such purposes.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Reserving the right to object, I wish to state that I have gone into this matter thoroughly and have taken it up with the Commission of Fine Arts. They assured me that they would not approve of any plan of design, if the design as well as the material is not of the most substantial materials and constructed in the most permanent manner. I believe, with that assurance, there is no danger of putting up any inartistic fountain, and I am going to accept the assurance of the Commission of Fine Arts. I will put their letter in the RECORD as a part of my remarks.

The letter is as follows:

THE COMMISSION OF FINE ARTS,
Washington, March 31, 1932.

Hon. FIORELLO H. LAGUARDIA,
House of Representatives, Washington, D. C.

MY DEAR MR. LAGUARDIA: In the matter of the treatment of Chevy Chase Circle the Commission of Fine Arts feel that this, one of the most significant entrances to the District of Columbia from Maryland, should not be continued in its present shabby and undeveloped condition.

The commission believe that Washington needs fountains, very many of them, to mitigate the heat and discomfort of the summers. Also they realize that people generally, both children and adults, enjoy fountains more than any other park feature. Therefore, the commission favor a fountain for Chevy Chase Circle.

When the design for such a fountain comes before the commission they will see to it that the coping is of stone, and that every part of the fountain is built of the most substantial materials and in the most permanent manner.

The exact design of the fountain and of the accompanying landscape must be determined as the result of a careful study of the site and funds available. An adequate fountain can be built for the money promised.

Very truly yours,

CHARLES MOORE, *Chairman.*

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the resolution, as follows:

Resolved, etc., That the Director of Public Buildings and Public Parks of the National Capital is authorized (1) to provide for the erection of a memorial fountain of simple design at Chevy Chase Circle in the District of Columbia and for appropriate landscaping in connection therewith, and (2) to accept, on behalf of the United States, donations for such purposes; except that the work herein authorized shall not be commenced until there shall have been received donations equal in the aggregate to the estimated cost of such work and unless such work can be completed within a period of three years from the date of enactment of this act. The United States shall be put to no expense in connection with such work. The plans and designs for such fountain and landscaping shall be approved by the National Commission of Fine Arts.

Mr. GILBERT. Mr. Speaker, I ask unanimous consent that the Senate bill, identical with the House bill, be substituted for the House bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I move to strike out the last word. I failed to notice when the House bill was being read that I had a notation, or proposed amendment, relating to maintenance. Is it intended that the National Government shall be relieved of all charges of every nature?

Mr. GILBERT. Other than maintenance. The Government is relieved of any charge for construction.



Mr. STAFFORD. When this monument is constructed at whose expense will the maintenance be?

Mr. GILBERT. At the expense of the District, and it is estimated it will cost about $125 a year.

Mr. STAFFORD. Mr. Speaker, I withdraw the pro forma amendment.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

OIL PORTRAIT OF FORMER PRESIDENT COOLIDGE

The Clerk read the next resolution on the Consent Calendar, Senate Joint Resolution 75, authorizing the Joint Committee on the Library to procure an oil portrait of former President Coolidge.

Mr. PATTERSON. Mr. Speaker, I reserve the right to object.

Mr. LaGUARDIA. I rise to suggest an amendment, and unless the amendment is adopted I shall object.

Mr. PATTERSON. Mr. Speaker, I ask that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

COEUR D'ALENE AND ST. JOE NATIONAL FORESTS

The Clerk read the next bill on the Consent Calendar, H. R. 6659, for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes.

The SPEAKER. Is there objection?

Mr. COLLINS. Mr. Speaker, in view of the fact that this bill was under consideration by the House on the last Calendar Wednesday, when the Public Lands Committee had the call, I object.

INLAND WATERWAYS, NORFOLK TO BEAUFORT INLET

The next business on the Consent Calendar was the bill (H. R. 6184) for the improvement of the inland waterway from Norfolk, Va., to Beaufort Inlet, N. C.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. On two successive consent days I have requested that this bill be passed over without prejudice in order to obtain additional information. I obtained last week information which I desired from the Chief of Engineers in the way of a map. I think it would be a saving of time if I could have opportunity to consult with the sponsor of the bill. I ask unanimous consent that the bill go over for two weeks.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER AT RANDOLPH, MO.

The next business on the Consent Calendar was the bill (H. R. 8072) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.

The SPEAKER. Is there objection?

Mr. LaGUARDIA. I object.

CODE OF CIVIL PROCEDURE, CANAL ZONE

The next business on the Consent Calendar was the bill (H. R. 7521) to provide a new code of civil procedure for the Canal Zone and to repeal the existing code of existing procedure.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill and the following bill, H. R. 7522, to provide a new civil code for the Canal Zone and to repeal the existing civil code be passed over for two weeks.

The SPEAKER. Is there objection?

There was no objection.

HOSPITALIZATION FOR CERTAIN PERSONS

The next business on the Consent Calendar was the bill (H. R. 4724) to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition the benefits of hospitalization and the privileges of the soldiers' homes.

The SPEAKER. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That all persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition on vessels owned by the United States and engaged in the transportation of troops, supplies, ammunition, or materials of war, and who were discharged for disability incurred in such governmental service in line of duty shall—

(1) Be entitled to the benefits provided for by paragraph 10 of section 202 of the World War veterans' act, 1924, as amended; and

(2) For the purpose of receiving the benefits of the Soldiers' Home, the National Home for Disabled Volunteer Soldiers, and the Naval Home, be held to have been honorably discharged from the military or naval forces of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

STATUES OF GEORGE WASHINGTON AND ROBERT E. LEE

The next business on the Consent Calendar was House Concurrent Resolution 24, respecting the statues of George Washington and Robert E. Lee.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. No one in the Chamber, I believe, has a higher admiration than I for the military genius, the scholarship, and the high position that Robert E. Lee held during his lifetime. However, when this resolution was under consideration last consent day, I called the attention of the sponsor of the resolution to the phrase setting forth what I regard is something somewhat not consistent with history. In line 5 of the resolution it refers not only to the Father of our Country but also to Robert E. Lee in the words:

Whose names are so honorably identified with the history of our country.

In a private conversation with the mover of the resolution I suggested the substitution of the word "prominently" instead of the word "honorably." He has not seen fit to accept that amendment. I dislike very much to take any attitude that will revive any sectional feelings anent the Civil War; but from my study of history I can not consistently agree that the life of Robert E. Lee was honorably identified with the history of our country. I could consent that it was honorably identified with the history of the State of Virginia, and I wish to accept the statue of Robert E. Lee. I think I made a reasonable request of the gentleman from Virginia [Mr. WOODRUM] to substitute the word "prominently" for the word "honorably," but he did not see fit to accept my suggestion. I regret very much that I am placed in this embarrassing position of perhaps objecting unless the gentleman agrees to such an amendment. I know that the Military Academy at West Point, over which he was superintendent prior to the war, has declined to place a picture of this great strategist on its walls.

Mr. BALDRIGE. Mr. Speaker, I demand the regular order.

Mr. STAFFORD. Mr. Speaker, I object.

COMPACTS BETWEEN STATES

The next business on the Consent Calendar was the bill (H. R. 8897) to authorize compacts or agreements between States relating to service of process and production of witnesses in criminal cases.

The SPEAKER. Is there objection?

Mr. BLACK. I object.

Mr. PATTERSON. Will the gentleman withhold his objection?

Mr. BLACK. Yes.

Mr. SUMNERS of Texas. Mr. Speaker, this is a very important bill. It proposes to remove a constitutional inhibition and permit the States to use their own judgments in attending to their own business. The Committee on the

Judiciary finds itself under tremendous pressure from the people of the country to increase the jurisdiction of the Federal courts with regard to criminal matters because witnesses may so quickly go beyond the jurisdiction of a State and criminal prosecution fail because the State can not procure their attendance. In casting about to devise some method by which we might avoid this tremendous increase of Federal power and jurisdiction, we concluded it would perhaps be of assistance if we would remove the restriction in the Constitution against States entering into compacts and agreements with each other and permit them to agree to assist each other as is provided by this bill. Gentlemen of the House know that we have a provision in the Federal Constitution which does not permit the States to enter into agreements or compacts without the consent of Congress. This proposed legislation, which is purely permissive, removes the restraint. If this bill were enacted into law, it would permit the State of New Jersey and the State of New York, for instance, if they see fit, to enter into an agreement under which it would be possible to bring witnesses from one State to another to testify in criminal matters. If they wish to do that, it seems to me it is no business of the Federal Congress. We ought to permit them to do it if they want to, to use their own judgment in respect to such matters. When the Nation was yet in the formative period, the States growing together at the points of physical and of political contact into a nation, this provision of the Constitution was possibly a wise provision. But we are a nation now. No discord can now reach through our solidarity to test the strength of the original compact, whatever it is.

We are at the forks of the road. Either the Federal Government will continue to absorb power and responsibility, becoming more and more bureaucratic, the States becoming less and less considered, less and less efficient, and the people less and less able to govern, or we must seize upon every opportunity to shift power and responsibility back to the States and to the people. People learn how to govern by governing, not by depending upon Uncle Sam for everything. Nothing could be more deadly to free government than that which is happening in this country to-day. We must face about.

The SPEAKER. Is there objection?

Mr. BLACK. I object. This bill is too serious to consider in this way.

TRANSFER OF CERTAIN LANDS, VALLEJO, CALIF.

The next business on the Consent Calendar was the bill (H. R. 9146) authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Housing Corporation (a corporation organized by authority of the President of the United States pursuant to the provisions of an act approved May 16, 1918, entitled "An act to authorize the President to provide housing for war needs," and an act approved June 4, 1918, entitled "An act making appropriations to supply additional urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, on account of war expenses, and for other purposes") be, and it is hereby, authorized and directed to transfer, by appropriate conveyance, to the Navy Department, for naval purposes, that certain tract or parcel of land comprising 29 acres, more or less, designated as the unsold portions of tideland lot No. 19, in Bay Terrace, near Vallejo, Solano County, Calif.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEASING OF UNALLOTTED TRIBAL INDIAN LAND IN THE RED LAKE INDIAN RESERVATION, MINN.

The Clerk called the next bill, H. R. 472, to authorize the leasing of unallotted tribal Indian land in the Red Lake Indian Reservation, Minn.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I wish to confer with the gentleman who introduced this bill, and I ask unanimous consent that it may go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

USE OF NET WEIGHTS IN INTERSTATE AND FOREIGN COMMERCE TRANSACTIONS IN COTTON

The Clerk called the next bill, H. R. 8559, to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLACK, Mr. GRANFIELD, and Mr. O'CONNOR objected.

Mr. GRANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by stating the reasons for my objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GRANFIELD. Mr. Speaker, I am constrained to offer an objection to this bill, which by indirection attempts to discriminate against a very important industry in our country.

This bill provides that the commissioner of agriculture be authorized to establish materials used for cotton-bale covering, including specifications and tolerance as to size, weights, and patterns, which, when established, would be known as the United States official cotton tare standards.

The gentleman from New York [Mr. LAGUARDIA] has offered an amendment which provides that cotton-bale coverings should consist of cotton wrapping. This bill as amended, is an unjust discrimination against the jute industry, and I am of the opinion that it is unconstitutional. Cotton, like a great many other agricultural products, has been wrapped and packaged with a jute covering for years. The farmer has used this type of wrapping because in addition to its serviceableness and its suitableness it is far cheaper than any other kind of material used for coverings. If this bill should pass the Congress, the already overburdened farmers of our country would be required to pay the enormous sum of $5,400,000 annually for coverings, in excess of the annual price which is now paid by them. The farmer to-day is having trouble enough disposing of his crops, whether he is a cotton or a produce farmer. This is no time to saddle upon the farmers a $5,400,000 penalty when the advantages to the cotton farmers would be merely nominal.

The LaGuardia amendment is an attempt to substitute cotton in the place of jute. In fact, the LaGuardia amendment goes farther, in my opinion; it forces the cotton farmer to use a cotton covering. It is evident to me, at least, that a farmer, or, in fact, any citizen, should have the right to determine for himself the kind of materials which he desires to buy for use in his own business. It seems to me that no one should deny the cotton farmer the right to determine for himself the wrapping materials to be used by him in which to wrap his own cotton. He certainly should have the right to purchase and use the cheapest satisfactory wrapping, which is and always has been jute.

This is one of several bills presented to this Congress for consideration which have for their purpose a discrimination against the jute industry. Jute is on the free list; if it ought not to be there, the proper place for recourse is before the Ways and Means Committee, where both sides of this case may receive a full hearing.

Mr. Speaker, I object.

AMENDMENT TO THE PENAL LAWS OF THE UNITED STATES

The Clerk called the next bill, H. R. 300, to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, on last consent day I called attention to the fact that there was no need for this legislation if the Territory of Alaska had comparable provisions with reference to the law relating to registration of marriages. I have since been informed that the Territory of Alaska has similar legislation. If that is the fact, then this section should be repealed entirely.

Mr. HOUSTON of Hawaii. Mr. Speaker, I have an amendment to that effect.

Mr. STAFFORD. Mr. Speaker, will the gentleman read his amendment?

Mr. HOUSTON of Hawaii. On page 1, line 3, strike out the words "the last sentence of," and in line 6, after the word "is," strike out the balance of the bill and insert in lieu thereof the words "hereby repealed."

Mr. STAFFORD. That is the same amendment which I had prepared.

Mr. HOUSTON of Hawaii. It is.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended (U. S. C., title 18, sec. 519), is amended by striking out the period at the end thereof and inserting a comma and the following: "except the Territory of Hawaii."

Mr. HOUSTON of Hawaii. Mr. Speaker, I offer an amendment.

The SPEAKER. The Delegate from Hawaii offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, in line 3, strike out the words "the last sentence of," and in line 6, after word "is," strike out the balance of the bill and insert in lieu thereof the words "hereby repealed."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LEASING OF SEGREGATED COAL AND ASPHALT DEPOSITS OF THE CHOCTAW AND CHICKASAW INDIAN TRIBES, OKLAHOMA

The Clerk called the next bill, H. R. 9496, to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Tribes, Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I understand the Committee on Indian Affairs is going to be called on next Calendar Wednesday. This is a rather important bill, and I ask unanimous consent that it may go over without prejudice.

Mr. HASTINGS. Will the gentleman reserve his objection for a minute?

Mr. STAFFORD. I will reserve it.

Mr. HASTINGS. I tried to explain some two weeks ago, when this bill was reached on the calendar, that this legislation only affects the Chickasaws and Choctaws in Oklahoma. When their lands were allotted there were certain of the coal deposits that were reserved from the allotment.

Let me say to the gentleman from Wisconsin that this bill was prepared by the representatives of the Chickasaws and Choctaws, by members of the Indian Bureau, and by representatives of the coal trustee. It has been approved by the Senate, and it has been unanimously reported by the Committee on Indian Affairs.

Mr. STAFFORD. I understand it was. I have no objection to it, but as the committee is going to have its call on next Calendar Wednesday I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

Mr. HASTINGS. The gentleman will have to object.

Mr. STAFFORD. Then, Mr. Speaker, I object.

PRELIMINARY EXAMINATION OF CERTAIN RIVERS IN SOUTH CAROLINA

The Clerk called the next bill, H. R. 8603, to provide a preliminary examination of the Combahee, Big Salkehatchie, Coosawhatchie, Edisto, and South Edisto Rivers, S. C., with a view to the control of floods.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LaGUARDIA. Mr. Speaker, reserving the right to object, we are going to have a regular epidemic of these preliminary surveys. If the Board of Engineers can go down there with the present personnel, by simply assigning one or two officers to make the preliminary survey, without any additional cost, then I will not object; but with the warning and notice that if after the preliminary survey has been made a survey is then needed and it requires appropriations, I shall insist we discuss each project on its merits and not permit it to be considered by unanimous consent.

Mr. BALDRIGE. And the understanding is that all this costs money, no matter whom they send down, and this is not the proper kind of legislation to bring in at this time.

Mr. LaGUARDIA. I do not think so.

Mr. HARE. If the gentleman will permit, let me take this statement: This bill is only for the purpose of giving the War Department the right to make a report on a survey that has already been made. I may say that two years ago, through the Rivers and Harbors Committee, an authorization was obtained giving the War Department the right to make the preliminary survey. The War Department made the survey, but as a result of survey found not to be of any commercial importance. The object of the original survey was to determine whether or not anything could be done at a minimum cost, at a reasonable cost, or at a greater cost to control the floods on these rivers.

The War Department made the survey, but could not make the report for the reason that it was a flood-control project, and as the authority did not come from the Flood Control Committee a formal report could not be made. This bill will give the War Department that authority.

Mr. LaGUARDIA. Will the gentleman consent to an amendment of this kind on page 2, line 2, after the figures "1917," strike out the balance of the section, which reads—

the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. HARE. I have no objection to that, because, as I understand, there is to be no additional cost.

Mr. STAFFORD. Will the gentleman yield further under a reservation of objection?

Mr. HARE. Yes.

Mr. STAFFORD. Is it the policy of the committee over which the gentleman presides with such distinguished ability, to report for survey every little stream in the country that happens to get clogged up by floating logs and trees?

Mr. HARE. No.

Mr. STAFFORD. As I read the report that is all this relates to. Some trees and logs floated downstream and clogged up the channel and backwaters resulted. Why, in my city, we have flood-control propositions where such conditions obtain, and yet we are not calling upon the National Government to do a State function.

Mr. HARE. Let me make this further explanation. These are navigable streams.

Mr. STAFFORD. Are they navigable streams?

Mr. HARE. Yes; they are all navigable to an extent.

Mr. STAFFORD. With a rowboat or a skiff?

Mr. HARE. If the gentleman will read the evidence, he will find that at one time they carried cotton, tobacco, and every other article of commerce for many years prior to the building of railroads. Let me state to the gentleman that the authority for this investigation was given two years ago by the Rivers and Harbors Committee and the War Department conducted the survey.

Mr. STAFFORD. To terminate the matter, I shall not object if the gentleman agrees to the amendment.

Mr. DYER. I understand there is no expense involved.

Mr. HARE. No.

Mr. LAGUARDIA. With the understanding that the gentleman does not object to the amendment which I shall offer at the proper time, I do not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Combahee, Big Salkehatchie, Coosawhatchie, Edisto, and South Edisto Rivers, S. C., with a view to control of floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment: On page 2, line 2, after the figures "1917," strike out the comma, insert a period, and strike out the balance of the section.

The Clerk read the amendment, as follows:

Amendment offered by Mr. LAGUARDIA: Page 2, line 2, after the figures "1917," strike out the comma, insert a period, and strike out the remainder of the bill.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

INTERNATIONAL GEOLOGICAL CONGRESS

The Clerk called the next business on the calendar, House Joint Resolution 181, authorizing an appropriation for the expenses of the sixteenth session of the International Geological Congress to be held in the United States in 1933.

Mr. McREYNOLDS, Mr. BALDRIGE and Mr. JOHNSON of Texas objected.

STOCK TRESPASSING ON INDIAN LANDS

The Clerk called the next business on the Consent Calendar, the bill (H. R. 8918) to authorize the collection of penalties and fees for stock trespassing on Indian lands.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ATTENDANCE OF MARINE BAND AT RICHMOND, VA.

The Clerk read the next bill on the Consent Calendar, H. R. 5847, to authorize the attendance of the Marine Band at the Confederate veterans' reunion, to be held at Richmond, Va.

Mr. LAGUARDIA. Reserving the right to object.

Mr. BLAND. If the gentleman will permit, my colleague [Mr. MONTAGUE] is unavoidably away to-day. I hope the gentleman will not object.

Mr. LAGUARDIA. I will say that if the gentleman's colleague were here it would make it extremely difficult for me to object, as his winning ways might overpower me immediately. I think I had better take advantage of the situation as it is. [Laughter.]

Mr. BLAND. I hope the gentleman will not object. This is possibly one of the last occasions when there will be a Confederate veterans' reunion. There are not many more in this country. It has been customary to let the band go to these reunions. I understand private bands will be utilized also, and the expense will not be great.

Mr. DYER. Reserving the right to object, we have objected to the Marine Band going to other functions.

Mr. LAGUARDIA. I object.

IMPROVEMENT OF ROADS AND TRAILS

The Clerk read the next business on the Consent Calendar, the bill (H. R. 6059) to continue the authorization for the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges in and approach roads to the national parks and monuments under the jurisdiction of the Department of the Interior, and for other purposes.

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

ATTENDANCE OF NAVY BAND AT CONVENTION OF VETERANS OF FOREIGN WARS

The Clerk read the next business on the Consent Calendar, H. R. 5828, to authorize the attendance of the Navy Band at the convention of the Veterans of Foreign Wars of the United States at Sacramento, Calif.

The SPEAKER. Is there objection?

Mr. LAGUARDIA, Mr. DYER, and Mr. BALDRIGE objected.

ATTENDANCE OF MARINE BAND AT SPANISH WAR VETERANS' CONVENTION AT MILWAUKEE

The Clerk read the next business on the Consent Calendar, H. R. 8635, to authorize the attendance of the Marine Band at the United Spanish War Veterans' convention at Milwaukee.

The SPEAKER. Is there objection?

Mr. LAGUARDIA, Mr. DYER, and Mr. BALDRIGE objected.

TO CONFER JURISDICTION ON CHEROKEE INDIAN CLAIMS

The Clerk read the next business on the Consent Calendar, H. R. 9441, to confer jurisdiction on the Court of Claims to hear and determine such claims of the Eastern or Emmigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

AMERICAN GROUP OF INTERPARLIAMENTARY UNION

The Clerk read the next resolution on the Consent Calendar, House Joint Resolution 320, to authorize an appropriation for the American group of the Interparliamentary Union.

The SPEAKER. Is there objection?

Mr. DYER, Mr. BALDRIGE, and Mr. McCLINTIC of Oklahoma objected.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PRELIMINARY EXAMINATION OF FLINT RIVER, ALA.

The Clerk read the next bill on the Consent Calendar, H. R. 9451, to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods.

The SPEAKER. Is there objection?

Mr. STAFFORD, Mr. BALDRIGE, and Mr. CLARKE of New York objected.

Mr. ALMON. Mr. Speaker, there are Members objecting to this measure under the impression that it will entail cost on the Government. I have the word of the Chief of Engineers that there will be absolutely no cost to the Government.

The SPEAKER. There have been three objections made to the bill.

Mr. LAGUARDIA. Mr. Speaker, I think the gentleman from Alabama will accept the amendment we offered to the other one, and I think we will all withdraw our objections. I shall withdraw mine.

Mr. BALDRIGE. I withdraw my objection.

Mr. STAFFORD. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Flint River, Ala.-Tenn., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and

for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. LAGUARDIA: Page 2, line 2, after the figures "1917," strike out the comma, insert a period, and strike out the remainder of the bill.

Mr. STAFFORD. Mr. Speaker, I rise in opposition to the amendment. If there is expense occasioned by this survey, there is no provision here whereby it will not be a proper charge against the Government.

Mr. LAGUARDIA. Mr. Speaker, it is my understanding that they will make the survey with the existing personnel. Their expense goes on, of course, whether they are in the field or in the office here in Washington. What I want to prevent is additional personnel and additional expense. They ought to be able to do this as a routine matter with the personnel they now have.

Mr. STAFFORD. There will be the expense of printing a map, and so forth, and that would involve a considerable amount.

Mr. LAGUARDIA. I think they have that already.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF FLINT CREEK, ALA.

The next business on the Consent Calendar was the bill (H. R. 9452) to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Flint Creek and its branches in Morgan County, Ala., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, line 2, after the figures "1917," strike out the comma, insert a period, and strike out the remainder of the bill.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PRELIMINARY EXAMINATION OF CATACO CREEK, ALA.

The next business on the Consent Calendar was the bill (H. R. 9453) to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, with the same understanding, I have no objection to this.

Mr. JENKINS. Mr. Speaker, I reserve the right to object. I ask the gentleman from New York [Mr. LAGUARDIA] and the gentleman from Wisconsin [Mr. STAFFORD] why they are retreating from their oppositions to these matters heretofore pursued?

Mr. LAGUARDIA. It is my understanding that these preliminary surveys may properly be made as a matter of routine of the department and without any additional expense. If we have the officers, it seems to me that they might as well be out in the field getting this information as sitting in Washington or around the district office. After we get the preliminary report, it occurs to me that we would be in a better position to legislate intelligently upon the merits of each project.

Mr. JENKINS. My understanding is that the War Department does not make preliminary surveys of any rivers unless the idea is in mind that they are navigable streams and that they could improve navigation. Further than that, they would make survey as to flood control.

Mr. LAGUARDIA. And this is flood control.

Mr. JENKINS. Heretofore the gentleman has assumed the position that we should not set a precedent by making any of these surveys at all.

Mr. LAGUARDIA. That is correct. I repeatedly so stated. My attention was called to the fact that all this does is to make a preliminary survey. After that is done the report is submitted to us. Further work can not be done without the express authorization of Congress. As I said before, if the preliminary surveys costs no additional sum, having the personnel available, I think we might be in better position to decide upon the merits after we get that information.

Mr. ALMON. And if the report is unfavorable, that ends the matter.

Mr. JENKINS. Last year we had several of these bills. Let me state to the gentleman my experience. I introduced a bill in two ways, one to go before the Flood Control Committee and the other to be put in the omnibus bill of the War Department. It failed as a flood-relief proposition, but I got my survey as an item in the omnibus bill. I got the preliminary survey, and I got what I wanted without setting a new precedent. You gentlemen can do the same thing. I am not objecting to it, but I do not think the gentleman is consistent with the position heretofore assumed by him.

Mr. LAGUARDIA. I think there is justification for the gentleman's criticism.

The SPEAKER. Is there objection?

There was no objection, and the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Cataco Creek and its branches in Morgan County, Ala., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. LAGUARDIA. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, line 1, after the figures "1917," strike out the comma, insert a period, and strike out the remainder of the paragraph.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

MAINTENANCE OF GOVERNMENT WHARF AT JUNEAU, ALASKA

The Clerk called the next bill, H. R. 6713, for estimates necessary for the proper maintenance of the Government wharf at Juneau, Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BALDRIGE. Mr. Speaker, reserving the right to object, can not the Secretary of War put this in his budget at any time he finds that this wharf needs necessary repairs?

Mr. DRIVER. He can not. According to the statement made by the War Department, there is absolutely no power lodged in the War Department or any of the other departments whose activities are controlling the affairs of Alaska. Strange to say, they have built a wharf, and it is now in perfect condition, but there is no provision made in the law for the maintenance of it, because no one of the designated agencies has been denominated as the agency to care for this wharf, which is used by several activities.

Mr. BALDRIGE. If the wharf needs some repairs, can not the Secretary send in an estimate for it?

Mr. DRIVER. No. They have no such authority, and we now undertake to give it to them.

Mr. COLLINS. Mr. Speaker, reserving the right to object, is there any necessity for keeping this wharf in repair?

Mr. DRIVER. Yes. It is used by every activity having any business whatever in Alaska. All of the shipping activities of the various Government agencies are using this particular wharf, and it is one of the greatest necessities they have for the conduct of their business in an efficient way.

Mr. LaGUARDIA. May I suggest this to the gentleman: Would he not have eliminated one legislative step if he had brought in a bill authorizing the repair or maintenance of this particular wharf and then, in his appropriation bill, he could have thrashed out the matter of the amount necessary?

Mr. DRIVER. If there had been an estimate, possibly that would have been the way to proceed, but there has been no estimate as to the amount necessary to maintain this wharf.

Mr. LaGUARDIA. It is necessary to first have an authorization and then secure an appropriation?

Mr. DRIVER. Yes; but there must be authority for some one to make the estimate, so that they can make the necessary legislative provision for the care of this wharf.

Mr. LaGUARDIA. I shall not object; but I think this is just typical of departmental red tape.

Mr. DRIVER. That may be true; but still they say they have no authority, and they say this should be done.

Mr. COLLINS. It seems to me the authority is inherent in the Government to protect its own property, and that legislation is not necessary to do that.

Mr. DRIVER. The gentleman may be right, ordinarily speaking, but the gentleman overlooks the fact that there are a dozen activities using this particular wharf, with no power lodged anywhere to care for it. Therefore it is necessary to designate some agency that shall have the power to care for this improvement.

Mr. COLLINS. We have a wharf near Hampton Roads. The Government pays one-third of the upkeep of that wharf, and the steamship companies which operate on Chesapeake Bay and the Potomac River pay two-thirds of the cost of the upkeep of the wharf.

Mr. DRIVER. That is because there is provision made for the maintenance of the wharf.

Mr. COLLINS. It is just an agreement that is entered into by the War Department and the steamship companies, which can be done in this case.

Mr. DRIVER. But does the gentleman tell me that agreement is without authority?

Mr. COLLINS. No; I think the Government has authority to make the agreement.

Mr. DRIVER. But they have no authority in this particular instance. They say no one of the agencies has the authority.

Mr. LaGUARDIA. Mr. Speaker, I am going to ask unanimous consent that this bill go over without prejudice, because I can not believe this legislation is necessary.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that this bill may be passed over without prejudice. Is there objection?

There was no objection.

AMENDMENT TO THE ACT PROVIDING A GOVERNMENT FOR THE TERRITORY OF HAWAII

The Clerk called the next bill, H. R. 309, to amend section 4 of the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. HOUSTON of Hawaii. Mr. Speaker, it is my understanding that the chairman of the Committee on Territories asked that this bill be stricken from the calendar and recommitted to the Committee on Territories.

Mr. STAFFORD. This bill was recommitted to the Committee on Territories by unanimous consent earlier in the day.

LOAN OF WAR DEPARTMENT EQUIPMENT TO THE KNIGHTS OF PYTHIAS

The Clerk called the next bill, H. R. 8624, to authorize the loan of War Department equipment to the Knights of Pythias.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object——

Mr. LaGUARDIA. Will this bill involve any expense?

Mr. FIESINGER. No expense at all.

Mr. STAFFORD. Reserving the right to object, I would like to proceed for about two minutes. This bill was reported favorably from the Committee on Military Affairs. At that meeting I registered my protest against it because it establishes a new policy in the history of our Government toward loaning equipment. Up to the present time we have loaned military equipment only to patriotic and service-connected organizations. I have no objection to loaning tentage and the like to this fraternal organization if this would be the only instance; but we are establishing a policy here which will permit other fraternal organizations to come to Congress asking for the loan of tentage and the like, and you can not then consistently raise an objection, because you will have established the precedent.

I do not feel impelled to object for the reason that my vote was the lone vote in opposition in the Committee on Military Affairs. I am calling it to the attention of the House so that if any Member feels inclined to object to this policy he may do so. I think it is a rather small policy for any organization to come to Congress and ask for the loan of 150 tents.

Mr. TILSON. Two hundred and fifty tents.

Mr. STAFFORD. I shall not withdraw my general statement even though I was 100 below the mark, but who could resist the gracious appeal of the gentleman from Connecticut——

Mr. BALDRIGE. Mr. Speaker, I demand the regular order. If the gentleman from Wisconsin wants to object, let him object.

Mr. STAFFORD. I have stated that I shall not object, I thank my colleague from Nebraska.

Mr. DYER. Mr. Speaker, reserving the right to object——

The SPEAKER pro tempore (Mr. WARREN). The regular order has been demanded.

Mr. DYER. I shall object unless I shall get some information about this bill.

Mr. TILSON. I hope the gentleman will not object.

Mr. DYER. I would like to know where this encampment is going to be held.

Mr. TILSON. In my home city of New Haven. The gentleman understands that the Knights of Pythias is a very large organization——

Mr. DYER. I know the organization.

Mr. TILSON. Within the organization there is what is called the uniformed rank, a semimilitary organization, much smaller, of course, and this is the reason the small number of tents will suffice. There will probably be a very large attendance of those who do not belong to the uniformed rank.

Mr. DYER. Where is this equipment to be had and how far is it from New Haven?

Mr. TILSON. The equipment is already stored in the armory at New Haven, and this bill simply authorizes the property and disbursing officer of the United States for the National Guard of Connecticut to lend the property.

Mr. DYER. Mr. Speaker, I may state that, like the gentleman from Connecticut, I have a very high regard for this organization. I am a member of the organization, but I am trying to conserve the resources of the Government and not further embarrass the Treasury of the United States. Since the gentleman says there is no expense involved, I shall not object.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the adjutant general of Connecticut be, and he is hereby, authorized to lend from Federal property and equipment issued to and in possession of the Connecticut National Guard, for use at the annual encampment of the uniform rank Knights of Pythias, to be held at New Haven, Conn., during the month of July, 1932, 250 tents, pyramidal, complete with poles and pins, 1,000 cots, 2,000 blankets, and 1,000 mattresses or bed sacks: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered at such time prior to the holding of the said encampment as may be agreed upon by the adjutant general of Connecticut and Mr. Harry Bortle, commander, uniform rank Knights of Pythias of the State of Connecticut: *Provided further*, That the adjutant general of Connecticut, before delivering such property, shall take from the said commander, uniform rank of Knights of Pythias of the State of Connecticut, a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

With the following committee amendments:

Page 1, line 3, strike out the words "adjutant general" and insert "United States property and disbursing officer for the National Guard."

Page 2, line 6, strike out the words "adjutant general" and insert the words "United States property and disbursing officer for the National Guard."

Page 2, line 10, strike out the words "adjutant general" and insert the words "United States property and disbursing officer for the National Guard."

Mr. TILSON. Mr. Speaker, I wish to say that the committee amendments simply substitute the United States property and disbursing officer for the National Guard of Connecticut for the words "adjutant general" and, as I understand the situation, it is the same person. I may be mistaken, but I had supposed that the adjutant general of the State of Connecticut is the United States property and disbursing officer for the National Guard of that State. If so, the amendments make no change in the effect of the bill, and, at any rate, I have no objection to them.

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

The Clerk called the next business on the Consent Calendar, the bill (H. R. 4602) granting equipment allowance to third-class postmasters.

Mr. LAGUARDIA. Mr. Speaker, I reserve the right to object——

Mr. PATTERSON. Mr. Speaker, I hope the gentleman from New York will not object to this bill.

Mr. LINTHICUM. Mr. Speaker, I object.

Mr. LAGUARDIA. We do not want to lose our rights as to the status of the bill.

Mr. LINTHICUM. Mr. Speaker, I call for the regular order.

Mr. PATTERSON. Mr. Speaker, this is under the gentleman's reservation of objection.

The SPEAKER pro tempore. The regular order has been demanded. Is there objection?

Mr. LINTHICUM and Mr. STAFFORD objected.

The SPEAKER pro tempore. This bill requires three objections.

Mr. LAGUARDIA. And I reserve the right to object, so that the gentleman from Alabama may proceed.

The SPEAKER pro tempore. Demand for the regular order takes precedence over a reservation of objection. This bill requires three objections.

Mr. LINTHICUM, Mr. STAFFORD, and Mr. EATON of Colorado objected.

CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. PATTERSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 41]

Abernethy	Dickstein	Hull, William E.	Rayburn
Aldrich	Dieterich	Igoe	Reid, Ill.
Andrew, Mass.	Doughton	James	Rudd
Andrews, N. Y.	Douglas, Ariz.	Johnson, Ill.	Sanders, N. Y.
Bacharach	Doutrich	Johnson, S. Dak.	Snell
Beck	Doxey	Karch	Stevenson
Beers	Drewry	Keller	Strong, Pa.
Bloom	Eaton, N. J.	Kennedy	Sullivan, N. Y.
Bolton	Elsey	Kleberg	Sullivan, Pa.
Boylan	Fernandez	Kurtz	Sumners, Tex.
Britten	Fish	Lambeth	Swick
Burdick	Flannagan	Larrabee	Taber
Carley	Foss	Larsen	Taylor, Tenn.
Chapman	Freeman	Lea	Treadway
Chase	French	Lindsay	Tucker
Chindblom	Gillen	McFadden	Turpin
Clague	Golder	Maas	Underhill
Cochran, Pa.	Goldsborough	Magrady	Weeks
Collier	Griswold	Martin, Mass.	Welsh, Pa.
Connery	Hall, Ill.	Montague	White
Connally	Hall, Miss.	Murphy	Williams, Mo.
Corning	Hancock, N. C.	Norton, N. J.	Williamson
Cox	Hartley	Owen	Wolfenden
Crisp	Haugen	Parks	Wood, Ga.
Crowe	Hill, Ala.	Perkins	Wyant
Cullen	Hogg, Ind.	Pratt, Ruth	
De Priest	Hornor, W. Va.	Purnell	

The SPEAKER. Three hundred and twenty-six Members have answered to their names. A quorum is present.

Mr. PATTERSON. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

PHILIPPINE INDEPENDENCE

Mr. HARE. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 7233, as amended.

The SPEAKER. The gentleman from South Carolina moves to suspend the rules and pass the bill H. R. 7233, as amended. The Clerk will report the bill.

The Clerk read the bill, as follows:

To provide for the withdrawal of the sovereignty of the United States over the Philippine Islands and for the recognition of their independence; to provide for notification thereof to foreign governments; to provide for the assumption by the Philippine government of obligations under the treaty with Spain; to define trade and other relations between the United States and the Philippine Islands on the basis of a progressive scale of tariff duties preparatory to complete independence; to provide for the calling of a convention to frame a constitution for the government of the Philippine Islands; to provide for certain mandatory provisions of the proposed constitution; to provide for the submission of the constitution to the Filipino people and its submission to the Congress of the United States for approval; to provide for the adjustment of property rights between the United States and the Philippine Islands; to provide for the acquisition of land by the United States for coaling and naval stations in the Philippine Islands; to continue in force certain statutes until independence has been granted, and for other purposes.

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention to meet at such time and place as the Philippine Legislature may fix, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

(c) Absolute toleration of religious sentiment shall be secured, and no inhabitant or religious organization shall ever be molested in person or property on account of religious belief or mode of worship.

(d) Property owned by the United States, cemeteries, churches, and parsonages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

(g) The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools primarily conducted in the English language.

(i) No part of the public revenues shall be used for the support of any sectarian or denominational school, college, university, church, or charitable institution.

(j) Acts affecting the currency or coinage laws shall not become law until approved by the President of the United States.

(k) Foreign affairs shall be under the direct supervision and control of the United States.

(l) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(m) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and upon order of the President to call into the service of such armed forces all military forces organized by the Philippine government.

(n) Appeals to the Supreme Court of the United States shall be as now provided by existing law and shall also include all cases involving the constitution of the Commonwealth of the Philippine Islands.

(o) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

(p) The authority of the United States high commissioner to the government of the Philippine Islands, as provided in this act, shall be recognized.

(q) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations respectively thereof.

SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands such constitution shall be submitted to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If he finds that the proposed constitution conforms substantially with the provisions of this act, he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention assembled, but if he finds that the proposed constitution does not conform with the provisions of this act he shall so advise the Governor General, stating wherein in his judgment the constitution does not so conform and submitting provisions which will in his judgment make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them pursuant to the same procedure hereinbefore defined, until the President and the constitutional convention are in agreement.

SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return; and, if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon and a copy of said constitution and ordinances. The Governor General shall, in that event, within 30 days after receipt of the certification from the Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the result of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as is now actually occupied and used by the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the new government of the Commonwealth of the Philippine Islands when constituted.

TRADE RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the new government shall be as now provided by law, subject to the following exceptions:

(1) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons and on unrefined sugars in excess of 800,000 long tons coming into the United States from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(2) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(3) There shall be levied, collected, and paid on all yarn, twines, cords, cordage, rope, and cables, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(4) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced in the Philippine Islands thereafter that may be so exported to the United States shall be allocated under export permits issued by the government of the Commonwealth of the Philippine Islands to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year, except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their production in the preceding year, and the amount of sugar which may be exported from each mill shall be allocated between the mill and the planters on the basis of the proportion of sugar received by the planters and the mill from the planters' cane, as provided in their milling contract. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment, or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

(2) The President of the United States shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contract, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

(3) The chief executive of the government of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands, who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due, or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be lawfully delegated to him from time to time by the President.

The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said islands. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

SEC. 8. (a) For the purposes of the immigration act of 1917, the immigration act of 1924 (except sec. 13(c)), this section, and other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, persons who are citizens of the Philippine Islands, and who are not citizens of the United States, shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as if it were a separate country and shall have for each fiscal year a quota of 50. This subdivision shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

(b) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigration act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

(c) Any Foreign Service officer may be assigned to duty in the Philippine Islands under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

(d) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered a foreign country.

(e) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

(f) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

(g) This section shall take effect 60 days after the enactment of this act.

RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

SEC. 9. (1) On the 4th day of July immediately following the expiration of a period of eight years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the Territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, under the constitution then in force: *Provided*, That the constitution of the Commonwealth of the Philippine Islands has been previously amended to include the following provisions:

(2) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(3) That the government of the Philippine Islands will cede or grant to the United States land necessary for commercial base, coaling, or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

(4) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respect as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

(5) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine Government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(6) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

(7) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

NOTIFICATION TO FOREIGN GOVERNMENTS

SEC. 10. Upon the proclamation and recognition of the independence of the Philippine Islands, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

TARIFF DUTIES AFTER INDEPENDENCE

SEC. 11. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least six months prior to the withdrawal of American sovereignty as hereinbefore provided, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

CERTAIN STATUTES CONTINUED IN FORCE

SEC. 12. Except as in this act otherwise provided, the laws now or hereafter in force shall continue in force in the Philippine Islands until altered, amended, or repealed by the Legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The

government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

SEC. 13. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons and circumstances shall not be affected thereby.

Amend the title so as to read: "A bill to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes."

Mr. KNUTSON. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from Minnesota opposed to the bill?

Mr. KNUTSON. I am.

Mr. HARE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, I understand the gentleman from Minnesota voted favorably to report the bill, whereas the gentleman from Massachusetts [Mr. UNDERHILL] voted against it.

The SPEAKER. The Chair has put the question to the gentleman from Minnesota, and he says he is opposed to the bill.

Mr. KNUTSON. I think I can answer that better than the gentleman from New York.

The SPEAKER. The gentleman from South Carolina is entitled to 20 minutes and the gentleman from Minnesota to 20 minutes.

Mr. HARE. Mr. Speaker, I yield myself 10 minutes. For 30 years we have looked forward to this day. Upwards of 30 years ago the people of the United States, as the result of a conflict with Spain, acquired the Philippine Islands, 7,000 miles away.

Upon the acquisition of that territory the President of the United States made it definite, clear, and certain that when the people of the Philippine Islands were capable of establishing a stable government their independence would be granted.

From the evidence submitted to the committee we are convinced that the people of the Philippine Islands have met this condition and are capable of establishing a stable government. As a matter of fact, they have already established a stable government. The first two years following the acquisition of this territory they had a system of military government. Subsequently we gave them a civil government. For the last 16 years or more the people on these islands have had almost complete autonomy, in that they have been running their municipal and their provincial affairs themselves.

Their legislature to-day, comprising the house of representatives and the senate, is made up exclusively of Filipinos. Their laws since 1916 have been enacted at the hands of native Filipinos. The progress, the growth, the success they have made is well illustrated in the maintenance of a successful system of public schools, the maintenance of universities, in the maintenance of a system of jurisprudence unsurpassed by many free and independent nations.

To-day they have one-tenth of the population in public schools; they have 2,000 students in the higher institutions of learning and universities. In this way they have demonstrated their fitness to establish a stable government, and they have been maintaining it for the past 16 years, or since 1916.

We feel, therefore, that they are not only able to establish a stable government, but we think they have already established it and have maintained it.

They are proud of their achievements, their laws, their courts, their rules of sanitation, and their other many accomplishments, all of which lead us to believe that they are able to maintain a government in their way as well as any country on earth. We think of our country as being the greatest and most independent Nation under the shining canopy of heaven. Yet we have been devising plans for the past month and looking around to find means whereby we can balance our Budget; but the Filipino government, under the supervision and direction and leadership of native Filipinos have balanced their budget during the world-wide depression and have a surplus in their treasury. [Applause.] Then we hear some say that these people should not be given their independence because they are unable to set up a stable government. The thought is absurd.

For a man of intelligence, sincerity, and honesty to get up before a great Congress like this and say that these people are not capable of establishing and maintaining a stable form of government to my mind is far from the facts as brought to our committee. We have endeavored to write a bill that will take care of the Filipinos during the transition period. We have endeavored to write a bill that will take care of the American interests in the meantime. In other words, we feel that the bill we have before you is one that will mean success to the Filipinos and at the same time will protect American interests in the Philippine Islands. Under the bill they are authorized to adopt a constitution and submit it to the President of the United States to see whether or not it conforms to the provisions of this act. This is to be ratified by the people of the Philippine Islands before any part of this act becomes effective. Under it they may set up a new form of government; and from the time such government is inaugurated until the time we withdraw sovereignty, they will have absolute autonomy, they will rule and govern themselves as they see fit. Pending the final relinquishment of American sovereignty, their exports to this country will be limited, and we endeavor to fix a limit that will not destroy them but will at the same time protect American labor and American agriculture. We try to keep from shutting them off immediately by giving them time and opportunity to make trade agreements and commercial treaties with other countries, so that when we finally withdraw our sovereignty they will be able to continue successfully.

The bill provides that on the Fourth of July following the eight years after the creation of the Commonwealth of the Philippine Islands, American Government will withdraw sovereignty, and they will be a free and independent, as well as a foreign nation. We retain certain privileges and rights during the eight years. We protect the rights of the United States during the interval and at the same time we give the Filipinos an opportunity to take care of themselves and finally give them that long-coveted governmental status we call liberty and independence, something that the Filipinos have been fighting for for 300 years or more, and something that we have promised them every year for the past 30 years. Not a President since we acquired possession of the Philippine Islands but what has said we were going to give them independence as soon as they were able to establish a stable government. President McKinley, President Taft, President Roosevelt, President Wilson, President Coolidge, and President Hoover, in effect, declared that as soon as they are able to demonstrate their ability to establish a stable government, we are in honor bound to give them that independence they so richly deserve and to my mind are justly entitled to.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HARE. Yes.

Mr. MICHENER. If this matter is so important and has been a matter for national consideration down through the years, does the gentleman feel that he should bring his bill out here with only 20 minutes of debate on a side, without the House having an opportunity to change or amend the bill submitted by the committee?

Mr. HARE. Mr. Speaker, I am very glad the gentleman from Michigan has asked that question, because I know there is no man in the House who is more anxious that every phase of the bill should be discussed fully and in detail than I am, although I am convinced that it is a good bill from

start to finish, but I would like to see opportunity for amendments on the floor of the House so that the House could make such correction as it sees fit.

Mr. THURSTON. Mr. Speaker, will the gentleman yield?

Mr. HARE. Not now. But when I came into the House this morning I asked unanimous consent to consider the bill to-day with two hours and a half of general debate, and then to consider it under the rules of the House, when we could have considered it during the balance of the day and offered amendments to every section, but the House did not see fit to give me that right.

Mr. SIMMONS. Mr. Speaker, will the gentleman yield?

Mr. HARE. In just a moment. I went further than that and I asked the membership of the House to give this bill a privileged status so that we might bring it up at the will of the Speaker, with opportunity for unlimited debate, when we could have spoken for 5 hours or 10 hours or 15 hours, for 2 days or 3 days or a week, just as the House may have seen fit to do, but that request was denied.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HARE. And I say it comes with poor grace for anyone to get up now and say that we are trying to pass a bill under a gag rule, when I have endeavored during the entire day to get consent to give proper consideration to the bill for two hours and a half or 10 hours' debate.

Mr. MICHENER. Mr. Speaker, I agree exactly with what the gentleman has said. He has spoken the truth. But the situation is this: If some individual objects, as he has a right to do, then the bill, regardless of what the 434 other Members might think, is brought in here in this shape, and it seems to me that if the rules permit one man to prevent the consideration of the bill as stated, the leadership of the House should give some consideration to the matter and not force consideration without opportunity to amend.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. HARE. Yes.

Mr. O'CONNOR. The gentleman should keep the record straight. The objections to the consideration of the bill under the general rules of the House with opportunity for amendment all came from the Republican side of the House.

Mr. HARE. Mr. Speaker, I do not care to discuss that phase of the matter, because the RECORD will show that clearly. I yield back the balance of my time. [Applause.]

Mr. KNUTSON. Mr. Speaker, I yield myself three minutes. Mr. Speaker and gentlemen of the House, I am in full accord with the statements made by the preceding speaker, the beloved chairman of our committee. I agree with him that the Filipino people are ready for independence. I have been for independence for over 12 years, but I say to you men and women of this House that it is not fair to bring a bill of this importance before the House and jam it through in 40 minutes, a bill which involves the economic and political freedom—yes, the very existence of 12,000,000 people. We should have had an opportunity to have this bill brought up in an orderly way and amended it in a manner that would have fully protected the interests of the Filipino people as well as the interests of American agriculture and industry. You are going to jam the bill through in one of the most vicious ways that I have ever seen any measure passed through this House. I know you are going to pass it. You are going to go through the sty, like sheep being led to slaughter, regardless of the fact that you are legislating for 12,000,000 human beings. Strongly as I am for Filipino independence, I deplore the decision to bring this important matter up under suspension, which will prevent consideration of several necessary changes and amendments. We can not do justice to this most important measure in 40 minutes, with 20 minutes on a side.

Mr. BANKHEAD. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. BANKHEAD. Did not the gentleman from Minnesota as a member of the committee preparing this bill agree to report out every provision now in the bill?

Mr. KNUTSON. I did; thinking we would have an opportunity to amend it on the floor of the House. I voted affirmatively in committee in order to expedite it; but had I known that the Democratic majority would jam through the bill in 40 minutes with no opportunity for amendments, I would have hesitated to vote to report it out in its present form. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. HARE. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. CROSS]. [Applause.]

THE PHILIPPINES—THEY SHOULD AND OF RIGHT OUGHT TO BE INDEPENDENT

Mr. CROSS. Mr. Speaker, ladies and gentlemen of the House, I assert that if we would befriend the primary industry of this country, agriculture, if we would maintain our international prestige and avoid the destruction, sooner or later, of our billion-dollar navy, if we would live up to our high pretentions and fulfill our oft-made promises and keep our national honor unsullied, then we should grant to the Filipinos their unqualified independence without further delay. [Applause.]

Let us visualize for a moment the geographical location of this distant tropical archipelago on the nether side of the globe, surrounded by oriental waters, bounded on the east by the Mariannas, on the south by the Celebes, on the west by the Sulu and South China Seas, and on the north by the Bashi Channel, beyond which lies the yellow peril. These islands, extending for more than a thousand miles in a general north and south direction, number 7,083, having an aggregate area of 115,000 square miles, or approximately the same as that of the State of Arizona; Luzon, with 40,000 square miles plus, and Mindanao, with 36,000 square miles plus, constituting more than two-thirds of the whole. Only 2,448 of these islands, however, are of sufficient importance to have been given names. Sibutu, the most southwestwardly of the group, is within 15 miles of the east coast of north Borneo, while the northernmost, Ibayat, is but 93 miles from the Japanese island of Formosa, or practically within modern cannon shot; Luzon, the most important in commerce, size, and population, is but 205 miles from that Japanese stronghold and only 450 miles from Hong Kong.

The distance from the city of Washington to Manila by way of San Francisco and Honolulu is more than 11,000 miles, while from the city of New York by way of the Panama Canal it is 13,087, and by way of the Suez Canal 13,267 miles. In such an outlandish quarter of the globe do we find these queer possessions, to reach, which it is necessary to travel over devious, checkered routes practically half around the world.

And here in this all but inaccessible torrid region we find some 13,000,000 souls, a conglomerate of Malayan tribes, with a considerable intermixture of Chinese. With all, a people as ultra in physical type, mental concepts, and racial customs from the people of these United States as can be found between the poles.

HOW WE ACQUIRED POSSESSION

That the Filipinos joined America in its conflict with Spain fully convinced that as a reward they were to be independent, there can be no question. Was not such an assumption on their part justified? Had not the American Colonies secured their independence with the assistance of France? Had we not drawn the sword that Cuba might be independent, Congress declaring at the time that we had no other purpose? Had not our consul general at Hong Kong, Mr. Wildman, as far back as November, 1897, been discussing with General Aguinaldo an "alliance offensive and defensive," in the event of war with Spain?

Thereafter, in April, in Hong Kong, had not General Aguinaldo been in consultation with Admiral Dewey to the same effect? On the 19th of May, Dewey having destroyed the Spanish fleet as well as the battery at Cavite on the 1st, and being in sore need of land forces, had not the United States revenue cutter *McCullough* been dispatched to Hong Kong for Aguinaldo and his lieutenants, and they landed at Cavite? On the same day do we not find our consul general at Hong Kong cabling our Secretary of State, Mr. Hay, that a large supply of rifles should be sent to the

Philippines for our "allies"? Not only does the record show that our consul general at Hong Kong purchased many rifles for the insurgents, which were delivered to them at Cavite with the approbation of Admiral Dewey, but that the admiral himself had ordered delivered to them both cannon and rifles from the captured Spanish arsenal at Cavite.

Did Admiral Dewey and the Americans in command at Cavite have any doubt as to the purpose actuating Aguinaldo and his followers in taking up arms? Was not that purpose made plain by General Aguinaldo in his proclamation issued at Cavite on the 24th day of May, in these words:

I again assume command of all the troops in the struggle for the attainment of our lofty aspirations, inaugurating a dictatorial government to be administered by decrees promulgated under my sole responsibility and with the advice of distinguished persons until the time when these islands, being under our complete control, may form a constitutional republican assembly, and appoint a president and cabinet, into whose hands I shall then resign the command of the islands.

Induced by this proclamation, more than 12,000 Filipinos serving with the Spanish forces deserted to fight for the independence of their country, while patriots, in swarms, flocked in to Cavite to join the insurgents.

And as a result in a few weeks practically all Luzon, with the exception of the city of Manila, was in their possession, and with Manila bottled up and at their mercy, even being in possession of San Juan del Monte, the source of the city's water supply, so that as early as the 12th of June Admiral Dewey telegraphed, "The insurgents practically surround Manila," and that the leadership of Aguinaldo was "wonderful." And remember that Spain had concentrated her forces in Luzon and staked the fate of the archipelago upon her success or failure there. Did Aguinaldo and his followers have cause to believe they were fighting for their country's independence? Hear our consul general, Mr. Pratt, at Singapore on June 8 addressing a distinguished number of Filipinos at a reception:

You have just reason to be proud of what has been and is being accomplished by General Aguinaldo and your fellow countrymen under his command. When six weeks ago I learned that General Aguinaldo had arrived incognito in Singapore I immediately sought him out. An hour's interview convinced me that he was the man for the occasion, and having communicated with Admiral Dewey, I accordingly arranged for him to join the latter, which he did at Cavite. The rest you know. I am thankful to have been the means, though merely the accidental means, of bringing about the arrangement between General Aguinaldo and Admiral Dewey which has resulted so happily. I can only hope that the eventual outcome will be all that can be desired for the happiness and welfare of the Filipinos.

When General Merritt arrived with America's first contingent of 11,000 soldiers he found the Spaniards in such a helpless condition that he did not wait for those that were to follow, but immediately disembarked at Cavite, and on the 7th day of August, when he and Admiral Dewey sent a joint note to the Spanish commander that a bombardment of the city would begin within 48 hours, the Spanish commander replied that "There was no place of refuge for the sick, women, and children, as he was surrounded by the insurgents."

On the 13th, when the bombardment opened, after a brief and weak resistance the white flag went up at 11 o'clock. The Americans had lost in the entire Philippine campaign but 20 killed and 105 wounded. No wonder, in view of these acts, General Anderson wrote:

The Filipinos considered the war as their war, Manila as their capital, and Luzon as their country.

For had they not been led so to believe, and had not thousands of their best and bravest died that such might be true? If the spirits of the dead are cognizant of the affairs of this world, what grief must be theirs. Had it not been for the insurgents, instead of having 20 killed and 105 wounded, would we not have had thousands killed and wounded, not to mention those who would have languished with disease in the jungles?

Tell me, then, where is our gratitude when we hold these islands in the face of their protest? Does not justice point the finger of scorn at us? Is the Nation's conscience dead? Can we claim that we hold them, under the law of the survival of the fittest, as an outlet for our surplus population? Surely none would be so rash as to make such a claim. Are they covered by the Monroe doctrine or lie within the sphere of our influence? No; but, on the contrary, our retention of them puts us in an indefensible position before the world in asserting that doctrine. Are they essential to or do they even in the least contribute to our national defense? No; but, on the contrary, they are, as the sword of Damocles, suspended over our heads, that Japan can at her will cause to fall. If Japan should take them and hold them, we would not be permitted to trade with them, and they who own property there would lose it. On the other hand, should Japan, after taking them from us, give them their independence, she would have their friendship, we their ill will; Japan their trade and we their hate. And then, too, my colleagues, hope deferred maketh the heart sick, maketh the heart restless, maketh it desperate and rebellious. And, lest we forget, the Spanish-American War lasted 111 days, in which we lost only 353 men on land and sea, while the Philippine insurrection lasted nearly three and one-half years, in which we lost 4,165 men and spent $185,000,000.

But there be those who claim we hold them as a matter of purchase from Spain; that she ceded or deeded them to us on the 10th day of December, 1898, in consideration of $20,000,000. But at the time Spain executed that cessation or deed the islands had been wrested from her and she had no title to convey; she no longer exercised any sovereignty over them; but the title had vested in and that sovereignty was being exercised by the Philippine Republic, with General Aguinaldo as its President. What think you if England, when she saw that she had lost these American Colonies, had hastened to cede or deed them to France for $20,000,000? What think you of the validity of a title so acquired by France? [Applause.]

AN ECONOMIC LIABILITY—AN AGRICULTURAL MENACE

Can it be claimed that they are an economic asset? Do they add to the wealth, to the prosperity of this Nation? Only 10 per cent of our exports to the Far East go to the Philippines. I hold in my hand statistics from the Department of Commerce showing the volume of this country's trade with the Philippines. And during 1931 we sent to the Philippines for the products she sent to us $87,133,000, while she paid to us during the same period for the products she purchased from us only $48,831,000. Or, in other words, every 12 months we are purchasing from her $38,302,000 more than she is purchasing from us. Every time these islands buy 56 cents worth of goods from us we buy $1 worth of goods from them. Thus, 44 per cent of the money we send to the Philippines never finds its way back to our shores to sustain the purchasing power of our people, while for every dollar they send to us we return to them $1.44. And, then, for this eighty-seven millions plus which we annually send to the Philippines they in turn send into this country raw products, produced by the lowest-paid labor in the world, which come directly in competition with the products of our farms and dairies. If these imported products had been manufactured rather than raw products, who is there so simple but that does not know they would have long since had their independence that the tariff might be applied? We had as well let the peonized labor of the world pour into this country in competition with our labor as to admit the product of such labor. Its vegetable products, its coconut oil, and other coconut products are in competition with our dairy products, animal fats, and vegetable oils, and its sugar in competition with our cane and beet farms. During 1931 there was imported into this country from the Philippines 314,000 tons of coconut products, and during the same period 1,635,336,000 pounds of sugar, nearly five times as much sugar as was produced in the entire State of Louisiana, and had we applied the tariff, more than $42,000,000 would have been paid into the Treasury; but as long as we hold them we can not in good conscience apply the tariff. If you are sincere in pretending that you would help agriculture, if you are patriotic and would have your country prepared in the event

of war, you should not hesitate to grant independence to the Philippines. [Applause.]

And remember, my colleagues, if a father, after his son becomes a man, continues to direct and play his guardian, he degenerates into a helpless dependent, devoid of initiative and self-confidence. If we are permitted to continue our paternalistic codling of these people, we will utterly unfit them for that self-government which those who oppose this bill pretend it is their purpose to accomplish.

Destroy agriculture, the industry that fills the wardrobes, the smokehouses, and granaries, and there can be no prosperity in time of peace nor victory in time of war. As the trunk is to the limbs, so is agriculture to the other industries. Truly civilization begins and ends with the plow. Tear down your dairies, give back to the wilderness your cane, your beet, and your cotton fields, and a solemn stillness will brood over your one-time busy looms, and the mouldering walls of your once-proud cities will be tenanted by loathsome bats and owls. The millions of farm mortgages on record throughout the country are so many petitions pleading to you to come to the rescue of agriculture. [Applause.]

In addition to being a millstone about the neck of the agricultural interests of this country, this Asiatic archipelago is a financial cancer preying upon its Treasury. The land forces we keep on duty there cost this Nation annually $13,813,762.95, while we spend on our Asiatic Fleet, seacoast defense, public health, and on the Coast and Geodetic Survey annually $13,269,395.24, or a grand total of $27,083,159.19 as an annual tax upon the taxpayers of this country. Now add to this our annual tariff loss of more than $42,000,000 on sugar alone, to say nothing of the tariff on their tobacco importations, and you have a direct net annual loss to the Treasury of this country of $69,000,000 plus. The Department of Commerce advises me that American citizens have investments amounting to $81,435,000 in these islands. If we are holding them to protect the property of these people, we can turn them loose and pay the owners of this property its entire value out of what we would save in the first 14 months.

THEIR RETENTION MEANS A DESTRUCTIVE, HUMILIATING WAR

And in addition to all this, remember their retention is a national menace. We are holding a lightning rod and beckoning the lightning, Japan, to strike; and when she does our billion-dollar Navy will go into "Davy Jones's locker," for Mars is as sure to use this archipelago as an incubator to hatch a war between the two nations as that "the night follows the day." Remember what Japan did to the Russian fleet when they dared enter these distant seas. What think you our aircraft and submarines would do to the Japanese or any other fleet that would dare join combat with us in the waters surrounding Porto Rico or even the Hawaiian Islands? Japan operating from her base at Formosa can with her bombing planes utterly destroy Manila within the course of a few hours and, unhindered, land a powerful army overnight; and then with her submarines, which by the recent naval conference at London are to be the peer of any in the world, send our ships to the bottom as fast as they enter these Asiatic waters and with as much ease as a child pricks the bubbles in a bowl. Then at half-mast will our flag droop as never before in testimony of the grief and humiliation of the Nation.

PROPAGANDA—A WOLF IN SHEEP'S CLOTHES

Then why does Congress hesitate? Why are we powerless to act? It is the same old, old story of justice being vanquished by the lance of greed plated with gold. Who of you, my colleagues, but has been flooded with propaganda emanating from the so-called Philippine-American Chamber of Commerce domiciled at No. 67 Wall Street? This avaricious group, parading in sheep's clothes, admonish us that the Filipinos are not competent of self-government and that it is the sacred duty of this country to hold in subjection these Malayan, Asiatic peoples until, perchance, in some distant future age they reach that delectable condition. How their altruistic hearts do palpitate with sympathy for these benighted, ignorant yellow peoples. What holy livery do these hypocrites adorn to persuade this Congress to continue to hold their victim that they may profit?

My colleagues, what greed is cloaked, what injustice wrought, what crime perpetrated under the guise and disguise of humanity. [Applause.]

How long must the farmers of this country continue to be impoverished that a few individual pirates may pile up fortunes? But if these propagandists were not actuated by a nearsighted selfishness that blinds them to their true interest, they would advocate the independence of these islands. It is far better that a man should die a pauper and leave his children to live among a contented, prosperous people, where opportunities abound and thrift and industry are crowned with success, than to die and leave them a fortune but to dwell among an embittered, discontented people in a land devoid of opportunity, for an inherited fortune invariably has wings, and after having rendered its recipient incapable of coping with the adversities of life leaves him and his children's children in a hopeless struggle with poverty. An individual fortune is of the moment and of little consequence, but our country, our posterity means to-morrow and to-morrow and all the to-morrows to come. [Applause.]

Not competent of self-government? Not educated? Who can question their fitness for self-government that knows their history? Who can question it after having read the book recently off the press by Senator HAWES, who spent many weeks last year mixing and mingling with all classes in these islands? Who can question it after having heard the convincing testimony before the Committee on Insular Affairs, after having heard their cause presented by that versatile statesman, ROXAS; who has conversed with their learned Osmena, or listened to their eloquent OSIAS? I hold in my hand data from the bureau of insular affairs, and it reveals the fact that there are 7,821 public schools in the Philippines and that there are enrolled in these same schools 1,213,711 pupils and that these public schools are taught by 28,519 teachers, only 263 of whom are Americans.

And, further, that there are 126 secondary or high schools. That in addition to these there are 415 private schools under government control and at least that many more private schools not under government control with an aggregate enrollment of 103,000 plus. And, further, that there are 28 private institutions under government control offering collegiate and technical courses and conferring degrees. And, then, in addition to all these, there is the University of the Philippines with 422 instructors and an enrollment of 7,753. How does that compare with the institutions of learning in America during colonial days when public schools were unknown? Is there not less illiteracy among the Filipinos to-day than there was among our ancestors then, when Great Britain was contending that they were not competent of self-government? Who does not know that the Filipinos to-day are far more literate and far more competent of self-government than the Cubans are and were when we granted them their independence? Cuba, when the war ended, had a population of 1,600,000 souls, and 65 per cent of them could neither read nor write; to-day she has a population of only 3,600,000 and a public debt of $210,000,000. To-day the Philippines have a population of 13,000,000, with a public debt of only $80,000,000 and in her sinking fund more than $30,000,000, and a balanced budget. [Applause.]

Then, is it the part of wisdom, are we worthy of the high trust imposed in us if we remain longer in these Asiatic waters dominated by a powerful, resentful, ambitious nation? My colleagues, this Nation has the promise of a glorious future, but its rainbow hangs in the western skies, it spans this new world and not the old, these Americas and not the treacherous quicksands of the yellow Far East. Who to-day will vote to longer jeopardize our country's future greatness by clinging to these distant Asiatic possessions? But we are reminded by these profiteering propagandists, as well as by some well-meaning, simple-minded folk of the Kellogg peace pact, and admonished that there are to be no more wars. But the nation that acts upon such a delusion is destined to destruction. It is not a new but an oft-dreamed dream,

for at the end of each war, while remembering its horrors and still bearing its burdens, it seems "a consummation devoutly to be wished."

History records a number of such attempts. At the close of the Second Punic War, Rome and Carthage, then composing the civilized world, entered into a solemn treaty or peace pact that they would abolish and have no more war. And yet they had their sabers drawn again in less than 24 years. I fear the well-meaning entangling alliances entered into to bring about these visionary dreams, so far from accomplishing their purpose, will prove but incubators of war. Human nature never changes, and if there is one thing established by both divine and profane history, it is that wars are inevitable. Nations act on conditions and not on altruistic theories, and so acting we took this country from the Indians. Like bees, when a nation swarms with surplus population, if there is territory it can take, it will take it, and altruism in conflict with that aim will melt like a wax image in a furnace. Such theories, my colleague, are but the products of illogical minds that revel in iridescent clouds and constantly glimpse the coming of the millennium. They who would have their country act upon such fancies would unwittingly have their country destroyed. [Applause.]

I beg of you, oh, my colleagues, to remember that duty is the sublimest word in any language. The eyes of the world are upon us. Let us not prove recreant to our high pretensions. To-day gratitude pleads and patriotism demands that we grant to these people their independence, entitled as they are to shape their own political destiny, "roughhew it as they may." [Great applause.]

Mr. KNUTSON. Mr. Speaker, I yield three minutes to the gentleman from Massachusetts [Mr. UNDERHILL]. [Applause.]

Mr. UNDERHILL. Mr. Speaker, what a travesty, what a tragedy! Forty minutes to found a nation! Forty minutes to establish in perpetuity one of the great countries of the world. Forty minutes to determine the fate, the life, and the death of 13,000,000 people. [Applause.]

Why, Mr. Speaker, my own words are inadequate to express my feelings and I have to go to Calvary and quote the words of the Great Master of men when He said, "Father forgive them, they know not what they do." [Applause.]

Mr. Speaker, there is no more unwise, undignified, unjust, uneconomic, uncivilized, or un-Christian attitude on the part of any legislative body in the history of this world than the action that is likely to be taken here this afternoon. If it is taken, I will say in all seriousness, without reflecting upon the individuals in the House but on the House as a whole, that patriotism is dead, that honor lies bleeding, and that self-interest and politics are paramount to the welfare of the world. [Applause.]

Mr. HARE. Mr. Speaker, I yield two minutes to the gentleman from Michigan [Mr. HOOPER].

Mr. KNUTSON. Mr. Speaker, I yield the gentleman an additional minute.

Mr. HOOPER. Mr. Speaker, I am going to support this bill on one theory and one alone, and that is that if we do not pass it here this afternoon under suspension of the rules we will have a bill the next time that will be far worse than this one.

I have studied this question for six years past, and studied it carefully, as my colleagues will believe, yet I have but three minutes this afternoon in which to give to the House of Representatives the benefit of what I have learned. In 40 minutes we are to grapple with questions international in their scope, with the future happiness of 12,000,000 human beings at stake, our wards, people over whom the mantle of our protection has been thrown for 33 years past—we are to throw them away like old shoes in 40 minutes this afternoon.

Mr. Speaker, I will vote for this bill this afternoon. If the President of the United States vetoes the bill, I will vote to sustain the veto of the President of the United States, because I believed—and surely I am saying this without detriment to the fine chairman of this committee, Mr. HARE, whom I admire as much as I do any gentleman in this House—when I voted to report this bill that we would at least have as much time to discuss it as we will have in discussing an election case to-morrow, where a few votes cast in the city of Chicago will come into question.

This comes about from the grotesque parliamentary situation with which we are confronted, and which has been thrust upon us contrary to our desires and to our sense of ordinary justice. I believe the time will come when every American will hang his head in honest shame when he comes to read the history of this awful travesty upon justice that we are about to commit to-day. [Applause.]

Mr. KNUTSON. Mr. Speaker, I yield three minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, I am now, and have been, in favor of Philippine independence, but I regret exceedingly that this measure has been brought forward under the procedure under which we are obliged to consider it. It is not generally known just how much our retention of these islands costs us annually, and I regret that I am obliged to diverge from the high ideals expressed here by some of my colleagues in relation to our attitude toward these people, but, according to President Coolidge, we expend fourteen and a half million dollars annually in support of our Army and Navy and civil list in the Philippines, also tariff preferences in their favor amount to some $30,000,000, making an aggregate sum between $40,000,000 and $50,000,000 that we are obliged annually to impose upon our Treasury because of our retention of these islands.

It has been said that we should have a plebiscite in the Philippines to determine whether these people want to remain under our jurisdiction, and I assert, Mr. Speaker, that if we could have a plebiscite in the United States on this question, that our people would vote 10 to 1 in favor of immediate independence for the Philippines.

The three great farm organizations of our country are opposed to this procedure. They are hopeful we will vote down this suspension so that we can have orderly procedure and so the bill can be brought to the House and considered thoroughly, with opportunity for amendment to be offered by the membership.

I hope this suspension will be defeated so that this important measure may have full consideration by the membership of the House.

Mr. MICHENER. Will the gentleman yield?

Mr. THURSTON. I yield.

Mr. MICHENER. As a matter of fact, are not the farm organizations knocking at the doors of Congress at this moment asking us to vote against this motion in order that they may have an opportunity to amend the bill in the interests of the American farmer?

Mr. THURSTON. Yes; I am authorized to make that statement.

Mr. KNUTSON. Yes; that is true.

Mr. CELLER. Will the gentleman yield?

Mr. THURSTON. Yes.

Mr. CELLER. Under the treaty of Paris we paid $20,000,000 for the ceding of the Philippine Islands; do we get that back?

Mr. THURSTON. Not under this bill.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. BRUMM].

Mr. BRUMM. Mr. Speaker, I want to say in the beginning that I have been for the independence of the Philippines for 10 years, since I first came to Congress, and was placed upon this committee. I am for some regulation upon the question of immigration; I am for the establishment of some tariff regulations. However, I have studied this question for 10 years, and for 8 years of that time have sat upon this committee and have heard all sorts of evidence upon the question, that of judges and representatives of the Filipino people and of representatives of the Government of the United States and of American industries in the Philippines, and I thought that we would finally and in a short time be able to liberate these people with absolute justice to them and to our own people.

But I want to say here and now that from what I know of the situation, to cast these people adrift, under circumstances like those that exist at present in the East, when foreign war is threatening the world, when the people of the Philippine Islands are changing their minds, when there is absolute uncertainty as to what is to happen in the Far East, for Members of Congress to tell me that the way to save America is to pick up and go is contemptible. [Applause.] There are those who are to-day crying for independence and pretending to be thinking only of the yearning of this people for freedom, and posing as friends of the Filipinos. But I say to you that ere many years have passed over our heads it will be I and those who think like me, and not you, my friends, who, among the true friends of this people, will lead all the rest.

[Here the gavel fell.]

Mr. BRUMM. Mr. Speaker, I ask unanimous consent to extend my remarks.

Mr. STAFFORD. Mr. Speaker, I object. There will be no extension of remarks in this debate to-day.

Mr. KNUTSON. Mr. Speaker, I yield three minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH of California. Mr. Speaker, this is not surprise legislation. Every President from President McKinley, who was President of the United States 34 years ago when war was declared against Spain, has directly or indirectly declared in favor of Philippine independence. The peace treaty of Paris between this country and Spain was predicated upon it. The act of 1916, known as the Jones Act, declares for it as follows:

> Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and
>
> Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and
>
> Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

This is a contract written into the statutes of the United States. [Applause.] Who will say that the people of the Philippine Islands have not fulfilled their part of this contract? It is up to us to-day. It is up to you, my Republican colleagues, some of you who may be fishing around for an excuse, in the absence of a reason to vote against this bill to fulfill this contract.

Property rights have been adequately provided for in the bill; but, mark you, my friends, there is more involved in this bill than the question of property rights. Human rights are involved. There are over 8,000,000 unemployed citizens of our country walking the streets looking for work. During the last three depression years 25,000 Filipino laborers have come into this country unrestricted. This bill, if passed, will stop this flow 60 days after the President of the United States signs the bill.

Mr. CELLER. Will the gentleman yield?

Mr. WELCH of California. I yield.

Mr. CELLER. The United States Government has guaranteed, morally, if not legally, upwards of $100,000,000 worth of Philippine bonds—have we any indemnity against that guaranty?

Mr. WELCH of California. Those things will all be taken care of. All our trade relations are amicably provided for. The Committee on Insular Affairs was practically unanimous in favor of this bill except for the matter of a few details with respect to trade relations. Are we to deny these people that which has been promised them by every President of the United States since the Spanish-American War and by every Democratic and Republican National Convention since that time on account of a few minor details? [Applause.]

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I yield one minute to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, while I do not approve of the manner taken to force this bill through to passage, still I shall vote for it for I believe we must keep our obligation with the Filipino people. I should like to discuss that part of this bill which relates to immigration. At the present time all the European countries are under a quota, and the Far East countries, China, and Japan are restricted. The position of the Filipino is unique. He is not an American citizen, but he may enter the United States, with few restrictions. So long as they are under the American flag we should permit them to enter. This bill proposes to limit the immigration to 50 until the time when the final independence will be granted. After that time, it was the intention of the committee that an amendment should be offered whereby immigration of Filipinos would be upon the same basis as that of China and Japan but because of the way the bill is presented for consideration to-day, that amendment can not be offered. This will be satisfactory to the Filipinos so we are advised, and I hope such an amendment may be added in the Senate or in conference. [Applause.]

Mr. KNUTSON. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. STAFFORD] two minutes.

Mr. STAFFORD. Mr. Speaker, not what is for the welfare of the Filipino, but what effect the exclusion of Filipino immigration, what effect the exclusion of competition with the beet-sugar interests and of coconut oil and other interests who seek to raise a Chinese wall in this country, is the motive behind the majority of this House for Filipino independence.

I have a letter from Secretary Stimson, under date of February 15, in which he says:

> If these two agencies should be at present withdrawn, it is the practical, unanimous consensus of all responsible observers that economic chaos and political and social anarchy would result, followed ultimately by the domination of the Philippines by some foreign power, probably either China or Japan.

Here we have the question of the welfare of the United States, the welfare of the Filipinos, and you are being swayed by those who would bar all immigration to the country, by those high protective interests who would bar all sugar importations. I will vote against the bill, because I believe they are the wards of the United States, entitled to the same economic advantages as the people of Cuba, to have a 20 per cent reduction; they should be given the same terms, if not better. And yet you are throwing them overboard on an uncharted sea to be grabbed by some foreign power. [Applause.]

Mr. KNUTSON. Mr. Speaker, I yield two minutes to the gentleman from Missouri [Mr. DYER].

Mr. DYER. Mr. Speaker, I am not for this legislation on account of the tariff or the immigration or any other question other than it is just, right, and fair to the Filipinos, to whom we have promised independence for many years. [Applause.]

The Filipino people have a right to it. There is not a Member of this House who can rise and justify a denial to give it to them.

So the question is, Mr. Speaker, Are they prepared for this test? Are they fit to take up these responsibilities and carry them on? I claim that they are now ready. [Applause.]

They are ready by training, character, ability, and otherwise; they are equipped for the responsibility that comes to them and amply able to manage their own affairs. I trust that this legislation will go through and that we will give them their liberty as we have promised them for many years. [Applause.]

Mr. KNUTSON rose.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. HARE. In view of the fact that neither of the two Commissioners from the Philippine Islands has had an opportunity to speak, I ask unanimous consent that the time be extended 15 minutes, so that each can have 5 minutes.

The SPEAKER. Is there objection?

Mr. CHIPERFIELD. Mr. Speaker, I object unless further time be given.

The SPEAKER. Objection is heard.

Mr. KNUTSON. Mr. Speaker, I yield the remainder of my time to the Commissioner from the Philippine Islands [Mr. GUEVARA].

Mr. DYER. Mr. Speaker, I ask unanimous consent that the Commissioner from the Philippines have a total of five minutes.

The SPEAKER. Is there objection?

Mr. CHIPERFIELD. Mr. Speaker, I reserve the right to object. While I sympathize with the position of the gentleman, yet is he entitled to discuss the matter more than the other Members of the House?

The SPEAKER. Is there objection?

Mr. CHIPERFIELD. I do not intend to object.

The SPEAKER. The Chair hears none, and the Commissioner from the Philippines is recognized for five minutes.

Mr. GUEVARA. Mr. Speaker, in a few minutes this House will be called upon to decide the fate of 13,000,000 people. No matter what may be the outcome of the vote, on behalf of my people, I extend to the membership of this House our sincere gratitude for this friendly interest. I do not know what the future has in store for the independent Philippines, but I think I can assure you for my people that when the time of need comes our property and our lives will be for you to command. [Applause.]

The enactment of this bill, H. R. 7233, will be of precious benefit to the Philippines and a glory to the United States. It will be at once the redemption of American pledges to us and the fruition of our hopes for separate nationhood. It will afford, moreover, an illustrious example to all the world at a time when it is so necessary to vindicate the maxim that nations can best preserve the peace by doing justice. Indeed, it is my firm and fervent conviction that of all the gains sure to come from this bestowal of independence on the Philippines none will profit mankind so much as the influence which America's magnanimity will have on the affairs of the world.

While our independence will make our country foreign to the United States, it will nevertheless bring us closer in friendship than we have ever been heretofore. Now we are thankful for the promise of our independence; then we shall be grateful for the fulfillment. The political ties that bind us may be severed, but the bonds of mutual affection and sympathy between us will grow stronger and endure forever.

Our Philippines is a small country and, by comparison, also a poor country. It consists of many small scattered islands united only by the love and fraternity of its inhabitants. Our Philippines is a small country, I repeat, but it is the only one God has given us, the only one we can call our own—the land that is home to us. We want to make it a free country and the best that our wisdom and our patriotism can build. We love that little country as dearly as you love yours, and we crave for it liberty and independence, as you too would crave those blessing did you not already possess them.

Our longing for liberty, I need hardly say, is not prompted by any feeling of unfriendliness or ingratitude to the United States, but rather because of our faith in the same ideals which have given birth and greatness to this Republic and by our desire to work out our own destiny as God gives us to see it. We freely acknowledge the many benefits we have derived from our association with America, and our plea for independence is based on the progress and advancement we have thus attained.

The architects of American liberty conceived for your Republic the mission of spreading the gospel of freedom throughout the world. On this continent you have seen the frontiers of freedom and independence extended until they have reached the opposite shores. This march of democracy has inspired and stirred the hearts of the people who inhabit the vast region to the south, resulting in their emancipation. The peoples of the Old World, too, have seen the glow of the torch you have lighted and have followed it in their course. You are now about to carry that gospel one long step farther. You will free an oriental people who have been under foreign rule for many centuries.

In granting us independence America will not only be true to her mission but will show in the midst of a restless world that there is a road of peace and good will to national liberty.

Mr. Speaker and gentlemen of the House, may God illumine your minds in the vote you are about to cast. I thank you. [Applause.]

Mr. HARE. Mr. Speaker, I yield one minute to the gentleman from Kentucky [Mr. GILBERT].

Mr. GILBERT. Mr. Speaker, during the years that I have been a Member of the House, I have given our Philippine problem the most exhaustive and sympathetic consideration. In addition to my study of the question, I have made several trips to the Philippines. I have visited many of their islands; I have visited their factories, their stores, their hospitals; I have lived with them in their homes, in the cities, and on the farms, and feel qualified to say to this House that when given independence the Filipinos will rank high among the other peoples of the world.

On March 28, 1928, this House extended to me the honor of addressing it for one hour on this subject. In that address I discussed the subject in all its different phases, and if my views are of value I respectfully refer you to that address. In that address I quoted from the highest authority, the American attitude and tradition; I quoted from each President, from the acquisition of the Philippines down to that day, showing the repeated promises that had been extended to those people. We entered the Philippines not as an enemy but in a joint enterprise to wrest them from Spanish domination. We made them conditional promises, and they have generously made the conditions. We must adhere to our pledge; we must sustain our honor; we must now prepare to deliver those foreign lands to their rightful owners.

The gentleman from Massachusetts [Mr. UNDERHILL] objects to the limited debate and properly so. He and I have debated the question on this floor and elsewhere. He and I have based our positions solely upon principle.

The gentleman from Wisconsin [Mr. STAFFORD] says, and truly so, that the forces for independence embrace large numbers whose views are based on expediency. I disclaim being one of these. I fought for Philippine independence when it had few supporters. Like the gentleman from Wisconsin, I see our ranks augmented by those who feel that our commercial policy would be stronger if independence were granted, tariff imposed, and embargo enforced, but my stand is now as it has been from the beginning—possibly idealistic, yet based on principle.

I regret that in this bill the materialistic considerations are so prominent. I state now that at all times I have refused to measure the destiny of 12,000,000 people in pounds of sugar or to interpret our duty and responsibility in bales of twine. I rejoice that I have at all times unselfishly and unafraid fought to maintain the traditions of my country and uphold her honor and redeem her pledge. I rejoice that I have been able to contribute at least something to the future independence and greatness and happiness of a subjected people.

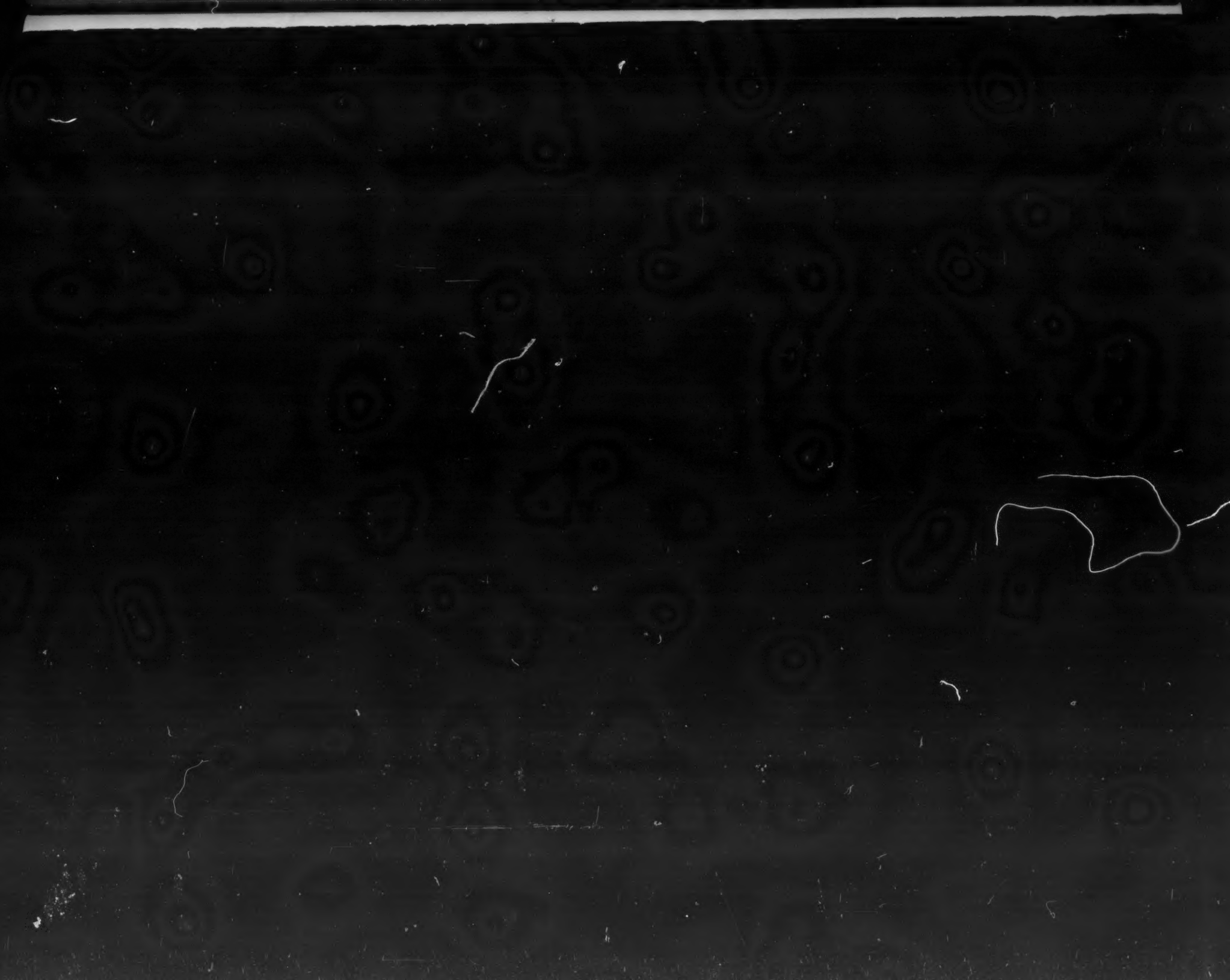
Truth is all prevailing and everlasting. That all just governments derive their powers from the consent of the governed is as true to-day as it was when Jefferson spoke it. It applies as fully to our government in the Philippines as it did to English government in the United States.

I rejoice in the consummation of that for which I have long fought.

Mr. HARE. Mr. Speaker, I yield one minute to the gentleman from New York [Mr. LAGUARDIA]

Mr. LAGUARDIA. Mr. Speaker, I rise to point out to the House that if we are limited in debate to-day, it is not the fault of the friends of Philippine independence, but through the objections of the opponents of Philippine independence. I would rather vote for Philippine independence in 40 minutes than be prevented from voting on this subject, as we have been for the last 15 years, by the work of crafty parliamentarians. This is not a question of the tariff or of oil





or of sugar or of immigration. This is a question of fundamental human liberty, within the meaning of the best American traditions. Nothing can enter between our vote and the real issue. The Filipinos are not our "wards," as has been suggested. They are our brothers, now grown to full majority and entitled to the freedom pledged to them on the honor of the American Nation. [Applause.]

Mr. HARE. Mr. Speaker, I yield the remainder of my time (one minute) to the Commissioner from the Philippines [Mr. OSIAS].

Mr. DYER. Mr. Speaker, I ask unanimous consent that the Commissioner may have an additional four minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, a moment more and the Members of this august body will decide the fate of a people who for centuries have fought, labored, and sacrificed that the land of their birth may join the concert of free and independent nations of the world. Before that fateful and historic moment comes I take the floor to make patent and of record my thanks and the profound gratitude of my people to you, Mr. Speaker, to the members of the committee, to the Congress, and to the great Government and people of the United States for your genuine interest in our welfare, for the good that you have done in my beloved Philippines, and for the greater boon that I know you are about to confer upon my people. [Applause.] When freedom and independence shall be ours at last, my people will owe you a debt of gratitude so great that it can only be acknowledged but never, never repaid.

I have particular reason to be grateful to this body, because only three years ago I came to you a total stranger, and you welcomed me to your midst with a spontaneity and cordiality which I do not merit. I assure this House that whatever may be the vicissitudes of the future, I shall carry with me the memory of my pleasant stay here, my association with you, and the friendships formed to my grave.

I shall detain the House just long enough to refer to three objects which never failed to inspire me with awe, admiration, and reverence every time I entered this Hall, which I have come to look upon as the great forum of American public opinion.

I refer, sir, to the impressive likeness of Lafayette, that missionary of liberty, standing on the qui vive, ever responsive to the bugle call of duty. And there is the majestic figure of Washington, the liberator of this Nation, serene in the consciousness of a mission faithfully performed, happy in the contemplation that the Republic which he founded would endure with the ages. Then there is that starry flag, the symbol of your sovereignty, which came into being through their courage and heroism, their sacrifice and suffering.

The thought uppermost in my mind and my fervent prayer in this hour of solemn decision is that the Members of this body may incarnate in themselves the spirit of Lafayette and Washington and, by their wisdom and statesmanship, bring into being another starry banner that shall symbolize sovereignty in the Philippine republic that is to be and enable the Filipino people to consummate their own glorious destiny. [Applause, the Members rising.]

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from South Carolina to suspend the rules and pass the bill.

Mr. STAFFORD. Mr. Speaker, I ask for a division.

Mr. GILBERT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 306, nays 47, not voting 79, as follows:

[Roll No. 42]

YEAS—306

Adkins	Arnold	Barton	Bohn
Allen	Auf der Heide	Beam	Bolleau
Allgood	Ayres	Beedy	Boland
Almon	Bachmann	Black	Bowman
Amlie	Baldrige	Bland	Brand, Ga.
Andresen	Bankhead	Blanton	Brand, Ohio
Arents	Barbour	Boehne	Briggs
Browning	Fulbright	Lamneck	Ransley
Buchanan	Fuller	Lanham	Rayburn
Buckbee	Fulmer	Lankford, Ga.	Reed, N. Y.
Bulwinkle	Gambrill	Lankford, Va.	Reilly
Burch	Garber	Lea	Rich
Burtness	Garrett	Leavitt	Robinson
Busby	Gasque	Lewis	Rogers, N. H.
Butler	Gavagan	Lichtenwalner	Romjue
Byrns	Gibson	Linthicum	Sabath
Cable	Gifford	Lonergan	Sanders, Tex.
Campbell, Iowa	Gilbert	Lovette	Sandlin
Campbell, Pa.	Gilchrist	Lozier	Schafer
Canfield	Glover	Ludlow	Schneider
Cannon	Goodwin	McClintic, Okla.	Schuetz
Carden	Granata	McClintock, Ohio	Seger
Carter, Calif.	Granfield	McCormack	Selberling
Carter, Wyo.	Green	McDuffie	Selvig
Cartwright	Greenwood	McGugin	Shallenberger
Cary	Gregory	McKeown	Shannon
Celler	Griffin	McMillan	Shreve
Chavez	Guyer	McReynolds	Simmons
Christgau	Hadley	McSwain	Sinclair
Clague	Haines	Major	Sirovich
Clark, N. C.	Hall, Miss.	Maloney	Smith, Idaho
Cochran, Mo.	Hall, N. Dak.	Manlove	Smith, Va.
Cole, Iowa	Hancock, N. C.	Mansfield	Smith, W. Va.
Cole, Md.	Hardy	Martin, Oreg.	Somers, N. Y.
Collins	Hare	May	Sparks
Condon	Harlan	Mead	Spence
Connery	Hart	Michener	Stevenson
Cooper, Ohio	Hartley	Millard	Stewart
Cooper, Tenn.	Hastings	Miller	Stokes
Cox	Haugen	Mitchell	Strong, Kans.
Crail	Hawley	Milligan	Summers, Wash.
Cross	Hill, Ala.	Mobley	Sumners, Tex.
Crosser	Hill, Wash.	Montet	Sutphin
Crowther	Hoch	Moore, Ky.	Swank
Crump	Hogg, W. Va.	Moore, Ohio	Swanson
Culkin	Holaday	Morehead	Sweeney
Curry	Hooper	Mouser	Swing
Davis	Hope	Nelson, Me.	Tarver
Delaney	Hopkins	Nelson, Mo.	Taylor, Colo.
DeRouen	Horr	Nelson, Wis.	Thomason
Dickinson	Howard	Niedringhaus	Thurston
Diez	Huddleston	Nolan	Tierney
Disney	Jacobsen	Norton, Nebr.	Timberlake
Dominick	Jeffers	Norton, N. J.	Underwood
Douglas, Ariz.	Jenkins	O'Connor	Vinson, Ga.
Douglass, Mass.	Johnson, Mo.	Oliver, Ala.	Vinson, Ky.
Dowell	Johnson, Okla.	Oliver, N. Y.	Warren
Doxey	Johnson, Tex.	Overton	Weaver
Drane	Johnson, Wash.	Palmisano	Welch, Calif.
Driver	Jones	Parker, Ga.	West
Dyer	Kading	Parks	White
Eltzey	Kahn	Parsons	Whittington
Englebright	Karch	Partridge	Williams, Mo.
Erk	Kelly, Ill.	Patman	Williams, Tex.
Estick	Kelly, Pa.	Patterson	Williamson
Estep	Kemp	Peavey	Wilson
Evans, Calif.	Kendall	Person	Wingo
Evans, Mont.	Kerr	Pettengill	Withrow
Fernandez	Ketcham	Pittinger	Wolcott
Fiesinger	Kinzer	Polk	Wolverton
Finley	Kleberg	Pou	Woodruff
Fish	Kniffin	Prall	Woodrum
Fishburne	Knutson	Ragon	Wright
Fitzpatrick	Kopp	Rainey	Yates
Flannagan	Kvale	Ramseyer	Yon
Frear	LaGuardia	Ramspeck	
Free	Lambertson	Rankin	

NAYS—47

Bacon	Darrow	Lehlbach	Temple
Britten	Davenport	Loofbourow	Thatcher
Brumm	Eaton, Colo.	Luce	Tilson
Cavicchia	French	McLaughlin	Tinkham
Chiperfield	Goss	Mapes	Treadway
Christopherson	Hancock, N. Y.	Parker, N. Y.	Underhill
Clancy	Hess	Pratt, Harcourt J.	Wason
Clarke, N. Y.	Hollister	Rogers, Mass.	Watson
Colton	Holmes	Shott	Whitley
Cooke	Houston, Del.	Snow	Wigglesworth
Coyle	James	Stafford	Wood, Ind.
Dallinger	Johnson, S. Dak.	Stalker	

NOT VOTING—79

Abernethy	Crisp	Hull, William E.	Purnell
Aldrich	Crowe	Igoe	Reid, Ill.
Andrew, Mass.	Cullen	Johnson, Ill.	Rudd
Andrews, N. Y.	De Priest	Keller	Sanders, N. Y.
Bacharach	Dickstein	Kennedy	Snell
Beck	Dieterich	Kurtz	Steagall
Beers	Doughton	Lambeth	Strong, Pa.
Bloom	Doutrich	Larrabee	Sullivan, N. Y.
Bolton	Drewry	Larsen	Sullivan, Pa.
Boylan	Eaton, N. J.	Lindsay	Swick
Brunner	Foss	McFadden	Taber
Burdick	Freeman	McLeod	Taylor, Tenn.
Carley	Gillen	Maas	Tucker
Chapman	Golder	Magrady	Turpin
Chase	Goldsborough	Martin, Mass.	Weeks
Chindblom	Griswold	Montague	Welsh, Pa.
Cochran, Pa.	Hall, Ill.	Murphy	Wolfenden
Collier	Hogg, Ind.	Owen	Wood, Ga.
Connolly	Hornor	Perkins	Wyant
Corning	Hull, Morton D.	Pratt, Ruth	

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So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Murphy and Mr. Dieterich (for) with Mr. Snell (against).
Mr. Gillen and Mr. Crowe (for) with Mr. Cullen (against).
Mr. Larrabee and Mr. Chapman (for) with Mr. Sullivan of New York (against).
Mr. Taylor of Tennessee and Mr. William E. Hull (for) with Mr. Foss (against).
Mr. Taber and Mr. Abernethy (for) with Mr. Martin of Massachusetts (against).
Mr. Tucker and Mr. Doughton (for) with Mr. Aldrich (against).
Mr. Collier and Mr. Goldsborough (for) with Mr. Andrew of Massachusetts (against).
Mr. Johnson of Illinois and Mr. Larsen (for) with Mr. Andrews of New York (against).
Mr. Reid of Illinois and Mr. Crisp (for) with Mr. Bacharach (against).
Mr. Hogg of Indiana and Mr. McLeod (for) with Mr. Bolton (against).

Until further notice:

Mr. Corning with Mr. Beck.
Mr. Steagall with Mr. Chindblom.
Mr. Rudd with Mr. Purnell.
Mr. Drewry with Mr. Weeks.
Mr. Montague with Mr. Magrady.
Mr. Wood of Georgia with Mr. Connolly.
Mr. Bloom with Mr. Freeman.
Mr. Griswold with Mr. Wyant.
Mr. Brunner with Mr. Burdick.
Mr. Lambeth with Mr. Golder.
Mr. Igoe with Mr. Hall of Illinois.
Mr. Lindsay with Mr. McFadden.
Mr. Kennedy with Mr. Maas.
Mr. Boylan with Mr. Kurtz.
Mr. Hornor with Mrs. Pratt.
Mr. Carley with Mr. Strong of Pennsylvania.
Mr. Dickstein with Mr. Swick.
Mr. Keller with Mr. Eaton of New Jersey.
Mrs. Owen with Mr. Wolfenden.

Mr. LEHLBACH. Mr. Speaker, the gentleman from New Jersey, Mr. BACHARACH, has a general pair with the gentleman from Georgia, Mr. CRISP. I have been requested to announce that had Mr. BACHARACH been present he would have voted "nay" and had Mr. CRISP been present he would have voted "yea."

Mr. CROSSER. Mr. Speaker, the gentleman from Maryland, Mr. GOLDSBOROUGH, is unavoidably absent. He asked me to state that if he were present he would vote "yea."

Mr. OSIAS. Mr. Speaker, the gentleman from Indiana, Mr. HOGG, asked me to say that if he were present he would vote "yea."

The result of the vote was announced as above recorded.

Mr. HARE. Mr. Speaker, in view of the fact that certain representatives from the Philippine Islands are present, and in view of long acquaintance and close personal friendship, I ask unanimous consent that the gentleman from Missouri [Mr. DYER] may proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DYER. Mr. Speaker, I thank the very excellent chairman of the Insular Affairs Committee, the gentleman from South Carolina [Mr. HARE], for his kindness and courtesy.

Mr. Speaker, among the three greatest leaders among the Filipino people of to-day is Manuel Quezon, who I trust will be the first president of the Philippine republic. Mr. Quezon served here some years ago in this House as a Commissioner from the Philippine Islands. He is now the president of the Philippine Senate. In my judgment he is the ablest statesman not only in the Philippine Islands but in the entire Far East. The next one among these three great leaders in the Philippines is Sergio Osmena, who is the vice president of the Philippine Senate and the chairman of the Philippine delegation that is here from the Philippines seeking independence. Mr. Osmena has long been recognized as one of its finest and ablest men. Next in importance is Manuel Roxas, who is the speaker of the House of Representatives of the Philippine Islands. Mr. Roxas is one of the younger statesmen in the Philippines, but his ability and leadership are generally recognized.

Senator Osmena and Speaker Roxas, together with Pedro Sabido, the majority floor leader of the House of Representatives of the Philippine Islands; Ruperto Montinola and Emiliano Tirona, minority floor leader of the senate and minority floor leader of the house of representatives, respectively, are in the Speaker's gallery, and I ask them to stand so that I may present them to their friends the Members of the House of Representatives of the United States. [Applause.]

Mr. HARE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on this bill.

Mr. STAFFORD. Mr. Speaker, for the present I object.

EXTENSION OF REMARKS

Mr. SELVIG. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

Mr. STAFFORD. I object, Mr. Speaker.

EQUIPMENT ALLOWANCE TO THIRD-CLASS POSTMASTERS

The SPEAKER. The Clerk will call the Consent Calendar.

The Clerk called the next bill on the Consent Calendar, H. R. 4602, granting equipment allowance to third-class postmasters.

Mr. LAGUARDIA, Mr. STAFFORD, and Mr. BALDRIGE objected.

Mr. STAFFORD. Mr. Speaker, I would like to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Mr. Speaker, I wish to inquire whether when a bill has been objected to and is again on the Consent Calendar and the bill is called is it permissible to reserve objection, or is it necessary to object forthwith? There have been some holdings by former Speakers that the objection must be made forthwith.

The SPEAKER. Objection can be reserved and the bill discussed for three hours, or more if the House would permit it, and whenever any gentleman calls for the regular order then the Member must object or else withdraw his objection.

Mr. STAFFORD. Then if three Members reserve the right to object, that will meet the requirements of the objection stage until the regular order is demanded?

The SPEAKER. It is the Chair's understanding of the rule that any one Member can reserve the right to object; and as long as the House permits him to discuss the matter, he may continue. That is within the control of the membership of the House.

Mr. STAFFORD. But where three objections are required, a former Speaker has held that a reservation of objection is not sufficient and that there must be objection forthwith, and I am trying to get the ruling of the Speaker in that particular.

The SPEAKER. Any Member can reserve the right to object; and as long as the House tolerates that, he can continue to discuss the measure, but when anyone demands the regular order then three objections are required, if the bill has once been stricken from the calendar.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. The rule stated by the Chair applies likewise to the first objection to a bill. It is all by unanimous consent until the regular order is called for?

The SPEAKER. Certainly it is.

The Clerk will call the next bill on the Consent Calendar.

SALARIES OF POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

The Clerk called the next bill on the Consent Calendar, H. R. 6305, to amend the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes.

Mr. BALDRIGE, Mr. STAFFORD, and Mr. LAGUARDIA objected.

POSTAGE RATES ON CERTAIN PERIODICALS

The Clerk called the next bill on the Consent Calendar, H. R. 6688, to fix the rates of postage on certain periodicals exceeding 8 ounces in weight.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice. This is the first time it has been on the calendar, and I wish to give further consideration to it.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

BRIDGE ACROSS THE OHIO RIVER BETWEEN OWENSBORO AND ROCKPORT

The Clerk called the next bill on the Consent Calendar, H. R. 7897, to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.

Mr. LaGUARDIA, Mr. BALDRIGE, and Mr. STAFFORD objected.

CROW INDIAN TRIBAL COUNCIL

The Clerk called the next bill on the Consent Calendar, H. R. 8031, to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe.

Mr. BALDRIGE. Mr. Speaker, reserving the right to object, I would like to ask a question about this bill. For what purpose would this money otherwise be spent?

Mr. LEAVITT. It would be made a part of the tribal fund and could be used for per capita payment to the Indians.

Mr. BALDRIGE. For payments to the Indians?

Mr. LEAVITT. That could be done, but the Indians have asked to have this much of their money set aside for this purpose. It is a repetition of what was done three years ago. It has taken three years to use that much money for this purpose.

Mr. BALDRIGE. This is $5,000 to allow the Indians to come to Washington?

Mr. LEAVITT. They occasionally come to Washington. They hold their tribal councils which are very important to them, and this helps to meet their expenses.

Mr. STAFFORD. Mr. Speaker, under a reservation of objection, I notice in the report there is a total sum of $18,300 in the Treasury. If this allowance for travel expenses to Washington were not granted, what would become of this $18,300?

Mr. LEAVITT. They have just made a second per capita payment of $10 to these Indians out of the tribal fund.

Mr. STAFFORD. How much does that amount to?

Mr. LEAVITT. About $17,000. Their income is largely from the leasing of tribal grazing lands, which amount to $40,000 or $45,000 or $50,000 a year.

Mr. STAFFORD. So the balance of the fund is increased from time to time from grazing operations.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to expend $5,000, or as much thereof as may be necessary, of the funds standing to the credit of the Crow Indians in the Treasury of the United States for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

REHABILITATION OF STANFIELD PROJECT, OREGON

The Clerk read the next bill on the Consent Calendar, H. R. 8164, for the rehabilitation of the Stanfield project, Oregon.

The SPEAKER. Is there objection?

Mr. PETTENGILL, Mr. STAFFORD, and Mr. PATTERSON objected.

ADDING LAND TO CRATER LAKE NATIONAL PARK, OREG.

The Clerk read the next bill on the Consent Calendar, H. R. 9970, to add certain land to the Crater National Park, in the State of Oregon, and for other purposes.

The SPEAKER. Is there objection?

Mr. STAFFORD. I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

TO REPEAL OBSOLETE SECTIONS OF THE REVISED STATUTES

The Clerk read the next bill on the Consent Calendar, H. R. 9877, to repeal obsolete sections of the Revised Statutes omitted from the United States Code.

Mr. PATTERSON. Can not this bill be temporarily laid aside?

Mr. LaGUARDIA. Let it go over for two weeks. Mr. Speaker, I ask that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PROTECTION OF THE PALO VERDE VALLEY, CALIF.

The Clerk read the next bill on the Consent Calendar, H. R. 4715, for the protection of the Palo Verde Valley, in the State of California, against injury or destruction by reason of Colorado River floods.

Mr. SWING. Mr. Speaker, I ask unanimous consent that this may be taken from the Consent Calendar without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

IMPROVEMENT OF A ROAD ON THE SHOSHONE INDIAN RESERVATION, WYO.

The Clerk read the next bill on the Consent Calendar, S. 3569, to amend the act of May 27, 1930, authorizing an appropriation for the reconstruction and improvement of a road on the Shoshone Indian Reservation, Wyo.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, there are statements in the report that show that, unless this authority is granted, perhaps the contractor will be relieved or will not go ahead with the construction of the road. Will the gentleman from Montana explain more fully the circumstances and why this is an emergent proposition?

Mr. LEAVITT. Mr. Speaker, the reason is this: When we passed the original bill through the House, the road was to go through an Indian reservation, and one of the requirements was that Indian labor should be used. But Wyoming money also comes into the construction. That State has spent a good deal; and while the contractors have used Indian labor, it was felt to be unfair that Wyoming should be required to use its own money on Indian labor exclusively.

Mr. STAFFORD. So this bill is to give temporary relief and permit them to use other than Indian labor?

Mr. LEAVITT. So far as their own money is concerned, so far as the money being spent by the State is concerned.

Mr. STAFFORD. And only to that extent?

Mr. LEAVITT. Yes.

Mr. COLLINS. Reserving the right to object, this seems to be an appropriation bill.

Mr. STAFFORD. It is reviving the authority of the former act.

Mr. COLLINS. It seems to me this bill should come from the Appropriations Committee.

Mr. LEAVITT. This, of course, is an authorization that was passed in a previous Congress, and the appropriation has been made. In making the appropriation there was requirement that they should use Indian labor. Now, the State of Wyoming is putting her money into the proposition. This does not authorize any new appropriation.

Mr. COLLINS. I understand, but the bill says:

That the unexpended balance of the appropriation of $150,000 contained in the first deficiency act, fiscal year 1931, for one-half of the cost for reconstruction and improvement of the road running from Milford across the Wind River or Shoshone Indian Reservation, through Fort Washakie to the diversion dam in Wyoming, is hereby continued available until June 30, 1933.

This committee that reported this bill has no right to make an appropriation.

Mr. LEAVITT. The gentleman could offer an amendment inserting the words "authorized to be appropriated."

Mr. COLLINS. This committee does not have the right to make appropriations.

Mr. LEAVITT. But it has the right to legislate.

Mr. COLLINS. Appropriation of public money is what is being undertaken here. The Congress must know about its expenditures, hence all appropriation bills should come from the Appropriations Committee, and I shall be forced to object.

Mr. LEAVITT. Will the gentleman allow it to go over without prejudice, to allow the committee to make the amendment?

Mr. COLLINS. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

RAPID CITY INDIAN SCHOOL, SOUTH DAKOTA

The next business on the Consent Calendar was the bill (H. R. 9254) to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I reserve the right to object. I have read the report, but I would like to get some further information not contained in the report. From the report it seems that some years back the Government purchased a considerable tract of land, and now they say the land is not suitable for the purpose for which it was purchased and they wish to exchange it. How is it that the Government laid out considerable money for the purchase of undesirable land?

Mr. LEAVITT. Mr. Speaker, this is not a bill that I reported, but the gentleman from South Dakota [Mr. WILLIAMSON] found it necessary to leave and asked me to explain the matter as best I could. I shall be glad to give the information as it was presented to the committee. The Government owns, on behalf of this Indian school, an area of land that is joined by another area belonging to that local county and which makes up partly their poor farm. Eighty acres of land belonging to the Indian school are of a poor character.

The land has been used for a number of years by the State of South Dakota in connection with the annual encampment of their National Guard. The State desires to make an exchange and give to the Indian school some land that is valuable, since it will raise crops and has on it a barn and other buildings that can be used to quarter officials. They can raise vegetables and food there necessary for the Indian school. It is an exchange in which on the basis of actual value the Government benefits greatly. The tract of agricultural land is not suitable for the holding of an encampment of the National Guard, so that the State also feels it is getting a good bargain. The Federal Government knows it is getting a good bargain.

Mr. STAFFORD. I withdraw the reservation of objection.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to exchange, under such rules and regulations as he may prescribe, an irregular tract of 84.4 acres, more or less, of the Rapid City Indian School land, located in the northwest quarter section 3, township 1 north, range 7 east of the Black Hills meridian, South Dakota, for 38.09 acres, more or less, of the Pennington County Poor Farm, in the adjoining north half of the southwest quarter of the same section, including all improvements thereon; transfer of title to the Indian School reserve land to be accomplished by deed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOAN OF CERTAIN ARTICLES TO THE UNITED CONFEDERATE VETERANS

The next business on the Consent Calendar was the bill (H. R. 5848) authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Richmond, Va., in June, 1932.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the entertainment committee of the United Confederate Veterans, whose encampment is to be held at Richmond, Va., June 21, 22, 23, and 24, 1932, 250 pyramidal tents, complete with all poles, pegs, and other equipment necessary for their erection; fifteen 16 by 80 by 40 foot assembly tents, complete with all poles, pegs, and other equipment necessary for their erection; thirty 11 by 50 by 15 foot hospital-ward tents, complete with all their poles, pegs, and equipment necessary for their erection; 20 field ranges, No. 1, with necessary equipment for their erection; 10 field bake ovens with necessary equipment for their erection; 50 water bags (for ice water); 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; and 10,000 bed sheets: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the general chairman of the said entertainment committee, Robert T. Barton, jr.: *Provided further*, That the Secretary of War, before delivery of such property, shall take from said Robert T. Barton, jr., general chairman of the Forty-second Annual Confederate Reunion, a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXEMPTING FROM THE QUOTA HUSBANDS OF AMERICAN CITIZENS

The next business on the Consent Calendar was the bill (H. R. 10600) to exempt from the quota husbands of American citizens.

The SPEAKER pro tempore. Is there objection?

Mr. JENKINS. I shall have to object to this.

Mr. O'CONNOR. Will the gentleman permit me to ask that the bill go over without prejudice? A rule has been adopted on this, and the gentleman from New York [Mr. DICKSTEIN] is not present.

Mr. JENKINS. I have no objection to that.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PATENTS TO CERTAIN LANDS IN COLORADO

The next business on the Consent Calendar was the bill (H. R. 10744) to authorize the issuance of patents for certain lands in the State of Colorado for certain purposes.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. EATON of Colorado. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on H. R. 10744.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. EATON of Colorado. Mr. Speaker, I am asked why the railroad was called the Denver Pacific, and why the name in the original grant to the Leavenworth, Pawnee & Western Railway was changed. I can not answer about the name of the railway, but I can tell you the circumstances under which Denver was named, and you may be interested in a short review of the history of that just and courageous pioneer, Gen. James William Denver, for whom the city of Denver was named.

About the 1st day of September, 1858, during the term of James W. Denver as Governor of the Territory of Kansas, a returning gold seeker showed his little hoard of gold flakes

to the pioneer banker at Leavenworth, in the then Territory of Kansas, stating it had been discovered on Cherry Creek, in the Pikes Peak country. The first day of the following month six men, known to history as the Leavenworth party, left for the Pikes Peak country, carrying commissions from Gov. James W. Denver, as county officers of the recently established county of the Territory of Kansas, known by the names of Montana, Jefferson, and Arapahoe Counties, a portion of which was designated as the Territory of Colorado in 1861.

They arrived at the mouth of Cherry Creek November 16, 1858, camped the first night in Auraria, and the next morning went back across the creek, "unceremoniously jumping the townsite of St. Charles," says one historian, notwithstanding that this party had been regularly commissioned by Governor Denver to lay out a county seat in the new county.

Contemporaneous accounts do not agree upon what followed. Some of the St. Charles officials were charged with betrayals. Some of the Leavenworth crowd were charged with threatening to use a rope and noose on the St. Charles boys at their next attempt to make trouble.

But negotiations were had, a treaty of peace was declared, and the records show that the control of the town site of St. Charles was given up, and all decided the area should be named "Denver" in honor of the governor who had commissioned this group of men, who upon November 22, 1858, within six days after their arrival, had "jumped" an existing, inhabited town site, moved out the officials to the other side of Cherry Creek, named their county seat, adopted a constitution of the Denver City company, and authorized the staking of a town site 2 miles square, to be called Denver City, in honor of the first Governor of Kansas Territory who had obtained and was then holding the respect of all law-abiding people of that Territory.

No man of the western pioneers had a more colorful history than this courageous Governor of Kansas Territory. He was born at Winchester, Va., October 23, 1817, and spent most of his boyhood upon his father's farms, first in Virginia and from 1830 in Ohio. Then to Missouri and back to Kentucky, where he became one of the school-teacher lawyers for which that State has been famous. He also studied engineering and land surveying. Then back to Ohio, and graduation from the Cincinnati Law School in 1844 prepared him for his active career. During the war with Mexico he recruited a company and was its captain, participating in all of the fighting, including the Battle of Chapultepec.

In 1849 he went to California; in 1851 he was elected to the California State Senate without his knowledge or consent, and in 1853 he was appointed secretary of state.

During his term as secretary of state General Denver was sent with a supply train to the relief of overland emigrants. The decision of a political adversary of the Governor of California included a charge that the enterprise was only for the purpose of making political capital. Upon his return General Denver resented the imputation of his governor with such vigorous statements that a challenge for a duel resulted. When the parties met to settle their differences with rifles, General Denver discharged his gun into the air; his adversary missed the general. Futile efforts were then made by their friends for peace between the men, but the opponent refused to clasp hands with General Denver in terms which showed his determination to kill Denver. Returning to their positions, Denver said, "I must defend myself," and when the rifles were fired this time the enemy was shot through the heart and Denver was untouched.

In 1854 Denver was elected to the Thirty-fourth Congress as an anti-Broderick Democrat from California. There he gained much fame as the chairman of a special committee on Pacific railroads and reported a bill for three transcontinental railroads, but was unable to obtain sufficient support for one. He was not a candidate for reelection, but was appointed Commissioner of Indian Affairs and spent much time in the West negotiating treaties with the Indians.

At the close of a most illuminating and humane report on Indian affairs by General Denver on November 30, 1859, he recommended—

that there be an early and complete revision and codification of all laws relating to Indian affairs, which, from lapse of time and material changes in the location, condition, and circumstances of the most of the tribes, has become so insufficient and unsuitable as to occasion the greatest embarrassment and difficulty in conducting the business of this branch of the public service.

Revision and codification of these laws still remains undone after the lapse of almost 75 years.

The successive Governors of the Territory of Kansas having been unable to successfully cope with the violent waves of lawlessness and chronic disorder, President Buchanan prevailed upon General Denver to become first the secretary of state of the Territory of Kansas, in December, 1857, and its governor in May, 1858.

Undaunted by threats, by his impartial, just, and decisive actions, in less than a year he restored law and confidence, and when he resigned in October, 1858, Kansas had entered upon its first normal and tranquil period.

Upon his resignation he returned to the office of Commissioner of Indian Affairs and took an active part in the separation of Colorado from Kansas.

March 31, 1859, he resigned, returned to California, ran for the office of United States Senator, and was defeated by two votes.

President Lincoln appointed him a brigadier general August 14, 1861, placing him in command of all troops in Kansas to preserve peace on the border. Later he was in charge of a brigade in General Sherman's division. He resigned his commission March 5, 1863, and resumed the practice of law in Ohio and Washington, D. C. In 1870 he was defeated for Congress from his district in Ohio. In 1876, 1880, and 1884 he was a delegate to the National Democratic Convention, and in 1876 and 1884 he was a candidate for President of the United States on the Democratic ticket, but each time the story of his California duel was used to defeat the wishes of his friends.

General Denver died August 9, 1892. His son, Matthew Rombach Denver, born December 21, 1870, was elected as a Democrat to the Sixtieth, Sixty-first, and Sixty-second Congresses—1907 to 1913—and declined to run for the Sixty-third Congress.

IMMIGRATION LAWS RESPECTING ACTORS

The next business on the Consent Calendar was the bill (H. R. 8877) to clarify the application of the contract-labor provisions of the immigration laws to actors.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CRATER LAKE NATIONAL PARK

The next business on the Consent Calendar was the bill (H. R. 10284) to authorize the acquisition of additional land in the city of Medford, Oreg., for use in connection with the administration of the Crater Lake National Park.

The SPEAKER pro tempore. Is there objection?

Mr. GOSS. Mr. Speaker, I reserve the right to object. Has this anything to do with timber?

Mr. HAWLEY. No; it is to acquire a tract of land adjacent to that already owned by the Park Service, for storing equipment.

Mr. GOSS. Would there be any expense to the National Government?

Mr. HAWLEY. It will be paid out of the money already appropriated for that purpose.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to acquire on behalf of the United States for use in connection with the present administrative headquarters of the Crater Lake National Park, that certain tract of land in the city of Medford, Jackson County, Oreg., adjoining

the present headquarters site and described as lot 4, block 2, central subdivision to said city of Medford, Oreg., which tract of land has been offered to the United States for the purpose aforesaid by the city of Medford, Oreg., free and clear of all encumbrances for the consideration of $300.

SEC. 2. That not to exceed the sum of $300 from the unexpended balance of appropriations heretofore made for the acquisition of privately owned lands and/or standing timber within the national parks and national monuments be, and the same is hereby, made available for the acquisition of land herein authorized.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MISSOURI RIVER

The Clerk called the next bill, H. R. 9143, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I reserve a point of order and desire to propound a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LAGUARDIA. This bill went on the calendar March 30, and I am rather confused in my dates. We had no session on Saturday. Of course, we had no session on Sunday, and I raise the point that this bill has not been on the calendar for three legislative days.

Mr. STAFFORD. Mr. Speaker, this bill went on the calendar March 30, which was Wednesday, so that it has been on the Calendar for three legislative days.

The SPEAKER pro tempore. March 30 was on Wednesday, so that three legislative days have elapsed. The Chair believes the bill is properly on the calendar. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak., authorized to be built by the State of North Dakota by an act of Congress approved March 4, 1931, are hereby extended one and three years, respectively, from March 4, 1932.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS THE BLACK RIVER

The Clerk called the next bill, H. R. 9301, to extend the times for commencing and completing the construction of a bridge across the Black River at or near Pocahontas, Ark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Black River at or near Pacohontas, Ark., authorized to be built by the Arkansas State Highway Commission by an act of Congress approved April 12, 1930, are hereby extended one and three years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

On page 1, line 5, strike out the misspelled word "Pacohontas" and insert the correctly spelled word "Pocahontas."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

REPEAL OF SECTION 319 OF THE PENAL LAWS OF THE UNITED STATES

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 172, H. R. 300, to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, for the purpose of correcting the title.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the title be changed to conform to the text by striking out of the title the word "amend" and inserting the word "repeal."

The SPEAKER pro tempore. Without objection, that amendment to the title will be made.

There was no objection.

BRIDGE ACROSS THE DES MOINES RIVER

The Clerk called the next bill, H. R. 9385, authorizing Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, their heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Des Moines River at or near St. Francisville, Mo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LAGUARDIA. Mr. Speaker, I object.

Mr. MILLIGAN. Will the gentleman reserve his objection?

Mr. LAGUARDIA. Certainly.

Mr. ROMJUE. I want to state to the gentleman from New York that I am not sure he has looked into the facts in this case. Congress previously granted the right to construct a free bridge over this river, and this is what happened: Lee County, Iowa, went ahead and voted the bonds to build their part of the bridge. There is no way to get across the Des Moines River by way of a bridge for a distance of 40 miles in this vicinity. Lee County, Iowa, voted bonds to build their part of the bridge and the State of Missouri, including the local road districts in that neighborhood, provided for the raising of the funds to build their part of the bridge. It afterwards turned out that the Lee County bonds were illegal; that is, that county did not have the constitutional right to issue the bonds in the manner in which it was done. The public there desires this bridge. There is no question about that. They undertook to raise the money in that way, but, as I have said, under the constitution they could not issue the bonds in the manner and under the procedure followed. In view of that fact, these private individuals have started to construct this toll bridge which they expect, of course, to turn over to the public at any time the public desires to take it over.

Mr. LAGUARDIA. Who are Campbell, Brown, Wilsey, and Strosnider?

Mr. ROMJUE. They are private individuals, some of them living in the neighborhood of the bridge. The War Department approves of the building of the bridge. I also want to state to the gentleman that the State of Missouri is now constructing a gravel highway up to this point, where the bridge is to be built. The contracts have been let and the work, I understand, has commenced. They are building a gravel highway up to this point on the Des Moines River, where this bridge is sought to be constructed. However, they can not get across on that highway anywhere. They must go 20 miles above or 20 miles below. It is 40 miles between the two bridges, and this is one of the richest agricultural sections of the country.

Mr. STAFFORD. Will the gentleman yield?

Mr. ROMJUE. Yes.

Mr. STAFFORD. I notice on page 3 that instead of granting the right of recapture in 20 years, it is limited to 5 years, which is a great concession to the local authorities in case they do wish to take over the property.

Mr. MILLIGAN. The reason for this bill is the fact they were granted a franchise to build a free bridge and were unable to do so.

Mr. ROMJUE. What the public needs at this place is a bridge, and while a concession has been made to take it over in 5 years instead of 20 years, as a matter of fact you or the public can take it over in 1 year if you wish. The purpose of getting the bridge is for public service and not for profit.

Mr. LaGUARDIA. I know the very convincing arguments that can be made and have been made, but I feel that I must object.

I object, Mr. Speaker.

BRIDGE ACROSS THE SAVANNAH RIVER

The Clerk called the next bill on the Consent Calendar, H. R. 10088, authorizing the South Carolina and Georgia State Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, the State highway departments of the respective States of Georgia and South Carolina, jointly and severally, or either of them, be, and are hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Savannah River, at a point suitable to the interests of navigation, at or near Burtons Ferry, near Sylvania, Ga., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the State highway departments of the respective States of Georgia and South Carolina, jointly and severally, or either of them, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such a bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such States.

SEC. 3. The said State highway departments of the respective States of Georgia and South Carolina, jointly and severally, or either of them, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financial cost, as soon as possible, under reasonable charges, but within a period of not to exceed 10 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

Amend the title so as to read: "A bill to revive and reenact the act entitled 'An act authorizing the South Carolina and the Georgia Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.,' approved May 26, 1928."

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the act approved May 26, 1928, granting the consent of Congress to the South Carolina and the Georgia State Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga., be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within one year and completed within three years from the date of approval hereof.

"SEC. 2. That right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended.

BRIDGE ACROSS THE POTOMAC RIVER

The Clerk called the next bill on the Consent Calendar, H. R. 10092, to extend the time for completing a bridge across the Potomac River at or near Great Falls.

Mr. SCHAFER. Mr. Speaker, I object.

BRIDGE ACROSS THE MISSOURI RIVER AT SOUTH OMAHA

The Clerk called the next bill on the Consent Calendar, H. R. 10159, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., authorized to be built by the cities of Omaha, Nebr., and Council Bluffs, Iowa, and the counties of Douglas County, Nebr., and Pottawattamie County, Iowa, by act of Congress approved February 13, 1931, are hereby extended one and three years, respectively, from February 13, 1931.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 2, strike out "February 13, 1931" and insert "the date of approval hereof."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS THE MONONGAHELA RIVER AT OR NEAR FAYETTE CITY, PA.

The Clerk called the next bill on the Consent Calendar, H. R. 10365, granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Fayette, Pa., or its board of county commissioners, their successors or assigns, and/or to the county of Washington, Pa., or its board of county commissioners, their successors, or assigns, to construct, maintain, and operate a bridge and approaches thereto across the Monongahela River at a point suitable to the interests of navigation, at or near Fayette City, Pa., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the county of Fayette, Pa., or its board of county commissioners, their successors and assigns, and/or the county of Washington, Pa., or its board of county commissioners, their successors and assigns, and any public agency or corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such a corporation or person.

SEC. 4. The rights, powers, and privileges conferred by this act upon the county of Fayette, Pa., or its board of county commissioners, their successors, or assigns, and/or upon the county of Washington, Pa., or its board of county commissioners, their successors, or assigns, are hereby declared to be conferred upon the two counties, or their boards of county commissioners, their heirs, successors, or assigns, either jointly or severally.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS THE RIO GRANDE AT FORT HANCOCK, TEX.

The Clerk called the next bill on the Consent Calendar, H. R. 10585, authorizing the Fort Hancock-Porvenir Bridge Co., its successors or assigns, to construct, maintain, and operate a bridge across the Rio Grande at Fort Hancock, Tex.

Mr. LaGUARDIA. Mr. Speaker, I ask unanimous consent that this bill may go over without prejudice. I want to look into the resolution that is reported from the committee.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

BRIDGE ACROSS PEARL RIVER IN LEAKE COUNTY, MISS.

The Clerk called the next bill on the Consent Calendar, S. 3836, to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Pearl River Valley Lumber Co. is hereby authorized to construct a temporary railroad bridge connecting its timber holdings and its lands and timber across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BRIDGE ACROSS THE HUDSON RIVER AT OR NEAR CATSKILL, N. Y.

The Clerk read the next bill on the Consent Calendar, H. R. 10775, to extend the time for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, there is a highway bridge across the Hudson at Great Bear Mountain. How far is this proposed site from that bridge?

Mr. MILLARD. Forty miles.

Mr. STAFFORD. Is there any existing bridge in near proximity to this proposed bridge that would enter into competition with it?

Mr. O'CONNOR. Oh, no.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Hudson River, at or near Catskill, Greene County, N. Y., authorized to be built by an act of Congress approved June 5, 1930, are hereby extended one and three years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 1, line 6, before the word "by," insert the words "by the State of New York."

The committee amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

BALANCING THE BUDGET (S. DOC. NO. 76)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Expenditures, and ordered printed:

To the Senate and House of Representatives:

I have in various messages to the Congress over the past three years referred to the necessity of organized effort to effect far-reaching reduction of governmental expenditures.

To balance the Budget for the year beginning July 1 next, the revenue bill passed by the House of Representatives on April 1 necessitates that there shall be a further reduction of expenditures for the next year of about $200,000,000 in addition to the reduction of $369,000,000 in expenditures already made in the Budget recommendations which I transmitted to the Congress on December 9.

It is essential in the interest of the taxpayer and the country that it should be done. It is my belief that still more drastic economy than this additional $200,000,000 can be accomplished. Such a sum can only be obtained, however, by a definite national legislative program of economy which will authorize the consolidation of governmental bureaus and independent establishments; and beyond this, which will permit the removal of long-established methods which lead to waste; the elimination of the less-necessary functions; and the suspension of activities and commitments of the Government not essential to the public interest in these times.

These objects can not be accomplished without far-reaching amendment to the laws. The Executive is bound to recommend appropriations adequate to provide for the functions and activities of the Government as now established by law. This is mandatory, and the opportunity for administrative savings is limited. The Appropriations Committees are likewise bound and can only act within restricted limits. Therefore, to lessen the burden upon the taxpayers in a substantial amount, it is necessary to enter upon other fields by amending existing laws which place unnecessary obligations on the departments and independent establishments. We need repeal of existing laws which require carrying on of functions not absolutely essential for the present. This means that we should undertake a definite, separate, and coordinated program of economy legislation which will enable the Executive and the Appropriations Committees to achieve the results desired.

A clear indication that the limit of executive authority to bring about economies has about been reached is shown by the fact that the total expenditures estimated in the Budget of $4,112,000,000—including post-office deficit after deduction of receipts—presented to the Congress, except for increased payments to veterans and expenditure on construction work in aid of employment, was the lowest in over five years. A further indication of the existing limitations is shown by the fact that of the whole Budget the appropriations bills passed by the House of Representatives, together with those recommended by the House Appropriations Committee and the permanent appropriations, already cover about 75 per cent of the Budget and do not yet include the Army and Navy.

Yet the positive reductions, including the urgency deficiency bill, so far made by the House and by its committees, on information supplied to me by the Director of the Budget are less than $35,000,000. It is true that the committee has reported reductions of a total of about $113,000,000, but of this about $78,000,000 are effectively postponements until the next December session of the Congress and must then be provided for in deficiency bills.

I say this in no wise in criticism of the action of the Congress or of its committees but as a demonstration of the fact that the latitude necessary for real reduction of expenses can only be secured by a thoroughgoing renovation of the law to bring about a real national-economy program.

The Appropriations Committees of both the Senate and the House have given earnest consideration to these questions. Also a special Economy Committee and the Committee on Expenditures in the Executive Departments of the House have been engaged upon these problems. Many suggestions of opportunities for further material reduction in governmental expenditure have been made to these committees by the executive officers of the Government, but the major portion thereof require legislative action and authorization.

It appears to me that with four different agencies of the Congress at work on the problem, operating independently with the different departments, the time which has already elapsed and the short time available to us before the begin-

ning of the new fiscal year, all point to the absolute necessity of better-organized unity of effort in all the branches of the Government primarily concerned with the problem.

Therefore, I recommend to the Congress that in order to secure this unity of effort and prompt action, and thus insure the relief of the taxpayer and a balanced Budget, at the same time protecting vital service of the Government, that representatives be delegated by the two Houses, who, together with representatives of the Executive, should be authorized to frame for action by the present Congress a complete national program of economy and to recommend the legislation necessary to make it possible and effective. Such a course would expedite rather than delay the passage of appropriations bills.

I am convinced that only by such unified, nonpartisan effort and by a willingness on the part of all to share the difficulties and problems of this essential task can we attain the success so manifestly necessary in public interest.

HERBERT HOOVER.

THE WHITE HOUSE, *April 4, 1932.*

PERMISSION TO ADDRESS THE HOUSE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

Mr. STAFFORD. On what subject?

Mr. BLANTON. On the subject of economy, and the most foolish message I ever heard come from the White House.

Mr. GOSS. I object.

Mr. MICHENER. I object.

Mr. BLANTON. I wanted to protest against ever permitting any President to have executive representation on any legislative committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. WYANT, for two days, on account of death in family;

To Mr. ABERNETHY, for two weeks, on account of illness;

To Mr. TAYLOR of Tennessee, for one week, on account of family illness; and

To Mr. MONTAGUE, for two days, on account of important business.

RATIFICATION OF PROPOSED AMENDMENT TO CONSTITUTION

The SPEAKER laid before the House the following communication:

STATE OF MICHIGAN, EXECUTIVE OFFICE,
Lansing, April 2, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives of the United States, Washington, D. C.

MY DEAR MR. GARNER: Attached hereto is a certified copy of the preamble and Senate Concurrent Resolution No. 1 entitled:

"A concurrent resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of assembling of Congress."

Said Concurrent Resolution No. 1 was unanimously adopted by the senate of the State of Michigan on March 30, 1932, and by the house of representatives on March 31, 1932.

Very respectfully yours, WILBUR M. BRUCKER.

RESIGNATION

The Speaker laid before the House the following communication:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 4, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives, Washington, D. C.

SIR: I beg leave to inform you that I have this day transmitted to the Governor of Porto Rico my resignation as Resident Commissioner from Porto Rico, to take effect April 11, 1932.

Respectfully yours,

FELIX CORDOVA DAVILA.

EXTENSIONS OF REMARKS

Mr. CRAIL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question of the Philippine independence bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, for the time being I object.

Mr. OLIVER of New York. Mr. Speaker, I ask unanimous consent to print in the RECORD an article by the Hon. Herbert Pell, formerly a Member of Congress, on a cure for speculation.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, I hope the gentleman will present that to-morrow when the gentleman from Massachusetts [Mr. UNDERHILL] is here. For the time being I object.

Mr. NELSON of Wisconsin. Mr. Speaker, I yielded my time on the Philippine question to the Commissioner from the Philippines [Mr. OSIAS]. I ask unanimous consent to extend my remarks in the RECORD on that subject.

The SPEAKER. Is there objection?

Mr. MILLARD. I object.

Mr. STAFFORD. I object.

Mr. HARDY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a portion of a letter from a gentleman in Colorado on the subject of national defense.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

LEAVE TO FILE MINORITY VIEWS

Mr. GOSS. Mr. Speaker, I ask unanimous consent that I have until midnight to-night to file minority views on the Muscle Shoals bill, H. R. 11051.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS—THE REVENUE BILL OF 1932

Mr. CLANCY. Mr. Speaker, I favor the passage of this Cullen amendment to legalize 2.75 per cent of alcohol in beer, ale, and porter for many reasons. These are the same reasons which led Sweden and Norway, Finland, Russia, and the Provinces of Canada, to abandon prohibition and install systems of beer, wine, and liquor sale and control and taxation.

The majority of the American people now demand the change which these other countries were forced to make.

The Province of Ontario has just made a report showing a surplus of $500,000 in its treasury while practically every State in the United States is showing a devastating deficit, and the State legislatures are wrestling with strange and unusual devices to cure their deficits and raise enough money to carry on ordinary government. Ontario returns the surplus of $500,000 on its fiscal year notwithstanding the fact that its budget was unusually heavy during the past year, and it financed a grand program of building roads, bridges, drainage and reclamation projects, and endured other heavy financial drains to provide work and cut down unemployment.

Everybody knows that Ontario was able to return this surplus because of the legalization of beer and liquor, and because of the heavy tax which Ontario levies on alcoholic beverages.

NO CRIME—GREAT REVENUE

Moreover, everybody knows that Ontario has no sensational kidnaping cases such as that of the Lindbergh baby, and that there are no gangs of organized gunmen, criminals, and racketeers, and that there is no heavy jail population, and that life is more secure and happy in Ontario than it is in the United States. The people of Ontario are proud to endure the stigma of being in the liquor business, and they hold their heads up without shame, manfully, relieved of the burden of loss and hypocrisy which bears down on the ordinary American.

The Province of Quebec is also flourishing because of the liquor tax, and the other provinces of Canada, which have gone wet, would be in sad straits indeed if it were not for the revenue from beer and liquor.

And what goes for them goes for Sweden, Norway, and soon will go for Finland.

DRYS ADMIT WET GAINS

Many startling statements have been made in the debate on this Cullen amendment, not the least of which is the admission by one of the leading fighting drys of the House

that the sentiment in the country has changed and that the wets have grown so strong that he may be defeated in the primaries or in the coming election. He merely voiced openly on the floor what is being admitted frankly and quite generally by many former aggressive drys—that the dry cause is facing defeat and is now waging for the first time a defensive and a hopeless battle.

Wayne B. Wheeler himself admitted that eventually the dry cause would go to disaster.

Bishop Cannon used to ringingly declare the "Ku-Klux Klan is the strong right arm of the Anti-Saloon League." I met this declaration in the Madison Square convention in 1924 by saying that I would live to dance on the grave of the Ku-Klux Klan and the Anti-Saloon League, because both organizations were essentially un-American and anti-American and would be destroyed by American public opinion as soon as their motives and character as racketeering gangs were more clearly understood by the American people.

ANTI-SALOON LEAGUE DYING

I have already had my dance on the klan's grave, and Bishop Cannon's "strong right arm" has been slashed and withered until it is now dead.

No public official now dares to solicit or would willingly receive the indorsement of any organization such as the klan. How the mighty has fallen!

Dry Members now express embarrassment to them by an indorsement by the Anti-Saloon League and by the loss of votes such an indorsement carries to-day. How, indeed, the times have changed!

But most of the drys who took part in the Cullen-amendment debate fought boldly against the rising tide of public opinion.

One dry Member quoted George Washington in an effort to bolster up the eighteenth amendment, and yet every intelligent person knows that George Washington was one of the most illustrious brewers and distillers of his time; that he drank intoxicating beverages steadily, and not only manufactured them but imported choice brands of foreign liquors.

AMERICAN LEGION IS WET

The gentleman from Nebraska [Mr. SIMMONS] tried to minimize the resolution of the American Legion in Detroit last September on the eighteenth amendment, and said, "I challenge any man to show that the American Legion is in favor of a return of intoxicating liquor in the United States, beer or otherwise." I immediately told Mr. SIMMONS that his challenge was answered in the preamble of the resolution.

I was in Detroit at the time of the convention and did what I could to get the American Legion to adopt a wet resolution, and asked the delegates, in a public statement, not to fight a sham battle by denouncing the "reds," who were not at all as much of a menace to the country as the "whites" of the Anti-Saloon League, because the "whites" had a great deal more power and were doing a great deal more damage to the Republic than the "reds."

I got my wish when the American Legion wrote the preamble to the wet resolution, and this resolution has been declared to be "wet" by the Anti-Saloon League.

The full resolution is as follows:

Whereas the eighteenth amendment to the Constitution of the United States has created a condition of danger and disrespect for law and security of American institutions: Now, therefore, be it

Resolved, That the American Legion in the Thirteenth Annual Convention assembled favors the submission by Congress for repeal or modification of the present prohibition law to the several States, with the request that each State submit this question to the voters thereof.

Now, the American Legion has a policy against political resolutions, and I submit to any fair and intelligent person that the American Legion could not have used stronger and more significant language in denouncing the eighteenth amendment than when it stated the amendment had created a condition of danger and disrespect for law and security of American institutions

I also submit that the preamble meant a return to the legalization of beer and liquor.

SOAK THE RICH

The Anti-Saloon League has adopted a policy of attacking millionaires and the newspapers of the big cities as being responsible in large measure for the stupendous growth in public opinion against the eighteenth amendment. They have adopted a settled policy of claiming that the millionaires are attacking bone-dry, nation-wide prohibition in an effort to avoid their share of taxes and to lay the tax burden upon the poor through the imposition of a beer tax.

The charge is made against the newspapers that they print too many articles pro and con on the eighteenth amendment and the Volstead Act, and that they play up too strongly the wet side of the argument. Some dry leaders, however, have frankly admitted when pressed that their statements have gotten as big a play as the wet statements. The clear inference is that the prohibition question is a burning question discussed everywhere and all the time, and it is "news."

But the dry leaders craftily ignore the fact that the eighteenth amendment and Volstead Act were put over on the American people largely by the $70,000,000 campaign fund contributed mainly by millionaires and also largely by the newspapers of the big and small cities which formerly had an editorial policy of advocating nation-wide bone-dry prohibition and the eighteenth amendment and the Volstead Act.

It is only within the past two years, since this policy has been proved a failure to them, that these big newspapers, and particularly certain chains of newspapers, have renounced their dry editorial policy and have adopted a wet editorial policy.

RICH HELPED KILL BEER TAX

Moreover, if millionaires are influenced only by a desire to avoid their share of taxation and to place the burden of taxation on the poor, why did they contribute so heavily to dry propaganda only a few years ago and kill the large tax revenue gained from taxing alcoholic beverages? Was it to evade the burden of their income and corporation taxes?

No informed person will deny that millionaires did contribute heavily to the Anti-Saloon League and that they assisted the dry cause to the best of their ability. I know that many Detroit millionaires, including some whose personal habits were rather wet, contributed to the dry cause, and that they voted and worked for the dry cause.

To illustrate the change in sentiment, Henry B. Joy, a Detroit capitalist, at a meeting of about 80 rich men asked all of them who had voted dry to raise their right hands and every one of them raised his right hand. He then asked all of them who had changed their minds and were now opposed to prohibition to raise their right hands and every one of them raised their right hands.

This was at a meeting at the Detroit Athletic Club a couple of years ago and Mr. Joy has publicly testified to the incident.

In the wet and dry debates in the House since this session opened in December a number of dry Members have attacked millionaires as being opposed to the eighteenth amendment and some have specifically charged that the purpose of the millionaires is to avoid taxation and place the burden of taxation upon the poor.

DRY WHITES JOIN RED BOLSHEVIKS

It has been one of the most striking phases of the soak-the-rich speeches and policies of some of the dry Members of Congress.

One of the amusing features of this attack is that certain dry Members have singled out Henry Ford and mentioned him by name on the floor of the House and have denounced him and his policies, whereas Mr. Ford is one of the few remaining millionaires who is issuing statements in support of bone-dry nation-wide prohibition.

ANTI-SALOON LEAGUE LEADER ATTACKS COUZENS

So varied and so ruthless have the attacks on millionaires become that a Member of this House this week attacked a

citizen of my State, by name JAMES COUZENS, and said that he by accident came into possession of a great fortune, and that Mr. COUZENS had publicly stated that he has invested nearly $100,000,000 in tax-exempt securities.

The Member who made this statement was Mr. BLANTON of Texas, and he deleted the name of Mr. COUZENS from his remarks for the CONGRESSIONAL RECORD and put the two statements in the form of questions as follows:

Did not a very distinguished gentleman—I will not mention the position he holds, but he lives in Michigan—by accident come into the possession of a great fortune; did he not tell it publicly himself that he has invested nearly $100,000,000 in tax-exempt securities and pays nothing in the way of income tax on that to the Government at all?

These statements of Mr. BLANTON are untrue, and the implication that Mr. COUZENS is a tax dodger is unmerited and the implication that Mr. COUZENS is not public-spirited and that he is avoiding obligations to the Government and to the people is entirely without foundation.

He is probably the most public-spirited and philanthropic among all the millionaires of the country.

I tried to get the floor by unanimous consent shortly after the gentleman from Texas made his remarks for the purpose of showing that the remarks are untrue, but one of the Members objected to my unanimous-consent request.

I do not approve everything Henry Ford and JAMES COUZENS have done or advocated. For instance, I do not approve of Mr. Ford's prohibition statements, and I do not approve of Mr. COUZENS's stand against the payment in cash immediately of the soldiers' bonus; but I freely grant that both are entitled to their views.

I would be less than a man and an unworthy representative of Detroit if I stood by silently and gave consent by my silence to the attacks made on my Michigan fellow citizens.

COUZENS EARNED HIS FORTUNE

Mr. COUZENS earned his fortune by the sweat of his brow and by his brains as much as any living American earned his fortune. Mr. COUZENS earned $75 per month as a railroad and coal-yard worker and saved every possible penny and put his savings into an automobile company which he helped to organize and which he helped to make probably the most enterprising corporation in modern business.

Norval Hawkins, one of the officers of the Ford Motor Co., testified in the celebrated Mellon-Couzens tax case that it was a case of 50-50 between Henry Ford and COUZENS as to who had made the Ford Co. a huge success, Ford as inventor and president, or COUZENS as general manager, or as secretary-treasurer of the famous company.

It has been a question in dispute as to whether COUZENS or Ford suggested the epoch-making wage standard of at least $5 per day, even for the sweepers of the plant.

So much for COUZENS's success being an accident. He is far less of an accidental millionaire than any Texas oil baron, and he has done more for humanity than any oil millionaire the gentleman from Texas can name. Nor is Mr. COUZENS's preeminence in public life an accident.

Now, as to the second false charge. Mr. COUZENS never stated, and no responsible person ever stated, that Mr. COUZENS had invested $100,000,000 in tax-exempt securities. That reply probably characterizes the unmerited and unwarranted attack made on Mr. COUZENS by Mr. BLANTON.

WORTH ABOUT THIRTY MILLIONS

The usual guess as to Mr. COUZENS's wealth runs from twenty to fifty million dollars; and no one but Mr. BLANTON ever charges more than fifty millions, to my knowledge.

It was shown during the Ford tax case that Mr. COUZENS sold his interest in the Ford company for about $30,000,000, and that he gave to charity other interests, such as his stock in the Ford Motor Co. of Canada. Because of that evidence, the guess usually is that his wealth is about $30,000,000; my guess is $20,000,000.

A GREAT PHILANTHROPIST

Just within the past few weeks the children's fund of Michigan, established by Mr. COUZENS, has contributed to the feeding of hungry children in the schools of Detroit. From testimony I recently gathered in Detroit, there were at least fifty or sixty thousand hungry children in our schools, and their sufferings were so heart-rending the teachers were deeply affected and were trying to feed the children out of their own meager salaries. Now the "infamous" Mr. COUZENS is feeding these children.

Recently Mr. COUZENS gave $200,000 in cash to feed other hungry people in Detroit and said he would give a million in cash if other wealthy persons would give an additional nine millions to make the pot ten millions.

COUZENS FEEDS TEXANS

Now, remember that some of these hungry children and hungry men and women that Mr. COUZENS is feeding in Detroit come from Texas, and undoubtedly some of them come from Mr. BLANTON's district, because there are many strangers in Detroit who have come from every congressional district in the country to seek work. Now that they can not find work the native sons and daughters are feeding them, and so far nobody has starved to death in Detroit.

Why does the gentleman from Texas [Mr. BLANTON] try to bite the hand that is feeding his hungry men, women, and children from Texas who are now the waifs and wards of my native city?

TWENTY MILLIONS IN CHARITY

A Detroit newspaper showed that Mr. COUZENS gave away, and usually to the welfare of children in some form, about $20,000,000. That would be more than his entire net income, and it went in practically every case for some purpose which would relieve taxpayers—for hospitals, schools, public and child welfare, and so forth.

In other words, what Mr. COUZENS actually paid over the last 15 years was a tax of more than 100 per cent of his entire income. How many other people in the country have paid such taxes? It might be suggested also that with the exception of the gift of the school at Bath, Mich., where the governor made the matter public, Mr. COUZENS has never asked or given any publicity on the gifts. The filing of the articles of incorporation did force into light the gift of $10,000,000 for child welfare.

PRIVATE HOLDINGS A HANDICAP

In his last campaign, however, one of his supporters asked how and where Mr. COUZENS might have invested his money and remained entirely free and independent in his public work here or elsewhere. Could he own large amounts of railroad securities or steel securities or other securities and remain entirely free from those influences? He invested with the public. Mr. COUZENS made his first heavy purchase of tax-exempt bonds to aid Detroit in its street-railway enterprise.

HIS WONDERFUL PUBLIC SPIRIT

When the 1926 tax bill was up, Mr. COUZENS asked on the floor for a test of the sincerity of those who had cried out against the tax-exempt securities. He said the one place where such investments could be taxed, and taxed as much as anyone desired, was in inheritance or estate taxes. The RECORD will show that he led the fight to prevent a reduction in the estate tax at that time; that he urged that the rates of 40 per cent be maintained instead of reducing them to 20 per cent.

An inquiry will show that no rich man who wants to increase his wealth will look to tax-exempt securities. Only one large estate had had any fair share of its total in tax-exempt securities—that was the estate of William D. Rockefeller. Investigation of the estate-tax returns—and they are public records—will show that practically no man of wealth seeks that kind of an investment, because they do not pay enough.

Let us not allow our great benefactors to be abused and slandered by demagogues and muckrakers!

Mr. COUZENS has had four or five major operations. Any day he may have another.

No man works harder in this city than Mr. COUZENS. Yet he is in almost continual pain, and no public man puts in more sleepless nights, more nights of torture than he.

A year or two ago, when the pain was unbearable and he could work no longer, he telephoned to a Georgetown hos-

pital for a bed and said he wanted a doctor to cut his abdomen open the next day.

It was only on the frantic pleadings of his wife, a saintly woman, that he was persuaded to enter Johns Hopkins Hospital at Baltimore and placed under observation of eminent specialists who finally operated and saved his life.

Mr. COUZENS was not afraid to die; and he did not demand any better surgical attention than a poor man could afford.

Surely a man of his achievements and his services and his character deserves better from each and every Member of this House than to be smeared with mud; and certainly the House should resent the attacks made upon him through clever and deliberate violation of those rules of the House which were made for the purpose of defending from such attacks Members of another body.

Mr. GARBER. Mr. Speaker, the proposal to tax the transfer of stock listed on the stock exchanges one-fourth of 1 per cent is one of the most important provisions in this bill. It invades a new field of taxation and one which the country has long desired.

The transfer of stock for hedging purposes in the ordinary course of business is a necessary protection. It is a necessary insurance against loss. For instance, the miller buys 10,000 bushels of wheat. He must make sure that he will sell his flour at a profit, for the price of flour is determined by the price of wheat. Knowing what he paid for the wheat and what his overhead will be for the manufacture of flour, to protect his investment in the purchase of wheat, he must hedge in order to insure against loss. There is only one way to do this and that is by the hedge transaction and purchase of wheat for future delivery.

The transfer of stock for liquidation is a necessary business transaction for advantage of investment. The purchase of stock for investment and ownership is not questioned. Stocks are a legitimate source of investment. It is the only method of acquiring capital sufficient to carry on the large business enterprises of the country. The maintenance and operation of the railroads are dependent upon such investments. Likewise with our large manufacturing industries, furnishing employment to labor and the products for trade consumption. The same is true in regard to the wholesaling and retailing of merchandise.

Transfers of stock for the above legitimate business purposes in the usual and ordinary course of business should only be required to bear their just proportion of the burdens of taxation.

It is the short selling of stocks against which the country complains—the short selling of stocks not for investment or liquidation or ownership or hedging but for the purpose of depressing the normal price for repurchase at a lower price that constitutes the great evil of the stock exchanges of the country.

The organized bear raiding or short selling to profit on price depression depreciates the normal value of all stocks held for legitimate investment and prevents recovery from this depression. It depreciates the normal value of the stocks held by the banks as collateral security for business transactions throughout the country and when thus depreciated, they must be charged off of the banks' assets, restricting the credits of the banks and forcing them into receiverships, tying up the deposits of thousands of innocent people.

At the present time over $2,000,000,000 in deposits are frozen in closed banks. The total value of stocks listed on the 25 or more stock exchanges of the country during 1931 exceeded $60,000,000,000. So you may see to what extent the moneys of the people are invested in stocks.

A successful, organized raid of short selling on a comparatively few stocks affects the normal value of all the stocks, and likewise injuriously affects the business of the country. When banks are forced to close, money can not be had to carry on normal business. Business enterprises of all kinds fail. Prices fall and we have a continuous series of depressions throughout the country. These depressions create uncertainty and anarchy in the market and fear of investment, and capital flees into its various hiding places for the reason that it is considered the safest form of investment although it brings no returns.

The October, 1929, crash on the New York Stock Exchange affected the value of all stocks, bonds, and other securities and created a widespread depression throughout the entire country, depreciating the normal value of stocks to the extent of billions of dollars. Notwithstanding this tremendous crash and terrific depression of the value of stocks, during the months of March, April, and May, 1931, another progressive decrease occurred, aggregating $14,520,780,805 in the market value of the common and preferred stocks listed on the New York Stock Exchange alone. And then later, during the single month of September, 1931, there occurred an additional decrease of $12,259,988,669 in the market value of the common and preferred stocks. And during that month the total number of bank failures was the second highest for all time and threatened the destruction of our financial structure throughout the country. And coincident with these tremendous price depressions of stock, the short sales listed on the New York Stock Exchange reached a peak of 5,589,700 shares on May 25, 1931, and again reached a peak of 4,480,000 shares on September 11, 1931.

The short selling of securities on the various stock exchanges undoubtedly contributed to the intensification of the depression and its continuation and prolongation throughout the year, and similar raids have continued a series of depressions down to the present time.

During this depression, the short selling of stocks for price depression should be prohibited.

On September 21, when Great Britain discontinued the gold standard, the governors of the New York Stock Exchange prohibited the short selling of stocks, using this language:

> Short selling during the present emergency would tend to bring about a continuation of demoralization in which prices would not fairly reflect values.

We submit that the present depression is simply a continuation of the emergency then existing and the same reason for the prohibition of short selling exists.

There are only two defenses made in extenuation of the short selling of stocks. The president of the stock exchange claims that short selling "is a brake on price inflation and is a cushion to halt or soften declines." We submit that it has done neither. It did not brake the inflation of 1929, and it has not halted nor softened the decline which has ever since ensued.

When the exchange itself prohibited short selling it lifted the ban within 48 hours. The brokers had to have their commissions on short sales and the gambling has continued ever since. You can not sell a piece of real estate that does not belong to you without committing a crime. Why should the selling of stocks be permitted that the seller does not own? Those who sell stocks short are usually professional speculators in close touch with market conditions, quick to sense opportunities to pound down the market. They borrow stocks from brokers to make deliveries and when the public has been forced or threatened into selling they cover their short sales and gather in their profits. They hover about the market like vultures and when a bad situation develops jump in with a flood of short sales to break the market and hammer down the price.

A brokerage house in New York recently issued a statement to the effect that in times like these, short selling in the form of raids is immoral and unwarranted. It was convinced that selling of this type should be prohibited.

The Buffalo Times, commenting upon the evil and injurious practice of short selling during this emergency, said:

> We refuse to be a party to the paralyzing of American business by unprincipled bear raiders who pound stock quotations down for their own benefit. The howling dervishes of Wall Street are scaring the country to death. Capital is afraid to invest under such cyclonic conditions. This paper will not be a party to the stock market's panicking the country.

Gambling on the stock exchanges is demoralizing to the country. Thousands upon thousands of young men of

moderate means are induced to invest, to take a little flier in stocks. The lure and the snare of quick money develops a gambling instinct that was rampant throughout the country prior to the crash of 1929. Every section of the country was drained of its little investments, lured into stock investments, into the exchanges, into the inflated values which short selling did not break and as a result, billions of dollars were lost, affecting every section of the country.

The development of the gambling instinct throughout the entire country, coupled with its injurious effects upon the business of the country, closing banks, destroying business enterprises, creating a price depressant, affecting all commodities, is the greatest evil ensuing from such practices.

If I were permitted to write this provision, I would make a distinction between the legitimate transactions and those for gambling purposes, prohibiting the latter, especially during this emergency. And this prohibition would not only apply to the short selling of stocks on the exchanges but the short selling of commodities on the boards of trade.

There is not any question but that a collection of this tax will be resisted in the courts and it may be that the tax will be held unconstitutional, unsupported as it is by a finding of fact by Congress that the selling of stocks injuriously affects the commerce between States and is in restraint of interstate commerce. The evil should be prohibited by substantive legislation wherein such findings could be fully set forth and specifically made by Congress. Upon such findings of fact the Supreme Court would sustain the tax.

The following resolution expresses the opposition of the farmers throughout the country to the short-selling of farm products upon the boards of trade. I have been opposed to such gambling in farm products for many years. I have introduced many bills since I have been in Congress to prohibit the short selling of farm products. The Agricultural Committee reported out and Congress enacted such a law, which was held unconstitutional because it was not found by Congress that such gambling was in restraint of interstate commerce.

Then the grain futures act was passed, in which was incorporated such a finding, and after years of litigation it was held to be constitutional. The act, however, was not sufficiently restrictive and prohibitive. It delegated power to the Secretary of Agriculture, which has proven to be ineffective, either by the limitations of its delegation or through administration, to prohibit such practices.

Eventually such legislation will be enacted; if not at this session, then at the next. The farmers of the country must be protected in prices for their products from the fictitious and manufactured supplies of surpluses which do not exist but which are made to appear by unlimited short selling to depress the price and profit by price depression in repurchase at the lower price.

Whereas 90 per cent of trading in grain futures is speculative and as such is another wasteful interference with the natural law of supply and demand; and

Whereas other nations use our futures markets as means of gain to their cash grain operations:

Resolved, That we petition to amend the marketing act—

A. To place the rules, conduct, and practices of all grain exchanges enjoying a futures market privilege under the direction of the National Department of Agriculture.

B. That no sales or purchases in grain futures be permitted except those which contemplate ownership and delivery of grain.

C. That all trades for interests outside of the United States carry a tax equal to the tariff on such grain and the tax collections therefrom be contributory to the Treasury of the Federal Farm Board's revolving fund.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Tuesday, April 5, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

513. A letter from the Reconstruction Finance Corporation, transmitting the first quarterly report of the corporation covering its operations to and including March 31, 1932; to the Committee on Banking and Currency and ordered to be printed.

514. A letter from the Secretary of War, transmitting a report dated April 1, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Milwaukee Harbor, Wis. (H. Doc. No. 289); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

515. A letter from the Secretary of War, transmitting a draft of a joint resolution to authorize the attendance of Mr. Manob Suriya, a Siamese subject, at the United States Military Academy; to the Committee on Military Affairs.

516. A communication from the President of the United States, transmitting an estimate of appropriation for the fiscal year ending June 30, 1932, amounting to $6,000, to enable the Chief Executive to continue the litigation in connection with the joint resolution directing the Secretary of the Interior to institute proceedings touching sections 16 and 36, township 30 south, range 23 east, Mount Diablo meridian, approved February 21, 1924 (43 Stat. 15) (H. Doc. No. 290); to the Committee on Appropriations and ordered to be printed.

517. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the legislative establishment, office of the Architect of the Capitol, for the fiscal year 1933, in the sum of $5,360 (H. Doc. No. 291); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COCHRAN of Missouri: Committee on Expenditures in the Executive Departments. H. R. 11011. A bill to establish a public-works administration and transfer to and consolidate and coordinate therein all the public-works activities of the Government; without amendment (Rept. No. 989). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. J. Res. 138. A joint resolution for the relief of the State of Idaho; with amendment (Rept. No. 990). Referred to the Committee of the Whole House on the state of the Union.

Mr. KVALE: Committee on Military Affairs. S. 460. An act to give war-time commissioned rank to retired warrant officers and enlisted men; without amendment (Rept. No. 991). Referred to the Committee of the Whole House on the state of the Union.

Mr. EVANS of Montana: Committee on the Public Lands. S. 2396. An act to amend section 11 of the act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington; with amendment (Rept. No. 992). Referred to the Committee of the Whole House on the state of the Union.

Mr. GASQUE: Committee on the District of Columbia. H. R. 9974. A bill to authorize appointment of public-school employees between meetings of the board of education; without amendment (Rept. No. 993). Referred to the House Calendar.

Mr. BROWNING: Committee on the Judiciary. H. R. 10277. A bill to transfer Lincoln County from the Columbia division to the Winchester division of the middle Tennessee judicial district; without amendment (Rept. No. 994). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. H. R. 11051. A bill to provide for the leasing and other utilization of the Muscle Shoals properties in the interest of national defense and of agriculture, and for other purposes; without amendment (Rept. No. 1005). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 702. A bill for the relief of Harold Luce; without amendment (Rept. No. 995). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 1229. A bill for the relief of George Johnson; with amendment (Rept. No. 996). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 1905. A bill for the relief of Mary E. Dawley; without amendment (Rept. No. 997). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 2597. A bill for the relief of the Farmers and Merchants National Bank of Gilmer, Tex.; with amendment (Rept. No. 998). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 4973. A bill for the relief of Lyman D. Drake, jr.; with amendment (Rept. No. 999). Referred to the Committee of the Whole House.

Mr. SWANK: Committee on Claims. H. R. 5261. A bill for the relief of Sard S. Reed; with amendment (Rept. No. 1000). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 5444. A bill to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat., p. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; without amendment (Rept. No. 1001). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 7757. A bill for the relief of Mary B. Hines; with amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

Mr. MAY: Committee on Military Affairs. H. R. 8597. A bill for the relief of Angelo J. Gillotti; without amendment (Rept. No. 1003). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 9223. A bill for the relief of Irene Brand Alper; with amendment (Rept. No. 1004). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9817) granting a pension to Julia A. S. Richardson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10955) granting a pension to Mary A. Green; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10960) granting a pension to George R. Miller; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN of Oregon: A bill (H. R. 11077) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD: A bill (H. R. 11078) for the relief of the Omaha Indians residing in school district No. 17, Thurston County, State of Nebraska; to the Committee on Indian Affairs.

Also, a bill (H. R. 11079) relating to the removal of certain employees in the Indian Service; to the Committee on Indian Affairs.

Also, a bill (H. R. 11080) authorizing the creation of Indian tribal councils, and for other purposes; to the Committeee on Indian Affairs.

By Mr. OVERTON: A bill (H. R. 11081) to extend the times for the construction of a free highway bridge across the Sabine River where Louisiana Highway No. 21 meets Texas Highway No. 45; to the Committee on Interstate and Foreign Commerce.

By Mr. HANCOCK of North Carolina: A bill (H. R. 11082) to amend section 305 (a) of the tariff act of 1930 and sections 211, 245, and 312 of the Criminal Code, as amended; to the Committee on Ways and Means.

By Mr. SMITH of Idaho: A bill (H. R. 11083) to amend sections 5 and 8 of the act of July 3, 1890, entitled "An act to provide for the admission of the State of Idaho into the Union" (26 Stat. 215); to the Committee on the Public Lands.

By Mr. SUMNERS of Texas: A bill (H. R. 11084) to amend section 35 of the Criminal Code of the United States; to the Committee on the Judiciary.

By Mr. OVERTON: A bill (H. R. 11085) to extend the time for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 6 meets Texas Highway No. 21; to the Committee on Interstate and Foreign Commerce.

By Mr. OLIVER of Alabama: A bill (H. R. 11086) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States, and in relieving unemployment in such areas; to the Committee on Agriculture.

By Mr. PATTERSON: A bill (H. R. 11087) to abolish the statute permitting renewal of patent applications; to the Committee on Patents.

By Mr. DISNEY: A bill (H. R. 11088) to make uniform and equalize the rank of the chief of existing bureaus in the War Department; to the Committee on Military Affairs.

Also, a bill (H. R. 11089) to authorize the Wyandot Tribe of Indians to expend tribal funds for certain purposes; to the Committee on Indian Affairs.

By Mr. CABLE: A bill (H. R. 11090) providing that damages for wrongful death in the District of Columbia shall be proportionate to the pecuniary injury sustained by the next of kin, to amend sections 1301 and 1302 of the District of Columbia Code, and for other purposes; to the Committee on the District of Columbia.

By Mr. VINSON of Georgia: A bill (H. R. 11091) to amend section 702 of the merchant marine act, 1928, relating to the requisitioning of ships in time of national emergency declared by the President; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. GARBER: Joint resolution (H. J. Res. 351) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 352) authorizing and directing the Secretary of Agriculture to request allocation of funds, also to establish a research laboratory for utilizing cotton, cotton hulls, seed, linters, and waste farm products; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Michigan, memorializing Congress not to place an excise tax on motor cars; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 11092) granting an increase of pension to Mary A. Warman; to the Committee on Invalid Pensions.

By Mr. BACHMANN: A bill (H. R. 11093) granting a pension to Rosylena Wood; to the Committee on Invalid Pensions.

By Mr. BARTON: A bill (H. R. 11094) granting an increase of pension to Sarah McGuire; to the Committee on Invalid Pensions.

By Mr. BLACK: A bill (H. R. 11095) for the relief of the Franklin Surety Co.; to the Committee on Claims.

By Mr. CULKIN: A bill (H. R. 11096) granting an increase of pension to Lorinda Sherwood; to the Committee on Invalid Pensions.

By Mr. COYLE: A bill (H. R. 11097) granting an increase of pension to Annie L. Wolf; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H. R. 11098) for the relief of Charles E. Dagenett; to the Committee on Claims.

By Mr. HORNOR: A bill (H. R. 11099) granting an increase of pension to Villa A. Light; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 11100) for the relief of James William Cole; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11101) granting a pension to Tena E. Bauman; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 11102) for the relief of Mary One Goose; to the Committee on Indian Affairs.

By Mr. LUDLOW: A bill (H. R. 11103) granting a pension to James Henry Miller; to the Committee on Invalid Pensions.

By Mr. MAY: A bill (H. R. 11104) granting a pension to John Brown; to the Committee on Pensions.

By Mr. MICHENER: A bill (H. R. 11105) granting a pension to Diana A. Stever; to the Committee on Pensions.

By Mr. MOBLEY: A bill (H. R. 11106) granting a pension to F. B. Lane; to the Committee on Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 11107) granting a pension to Benjamin F. Norris; to the Committee on Invalid Pensions.

By Mr. NIEDRINGHAUS: A bill (H. R. 11108) for the relief of Frank Larkin; to the Committee on Military Affairs.

By Mr. SCHAFER: A bill (H. R. 11109) for the relief of Joe McRaniel; to the Committee on Claims.

By Mr. SHREVE: A bill (H. R. 11110) granting an increase of pension to Luella Ames; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11111) granting an increase of pension to Alzina DeGruff; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 11112) directing the Secretary of the Treasury to pay the sum of $10,000 to Mr. and Mrs. Jerome Wate Stewart; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5413. By Mr. BOEHNE: Petition of citizens of Evansville, Ind., protesting against the procedure of the Finance Committee reporting bills to cut veterans' allowances without hearing veterans' representatives; to the Committee on World War Veterans' Legislation.

5414. By Mr. BOHN: Petition of Oxaway (Mich.) Post, No. 178, of the American Legion, urging the immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5415. By Mr. CLAGUE: Petition of Earl A. Stevens, of Lamberton, Minn., and others, requesting immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5416. Also, petition of M. F. Nuesse, of Rushmore, Minn., and other organized union railway employees, requesting passage of House bill 9891 and opposing House bill 10023, pension bills; to the Committee on Interstate and Foreign Commerce.

5417. Also, petition of H. S. Severson, of Blue Earth, Minn., and other organized union railway employees, requesting passage of House bill 9891, and in opposition to House bill 10023, pension bills; to the Committee on Interstate and Foreign Commerce.

5418. Also, petition of E. Grabow, of Clements, Minn., organized union railway employee, and others, favoring the passage of pension bill H. R. 9891, and opposing pension bill H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5419. By Mr. CLARKE of New York: Petition signed by Mrs. Nancy White and 35 other citizens of West Oneonta, N. Y., supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, submission to the States, or repeal; to the Committee on the Judiciary.

5420. Also, petition signed by Mrs. Lynn St. John and 22 other citizens of West Oneonta, N. Y., supporting the maintenance of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

5421. By Mr. CROWTHER: Petition of residents of Canajoharie, N. Y., requesting immediate cash payment at full face value of the adjusted-compensation certificates created by the World War adjusted-compensation act of 1924, with a refund of all interest charges on loans pending on these certificates; to the Committee on Ways and Means.

5422. By Mr. CULLEN: Petition of the executive committee of the New York State League of Savings and Loan Associations, expressing its vigorous approval of Senate bill 2959 and House bill 7620, to create Federal home loan banks; to the Committee on Banking and Currency.

5423. By Mr. HALL of Mississippi: Petition of Wayne County Post, No. 70, American Legion, of Waynesboro, Miss., urging the immediate payment of the adjusted-service certificate in full, without deduction of any interest due on loans already made on such certificates; to the Committee on Ways and Means.

5424. By Mr. LEA: Petition of voters of Mendocino County, Calif., favoring the modification of the Volstead Act; to the Committee on the Judiciary.

5425. By Mr. LINDSAY: Petition of the National Cooperative Milk Producers' Federation, favoring the Hare bill, H. R. 7233, to provide independence of the Philippines, with amendment; to the Committee on Insular Affairs.

5426. Also, petition of American Federation of Labor, favoring the passage of House bill 7233, Philippine independence; to the Committee on Insular Affairs.

5427. Also, petition of New York State League of Savings and Loan Associations, favoring the passage of Senate bill 2959 and House bill 7620; to the Committee on Banking and Currency.

5428. Also, petition of the Merchants' Association of New York, opposing the cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5429. Also, petition of Spencer Kellogg & Sons (Inc.), Buffalo, N. Y., with reference to the Hare Philippine independence bill, H. R. 7233; to the Committee on Insular Affairs.

5430. Also, petition of the National Grange, favoring the passage of the Philippine independence bill, H. R. 7233; to the Committee on Insular Affairs.

5431. Also, petition of the National Farmers Educational and Cooperative Union of America, favoring independence for the Philippines; to the Committee on Insular Affairs.

5432. Also, petition of the National Dairy Union, favoring the Philippine independence legislation; to the Committee on Insular Affairs.

5433. By Mr. MEAD: Petition of Merchants' Association of New York, opposing legislation for immediate payment of adjusted compensation; to the Committee on Ways and Means.

5434. Also, petition of Bricklayers, Masons, and Plasterers' Union of America, urging additional appropriations for public buildings; to the Committee on Appropriations.

5435. Also, petition of Group 1259 of the Polish National Alliance, urging enactment of House Joint Resolution 144; to the Committee on the Judiciary.

5436. Also, petition of Exchange Club of New Berlin, N. Y., urging enactment of House bills 1967 and 5659, and advocating the enforcement of the provisions of section 307 of the tariff act of 1930; to the Committee on Immigration and Naturalization.

5437. Also, petition of Chamber of Commerce of the State of New York, opposing legislation providing for independence of the Philippine Islands; to the Committee on Insular Affairs.

5438. By Mr. NIEDRINGHAUS: Petition of Theodore O. Jacoby and other citizens of Kirkwood, Mo., opposing any bills to reduce wages of Government employees; to the Committee on Expenditures in the Executive Departments.

5439. Also, petition of the Ladies' Auxiliary of the National Association of Postal Supervisors, Branch No. 131, St. Louis, Mo., opposing any bill to reduce the salaries of postal employees; to the Committee on Expenditures in the Executive Departments.

5440. By Mr. PARKER of Georgia: Petition of the Industrial Committee of Savannah, the Chamber of Commerce of Augusta, the Lions' Club, the Rotary Club, and the Chamber of Commerce, of Macon, all of the State of Georgia, urging the enactment of legislation which will alleviate the condition of industries which have been adversely affected by depreciated values of currency in countries which have abandoned the gold standard; to the Committee on Ways and Means.

5441. Also, petition of C. F. Powers and various other citizens of the first congressional district of Georgia, urging the enactment of legislation regulating busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

5442. Also, petition of J. F. Mullis and 63 other citizens of Soperton, Ga., protesting against the action of the Senate Finance Committee in recommending cuts of the allowances made to veterans of the World War; to the Committee on World War Veterans' Legislation.

5443. Also, petition of the Brotherhood of Maintenance of Way Employees of Savannah, Ga., and Local No. 1377 of the National Federation of Post Office Clerks of Albany, Ga., protesting against proposed pay cuts for Federal employees; to the Committee on Expenditures in the Executive Departments.

5444. By Mr. PEAVEY: Petition of numerous citizens of Ashland and Gleason, Wis., protesting against the passage of Senate bill 1202, providing for the closing of barber shops in the District of Columbia; to the Committee on the District of Columbia.

5445. By Mr. RUDD: Petition of American Federation of Labor, favoring the passage of the Philippine independence bill, H. R. 7233; to the Committee on Insular Affairs.

5446. Also, petition of American Manufacturing Co., Brooklyn, N. Y., favoring the passage of House bill 7233, the Philippine independence bill; to the Committee on Insular Affairs.

5447. Also, petition of the Merchants' Association of New York, opposing the passage of the Patman bill, H. R. 1; to the Committee on Ways and Means.

5448. Also, petition of New York State League of Savings and Loan Associations, favoring the passage of Senate bill 2959 and House bill 7620; to the Committee on Banking and Currency.

5449. Also, petition of Actors Equity Association, New York City, favoring the Dickstein bill, H. R. 8877; to the Committee on Immigration and Naturalization.

5450. Also, petition of Louis Charles Wills, 26 Court Street, Brooklyn, N. Y., favoring the balancing of the Budget; to the Committee on Ways and Means.

5451. Also, petition of Chamber of Commerce of the Borough of Queens, city of New York, favoring a duty on sugar; to the Committee on Ways and Means.

5452. Also, petition of Chamber of Commerce of the Borough of Queens, city of New York, with reference to certain taxation in order to balance the Budget; to the Committee on Ways and Means.

5453. Also, petition of Grand Lodge, Brotherhood of Railroad Trainmen, Cleveland, Ohio, opposing any reduction of the Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5454. Also, petition of Quick Service Box Co., New York City, favoring the Seiberling amendment on matches; to the Committee on Ways and Means.

5455. Also, petition of William H. McIntyre, 1197 Halsey Street, Brooklyn, N. Y., and 80 other citizens of the greater city of New York, favoring the immediate cash payment of the veterans' adjusted-service certificates; to the Committee on Ways and Means.

5456. Also, petition of Spencer Kellogg & Sons (Inc.), Buffalo, N. Y., with reference to the Philippine independence bill; to the Committee on Insular Affairs.

5457. Also, petition of the National Grange, favoring the passage of the Philippine independence bill; to the Committee on Insular Affairs.

5458. Also, petition of the National Dairy Union, favoring the passage of the Philippine independence bill; to the Committee on Insular Affairs.

5459. Also, petition of the Farmers Educational and Co-Operative Union of America, favoring the passage of the Philippine independence bill; to the Committee on Insular Affairs.

5460. By Mr. SHOTT. Petition of Pocahontas Coal Operators Association, protesting against the proposed bituminous coal commission sought to be established by the Davis-Kelly bill; to the Committee on the Judiciary.

5461. Also, petition of New River Coal Operators Association, protesting against the proposed establishment of a bituminous coal commission as proposed in bills introduced in House of Representatives and Senate; to the Committee on the Judiciary.

5462. Also, resolution of Railway Employees and Taxpayers Association of Huntington, W. Va., representing a membership of 3,000 in the Huntington area, protesting against the Davis-Kelly bill, and setting forth the effects of the passage of this legislation on the group of railway employees and taxpayers; to the Committee on the Judiciary.

5463. Also, petition of Logan Coal Operators' Association, protesting against the passage of the Davis-Kelly bill for the control and regulation of the bituminous-coal industry; to the Committee on the Judiciary.

5464. By Mr. SINCLAIR: Petition of Louis Ousley Post, No. 163, Wilton, N. Dak., for immediate payment in full of adjusted-compensation certificates; to the Committee on Ways and Means.

5465. By Mr. STEWART: Petition of residents of Rahway, Union County, N. J., requesting the balancing of the Budget, the reduction of Government expenses, and protesting against the payment, at this time, in cash of the soldiers' bonus; to the Committee on Ways and Means.

5466. By Mr. SWING: Petition signed by Mrs. J. N. Janos and 14 residents of southern California, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5467. Also, petition signed by 62 residents of San Diego, expressing approval of the Fish resolution for an international embargo on shipments of arms to warring nations; to the Committee on Foreign Affairs.

5468. By Mr. TARVER: Petition of ex-service men and other citizens of Catoosa County, Ga., requesting favorable consideration of House bill 1; to the Committee on Ways and Means.

5469. By Mr. TEMPLE: Petition of George Shaw, Ann Shaw, Robert Shaw, William Shaw, and Ollie Lowther, of Houston, Pa., supporting the soldiers' bonus bill; to the Committee on World War Veterans' Legislation.

5470. By the SPEAKER: Petition of Duval Post, No. 202, of the American Legion, San Diego, Tex., urging immediate payment of the soldiers' adjusted-compensation certificates; to the Committee on Ways and Means.

5471. Also, petition of the scientific staff of the American Museum of Natural History, favoring the bill proposing the establishment of an Everglades National Park; to the Committee on the Public Lands.





SENATE

TUESDAY, APRIL 5, 1932

(Legislative day of Monday, April 4, 1932)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Howell	Reed
Bailey	Cutting	Johnson	Robinson, Ark.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Bingham	Dickinson	Kendrick	Shipstead
Black	Dill	Keyes	Shortridge
Blaine	Fess	King	Smoot
Borah	Fletcher	La Follette	Steiwer
Bratton	Frazier	Lewis	Thomas, Idaho
Brookhart	George	Logan	Thomas, Okla.
Broussard	Glass	Long	Townsend
Bulkley	Glenn	McGill	Trammell
Bulow	Goldsborough	McKellar	Tydings
Byrnes	Gore	McNary	Vandenberg
Capper	Hale	Morrison	Wagner
Caraway	Harrison	Moses	Walcott
Carey	Hastings	Norbeck	Walsh, Mass.
Connally	Hatfield	Norris	Walsh, Mont.
Coolidge	Hawes	Nye	Wheeler
Copeland	Hayden	Oddie	White

Mr. FESS. The senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] are absent attending the funeral of the late Representative Vestal. This announcement may stand for the day.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I wish to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. LOGAN. I wish to announce that the senior Senator from Kentucky [Mr. BARKLEY] is necessarily detained from the Senate on official business.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

REPORTS OF THE POST OFFICE COMMITTEE

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the calendar.

COORDINATION OF GOVERNMENTAL DEPARTMENTS

Mr. JONES. Mr. President, as in legislative session, I ask leave to introduce a joint resolution, which I request to have printed in the RECORD and appropriately referred.

The VICE PRESIDENT. Without objection, leave is granted.

Mr. JONES introduced a joint resolution (S. J. Res. 135) creating a joint commission concerning the coordination and economical administration of the executive departments and independent establishments of the Government, which was read twice by its title and referred to the Committee on Expenditures in the Executive Departments and ordered to be printed in the RECORD, as follows:

Resolved, etc., That there is hereby created a joint commission to be composed of nine members, three Senators, to be appointed by the Vice President of the United States, three Members of the House of Representatives, to be appointed by the Speaker, and three members, to be appointed by the President of the United States. This commission shall study the several executive departments and independent establishments of the Government, with a view to their coordination and economical administration, and within 30 days from the passage of this resolution make such recommendations to Congress as it may deem advisable. All agencies of the Government shall furnish to the commission such information as it is possible to furnish. The Director of the Bureau of the Budget is directed to furnish to the commission such clerical force as the commission may request. The commission may employ such stenographic help as may be necessary, the payment therefor being hereby authorized at rates not exceeding 25 cents per 100 words, to be paid upon vouchers to be approved by the chairman of the commission, from the contingent funds of the Senate and House of Representatives in equal parts.

CHARLES A. JONAS—MOTION TO RECONSIDER

The Senate, in executive session, resumed the consideration of the motion of Mr. HASTINGS to reconsider the vote by which the Senate rejected the nomination of Charles A. Jonas to be district attorney for the western district of North Carolina.

The VICE PRESIDENT. The Senator from Delaware [Mr. HASTINGS] is entitled to the floor.

Mr. HASTINGS. Mr. President, I neglected on yesterday to read an editorial commending the appointment of Mr. Jonas. The editorial appeared in the Charlotte Observer under date of Tuesday, February 10, 1931, Mr. Jonas having been named on February 9. The editorial is as follows:

[From the Charlotte Observer, Tuesday, February 10, 1931]

JONAS GETS THE JOB

The anticipated has happened with presidential appointment forwarded in the matter of retiring Congressman Charles A. Jonas to fill the office of district attorney for western North Carolina, for Jonas was booked for the honor several months ago. The appointment quite likely carries confirmation, for it is not conceivable how objection could be entered in this instance, except on the ground that Jonas is a Republican, and until there is a reversal of political régime at Washington, no Democrat could expect to secure appointment of the kind. The Republicans will be agreed that Mr. Jonas has made a Congressman of unusual activities, having been diligent in looking after the interests of towns and people in his district. He has developed much resourcefulness in securing results, and all fair-minded Democrats will accord Jonas credit for having proved an alert and an obliging public officer. He is qualified for discharge of the duties of district attorney, for he is a lawyer of admitted ability, and the Observer believes it voices public sentiment in this section when it predicts popular acquiescence in his selection.

I want to quote from a newspaper article from the same paper appearing on the following day, February 11, 1931:

[From the Charlotte Observer, Wednesday, February 11, 1931]

EXPECTS JONAS TO BE APPROVED—MORRISON SEES NO OBSTACLE TO EARLY CONFIRMATION AS UNITED STATES ATTORNEY

Senator CAMERON MORRISON last night at Washington predicted that the Senate would quickly approve the nomination of Representative Charles A. Jonas as district attorney of western North Carolina.

"I haven't heard any indication whatever that there would be any fight on Mr. Jonas," said Senator MORRISON. "The nomination is now before the Judiciary Committee of the Senate, and it ought to be reported out within two or three days. I think nothing will develop to prevent his obtaining a quick confirmation."

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. Certainly.

Mr. MORRISON. From what was the Senator reading?

Mr. HASTINGS. From a news item appearing in the Charlotte Observer on Wednesday, February 11, 1931.

Mr. MORRISON. I do not care what it says; there is not a word of truth in it.

Mr. HASTINGS. Former Senator Simmons, of North Carolina, was in the Senate, and the records of the Judiciary Committee show that Senator Simmons approved of the nomination.

On February 28, 1931, when this matter was being heard by a subcommittee of the Committee on the Judiciary, the senior Senator from North Carolina [Mr. MORRISON] appeared and made this statement:

I deeply regret that my sense of duty compels me to interpose most emphatic objection to the confirmation of Mr. Charles A. Jonas for district attorney in the western district of North Carolina.

My reasons, that is, those which at this time I desire to state, are, first, I have become thoroughly convinced that Mr. Jonas is such a bitter partisan in politics and so controlled by political

prejudice that he ought not to have a part in the administration of justice.

Secondly, that in a prepared newspaper article which he gave to the press on the 12th of January and published in the Greensboro Daily News of January 13, he made an assault upon the committee of the United States Senate investigating election conditions in North Carolina, so improper in character and so untrue and unjust in fact that it discloses total unfitness for a position of district attorney.

I herewith file with the committee this article and particularly call attention to the second paragraph at the top of his article.

I call attention to the fact that at that time nothing was said by the distinguished Senator from North Carolina [Mr. MORRISON] with respect to the attack upon the courts. Now I desire——

Mr. MORRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. MORRISON. I did not understand the last remark of the Senator.

Mr. HASTINGS. I said I called attention to the fact that in the complaint against Mr. Jonas nothing was said by the Senator with respect to the attack upon the courts of the State of North Carolina.

Mr. MORRISON. Mr. President, I know the Senator does not want to misrepresent me. I filed the statement and interposed my objection to him upon the facts set forth in his interview. I did not argue the matter; I did not particularize; but stated the objection as I have stated on the floor. There is not the slightest inconsistency in my position there and here; but I had become convinced that Mr. Jonas manifested such deep and bitter partisanship that he ought not to be entrusted with a position looking to the administration of justice, and I filed the statement. I made no further charges against him there, and I have made none other here.

Mr. HASTINGS. Mr. President, the statement is borne out by the remarks made by him on the floor of the Senate when this question was before the Senate. I desire to quote from portions of his speech, in which he said:

> Mr. President, the particular matter about which the Senator from Montana was talking when he closed his remarks shows about as clearly as anything else in this record the unfitness of Mr. Jonas for a position in connection with the administration of justice.
>
> There was complaint in North Carolina of the old primary law and Senator BAILEY led a fight in North Carolina to correct it. He was not elected, as Senator WALSH has been informed, to the general assembly of the State. The State never had the benefit of his services in its legislative body; but as a public man of wide influence in the State he had the laws corrected, made modern and up-to-date; and yet, in his deep partisanship, Mr. Jonas brings a speech made by Mr. BAILEY against the old primary law of the State into this contest to try to sustain his contention that our election laws are now out of date and corrupt and unfair; and that is about his idea of justice, as shown by other things in this record.

I quote again from the speech of the senior Senator from North Carolina:

> Because he seems to have become such a reckless partisan, such an unfair man, as, in my judgment, totally disqualifies him to help administer justice.

And again—

> But the whole record shows that he is a man of deep and bitter partisanship.

And again—

> Mr. Jonas not only attacked this committee in this reckless manner, but he attacked the whole State of North Carolina, and charged—I will not stop to read his language; it is in the RECORD—that they could not get any justice in the courts down there, broadside, wholesale.
>
> * * * * * * *
>
> Yet he makes a wholesale assault on the judiciary of North Carolina, a reckless assault.
>
> * * * * * * *
>
> He is the national committeeman of his party from our State, and the head of the Republican machine of that State; and he is to be rewarded for all this partisanship by a place in the administration of justice.

And again he says:

> But this man is so reckless in his partisanship, so bitter, that he ought not to be confirmed, in my opinion, for this honorable position.

And again:

> But this man is being rewarded, in my judgment, for a partisanship which ought not to find reward in the administration of justice in any State.

And again:

> A statement which would indicate such abandoned partisanship that I submit it disqualifies that man to help administer justice in any State.

And again:

> Then he attacks the courts of the State. It was a reckless abandoned attack, as unjust and reckless as his attack upon the Nye committee and upon the Progressives, showing that unfairness, that lack of any conception of those principles of justice which a man who wants to be an officer of justice ought to have.

And again:

> The matter before us now is that here is a man to whom both the Senators from North Carolina object. I want to deny that it is on political grounds.

And again:

> I oppose it because I think he has so defamed the State whose commission he held at the time he defamed it.

Mr. President, I call attention to those statements picked out of the Senator's speech, because it seems to me, after all, that partisanship has a great deal to do with the objection to Mr. Jonas.

I want to refer now to a question that is sometimes discussed before the Senate and discussed very much more out of the Senate, namely, the practice of rejecting a nominee upon the ground that he is personally obnoxious to one of the Senators from the State in which he is named. In order that I may make myself clear with respect to this question it will be necessary for me to read the language of Mr. Jonas that is objected to. Here is what the junior Senator from North Carolina [Mr. BAILEY] particularly objects to:

> Criminal actions in the courts are out of the question, if for no other reason than the multiplicity of actions, and enormous expense and time required, if private citizens should undertake this method. Further, the case of double voting by Doctor Avery and wife at Maiden, the registrar case at Shelby, completely shows the futility of pursuing this course. The 16 solicitors of the State could wake the dead, if they were minded to perform great public service, forget politics, and sift these charges to the bottom, in an impartial and nonpartisan way. But will they?

I call attention to the objection of Senator BAILEY, and particularly to the language of the objection:

> Again, Mr. Jonas in this article attacks the courts of the Commonwealth of North Carolina, and, so far as I am concerned, that is the gravamen of his offense.

I ask Senators who believe in this practice to observe carefully this language:

> I do not hesitate to say that if he had attacked me personally I would not have filed objections to him on that account. If he had reflected upon me in a political campaign, I would have taken it as in the ordinary course of politics. If he had very greatly offended me personally, I can not conceive that I would be willing, and I do not think in the term that I shall serve here I shall ever be willing, to use the high privilege that is vested in a matter of this sort by way of venting anything that is personal or anything that is political.

I call particular attention to the question asked by the Senator from Indiana [Mr. WATSON], as follows:

> Mr. WATSON. Mr. President, I heard somewhat indistinctly a portion of what the Senator said. I want to ask the specific question whether or not, after having submitted this case in all its phases, he is willing to stand on the floor of the Senate and make the statement that this nomination is personally offensive and personally obnoxious to him?

I want Senators to observe carefully this answer:

> Mr. BAILEY. I made that statement and explained exactly why—not personal in a personal sense and with no intention whatever to use any power or privilege in this body in a personal way, but personal in the sense that he has offended against my Commonwealth wantonly and unjustly.

I suggest that what the Senator does is this: He has placed the responsibility upon every Senator who believes in the rule to decide for himself whether the reasons he has given are good reasons or not for his objection; in other words, he gets out from under this rule of being personally obnoxious. He can go back to his own State and say, "I

specifically stated the objection was not personal, but, on the other hand, I stated to the Senate what my objections were, and that it was upon those objections I stated the nominee was personally obnoxious."

I have great sympathy for Senators who oppose the nominations of persons from their own States, whether the nominees be of their own political party or whether the contrary is the case, and I think very great weight ought to be given to such objections, but when a Member of this body gets up on the floor and undertakes to give some reason that is not a good reason and then puts it up to Senators whether or not it is a good reason—for instance, if he bases his personally obnoxious plea upon a thing that is wholly unreasonable, such, for example, as saying, "The nominee is personally obnoxious to me because I do not like the color of his hair," or some foolish thing like that—then I say the Senate, regardless of whether it has modified its rule or whether it has not, can not, with due regard to its own responsibilities, permit a thing like that to go by. It seems to me if we permit that sort of thing to go that we may get ourselves into very serious difficulty.

Before the junior Senator from North Carolina [Mr. BAILEY] reached the Senate there was nominated from North Carolina a Mr. McNinch to be a member of the Federal Power Commission. A hearing was had on the nomination on December 17. The present senior Senator from North Carolina [Mr. MORRISON] had succeeded the late Senator Overman, the present senior Senator having been appointed on December 13, and on December 17 there was a hearing upon that nomination. The senior Senator from North Carolina appeared before the committee. I shall in a moment refer to the fact that the then Senator-elect from North Carolina [Mr. BAILEY] had opposed the confirmation, but Senator MORRISON appeared and had this to say:

Mr. Chairman and gentlemen of the committee, I hope I may have the sympathy of this entire committee in the very unfortunate predicament in which I find myself on this morning of my life in the Senate. Mr. McNinch is an elder in the Presbyterian Church to which my family belongs and of which I am a feeble member. I have known him for something like a quarter of a century, and we have been mutually professing warm personal friendship for each other. He lives on a beautiful property adjoining my own, only a street dividing us. I am quite sure that my colleague-to-be and dear friend Senator-elect BAILEY is absolutely sincere in all he said to you about Mr. McNinch, and will be sincere in what he says about anything, but I know Mr. McNinch, I think, better than he does. Mr. McNinch is a man of unquestioned character and deep religious life. For years he has taught possibly the largest man's Bible class in our State, in our church. He took the course he took in politics because of deep sincerity, as deep a sincerity, in my opinion, as that of any man who was ever moved to high action. I did my best, as his neighbor and friend, to keep him from making what I thought was a great mistake. He was at that time in a very delicate state of health. He had been in the hospital for some three or four months, and I remember that I finally told him this, that personally I did not believe he could stand it; I was afraid it would kill him. He said he could not help it if it did; that he must do it.

I sat in the committee and heard the Senator from North Carolina make that statement, and I reached the conclusion then, which I have retained since, that he was a generous man and willing and anxious to do the fair thing with all persons.

I now want to read in the same connection, in order that we may determine whether or not the practice of considering conclusive a personal objection that is urged is a dangerous thing, what the Senator elect [Mr. BAILEY] had to say with respect to that subject. Before he came to the Senate, after his election in November, he appealed to Senator Overman, who was then in the Senate, with a letter dated December 4, 1930, and reading as follows:

DECEMBER 4, 1930.

MY DEAR SENATOR OVERMAN: I protest against the confirmation by the Senate of the appointment of Mr. Frank McNinch as a member of the Federal Power Commission.

Under other than most unusual conditions I would be slow to oppose the appointment of any North Carolinian, and as a rule I would hesitate to protest against the confirmation of any presidential appointee. But there are irresistible considerations for opposing the confirmation of the appointment of Mr. McNinch, as follows:

I am reading this to the Senate for the purpose of asking a question whether the junior Senator from North Carolina did not have more reason for saying that the nominee in that case was personally obnoxious to him than he had in the present case.

1. The appointment is transparently political. We are informed that Mr. McNinch has been named as a Democrat. Assuming that he is a Democrat, the President has appointed him by way of reward for supporting the Republican national ticket in 1928. If those who put him forward or the President who named him should undertake to deny this, they would be laughed out of the presence of those to whom they uttered their denials. Such an appointment is contrary to the spirit, if not the letter, of the law. The President has no moral right to give a Democrat appointment as a reward for supporting the Republican ticket. To hold that he has is to hold that Democratic appointments may be given only to those who have supported the Republican ticket.

2. As manager of a political campaign in this State in 1928—in the interest of the Republican national ticket, and in direct alliance with the Republican campaign committee—Mr. McNinch waged a campaign in which considerable money was expended. How much, no one knows; but there are thousands of citizens who believe that it was no small sum. Whence it came, or how it was expended, we do not know, but no one here believes it came from sources creditable to Mr. McNinch. There have been rumors of a rather substantial character for more than two years, that at least one power company was in the number of the McNinch contributors. These rumors have not been denied.

I have no definite information as to the sources of the McNinch campaign fund, but Mr. McNinch has only himself to blame for the impression that the rumors to which I have referred were only too well founded. This impression can not be erased now. He could have denied them at the time or he could have reported his contributions in detail, as our attorney general held the law to require of him, but he chose to remain silent when formally called upon by the State to make disclosure. If he had nothing to conceal, why did he pursue the course of the one who did have somewhat to conceal?

Certainly if any power company did contribute to the McNinch campaign fund, that fact disqualifies him. And, I may add, the fact that Mr. McNinch has pursued a course now for more than two years calculated to confirm widespread rumors that he did receive funds from such a source strikes so broadly at the popular confidence in him that every act of his as power commissioner would be reviewed with suspicion, and not unjustly. This also disqualifies him.

Of even more significance, the refusal by Mr. McNinch to report the receipts and disbursements of the campaign conducted by him, in the face of a ruling by the attorney general that the law required of him such a report, not only confirmed suspicions of the gravest character, but, in that it manifested a contemptuous attitude toward sound public opinion, and defied a righteous demand approved by public policy and admitted to be consonant with the spirit of the law, it cost Mr. McNinch once and for all the confidence of the people of this State. They have no more respect for him than he chose to show for them. By his own acts he deliberately placed himself in the category of irresponsible political adventurers.

It will not serve now for him to make denial or report. Confidence in him has been destroyed. The impression is indelible. Repentance in the prospect of reward or the sight of punishment is justly to be discounted as rather desire for the reward or dread of the punishment.

3. A further consideration of great weight is this: The circumstances of this appointment are such as to give color to suspicions that one or more power companies, the operations of which are to be supervised by the Federal Power Commission, are proposing to have a hand in the appointment of those who in judicial capacity are to determine rights as between them and consumers. I do not say that this is true. I hope it is not true. But such suspicions should not be cultivated. Power companies themselves should pursue a course that will prevent the cultivation of such suspicions. The membership of the Federal Power Commission must be above all suspicion. It must command confidence in all events, and, unless it shall, drastic measures will be the consequence. I am for a square deal for the power companies, for encouraging them and expanding their usefulness. To be sure, they know that activity by any one of them in determining an appointment to the Federal Power Commission would be regarded as a challenge to be accepted without a moment's hesitation, and the suspicion of such activity with color to support it will go far to create bad feeling. We seek mutually helpful relations; but we know how to respond to an act of war. It will not be difficult to find men for this high office in whom we may repose such faith as is reposed in our judiciary. Nothing short of this will serve. It is the part of prudence, therefore, to reject this appointment.

4. It must be admitted that Mr. McNinch has no remarkable qualifications for this position. His standing as a man is good, but no better than that of millions; his repute as a lawyer is good, but there are at least a score of lawyers at the Charlotte bar who outrank him. No one that knows him would attribute to him judicial temperament. It is true that he has enjoyed some inconstant prominence as a politician, but that has been due more to the irregular course he has pursued than to unusual gifts. If the office to which the President has named him were an elective

office, you know Mr. McNinch would not be a candidate; nor would he be considered.

In addition to that, on December 17 the junior Senator from North Carolina [Mr. BAILEY] appeared before the committee and had this to say:

I am here in my capacity as a citizen of the State of North Carolina and as a Democrat, and am not standing at all on my theory of right or influence by way of being Senator elect from the State of North Carolina. And, of course, what I have to say is said with the utmost respect and regard for Senator Simmons and for Senator Morrison. It is a matter of difference, and, as I conceive it, a matter of difference in the sense of duty.

Now, I have protested against the confirmation of Mr. McNinch, first, on the ground that he is not a Democrat. And in my letter of protest I stated that I did not concede the President of the United States had the right, the moral right, to reward with a Democratic appointment a man for having supported the Republican cause. Since I made that protest Mr. McNinch has testified here, and he not only admits that he supported the national Republican ticket in 1928, leading the fight in an official way in North Carolina, but he also admits that he voted for Mr. Charles A. Jonas, the Republican candidate for Congress in the ninth district of North Carolina, and voted against Mr. BULWINKLE, the Democratic candidate.

Now, that was the one district in the State of North Carolina in which the contest was close. It was the one district in the State in which the demands of loyalty to party were at the peak. Mr. McNinch states that he voted for the Republican candidate for Congress in 1930 under an entirely different set of circumstances from those existing in 1928. Now, I trust that this committee will not consider this personal at all. He not only admitted that he voted for the Republican candidate for Congress in a close contest, in a close district, in 1930, but that he did not vote for the Democratic candidate for the United States Senate in that same election, November 4, 1930.

In other words, that he did not vote for Senator BAILEY.

Mr. REED. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Pennsylvania?

Mr. HASTINGS. I yield to the Senator from Pennsylvania.

Mr. REED. What troubles me is not the point that the Senator had been making so forcefully. It is not the question of what we might do on these facts, but it is a question of the force that should be given to the objection, phrased as it was by the junior Senator from North Carolina, when he says that because of what he considers to be insulting language about the courts of North Carolina he feels constrained to make the objection that the nominee is personally obnoxious.

I do not believe that on the facts I would have made the objection if I had been in the Senator's place; but I am very much concerned to know what is our duty when the Senator does see fit to make the objection in that way.

If we are to go behind his objection to analyze his reasons in every case, then there is no sense in the objection by itself; and yet ever since the Senate was created it has been its custom to honor that objection, particularly when made to the nomination of a person who was to perform duties entirely within the Senator's own State.

If we are going to analyze his reasons, there never was any sense in the use of the phrase "personally obnoxious," because the reasons stood for themselves. It must be that the objection has been given a weight over and above the reasons that were ascribed for it or the Senate never would have paid any attention to it.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from California?

Mr. HASTINGS. I do.

Mr. JOHNSON. I do not want to interject myself into the debate; but this is a question that often has occurred to me, and it is one that we ought to have determined with some fair degree of certainty.

I do not understand the objection ever to be tenable except it be of personal character. That is, if the objection is to be heeded at all, it is an objection that the individual or the Senator making it takes as a personal objection and says that an appointment is obnoxious or is offensive to him. When, however, the Senator divorces that objection from the personal aspect and says, "This nomination is objectionable and offensive to me because of remarks that have been made concerning courts of the land, and is not personal at all," even upon the rigid rule that is suggested, that by no means do I subscribe to wholly, with that statement of facts—and that is the statement of facts in this case, I take it from what the Senator from Delaware has quoted and from what I heard the Senator from North Carolina say—the objection falls to the ground as an absolute bar to the confirmation of an individual that is before us.

Mr. REED. I see the Senator's point; and I felt similar trouble in construing the language of the Senator from North Carolina. He seems to be making a distinction between two uses of the same word. He says that this is not a personal objection, but the nominee is personally obnoxious. Of course, that is somewhat contradictory.

Mr. JOHNSON. Then he proceeds to say that he is personally obnoxious because he said certain things about the courts of the State.

Mr. REED. After I had listened to him a while it came to me that what he meant was that the nominee was not obnoxious because of any personal qualities but he was obnoxious to the Senator personally because of his supposed insults to the courts. In other words, it was such a personal objection as one might have to a man that he had never seen, because of some conduct.

Mr. JOHNSON. Exactly. Now, the moment that you begin to analyze reasons for this objection that is peculiar to the Senate that instant you are removing the objection itself.

Mr. REED. That is what I meant in what I first said.

Mr. JOHNSON. So it strikes me that in this instance, where the objection is based upon a definite ground that is specifically stated by the Senator, the old idea that existed in the Senate of rejecting a man because of his being offensive or obnoxious is gone, and the query is whether the objection that is made is one that should militate against the confirmation of the appointee.

Mr. REED. That is just the thing that has been worrying me all through this case.

Mr. JOHNSON. I remember—and it is no violation of what may have occurred in executive session—that one of the first executive sessions where there was a battle royal upon this subject after I came here was between the two Senators from Arkansas. I think I speak with accuracy in that regard. Some of the older Members who are here may recall the circumstance.

There was a gentleman from Arkansas then sitting here, together with the esteemed Democratic leader, and there was a struggle as to the confirmation of some particular appointee in which those two gentlemen were of opposite minds. Then it was that in executive session—the Senator from Montana [Mr. WALSH] may recall it, or the Senator from Arizona [Mr. ASHURST]—at length the question was argued as to whether or not the mere statement of an individual as to one being offensive to him should be conclusive, or whether we should go behind the statement and ascertain whether the reasons presented were sufficient to justify the statement of the individual being offensive and obnoxious. I think from that time on the rule, if rule it were—the word "custom" is better, I think, to describe it—the custom was relaxed, and it has been a long, long time since I have heard of any individual being rejected solely because some Senator said he was obnoxious or objectionable.

I know that on one occasion in rather a protracted contest I had on the confirmation of a gentleman here, it was suggested that I assert that reason and make it absolute. I declined. That, however, is a mere personal viewpoint one has in regard to the matter; and although the individual in question was not only objectionable and offensive to me but I would have been delighted publicly to have told him the reason for that opinion on my part, I never made the objection, and never could bring myself under any circumstances to make that objection, personal in character. Gradually, I think, the old rule has been relaxed, so that the objection no longer is one that is absolute in this body, but is one the reasons for which the body will determine and will insist

upon knowing the facts concerning, just as in regard to other matters.

I ask the Senator to pardon me for interrupting.

Mr. REED. Mr. President, with the permission of the Senator from Delaware——

Mr. HASTINGS. I yield.

Mr. REED. If that is so, if the Senator is expectant, having made the objection, of establishing the soundness of his reasons, he might just as well have shown his sound reasons to begin with and have never made the objection.

Mr. JOHNSON. The Senator is entirely right; but in this instance even that question does not arise, because with the objection is coupled the statement that this objection is not personal in any regard, that it is not made for personal reasons at all but is made solely because of certain utterances upon the part of the nominee. So that I think even the suggestion the Senator makes does not arise here at all, because perfectly plainly and frankly—and I think he is to be complimented upon that stand—the Senator from North Carolina says, "He is offensive and obnoxious to me, not because of any personal qualities of his, or because of any personal feeling I have toward him, or because of anything he has done to me individually and personally, but because of certain public utterances he has made."

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from North Carolina?

Mr. HASTINGS. I yield.

Mr. BAILEY. I wish to undertake to clear up the matter with reference to my attitude and my conception. Let me say very plainly that if I were assured that upon saying to the Senate that this appointee were personally obnoxious to me, and nothing more, every Senator here, upon that statement, would vote against confirmation, I would not make the statement. I never shot a bird on the ground in my life, and I am not going to do it here.

Mr. JOHNSON. Mr. President, may I compliment the Senator upon that statement? I think that statement is quite worthy of the Senator, and I am delighted to hear him make it. It is the attitude that I have always maintained here, and I think the attitude which ought to be maintained.

Mr. BAILEY. Mr. President, I have not had any other thought, and I undertook here the other day to make that clear. I would not take advantage of my worst enemy by reason of any supposed privilege vested in me by a custom. I would not do that.

Mr. REED. Mr. President, if the Senator from Delaware will yield to me, I would like to say that the Senator from North Carolina is making my path very hard. If he said simply, "This nomination is personally objectionable to me," I should vote against the confirmation.

Mr. BAILEY. I understand that.

Mr. REED. But the Senator now expressly states that he does not do that.

Mr. BAILEY. Precisely; and I am perfectly willing to stand upon that—perfectly willing.

Mr. REED. Then does not the Senator invite us to test the soundness of the reasons that are ascribed for rejecting the nomination?

Mr. BAILEY. Absolutely; and nothing else has ever been in contemplation in my mind. Let me make that perfectly clear.

The PRESIDING OFFICER. Does the Senator from Delaware yield further?

Mr. HASTINGS. I yield.

Mr. BAILEY. I think I have made the statement so far perfectly clear, but let me go further. I have stated that the confirmation of Mr. Jonas would not be personally objectionable to me on the ground of any personal relationship whatever, and that if it were, I would not bring the objection here. I would not take that advantage of anybody.

Now, the next point. I have stated that his appointment is personally objectionable to me, first, on the ground that he made a statement concerning the courts and their capacity to do justice in election cases in North Carolina which tended to bring disgrace and obloquy upon the Commonwealth, and that in that sense the appointment was personally objectionable. However, if, in the judgment of any Senator here—and I wish every Senator to get the force of this—he differs with me in that matter, there is not the remotest possibility that I will ever criticize him or have the slightest disposition to entertain resentment toward him by reason of what I conceive to be nothing more than, perhaps, a difference in point of view, or certainly a difference of opinion.

Mr. HASTINGS. Mr. President——

Mr. BAILEY. I have not finished, if the Senator will permit me.

Mr. HASTINGS. I am perfectly willing to yield to the Senator.

Mr. BAILEY. That was not the only ground, but I submit that ground to the judgment and the wisdom of the Senate without any misgivings whatever.

There was another ground, and that ground was this: That he made the statement that he was responsible for the contest in which I am engaged, and I considered that in the nature of a challenge to me. I think Senators are familiar with the language. He said, "This is my first move" or "my first step," by way of answer to the charges purporting to have been lodged by the senior Senator from North Carolina, no charges in fact having been lodged in any specific way.

Again, there is another ground of personal objection and personal obnoxiousness, in that he uttered what has been designated here by distinguished Senators, and very notable and capable lawyers, a libel, which has two aspects. It was the senior Senator from Pennsylvania who stated that the language with reference to Senator NYE was libelous in character; and if libelous with respect to him, it was libelous with respect to all the other members of the so-called Nye committee. But look at the other side of it. If it is libelous at all, it is equally libelous of the Democratic Party. He said that the Nye committee ought to have been paid by the Democratic Party. The libel reaches to both parties to the statement.

There are three grounds which I laid, and I laid them subject to the judgment of every Senator here, and with never a thought that the day will ever come when in my capacity as Senator I will undertake to defeat any appointment here by rising and merely saying that the appointment is personally obnoxious to me.

I hope, Mr. President and Senators, that I have cleared this matter absolutely, but if I have not, and any Senator wishes to ask me a question, I will take the greatest pleasure in answering it.

Mr. HASTINGS. Mr. President, before resuming my speech, I particularly want to thank the Senator from Pennsylvania [Mr. REED] and the Senator from California [Mr. JOHNSON], who have had long experience in the Senate, for their discussion of this rule. I might say, in this connection, that I have not intended, during my remarks, to reflect in any way upon the Senators from North Carolina, and I have not intended in any way to reflect upon the State of North Carolina, nor even the laws of North Carolina. I have only stated what other people, people living in that State, have said, which I believed it was necessary for me to do in order to make the position I have taken perfectly clear.

I want to say, as an excuse for taking up the time of the Senate, that it was my belief that there was a misunderstanding on the part of the Senators as to the nature of this objection made. As I read the RECORD, I could not conceive of the Senate adopting any such rule as that.

I want to make this general observation in response to the Senator from Pennsylvania, that I should be in very much greater difficulty, if I believed as thoroughly in this rule as he does, if the Senator from North Carolina merely rose in his place and said, "I object because this man is personally obnoxious to me," and nothing more.

The difference between that position and the position he has taken is this: In the first case he assumes the whole responsibility; but as he puts it now, he puts the whole responsibility on the Members of the Senate, and they must

ascertain for themselves whether that is a good objection or whether it is not.

I think it is probably true that in the days gone by, when we had executive sessions with closed doors, and the people on the outside knew not what was going on inside, it was not a particularly difficult thing for a Senator to rise in his place and say, "This nominee is personally objectionable to me," and for the Senate forthwith to refuse to confirm. But if we adopt the rule as it was adopted, and the nominee is rejected upon any such ground as the Senator from North Carolina stated, I am not at all certain that the open executive session will not force us to abolish that practice entirely.

I do not believe the people of this country are going to permit the personal pique of an individual Senator to defeat the nominee of a President for any office. I do not believe the people of this country are going to permit the personal pique of an individual Senator to defeat, perhaps, the opinion of 95 other Senators who sit in this body, and who have a duty with respect to that matter.

Mr. LONG rose.

Mr. HASTINGS. Just a moment. I want to say that I here am classed as a reactionary, probably because of my love for old principles and established precedents; but I want to say at this time that if this rule is to be construed in any such way as this, I shall not hesitate to run away from a practice that is fraught with so many evils that it would be difficult to enumerate them in a speech like this.

Now I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, this man, according to the Senator from North Carolina, published a statement in which he said that he foisted upon the Senate an election contest because his nomination was opposed here in the Senate by the Senator against whom the contest is lodged. Considering the many thousands of dollars of expense to the Government of the United States involved in a contest of that kind, brought by this man whose nomination is before the Senate for confirmation, does it not seem to the Senator that the pique would come from the other man, who brought here apparently a personal quarrel of his own as a shield to his own matter, which has cost the United States Government, and the Senate, out of its expense fund, probably as much as forty or fifty thousand dollars?

Mr. HASTINGS. Mr. President, I am trying to find in the record just what it was from which the Senator from North Carolina drew the impression that Mr. Jonas was responsible for the contest to which the Senator referred. I find it on page 21. Mr. Jonas replied:

> That is my first step in vindicating myself.

That is the language complained of. The comment on it by the junior Senator from North Carolina [Mr. BAILEY] is as follows:

> Thus admitting that the contest was instituted by him not in good faith, but as a measure of retaliation and apparently for the purpose of bringing about support of the confirmation of his appointment by me.

Mr. BLAINE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. HASTINGS. I yield.

Mr. BLAINE. With the Senator's permission, may I say that he will find the report quite fully set out on pages 12 and 13 of the hearings.

Mr. HASTINGS. Yes. I will read from the record of the hearings at page 12, and I thank the Senator for calling my attention to it.

It is absolutely denied by Mr. Jonas that he had anything to do with it. It is denied by Mr. Pritchard, who is making the contest, and by the chairman of the Republican State executive committee. I quote from a statement made by them as follows:

> The senatorial contest was filed by me because of information which I received after the 1930 election. Jonas did not inspire it. His confirmation had nothing to do with my action. I brand as absolutely false any such intimation.

I do not think it is worth while to discuss that. The most it would bring out in the debate would be a mere possibility of his having that in mind.

I want to say that I am about to close what I have to say upon the subject, and in doing so I want to read the last paragraph of an editorial appearing in the New York Times of Sunday a week ago, a lengthy editorial upon this subject which ends by saying with respect to the action of the Senate:

> And so at last the truth was disengaged from a monstrous deal of virtuous fiddle-faddle.

Mr. President, again I want to call attention to the character of the man who was nominated for this position by the President. I call attention to the fact that he practiced law in the State of North Carolina for a period of 26 years, that he served two terms in the State senate of his State, that he served one term in the house of representatives of his State, that he served one term in the Congress of the United States, that he was twice elected by the Democratic legislature of his State as a trustee of the North Carolina University, that he was city attorney for his city, that he was a member of the board of education of his city, that he was a member of the bar association of his State, that he was a member of the American Bar Association, and that he was the Republican national committeeman of his State.

I suggest that is a record of which any Member of the Senate might very well be proud. But I inquire what has happened to him? He has been whipped out of public life by the great power of the United States Senate and upon the plea of one of its Members that he is personally obnoxious to him, a lash which I submit should be used sparingly at all times and ought never to be used if it has in it the least bit of partisanship or the signs of partisanship.

Let us remember that not a word has been said against this man's character. He has a record as a legislator that is commendable. He has a record as an educator that is commendable. He has a record as a prosecuting officer that is commendable. To ultimately reject him, I respectfully submit, adds no particular prestige to the Senate. On the other hand, basing my opinion upon the character of the testimony and the objections that have been made, his rejection will give the impression that the United States Senate takes itself entirely too seriously and has an exaggerated notion of its own importance, and that it has a sensitiveness to criticism which it readily forgets in its attacks upon others, and lastly is willing to do injustice to a fellow citizen and offend the whole Nation, if need be, rather than to do something that is personally obnoxious to one of its Members.

Mr. MORRISON. Mr. President, the sole objection to Mr. Jonas is not that he is personally obnoxious to one of the Senators from North Carolina. Whatever may be the tradition of the Senate upon that question and whether or not my colleague's statement brings it under the practice usually respected by the Senate I shall not at this time debate. But whether he is within the definition "personally obnoxious" to one of the Senators from North Carolina or not, he is very objectionable to both of the Senators from North Carolina, and for good reasons. We think that that should appeal to the consideration of the Senate, whether there be matters here that bring it under the practice referred to or not.

The Senator from Delaware [Mr. HASTINGS] seems to assume that the nomination of Mr. Jonas was not consented to by the Senate the other day on account of the statement alone of my colleague [Mr. BAILEY]. Quite a number of Senators said at the time that they did not agree with the definition of the practice which had been given, but nevertheless were opposed to Mr. Jonas upon grounds assigned by them.

Mr. Jonas is very objectionable to me because I have become convinced that he is not a fair man and such a devotee of justice that he ought to be intrusted by the President, by and with the consent of the Senate, with the administration of justice. I have known him a long time.

I know all about him. I want to read to the Senate the manifestation of his nature which caused me to come to the final conclusion that he ought not to be intrusted with this position connected with the administration of justice. I hope every Senator will listen to it and apply it to his own State and see, if it had been said about his State, what position he would take about it without any of the hair-splitting definitions of "personally obnoxious," and so on. I read from a copy of the paper appearing in the record of the hearings instead of the original paper itself. I wanted to read from the paper itself, but it seems to be out of the hands of the committee. Said Mr. Jonas in this newspaper article:

Representatives of the Nye committee continue to assemble evidence of alleged frauds in the 1930 primary and general elections in North Carolina. What the committee will finally do about the North Carolina situation no one seems to know.

Thus he was making statements of the desperate character, which I shall call to your attention, showing a total misconception of those principles of justice that ought to control all men in all situations.

What the committee will finally do about the North Carolina situation no one seems to know.

And yet he proceeded to say this about it:

I have never met or spoken to Senator NYE, or any other member of the committee, in my life. I have never believed Senator NYE intends to seriously investigate the North Carolina case if he can help it. If the Democrats did not pay him to come to the State and, without any serious effort to secure evidence, give out a statement that the situation in the State is "refreshing," then they, at least, owe him a debt of gratitude. Never was there a plainer case of an attempt to whitewash.

Who was on that committee? There is no reason why a man who wants to help administer justice should so assail the honor and fame of the Senator from North Dakota [Mr. NYE]; but who else was on the committee? At one side of the Senator from North Dakota at the hearing sat a great Republican Senator from the State of Missouri [Mr. PATTERSON] and the Senator from New York [Mr. WAGNER], a great Democratic Senator, there solemnly under oath performing a duty, and yet Mr. Jonas said:

Never was there a plainer case of an attempt to whitewash.

Why did he say that? Does anybody believe it was true? Is there a man in the Senate who believes that statement was the truth? I submit that not even the Senator from Delaware [Mr. HASTINGS] would for one moment credit it; and yet that is what Mr. Jonas said.

I am not concerned with this assault upon the honorable committee of the Senate alone, but through this it was an assault upon the integrity of North Carolina and its election officials and, coupled with what follows, a terrible assault upon the courts of that State and their integrity. It does not make any difference to me about the "personally obnoxious" suggestion. I think that statement by Mr. Jonas showed a lack of the very first qualification for a judicial position. His statement continued:

He is a fiend for publicity, as are all the sleepy-eyed, dreamy "sons of wild jackasses" in the Senate.

He wants to help administer justice in a State in which there is no justice, according to his statement. He wants to be United States district attorney, and yet he made that assault. Why did he do it?

He could cuff old Vare and other regular Republicans around with impunity, and the press and politicians, including those in North Carolina, would rollick with glee and bid him "Lay on, Macduff."

I do not know anything about that. I never heard of it.

But when he came to North Carolina and innocently asked those charged with fraud whether they had been naughty, he got not only a frost and newspaper reminder that he had no business "meddling with our affairs," but also a fatherly lecture from the witness stand to the effect that North Carolina has 100 counties and, after all, $100,000 is not an enormous sum as election matters go. And NYE apologetically exclaimed through the press "How refreshing!"

The Senator from Missouri [Mr. PATTERSON] would not be classified as the "son of a wild jackass" or a fiend for publicity. He sat and said nothing under this nefarious influence that controlled them.

And moved on to where the right kind of publicity awaited.

He went out to see about Senator NORRIS's case, where greater publicity would be attracted.

True, he found in one day evidence of a number of substantial expenditures in behalf of the successful senatorial candidate not accounted for in his sworn report, but the atmosphere was too drab for him to linger when Nebraska offered so much more excitement of the kind he was seeking.

* * * * * * *

The Charlotte News rightly said a few days ago that there should be a complete investigation—

Of these false charges—

but when, how, and where?—

Asks Mr. Jonas—

There is little use to depend upon the Nye committee—

Composed of great Republicans and great Democrats under oath—

Besides, our Democratic friends do not desire that committee to nose around too much in the State. Criminal actions in the courts are out of the question, if for no other reason than the multiplicity of actions and enormous expense and time required if private citizens should undertake this method. Further, the case of double voting by Doctor Avery and wife at Maiden and the registrar case at Shelby completely show the futility of pursuing this course—

That is, resorting to the courts—

The solicitors of the State could wake the dead if they were minded to perform great public service, forget politics, and sift these charges to the bottom in an impartial and nonpartisan way. But will they?

There have been great Republican solicitors in that State ever since the Civil War. I shall not read any farther.

This man is the head of a political machine, and his character is disclosed in this article, for on the very eve of his appointment to this office to help administer justice he emits this horrible onslaught on well-nigh everybody. I submit that he is objectionable to the Senators from North Carolina on good grounds, and the fact that the objection is not personal in character ought to add weight to it, it seems to me.

The Senator from Delaware tries to prove by what he has read I am inconsistent. The Senate heard my remarks. If Mr. Jonas was being unjustly assaulted here as a citizen of my State, I would defend him, Mr. President, even though he is a Republican.

The Senator cites the McNinch case. Yes; for political tolerance in my State I jeopardized my election to this great body. I am proud of having done so, and would do it again to-morrow under similar circumstances. I deny that my opposition to the confirmation of Mr. Jonas is based on mere political grounds; it is based upon the ground that he has unjustly and unfairly assaulted many things that I hold dear, and I believe has displayed utter unfitness for the office to which the President has appointed him.

Are we opposed to Mr. Jonas merely because he is Republican? The Senators from North Carolina voted with pleasure to confirm a Republican as district attorney in the adjoining district a few days ago, and when Mr. Clegg, the leader of the Republican Party in the county of Watauga, to whose elections reference was made the other day, was appointed marshal, the Judiciary Committee was notified that my colleague [Mr. BAILEY] and I heartily approved of the appointment and of his confirmation. Two or three gentlemen are under consideration now to succeed Mr. Jonas. I know well two of the leading candidates, either of whom it will give me pleasure to vote to confirm, but Mr. Jonas, in my opinion, ought not to be appointed to assist in the enforcement of law, because he has shown a reckless disregard of justice and fairness that disqualifies him for that duty. So the Senators from North Carolina earnestly protest against his confirmation by this body.

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). The question is on agreeing to the motion of the Senator

from Delaware [Mr. HASTINGS] to reconsider the action of the Senate in rejecting the nomination of Charles A. Jonas.

Mr. MORRISON. Mr. President, I call for the yeas and nays on the motion.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Howell	Reed
Bailey	Cutting	Johnson	Robinson, Ark.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Bingham	Dickinson	Kendrick	Shipstead
Black	Dill	Keyes	Shortridge
Blaine	Fess	King	Smoot
Borah	Fletcher	La Follette	Steiwer
Bratton	Frazier	Lewis	Thomas, Idaho
Brookhart	George	Logan	Thomas, Okla.
Broussard	Glass	Long	Townsend
Bulkley	Glenn	McGill	Trammell
Bulow	Goldsborough	McKellar	Tydings
Byrnes	Gore	McNary	Vandenberg
Capper	Hale	Morrison	Wagner
Caraway	Harrison	Moses	Walcott
Carey	Hastings	Norbeck	Walsh, Mass.
Connally	Hatfield	Norris	Walsh, Mont.
Coolidge	Hawes	Nye	Wheeler
Copeland	Hayden	Oddie	White

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

Mr. REED. Mr. President, I feel obliged to state in a few words the reasons for the vote I expect to cast on this motion to reconsider.

If either Senator from North Carolina will assert to the Senate that this nominee is personally obnoxious to him, I shall vote against confirmation and vote against reconsideration; but if they do not do that—and I understand the junior Senator from North Carolina [Mr. BAILEY] now to tell us that he will not make that objection—he puts me in a very different position from that in which I was on the original vote.

Mr. BAILEY. Mr. President, I should like nothing better than to make my position perfectly clear to the distinguished Senator from Pennsylvania.

I stated that Mr. Jonas was personally obnoxious, and that is in writing and in the RECORD; but I stated the grounds. Now, I most respectfully submit—and I mean those words—with the utmost respect for the judgment and the wisdom and the character of the Senator, I submit those grounds to him. If he finds them insufficient, I have no quarrel with him. If he finds them sufficient, as I have, I am that much more pleased.

Mr. REED. Ah! but then why does the Senator use the words "personally obnoxious" at all? If he has reasons against the confirmation, all well and good; let us weigh the reasons; but the fact of the nominee being personally obnoxious to him or not does not seem to me to enter into the case at all. If he puts it on the ground of a disqualification of this nominee because of what he has done, that is one thing. If he puts it on the ground of his being personally obnoxious to him, that is something totally different, so far as I am concerned.

Mr. BAILEY. Mr. President, let me respond to that.

Mr. REED. In other words, it depends on where the responsibility lies. If the Senator from North Carolina will assume the responsibility of saying this nominee is personally obnoxious, then I vote with him; but if he puts on me the responsibility of saying whether this man's newspaper interview is a sufficient reason for rejecting him, I should be forced in all honesty to say "no," I do not think it is a sufficient reason.

It just depends on where that responsibility lies, and according to the action of the Senator from North Carolina in assuming it or passing it to me. In other words, I offer him my vote if he will take the responsibility and make the objection on that ground.

Mr. BAILEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania further yield to the Senator from North Carolina?

Mr. REED. I yield.

Mr. BAILEY. I am not undertaking to impose a responsibility upon the senior Senator from Pennsylvania. I am sure he knows that. I hope he understands it.

Mr. REED. Of course, if I am to decide on the merit of his reasons, naturally there is a responsibility on me as well as on every other Senator.

Mr. BAILEY. Unquestionably there is; but I am in the position of having stated that the appointee is personally obnoxious, and having clearly stated the grounds, and having submitted them to the Senate.

Mr. REED. No; that raises two questions. The Senator first asks me whether I will honor his personal objection, and I unhesitatingly say I will. Then he asks me a second question, whether I think he is right in making the objection; and I must confess that if I were in his shoes, I would not make it, but in casting a single vote I have no way to answer the two questions.

Mr. BAILEY. Mr. President, I understand that the Senator's position is that he would vote against the confirmation if it were simply stated that the appointee was personally obnoxious, and nothing more were stated.

Mr. REED. Exactly; that is what I would do.

Mr. BAILEY. And that is the Senator's conception of the senatorial privilege here.

Mr. REED. That is right.

Mr. BAILEY. That may be. I heard the very clear statement made by the senior Senator from California [Mr. JOHNSON], and that was not his view.

Mr. REED. The Senator likewise heard the statement made by the Senator from Indiana [Mr. WATSON] who stated clearly that that was his view, and voted against the confirmation solely because the objection had been made, as he understood it.

Mr. BAILEY. And upon a statement that was almost precisely similar to the statement I made this morning—not going into the fullness of it, but a statement that he was personally obnoxious and on the ground as stated. Now I have reiterated that. Without intending in the slightest degree to impose upon the senior Senator from Pennsylvania any responsibility, and with a perfect willingness to assume my full share of the responsibility, having the conception that was expressed by the senior Senator from California, I could not do otherwise.

Then I have another conception, and while I am on my feet let me state it clearly.

I think, Mr. President, there is a law certainly as high as the moral law, and in some aspects of it superior in its appeal to the moral law, and that is the law of sportsmanship. As I said just now, I have been bred to believe that a man should not shoot a bird on the ground, or a rabbit in the brush, or a duck in the water; and I do not propose to take advantages like those. That is my difficulty here. It is not with any intention of transferring a responsibility upon any other Senator or upon the Senate as a whole, but wholly with a view to being fair, to being perfectly clear, and not taking any undue advantage of any human being.

That is as clear as I can make it, but I think I have already made it perfectly clear to the Senator that in whatsoever way he discharges his duty here he will have the utmost respect. There is no question about that.

Mr. REED. Mr. President, we have to do our duty, regardless of the consequences to ourselves.

Mr. GLASS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. REED. I yield to the Senator.

Mr. GLASS. I have no interest in this nomination other than that which attaches to any Senator. I have not followed as closely as I might have done the debate, but I have been somewhat astonished at the apparent change of attitude on the part of the senior Senator from Pennsylvania.

Mr. REED. Mr. President, if the Senator had been here an hour ago or half an hour ago and had heard the statement made by the Senator from North Carolina [Mr. BAILEY], he would not be astonished. The Senator from

North Carolina then stated that if he knew he could block this nomination by merely rising to his feet and saying, "This nominee is personally obnoxious to me," he would not do it.

Mr. GLASS. But I understood the senior Senator from Pennsylvania the other day to state that he would not regard an objection of that sort; that his objection to this nominee was that he had bitterly aspersed the courts of his own State.

Mr. REED. Not at all. I have the RECORD here.

Mr. ROBINSON of Arkansas. Mr. President, I call the Senator's attention to page 6727 of the CONGRESSIONAL RECORD. On that page, bottom of the first column, the Senator from Pennsylvania made this statement:

> According to the Senators from North Carolina, this nominee has spoken ill of the courts of his own State. He has denied their integrity. He has reproached them for an unwillingness to administer justice; and he has admitted that those charges were wholly unfair and unfounded, and has said that he has no evidence to sustain that attack upon the integrity of the courts. If that statement were made without warrant about the courts of my own State of Pennsylvania, I should unhesitatingly rise to my feet here and say that the nominee was wholly obnoxious to me; and I should ask the Senators, regardless of party, to deny him the confirmation of his appointment. It is not a question of party. It is a question that goes to the very integrity of the operation of our Government.
>
> It is upon that ground, and because the Senator from North Carolina has stated that this nominee is personally obnoxious, because he has flaunted and insulted the courts of that State without warrant, without excuse, that I feel myself justified in voting against this confirmation.

Mr. REED. That is exactly my position to-day. Now, then, if the Senator does not make the personal objection—and I understood him half an hour ago to say clearly that he did not and would not—if he does not, he throws upon me the responsibility of deciding whether this man's statement should justify the refusal of confirmation.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator pardon me?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. I call the Senator's attention to the fact that on March 23, when he made the remarks I have just read, he said that the nominee would be personally obnoxious to him because of the nominee's attack upon the courts of the State, and that he would make the personal objection, and upon that ground as well as upon the ground that the Senator from North Carolina had made a personal objection he would ask all Senators to join him in rejecting this nominee.

Mr. REED. Why, surely.

Mr. ROBINSON of Arkansas. The point is that the Senator from Pennsylvania did not rest his opposition to the nominee solely on the ground that the Senator from North Carolina had stated that the nominee was personally obnoxious. He rested it first upon the ground that the nominee had made an unwarranted attack upon the courts of his State—an attack which would have justified him in making a personal objection if the nominee had come from his own State.

Mr. REED. Precisely.

Mr. ROBINSON of Arkansas. Then he did add to that the declaration that upon the first ground and upon the objection of the Senator from North Carolina he would oppose the nomination.

Mr. REED. I made it perfectly plain that, according to the Senators from North Carolina, this man had insulted their courts; and because, according to them, he had insulted their courts, and because they made the objection that he was personally obnoxious, I felt it my duty to vote against the confirmation; and I will do it right now if either Senator will rise here and tell us that this man is personally obnoxious to him.

Mr. WALSH of Montana. Mr. President——

Mr. REED. I yield to the Senator from Montana.

Mr. WALSH of Montana. I should like to divert attention from this feature of the matter for a moment to another.

I spoke upon this subject the other day, when the nomination was under consideration. In the course of some remarks which the Senator from Pennsylvania made at that time, he said that we are all open to repeated attacks, slanderous, libelous in their character, and that most of us take the view that those attacks are best met by entirely ignoring them.

I think, though, that if the Senator had thought of that matter more carefully, he would have made some distinction. Of course, there are many things that are libelous, subjecting a man to ridicule or possibly to personal financial damage; but, really, Mr. President, I wonder if the fact is that the Members of the Senate are frequently charged with being corrupt, and entirely ignore charges of that character.

Mr. REED. Mr. President, we would have no public usefulness if we undertook to punish statements about our corruptibility that are made every day.

Mr. WALSH of Montana. No; but that is rather aside from the question. I quite agree that a man might libel a Member of the United States Senate without that justifying his rejection for a public office for which he was nominated by the President. I do not know how anyone else may regard the matter; but where anyone, without any justification or attempt to justify the statement, charges that a United States Senator is corrupt, and makes no defense whatever of the charge, I, for myself, would not elevate him to public office.

Mr. REED. I think that Mr. Jonas's interview which he allowed to be released to one newspaper went much too far. I agreed with the Senator the other day when I said that I thought his reference to Senator NYE was libelous. But we have to allow a lot of tolerance to a disappointed candidate just beaten for reelection. He does not look with favor upon the law, any more than the "thief who feels the halter draw"; and he pretty generally lays about him, and blames it on the election boards, and the corruption of his adversaries, and what not. We have seen that happen in all parties.

Mr. WALSH of Montana. That means that we should look lightly on the frailties of human nature.

Mr. REED. I think so; I am sure the Senator agrees with me in that. Mr. Jonas was angry, and he was angry at everybody, according to his statement. He seems to have laid around about him without much restraint. I forgive him that.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. GLASS. I do not find that there was no excuse for my interpretation of the attitude of the Senator from Pennsylvania on last March 23. He said distinctly that he would not vote against the confirmation of a man here because he had insulted or libeled or slandered a Senator, but he says now that he would vote against the confirmation of a man if the Senator thus libeled or insulted or slandered should say that the nomination was personally obnoxious to him. I would like to have the Senator from Pennsylvania indicate what would make a man personally obnoxious to him.

Mr. REED. The Senator from Virginia is a little bit confused as to what happened. This man was opposed for two reasons, one that he had libeled Senator NYE. Senator NYE comes from North Dakota, not from North Carolina. He has not said that the nomination is personally obnoxious; and if he did, I would not accord him the privilege of vetoing it, which I would cheerfully accord to either of the Senators from North Carolina.

If the nomination were made of somebody from North Dakota for an office to be executed in North Dakota, and Senator NYE made the objection, and said that he had been libeled, I would honor his objection, but not in some other State than his own. There is no question of anybody libeling the Senator from North Carolina.

Mr. GLASS. No; but there is a question of somebody bitterly assailing and libeling the courts of the State of North Carolina, upon which the Senator from Pennsylvania, as I understood him, grounded his opposition to this nomination.

Mr. REED. Yes; and now let us get away from the libel, because the Senator sees that has nothing to do with it.

Mr. GLASS. No; I do not see it. The Senator from Pennsylvania sees it, but I confess he has a more discerning mind than mine.

Mr. REED. I tried to make it clear, and evidently without success.

Mr. GLASS. It is my fault that the Senator did not make it clear to me.

Mr. REED. Oh, no; I do not mean that; I meant that the other day I tried to make it clear, and evidently without success, that these gentlemen having assigned their reasons, having stated that, as they viewed it, this man had insulted the courts of his own State, and having followed that with the statement that he was personally obnoxious, that ended the matter for me, and it does yet.

Mr. GLASS. The Senator from North Carolina has said that here to-day.

Mr. REED. On the contrary, he has risen this very morning to say that he does not object, and would not object, on that ground.

Mr. GLASS. He said 15 minutes ago that this nomination was personally obnoxious to him, and the reason he gave for it was the very reason the Senator from Pennsylvania gave for opposing him.

Mr. REED. Exactly; and then he followed that with the statement that if Senators did not approve his reasons, did not agree with him in making the objection, would not do it if they were in his place, then we should vote against his contention.

Mr. GLASS. Well, but the Senator from Pennsylvania absolutely accepted his reasons for considering the nomination personally obnoxious to him.

Mr. REED. Absolutely; and I will do it again to-day. But I am invited, first, to heed his objection, and next I am invited to weigh its merits; and that is the trouble. If that is not plain to the Senator from Virginia, it is to me; and that may be because I am confused.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. REED. I yield.

Mr. ROBINSON of Arkansas. I wish to point out to the Senator from Pennsylvania that the statement made by the Senator from North Carolina [Mr. BAILEY] upon this point this morning is almost identical with that which he made when the case was up for consideration before.

On page 6724 of the RECORD of March 23 I find this language in a speech by Mr. BAILEY:

> Again, Mr. Jonas, in this article, attacks the courts of the Commonwealth of North Carolina, and, so far as I am concerned, that is the gravamen of his offense. I do not hesitate to say that if he had attacked me personally I would not have filed objections to him on that account. If he had reflected upon me in a political campaign, I would have taken it as in the ordinary course of politics. If he had very greatly offended me personally, I can not conceive that I would be willing, and I do not think in the term that I shall serve here I shall ever be willing, to use the high privilege that is vested in a matter of this sort by way of venting anything that is personal or anything that is political. I hope the years which are to follow will justify the statement I have made.
>
> When Mr. Jonas, however, publishes to the world that justice can not be had in the courts of the Commonwealth which I represent here with my distinguished colleague, that is personally obnoxious to me; I resent it, I abhor it, and it moves me to throw everything I have in the way of personal resentment against the exaltation of the man who will deliberately utter words tending to bring obloquy and disgrace upon the courts of the Commonwealth of North Carolina.
>
> That is plain language. But I say here the most precious possession of my Commonwealth is the honor of its courts and the confidence of its people in the administration of justice there.
>
> Was the accusation of Mr. Jonas wanton? His own statement to the committee admits that he had no evidence and that he knew of no dereliction of duty.

May I point out to the Senator from Pennsylvania that the Senator from North Carolina repeated that statement, in briefer language, while the senior Senator from Indiana [Mr. WATSON] had the floor. The Senator from Indiana said:

> Mr. President, I heard somewhat indistinctly a portion of what the Senator said. I want to ask the specific question whether or not after having submitted this case in all its phases, he is willing to stand on the floor of the Senate and make the statement that this nomination is personally offensive and personally obnoxious to him?
>
> Mr. BAILEY. I made that statement and explained exactly why—not personal in a personal sense and with no intention whatever to use any power or privilege in this body in a personal way, but personal in the sense that he has offended against my Commonwealth wantonly and unjustly.

That statement is not substantially different from the statement the Senator from North Carolina [Mr. BAILEY] made this morning, and it is not substantially different from the statement which the Senator from Pennsylvania made, which he was good enough to permit me to read.

Mr. REED. Mr. President, I am not sure that the Senator from Arkansas was in the Chamber at the time, but about an hour ago the Senator from North Carolina, if I heard him correctly, rose and stated that if he knew he could stop this nomination by the simple statement, "This is personally obnoxious to me," he would not make that statement; and that left me absolutely in the air. In other words, I believe that what this man Jonas said about the courts of North Carolina is not sufficiently serious to deny him confirmation. Evidently a majority of the Democratic judges in his own district think as I do, because they have written in letters of recommendation.

Notwithstanding that, because of the custom that has obtained in the United States Senate since the creation of this Government, if the Senators from North Carolina, or either of them, will rise and say, "I accept the responsibility of construing this man's language, and I construe it to be an insult to the courts, and because of that I take the responsibility of saying this nomination is personally obnoxious," then that closes the case for me, and I shall vote against the confirmation.

Mr. WALSH of Montana and Mr. BAILEY rose.

The VICE PRESIDENT. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED. In just a moment I will yield to each Senator.

It is merely a question as to where the responsibility rests for weighing the nominee's fitness. If the Senator from North Carolina will assume that responsibility and exercise the power that is in him as a Member of this body, I will vote against the nomination. Otherwise, I will be compelled to say that I do not think that what this man said, in the heat of his anger, about the fruitlessness of appealing to the courts in election cases, is sufficiently serious to justify me in voting against him.

I yield to the Senator from Montana.

Mr. WALSH of Montana. Mr. President, some of these distinctions have become so very fine that I find it difficult to follow them. A man may be personally obnoxious to me because of some injury he has done to me personally which has no reference whatever to public affairs at all. It is a personal quarrel I have with him. He may be personally obnoxious to me, not because he has done any damage to me at all, but because he has mistreated some one else and has acted in a detestable way, so that I really abhor the man. Again, he may have libeled my State, and he may be personally objectionable and obnoxious to me for that reason. Or he may be personally obnoxious to me for half a dozen reasons. Whatever it may be, if he is personally obnoxious to me, the rule or custom applies.

So here, as I understand the Senator from North Carolina, this man is not personally obnoxious or objectionable to him because of any harm he has done to him or any harm he has done to any of his friends, or because of any act of his that is detestable in character, but because he has libeled his State and the courts of his State he is personally obnoxious to him. Is not that, from the public point of view, a very much better ground than to reject him just simply because of a personal quarrel he has with the Senator from North Carolina?

Mr. REED. Mr. President, here is the difference. I have said that I will honor the objection if it is made by the Senator; and let me explain.

This is not so trivial and foolish a custom as it sounds. We know the people of our home States better than the President of the United States possibly can know them. There are occasions when the assertion of this privilege we have built up here through custom is of great advantage to the people of the United States. There are occasions when injury might be done to innocent people by narrating in detail the reasons for our objections. Fortunately, we do not have to do it often, because we generally are given some opportunity by the appointing power to make known such objections if they exist. But it is not as senseless a custom as it may sound to some people who hear us discussing the present case.

If only the Senator from North Carolina will make his position clear, the whole thing will be simple. If he will rise and say, "I am exercising the privilege of a Senator to appraise the nominee from my State, and to appeal on the ground of his personal offensiveness, for the reason I have stated," and rest his case on that, I unhesitatingly will vote with him. If he says, as he did say some time this morning, that "I am asking the Senate to weigh the justice of my complaint," then he is putting his objection on a totally different ground. All I am trying to find out is, what is he doing? Is he exercising the privilege I concede to him as a Senator or is he inviting me to appraise the soundness of his objections? In the first case, I will vote with him; in the second, I can not.

Mr. BAILEY. Mr. President, with no intention whatever of trying to get a vote but with the best of intentions of trying to be perfectly fair and candid in this matter, I have stated in writing in a formal communication lodged with the committee that the appointment of Mr. Jonas is personally obnoxious to me.

Mr. REED. Does the Senator renew that statement here and now?

Mr. BAILEY. Precisely.

Mr. REED. Very good. Then I shall vote against the nominee.

Mr. BAILEY. One step farther. I want to be fair. I am not going to change my attitude in the slightest degree. I have given my reasons, and I have stated that they were in no sense personal to myself. I made that perfectly clear, too.

Mr. REED. It was perfectly clear the other day; it was not so clear this morning.

Mr. BAILEY. I think I gave the three reasons in my remarks this morning. I shall not go back over that ground.

Mr. REED. Then the Senator invited us to weigh those reasons.

Mr. BAILEY. I exercised my judgment and assume my responsibility, and communicated that first to the committee and then to the Senate. Now, if the Senator wishes me to pause there, or if any other Senator does, and to thrust the responsibility upon me, I cheerfully accept it.

Mr. REED. Very good. That settles it for me.

Mr. BAILEY. Wait! I have not finished. I am going to be perfectly fair about this.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Louisiana?

Mr. BAILEY. Certainly.

Mr. LONG. That states the Senator's case, does it?

Mr. BAILEY. Not fully. I was just completing my statement. If any other Senator differs with me in that I gave assurance on the floor of the Senate this morning, as I intend to give it as long as I live and serve in this body, or any other body of men, I shall respect their judgment. That was the object of my remarks this morning; and I shall accept their judgment without the slightest resentment or tendency to criticize or thought of misgiving.

Mr. REED. If I may suggest to the Senator, that sort of forbearance we all have to use; otherwise no one of us would be speaking to any of the other 95 after about a month of service in the Senate.

Mr. BAILEY. I will say at this point, if I may take the liberty of doing so, that in the brief period I have been here I have been more impressed with the tolerance that is exercised in this body than I have with any other of its activities or inactivities. I do not intend, so long as I am a Member of this body, to take any position that does not tend to sustain that very noble and very beautiful attribute of the Senate.

Now, I hope, Mr. President, that I have made myself clear about the matter, but if I have not any Senator, as I said, should feel at perfect liberty to ask me questions.

Mr. BORAH. Mr. President, when I came to the Senate, the rule or custom which has been under discussion to-day was practically an unbroken one. So far as my information goes, up to that time it had been universally applied, but since that time it has been broken a number of times or disregarded. I want, therefore, to say just a word in explanation of my vote.

I think the able and candid Senator from North Carolina [Mr. BAILEY] has brought himself within the rule, but I do not recognize the rule. I have not recognized it during the last 12 years. I became convinced it was unsound and not in the public interest. If the rule or custom is to be invoked and universally accepted, it is one thing. But broken as I have seen it done half a dozen different times, I do not think it is a safe guide or a safe rule to follow. But even if unbroken, is it a wise or just rule? The public is interested in just one proposition and that is whether the nominee is one who would be a fit public servant. Is he able, is he a man of integrity? The public is not interested in whether I like him or dislike him, or whether he is personally obnoxious to a Senator, or whether he is not. In my opinion there is only one safe rule the Senate can apply, and that is whether the nominee is a fit man to fill the place, not whether he is objectionable to some one.

I can well understand how the Senator from North Carolina could argue, and argue with force and logic, that this man is unfit to fill the position because of the fact that he libeled or slandered the institutions of the State wherein he seeks to hold public office. That would be a perfectly legitimate and logical position to take, and one might be induced to vote against a man who had taken the position that Mr. Jonas is alleged to have taken as to the courts of the State; but it would not be a personal matter with me. Therefore in casting my vote I wish it understood that I am not recognizing the rule or custom which is sought to be invoked in this instance. I think when we place our objection on personal grounds we lose sight of the public interest.

Mr. HASTINGS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Howell	Reed
Bailey	Cutting	Johnson	Robinson, Ark.
Bankhead	Dale	Jones	Schall
Barbour	Davis	Kean	Sheppard
Black	Dickinson	Kendrick	Shortridge
Blaine	Dill	Keyes	Smoot
Borah	Fess	King	Steiwer
Bratton	Fletcher	Lewis	Thomas, Okla.
Brookhart	Frazier	Logan	Townsend
Broussard	George	Long	Trammell
Bulkley	Glass	McGill	Tydings
Bulow	Glenn	McKellar	Vandenberg
Byrnes	Goldsborough	McNary	Walcott
Capper	Gore	Morrison	Walsh, Mass.
Caraway	Hale	Moses	Walsh, Mont.
Carey	Harrison	Norbeck	Wheeler
Connally	Hastings	Norris	White
Coolidge	Hatfield	Nye	
Copeland	Hayden	Oddie	

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. HASTINGS. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion made by the Senator from Delaware [Mr. HASTINGS] to reconsider the vote by which the Senate

refused to advise and consent to the appointment of Charles A. Jonas to be United States district attorney for the western district of North Carolina, on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GLENN (when his name was called). I have a general pair for the day with the junior Senator from West Virginia [Mr. NEELY], and therefore refrain from voting. If permitted to vote, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], and therefore withhold my vote. If at liberty to vote, I would vote "yea."

Mr. KEYES (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. HULL], and so withhold my vote. If permitted to vote, I would vote "yea."

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF], who is necessarily away because of illness. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. LEWIS (after having voted in the negative). I have voted, but I have a pair with the Senator from Minnesota [Mr. SHIPSTEAD], who has not come in. I desire to transfer that pair to the Senator from Missouri [Mr. HAWES] and will let my vote stand.

Mr. COSTIGAN. I am authorized to state that the Senator from West Virginia [Mr. NEELY] is unavoidably absent, and if he were present he would vote "nay."

Mr. GLASS (after having voted in the negative). I have a general pair with the senior Senator from Connecticut [Mr. BINGHAM]. Being told, however, that he would vote as I have voted, I shall permit my vote to stand.

Mr. LOGAN (after having voted in the negative). I have voted, but I have a general pair with the junior Senator from Pennsylvania [Mr. DAVIS], whom I do not see in the Chamber, and I therefore withdraw my vote.

Mr. WHEELER (after having voted in the negative). I have a general pair with the junior Senator from Idaho [Mr. THOMAS]. Not knowing how he would vote on this question, I am compelled to withdraw my vote.

Mr. FESS. I wish to announce the following general pairs:

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Indiana [Mr. ROBINSON] with the Senator from Mississippi [Mr. STEPHENS];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from South Carolina [Mr. SMITH].

If present, the Senator from Missouri [Mr. PATTERSON], the Senator from Indiana [Mr. ROBINSON], and the Senator from Colorado [Mr. WATERMAN] would vote "yea."

Mr. SHEPPARD. I wish to announce that the Senator from Missouri [Mr. HAWES] and the Senator from New York [Mr. WAGNER] are absent on official business.

The result was announced—yeas 26, nays 42, as follows:

YEAS—26

Austin	Fess	Kean	Steiwer
Barbour	Goldsborough	McNary	Townsend
Borah	Hale	Moses	Vandenberg
Brookhart	Hastings	Norbeck	Walcott
Capper	Hatfield	Oddie	White
Carey	Hebert	Schall	
Dickinson	Johnson	Smoot	

NAYS—42

Ashurst	Connally	Glass	Norris
Bailey	Coolidge	Gore	Pittman
Bankhead	Copeland	Harrison	Reed
Black	Costigan	Hayden	Robinson, Ark.
Blaine	Couzens	Kendrick	Sheppard
Bratton	Cutting	King	Thomas, Okla.
Broussard	Dale	Lewis	Trammell
Bulkley	Dill	Long	Walsh, Mass.
Bulow	Fletcher	McGill	Walsh, Mont.
Byrnes	Frazier	McKellar	
Caraway	George	Morrison	

NOT VOTING—28

Barkley	Hull	Nye	Swanson
Bingham	Jones	Patterson	Thomas, Idaho
Davis	Keyes	Robinson, Ind.	Tydings
Glenn	La Follette	Shipstead	Wagner
Harris	Logan	Shortridge	Waterman
Hawes	Metcalf	Smith	Watson
Howell	Neely	Stephens	Wheeler

So the motion of Mr. HASTINGS to reconsider was rejected.

COMMERCIAL TREATY WITH NORWAY

The VICE PRESIDENT. The Executive Calendar is in order. The first business thereon will be stated.

The Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive KK (70th Cong., 2d sess.), between the United States and Norway, which was read as follows:

The United States of America and the Kingdom of Norway, desirous of strengthening the bond of peace which happily prevails between them, by arrangements designed to promote friendly intercourse between their respective territories through provisions responsive to the spiritual, cultural, economic, and commercial aspirations of the peoples thereof, have resolved to conclude a Treaty of Friendship, Commerce and Consular Rights and for that purpose have appointed as their plenipotentiaries,

The President of the United States of America,

Mr. Frank B. Kellogg, Secretary of State of the United States of America; and

His Majesty the King of Norway,

Mr. H. H. Bachke, His Envoy Extraordinary and Minister Plenipotentiary to the United States of America;

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

ARTICLE 1

The nationals of each of the High Contracting Parties shall be permitted to enter, travel and reside in the territories of the other; to exercise liberty of conscience and freedom of worship; to engage in professional, scientific, religious, philanthropic, manufacturing and commercial work of every kind without interference; to carry on every form of commercial activity which is not forbidden by the local law; to employ agents of their choice, and generally to do anything incidental to or necessary for the enjoyment of any of the foregoing privileges upon the same terms as nationals of the State of residence or as nationals of the nation hereafter to be most favored by it, submitting themselves to all local laws and regulations duly established.

The nationals of either High Contracting Party within the territories of the other shall not be subjected to the payment of any internal charges or taxes other or higher than those that are exacted of and paid by its nationals. This paragraph does not apply to charges and taxes on the acquisition and exploitation of waterfalls, energy produced by waterfalls, mines or forests.

The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, and in all degrees of jurisdiction established by law.

The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation.

Nothing contained in this Treaty shall be construed to affect existing statutes of either of the High Contracting Parties in relation to the immigration of aliens or the right of either of the High Contracting Parties to enact such statutes.

ARTICLE 2

With respect to that form of protection granted by National, State or Provincial laws establishing civil liability

for bodily injuries or for death, and giving to relatives or heirs or dependents of an injured party a right of action or a pecuniary compensation, such relatives or heirs or dependents of the injured party, himself a national of either of the High Contracting Parties and within any of the territories of the other, shall regardless of their alienage or residence outside of the territory where the injury occurred, enjoy the same rights and privileges as are or may be granted to nationals, and under like conditions.

ARTICLE 3

The dwellings, warehouses, manufactories, shops, and other places of business, and all premises thereto appertaining of the nationals of each of the High Contracting Parties in the territories of the other, used for any purposes set forth in Article 1, chall be respected. It shall not be allowable to make a domiciliary visit to, or search of any such buildings and premises, or there to examine and inspect books, papers or accounts, except under the conditions and in conformity with the forms prescribed by the laws, ordinances and regulations for nationals.

ARTICLE 4

Where, on the death of any person holding real or other immovable property or interests therein within the territories of one High Contracting Party, such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or nonresident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary, and withdraw the proceeds thereof, without restraint or interference, and exempt from any succession, probate or administrative duties or charges other than those which may be imposed in like cases upon the nationals of the country from which such proceeds may be drawn.

Nationals of either High Contracting Party may have full power to dispose of their personal property of every kind within the territories of the other, by testament, donation, or otherwise, and their heirs, legatees and donees, of whatsoever nationality, whether resident or nonresident, shall succeed to such personal property, and may take possession thereof, either by themselves or by others acting for them, and retain or dispose of the same at their pleasure subject to the payment of such duties or charges only as the nationals of the High Contracting Party within whose territories such property may be or belong shall be liable to pay in like cases. In the same way, personal property left to nationals of one of the High Contracting Parties by nationals of the other High Contracting Party, and being within the territories of such other Party, shall be subject to the payment of such duties or charges only as the nationals of the High Contracting Party within whose territories such property may be or belong shall be liable to pay in like cases.

ARTICLE 5

The nationals of each of the High Contracting Parties in the exercise of the right of freedom of worship, within the territories of the other, as hereinabove provided, may, without annoyance or molestation of any kind by reason of their religious belief or otherwise, conduct services either within their own houses or within any appropriate buildings which they may be at liberty to erect and maintain in convenient situations, provided their teachings or practices are not contrary to public morals; and they may also be permitted to bury their dead according to their religious customs in suitable and convenient places established and maintained for the purpose, subject to the reasonable mortuary and sanitary laws and regulations of the place of burial.

ARTICLE 6

In the event of war between either High Contracting Party and a third State, such Party may draft for compulsory military service nationals of the other having a permanent residence within its territories and who have formally, according to its laws, declared an intention to adopt its nationality by naturalization, unless such individuals depart from the territories of said belligerent Party within sixty days after a declaration of war.

It is agreed, however, that such right to depart shall not apply to natives of the country drafting for compulsory military service who, being nationals of the other Party, have declared an intention to adopt the nationality of their nativity. Such natives shall nevertheless be entitled in respect of this matter to treatment no less favorable than that accorded the nationals of any other country who are similarly situated.

ARTICLE 7

Between the territories of the High Contracting Parties there shall be freedom of commerce and navigation. The nationals of each of the High Contracting Parties equally with those of the most favored nation, shall have liberty freely to come with their vessels and cargoes to all places, ports and waters of every kind within the territorial limits of the other which are or may be open to foreign commerce and navigation. Nothing in this Treaty shall be construed to restrict the right of either High Contracting Party to impose, on such terms as it may see fit, prohibitions or restrictions designed to protect human, animal, or plant health or life, or regulations for the enforcement of revenue or police laws, including laws prohibiting or restricting the importation or sale of alcoholic beverages or narcotics.

Each of the High Contracting Parties binds itself unconditionally to impose no higher or other duties, charges or conditions and no prohibition on the importation of any article, the growth, produce or manufacture, of the territories of the other Party, from whatever place arriving, than are or shall be imposed on the importation of any like article, the growth, produce or manufacture of any other foreign country; nor shall any duties, charges, conditions or prohibitions on importations be made effective retroactively on imports already cleared through the customs, or on goods declared for entry into consumption in the country.

Each of the High Contracting Parties also binds itself unconditionally to impose no higher or other charges or other restrictions or prohibitions on goods exported to the territories of the other High Contracting Party than are imposed on goods exported to any other foreign country.

Any advantage of whatsoever kind which either High Contracting Party may extend by treaty, law, decree, regulation, practice or otherwise, to any article, the growth, produce, or manufacture of any other foreign country shall simultaneously and unconditionally, without request and without compensation, be extended to the like article the growth, produce or manufacture of the other High Contracting Party.

All articles which are or may be legally imported from foreign countries into ports of the United States or are or may be legally exported therefrom in vessels of the United States may likewise be imported into those ports or exported therefrom in Norwegian vessels without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in vessels of the United States; and reciprocally, all articles which are or may be legally imported from foreign countries into the ports of Norway or are or may be legally exported therefrom in Norwegian vessels may likewise be imported into these ports or exported therefrom in vessels of the United States without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in Norwegian vessels.

In the same manner there shall be perfect reciprocal equality in relation to the flags of the two countries with regard to bounties, drawbacks, and other privileges of this nature of whatever denomination which may be allowed in the territories of each of the Contracting Parties, on goods imported or exported in national vessels so that such bounties, drawbacks and other privileges shall also and in like manner be allowed on goods imported or exported in vessels of the other country.

With respect to the amount and collection of duties on imports and exports of every kind, each of the two High

Contracting Parties binds itself to give to the nationals, vessels and goods of the other the advantage of every favor, privilege or immunity which it shall have accorded to the nationals, vessels and goods of a third State, whether such favored State shall have been accorded such treatment gratuitously or in return for reciprocal compensatory treatment. Every such favor, privilege or immunity which shall hereafter be granted the nationals, vessels or goods of a third State shall simultaneously and unconditionally, without request and without compensation, be extended to the other High Contracting Party, for the benefit of itself, its nationals, vessels, and goods.

The stipulations of this Article do not extend to the treatment which is accorded by the United States to the commerce of Cuba under the provisions of the Commercial Convention concluded by the United States and Cuba on December 11, 1902, or any other commercial convention which hereafter may be concluded by the United States with Cuba. Such stipulations, moreover, do not extend to the commerce of the United States with the Panama Canal Zone or with any of the dependencies of the United States or to the commerce of the dependencies of the United States with one another under existing or future laws.

No claim may be made by virtue of the stipulations of the present Treaty to any privileges that Norway has accorded, or may accord, to Denmark, Iceland or Sweden, as long as the same privilege has not been extended to any other country.

Neither of the High Contracting Parties shall by virtue of the provisions of the present Treaty be entitled to claim the benefits which have been granted or may be granted to neighboring States in order to facilitate short boundary traffic.

ARTICLE 8

The nationals, goods, products, wares, and merchandise of each High Contracting Party within the territories of the other shall receive the same treatment as nationals, goods, products, wares, and merchandise of the country with regard to internal taxes, transit duties, charges in respect to warehousing and other facilities and the amount of drawbacks and export bounties.

ARTICLE 9

The vessels and cargoes of one of the High Contracting Parties shall, within the territorial waters and harbors of the other Party in all respects and unconditionally be accorded the same treatment as the vessels and cargoes of that Party, irrespective of the port of departure of the vessel, or the port of destination, and irrespective of the origin or the destination of the cargo. It is especially agreed that no duties of tonnage, harbor, pilotage, lighthouse, quarantine, or other similar or corresponding duties or charges of whatever denomination, levied in the name or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind shall be imposed in the ports of the territories or territorial waters of either country upon the vessels of the other, which shall not equally, under the same conditions, be imposed on national vessels.

ARTICLE 10

Merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties, and carrying the papers required by its national laws in proof of nationality shall, both within the territorial waters of the other High Contracting Party and on the high seas, be deemed to be the vessels of the Party whose flag is flown.

ARTICLE 11

Merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties shall be permitted to discharge portions of cargoes at any port open to foreign commerce in the territories of the other High Contracting Party, and to proceed with the remaining portions of such cargoes to any other ports of the same territories open to foreign commerce, without paying other or higher tonnage dues or port charges in such cases than would be paid by national vessels in like circumstances, and they shall be permitted to load in like manner at different ports in the same voyage outward, provided, however, that the coasting trade of the High Contracting Parties is exempt from the provisions of this Article and from the other provisions of this Treaty, and is to be regulated according to the laws of each High Contracting Party in relation thereto. It is agreed, however, that nationals of either High Contracting Party shall within the territories of the other enjoy with respect to the coasting trade the most favored nation treatment.

ARTICLE 12

Limited liability and other corporations and associations, whether or not for pecuniary profit, which have been or may hereafter be organized in accordance with and under the laws, National, State or Provincial, of either High Contracting Party and maintain a central office within the territories thereof, shall have their juridical status recognized by the other High Contracting Party provided that they pursue no aims within its territories contrary to its laws. They shall enjoy free access to the courts of law and equity, on conforming to the laws regulating the matter, as well for the prosecution as for the defense of rights in all the degrees of jurisdiction established by law.

The right of such corporations and associations of either High Contracting Party so recognized by the other to establish themselves in the territories of the other Party, establish branch offices and fulfill their functions therein shall depend upon, and be governed solely by, the consent of such Party as expressed in its National, State, or Provincial laws.

ARTICLE 13

The nationals of either High Contracting Party shall enjoy within the territories of the other, reciprocally and upon compliance with the conditions there imposed, such rights and privileges as have been or may hereafter be accorded the nationals of any other State with respect to the organization of and participation in limited liability and other corporations and associations, for pecuniary profit or otherwise, including the rights of promotion, incorporation, purchase and ownership and sale of shares and the holding of executive or official positions therein. In the exercise of the foregoing rights and with respect to the regulation or procedure concerning the organization or conduct of such corporations or associations, such nationals shall be subjected to no condition less favorable than those which have been or may hereafter be imposed upon the nationals of the most favored nation. The rights of any of such corporations or associations as may be organized or controlled or participated in by the nationals of either High Contracting Party within the territories of the other to exercise any of their functions therein, shall be governed by the laws and regulations, National, State or Provincial, which are in force or may hereafter be established within the territories of the Party wherein they propose to engage in business.

The nationals of either High Contracting Party shall, moreover, enjoy within the territories of the other, reciprocally and upon compliance with the conditions there imposed, such rights and privileges as have been or may hereafter be accorded the nationals of any other State with respect to the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain of the other.

ARTICLE 14

Commercial travelers representing manufacturers, merchants and traders domiciled in the territories of either High Contracting Party shall on their entry into and sojourn in the territories of the other Party and on their departure therefrom be accorded the most favored nation treatment in respect of customs and other privileges and of all charges and taxes of whatever denomination applicable to them or to their samples.

If either High Contracting Party require the presentation of an authentic document establishing the identity and authority of a commercial traveler, a signed statement by the concern or concerns represented, certified by a consular officer of the country of destination shall be accepted as satisfactory.

ARTICLE 15

There shall be complete freedom of transit through the territories including territorial waters of each High Contracting Party on the routes most convenient for international transit, by rail, navigable waterway, and canal, other than the Panama Canal and waterways and canals which constitute international boundaries, to persons and goods coming from, going to or passing through the territories of the other High Contracting Party, except such persons as may be forbidden admission into its territories or goods of which the importation may be prohibited by law or regulations. The measures of a general or particular character which either of the High Contracting Parties is obliged to take in case of an emergency affecting the safety of the State or vital interests of the country may, in exceptional cases and for as short a period as possible, involve a deviation from the provisions of this paragraph, it being understood that the principle of freedom of transit must be observed to the utmost possible extent.

Persons and goods in transit shall not be subjected to any transit duty, or to any unnecessary delays or restrictions, or to any discrimination as regards charges, facilities, or any other matter.

Goods in transit must be entered at the proper customhouse, but they shall be exempt from all customs or other similar duties.

All charges imposed on transport in transit shall be reasonable, having regard to the conditions of the traffic.

ARTICLE 16

Each of the High Contracting Parties agrees to receive from the other, consular officers in those of its ports, places and cities, where it may be convenient and which are open to consular representatives of any foreign country.

Consular officers of each of the High Contracting Parties shall after entering upon their duties, enjoy reciprocally in the territories of the other all the rights, privileges, exemptions and immunities which are enjoyed by officers of the same grade of the most favored nation. As official agents, such officers shall be entitled to the high consideration of all officials, national or local, with whom they have official intercourse in the State which receives them.

The Government of each of the High Contracting Parties shall furnish free of charge the necessary exequatur of such consular officers of the other as present a regular commission signed by the chief executive of the appointing State and under its great seal; and they shall issue to a subordinate or substitute consular officer duly appointed by an accepted superior consular officer with the approbation of his Government, or by any other competent officer of that Government, such documents as according to the laws of the respective countries shall be requisite for the exercise by the appointee of the consular function. On the exhibition of an exequatur, or other document issued in lieu thereof to such subordinate, such consular officer shall be permitted to enter upon his duties and to enjoy the rights, privileges and immunities granted by this Treaty.

ARTICLE 17

Consular officers, nationals of the State by which they are appointed, and not engaged in any profession, business or trade, shall be exempt from arrest except when charged with the commission of offenses locally designated as crimes other than misdemeanors and subjecting the individual guilty thereof to punishment. Such officers shall be exempt from military billetings, and from service of any military or naval, administrative or police character whatsoever.

In criminal cases the attendance at the trial by a consular officer as a witness may be demanded by the prosecution or defense, or by the court. The demand shall be made with all possible regard for the consular dignity and the duties of the officer; and there shall be compliance on the part of the consular officer.

When the testimony of a consular officer who is a national of the State which appoints him and is engaged in no private occupation for gain, is taken in civil cases, it shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at the trial whenever it is possible to do so without serious interference with his official duties.

No consular officer shall be required to testify in either criminal or civil cases regarding acts performed by him in his official capacity

ARTICLE 18

Consular officers, including employees in a consulate, nationals of the State by which they are appointed other than those engaged in private occupations for gain within the State where they exercise their functions shall be exempt from all taxes, National, State, Provincial and Municipal, levied upon their persons or upon their property, except taxes levied on account of the possession or ownership of immovable property situated in, or income derived from property of any kind situated or belonging within the territories of the State within which they exercise their functions. All consular officers and employees, nationals of the State appointing them, and not engaged in any profession, business or trade, shall be exempt from the payment of taxes on the salary, fees or wages received by them in compensation for their consular services.

ARTICLE 19

Consular officers may place over the outer door of their respective offices the arms of their State with an appropriate inscription designating the official office. Such officers may also hoist the flag of their country on their offices including those situated in the capitals of the two countries. They may likewise hoist such flag over any boat or vessel employed in the exercise of the consular function.

The consular offices and archives shall at all times be inviolable. They shall under no circumstances be subjected to invasion by any authorities of any character within the country where such offices are located. Nor shall the authorities under any pretext make any examination or seizure of papers or other property deposited within a consular office. Consular offices shall not be used as places of asylum. No consular officers shall be required to produce official archives in court or testify as to their contents.

When a consular officer is engaged in business of any kind within the country which receives him, the archives of the consulate and the documents relative to the same shall be kept in a place entirely apart from his private or business papers.

Upon the death, incapacity, or absence of a consular officer having no subordinate consular officer at his post, secretaries or chancellors, whose official character may have previously been made known to the Government of the State where the consular function was exercised, may temporarily exercise the consular function of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, prerogatives and immunities granted to the incumbent.

ARTICLE 20

Consular officers of either High Contracting Party may, within their respective consular districts, address the authorities concerned, National, State, Provincial or Municipal, for the purpose of protecting the nationals of the State by which they are appointed in the enjoyment of their rights accruing by treaty or otherwise. Complaint may be made for the infraction of those rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through the diplomatic channel, and in the absence of a diplomatic representative, a consul general or the consular officer stationed at the capital may apply directly to the Government of the country.

ARTICLE 21

Consular officers may, in pursuance of the laws of their own country, take, at any appropriate place within their respective districts, the depositions of any occupants of vessels of their own country, or of any national of, or of any person having permanent residence within the territories of, their own country. Such officers may draw up, attest, certify and authenticate unilateral acts, deeds and testamentary dispositions of their countrymen, and also contracts to which a countryman is a party. They may draw up, attest, certify

and authenticate written instruments of any kind purporting to express or embody the conveyance or encumbrance of property of any kind within the territory of the State by which such officers are appointed, and unilateral acts, deeds, testamentary dispositions and contracts relating to property situated, or business to be transacted within, the territories of the State by which they are appointed, embracing unilateral acts, deeds, testamentary dispositions or agreements executed solely by nationals of the State within which such officers exercise their functions.

Instruments and documents thus executed and copies and translations thereof, when duly authenticated under his official seal by the consular officer shall be received as evidence in the territories of the Contracting Parties as original documents or authenticated copies, as the case may be, and shall have the same force and effect as if drawn by and executed before a notary or other public officer duly authorized in the country by which the consular officer was appointed; provided, always that such documents shall have been drawn and executed in conformity to the laws and regulations of the country where they are designed to take effect.

ARTICLE 22

A consular officer shall have exclusive jurisdiction over controversies arising out of the internal order of private vessels of his country, and shall alone exercise jurisdiction in cases, wherever arising, between officers and crews, pertaining to the enforcement of discipline on board, provided the vessel and the persons charged with wrongdoing shall have entered a port within his consular district. Such an officer shall also have jurisdiction over issues concerning the adjustment of wages and the execution of contracts relating thereto provided, however, that such jurisdiction shall not exclude the jurisdiction conferred on local authorities under existing or future laws.

When an act committed on board of a private vessel under the flag of the State by which the consular officer has been appointed and within the territorial waters of the State to which he has been appointed constitutes a crime according to the laws of that State, subjecting the person guilty thereof to punishment as a criminal, the consular officer shall not exercise jurisdiction except in so far as he is permitted to do so by the local law.

A consular officer may freely invoke the assistance of the local police authorities in any matter pertaining to the maintenance of internal order on board of a vessel under the flag of his country within the territorial waters of the State to which he is appointed, and upon such a request the requisite assistance shall be given.

A consular officer may appear with the officers and crews of vessels under the flag of his country before the judicial authorities of the State to which he is appointed for the purpose of observing the proceedings and rendering such assistance as may be permitted by the local laws.

ARTICLE 23

In case of the death of a national of either High Contracting Party in the territory of the other without having in the territory of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the State of which the deceased was a national of the fact of his death, in order that necessary information may be forwarded to the parties interested.

Likewise in case of the death of a resident of either of the High Contracting Parties in the territory of the other Party from whose remaining papers which may come into the possession of the local authorities, it appears that the decedent was a native of the other High Contracting Party, the proper local authorities shall at once inform the nearest consular officer of that Party of the death.

In case of the death of a national of either of the High Contracting Parties without will or testament whereby he has appointed testamentary executors, in the territory of the other High Contracting Party, the consular officer of the State of which the deceased was a national and within whose district the deceased made his home at the time of death, shall, so far as the laws of the country permit and pending the appointment of an administrator and until letters of administration have been granted, be deemed qualified to take charge of the property left by the decedent for the preservation and protection of the same. Such consular officer shall have the right to be appointed as administrator within the discretion of a tribunal or other agency controlling the administration of estates provided the laws of the place where the estate is administered so permit.

Whenever a consular officer accepts the office of administrator of the estate of a deceased countryman, he subjects himself as such to the jurisdiction of the tribunal or other agency making the appointment for all necessary purposes to the same extent as a national of the country where he was appointed.

ARTICLE 24

A consular officer of either High Contracting Party shall within his district have the right to appear personally or by delegate in all matters concerning the administration and distribution of the estate of a deceased person under the jurisdiction of the local authorities for all such heirs or legatees in said estate, either minors or adults, as may be nonresidents and nationals of the country represented by the said consular officer, with the same effect as if he held their mandate to represent them, unless such heirs or legatees themselves have appeared, either in person or by duly authorized representative.

A consular officer of either High Contracting Party may in behalf of his non-resident countrymen collect and receipt for their distributive shares derived from estates in process of probate or accruing under the provisions of so-called Workmen's Compensation Laws or other like statutes, for transmission through channels prescribed by his Government to the proper distributees.

ARTICLE 25

A consular officer of either High Contracting Party shall have the right to inspect within the ports of the other High Contracting Party within his consular district, the private vessels of any flag destined or about to clear for ports of the country appointing him in order to observe the sanitary conditions and measures taken on board such vessels, and to be enabled thereby to execute intelligently bills of health and other documents required by the laws of his country, and to inform his Government concerning the extent to which its sanitary regulations have been observed at ports of departure by vessels destined to its ports, with a view to facilitating entry of such vessels therein.

In exercising the right conferred upon them by this Article, consular officers shall act with all possible despatch and without unnecessary delay.

ARTICLE 26

Each of the High Contracting Parties agrees to permit the entry free of all duty of all furniture, equipment and supplies intended for official use in the consular offices of the other, and to extend to such consular officers of the other and their families and suites as are its nationals, the privilege of entry free of duty of their baggage and all other personal property, accompanying the officer, his family or suite, to his post, provided, nevertheless, that no article, the importation of which is prohibited by the law of either of the High Contracting Parties, may be brought into its territories. Personal property imported by consular officers, their families or suites during the incumbency of the officers shall be accorded on condition of reciprocity the customs privileges and exemptions accorded to consular officers of the most favored nation.

It is understood, however, that this privilege shall not be extended to consular officers who are engaged in any private occupation for gain in the countries to which they are accredited, save with respect to Governmental supplies.

ARTICLE 27

All proceedings relative to the salvage of vessels of either High Contracting Party wrecked upon the coasts of the other shall be directed by the consular officer of the country to which the vessel belongs and within whose district the wreck may have occurred, or by some other person au-



thorized thereto by the law of that country. Pending the arrival of such officer, who shall be immediately informed of the occurrence, or the arrival of such other person, whose authority shall be made known to the local authorities by the consular officer, the local authorities shall take all necessary measures for the protection of persons and the preservation of wrecked property. The local authorities shall not otherwise interfere than for the maintenance of order, the protection of the interests of the salvors, if these do not belong to the crews that have been wrecked and to carry into effect the arrangements made for the entry and exportation of the merchandise saved. It is understood that such merchandise is not to be subjected to any customhouse charges, unless it be intended for consumption in the country where the wreck may have taken place.

The intervention of the local authorities in these different cases shall occasion no expense of any kind, except such as may be caused by the operations of salvage and the preservation of the goods saved, together with such as would be incurred under similar circumstances by vessels of the nation.

ARTICLE 28

Subject to any limitation or exception hereinabove set forth, or hereafter to be agreed upon the territories of the High Contracting Parties to which the provisions of this Treaty extend shall be understood to comprise all areas of land, water, and air over which the Parties respectively claim and exercise dominion as sovereign thereof, except the Panama Canal Zone and Svalbard.

ARTICLE 29

The present Treaty shall remain in full force for the term of three years from the date of the exchange of ratifications, on which date it shall begin to take effect in all of its provisions.

If within one year before the expiration of the aforesaid period of three years neither High Contracting Party notifies to the other an intention of modifying by change or omission, any of the provisions of any of the Articles in this Treaty or of terminating it upon the expiration of the aforesaid period, the Treaty shall remain in full force and effect after the aforesaid period and until one year from such a time as either of the High Contracting Parties shall have notified to the other an intention of modifying or terminating the Treaty.

The present Treaty shall, from the date of the exchange of ratifications be deemed to supplant, as between the United States and Norway, the Treaty of Commerce and Navigation concluded by the United States and the King of Norway and Sweden on July 4, 1827.

ARTICLE 30

The present Treaty shall be ratified, and the ratifications thereof shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the same and have affixed their seals thereto.

Done in duplicate, in the English and Norwegian languages at Washington, this 5th day of June 1928.

FRANK B. KELLOGG.
H. H. BACHKE.

ADDITIONAL ARTICLE

The United States of America and the Kingdom of Norway by the undersigned, the Secretary of State of the United States and the Minister of Norway at Washington, their duly empowered Plenipotentiaries, agree as follows:

Notwithstanding the provision in the third paragraph of Article XXIX of the Treaty of Friendship, Commerce and Consular Rights between the United States and Norway, signed June 5, 1928, that the said treaty shall from the date of the exchange of ratifications thereof be deemed to supplant as between the United States and Norway the treaty of Commerce and Navigation concluded by the United States and the King of Norway and Sweden on July 4, 1827, the provisions of Article I of the latter treaty concerning the entry and residence of the nationals of the one country in the territories of the other for purposes of trade shall continue in full force and effect.

The present additional Article shall be considered to be an integral part of the treaty signed June 5, 1928, as fully and completely as if it had been included in that treaty, and as such integral part shall be subject to the provisions in Article XXIX thereof in regard to ratification, duration and termination concurrently with the other Articles of the treaty.

Done, in duplicate, in the English and Norwegian languages, at Washington this 25th day of February, 1929.

FRANK B. KELLOGG [SEAL]
H. H. BACHKE [SEAL]

Mr. WALSH of Montana. Mr. President, I have asked that action on the treaties pending on the calendar be deferred until after the consideration of what is known as the tariff bill, because certain provisions of the treaties have a very important relation to a paragraph in that proposed act. I refer to the concluding paragraph thereof, which reads as follows:

The President be, and he is hereby, authorized and requested, at as early a date as may be convenient to proceed to negotiate with foreign governments reciprocal-trade agreements under a policy of mutual tariff concession. Such agreements shall not be operative until Congress by law shall have approved them.

This provision of the tariff bill was inspired by the realization of the fact that within the last two or three years high tariff walls have been erected by a great many of the nations of the world, thus constituting very serious objections to international trade, which has suffered from that and from other causes. It was hoped that some relief from that situation might be afforded either by an international conference, where the whole subject would be considered and possibly a multilateral treaty might be entered into providing for a general reduction of duties all around, or by specific agreements between our Government and some other governments by which concessions would be made by us for concessions given by them. The treaties before us, however, would seem to interfere seriously with all arrangements of that character, by reason of what is known as the "most-favored-nation" clause in those treaties. The same clause is found in 10 treaties which have had the concurrence of the Senate within as many years, and there are 16 other treaties already negotiated with other nations containing a similar provision which, in due course of time, will be submitted to the Senate for action.

The language of the most-favored-nation clause in these treaties departs from the language which has heretofore generally been adopted. The change is one of very considerable importance, and I did not feel that it was advisable that the Senate should act upon these treaties until it thoroughly understood what the difference in the language means.

The difference exists in the introduction of the word "unconditional." For instance, in the treaty with Norway, which is the first on the calendar, at page 6, the following language will be found:

Each one of the high contracting parties binds itself unconditionally—

Observe "binds itself unconditionally"—

to impose no higher or other duties, charges, or conditions, and no prohibition on the importation of any article, the growth, produce, or manufacture of the territories of the other party, from whatever place arriving, than are or shall be imposed on the importation of any like article, the growth, produce, or manufacture of any other foreign country.

Then, in the next paragraph occurs the following:

Each of the high contracting parties also binds itself unconditionally to impose no higher or other charges or other restrictions or prohibitions on goods exported to the territories of the other high contracting party than are imposed on goods exported to any other country.

Similar language will be found in the treaty with Poland in article 6, on page 4; indeed, I believe the language is identical.

The introduction, as I have stated, of the word "unconditional" is a departure from our practice. I read, for instance, from the Jay treaty of 1794, which became the model for many commercial treaties of the United States with other powers, as follows:

It is agreed that no other or higher duties shall be paid by the ships or merchandise of the one party in the ports of the other than such as are paid by the like vessels or merchandise of any other nations. Nor shall any other or higher duty be imposed in one country on the importation of any articles, the growth, produce, or manufacture of the other than are or shall be payable on the importation of the like articles being of the growth, produce, or manufacture of any other foreign country.

That kind of a most-favored-nation clause is said by the writers upon international law to be a conditional most-favored-nation clause, and under it we may give concessions to one particular country, in return for concession by that country to us, and other countries are not entitled to get the same reduction which we give to that particular country in return for concessions which it makes to us. However, under the unconditional most-favored-nation clause, no matter what the condition is under which we give concessions to one country, we must give immediately those same concessions to every other country with which we have the unconditional most-favored-nation clause.

Mr. BORAH. Mr. President, may I ask the Senator a question?

Mr. WALSH of Montana. I yield.

Mr. BORAH. Does not that fact tend to bring about lower duties and lower tariffs, instead of higher ones?

Mr. WALSH of Montana. I was going to discuss that question in a moment.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I do.

Mr. SMOOT. Is there any case where we have given a lower tariff to any one particular country as against the other countries?

Mr. WALSH of Montana. No. The policy of this country has been quite to the contrary.

Mr. SMOOT. Quite to the contrary.

Mr. WALSH of Montana. The policy of this country has been not to make agreements giving concessions in return for concessions. However, it will be remembered that we did give a concession of 20 per cent to Cuba, and under the treaties as we had them prior to the time that we changed it we were entitled to give that concession to Cuba because Cuba gave us a consideration for that concession. Therefore we were not obliged to give the same concession to other countries; but if now we gave to Cuba a further concession, we will say, of 5 per cent or 10 per cent, we should be obliged to give a like concession to every country with which we had a treaty containing the unconditional most-favored-nation clause.

Mr. SMOOT. The reason why it was granted to Cuba grew out of the fact of the war.

Mr. WALSH of Montana. Of course.

Mr. SMOOT. And there is no other country in the world that is in the same situation.

Mr. WALSH of Montana. Exactly; but now we agree unconditionally that we will give to every country with which we have this treaty the same concession that we give to any country. Accordingly, if we gave Cuba now any further concession, we should be obliged to give it to every other country.

The operation of the thing would be this: One of these recent treaties containing the unconditional most-favored-nation clause is with Germany. We have not any such, for instance, with Spain; but suppose, now, that we were quite willing to admit into this country commodities from Spain at a lower rate than the rate provided in the act on condition that Spain admit into Spain importations from this country at a lower rate than the regular rate in Spain—for instance, automobiles. Spain puts up a very high import duty on automobiles, we will say, and we are rather disturbed about it. We import from Spain, we will say, some commodities that we really do not get from anywhere else; and we say to Spain, "If you will reduce the rate on automobiles, we will reduce the rate upon this particular commodity coming from your country."

Mr. SMOOT. And that would be a violation of our treaty.

Mr. WALSH of Montana. No; it would not be a violation of our treaty at all. We are entitled to do it under the treaty; but the effect of it would be that every other nation with which we have the most-favored-nation clause would automatically get the same reduction in rates, although they gave us nothing at all for it. In other words, the operation of it is to prevent our country from making agreements with other countries for reciprocal reductions in the tariff.

I was hoping that in either one way or the other—either by an international conference the result of which would be a general reduction in rates, agreed to all around, or otherwise—this would be effected; or, if that was impossible, by negotiating special agreements by which the reduction in rates would be effected.

Mr. NORRIS. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Nebraska.

Mr. NORRIS. I had my attention drawn to something else and did not hear the Senator when he read the clause that is contained in this treaty pending in the Senate. Will the Senator be kind enough to read it again?

Mr. WALSH of Montana. Yes. I read from the treaty with Norway:

Each of the high contracting parties binds itself unconditionally to impose no higher or other duties, charges, or conditions and no prohibition on the importation of any article, the growth, produce, or manufacture of the territories of the other party, from whatever place arriving, than are or shall be imposed on the importation of any like article, the growth, produce, or manufacture of any other foreign country.

Mr. NORRIS. Does the same language appear in some of the present existing treaties?

Mr. WALSH of Montana. There are 10 treaties of the United States ratified by the Senate in which the same provision is found; and 16 other treaties with this clause in it have been negotiated which still await action by the Senate. I am calling attention to the fact that that is a departure from our invariable policy heretofore, which has left us free to make special concessions to particular countries in return for concessions which were made by those countries to us.

Mr. BORAH. That is, a departure since the war. All our treaties since the war have an unconditional clause in them. Prior to that time we had the clause which the Senator read a few moments ago; but since that time, beginning with Germany, we have had the unconditional clause in all treaties which we have negotiated.

Mr. WALSH of Montana. I have here the dates of the treaty. That does not seem to be quite right.

Mr. BORAH. Yes; I think the German treaty of commerce was the first.

Mr. WALSH of Montana. We go away back to 1882, when we had such a treaty with Yugoslavia. I do not know how that comes about. The next earliest is with Germany, October 14, 1925. The next is with Hungary, October 4, 1926.

Mr. BORAH. The first one was with Germany in 1924, was it not?

Mr. WALSH of Montana. Nineteen hundred and twenty-five.

Mr. BORAH. That established the policy of this Government after the war.

Mr. WALSH of Montana. I do not understand that the war had anything to do with it.

Mr. BORAH. Only this—that when we began to rewrite all these commercial treaties the question was considered and made a part of all the treaties thereafter.

Mr. WALSH of Montana. I am sure it never was considered by the Senate.

Mr. BORAH. It was considered by the committee, at least.

Mr. WALSH of Montana. Not at any meeting at which I was present.

Mr. BORAH. I do not know whether the Senator from Montana was present or not; but Secretary Hughes came before the committee, discussed the matter, and the policy was there discussed and considered.

Mr. NORRIS. Mr. President, may I interrupt the Senator further? I am interested now, since I have heard the language read, in the Senator's statement in regard to our treaty with Cuba, in which a preferential duty is given. Does the Senator think that that provision existing now in the treaty with Cuba would have no effect upon these 10 treaties that have already been negotiated?

Mr. WALSH of Montana. No. If that arrangement were made to-day, we would be obliged to give a 20 per cent advantage to every country with which we had this particular kind of a treaty.

Mr. NORRIS. The Senator is of opinion, then, that this language in this treaty or any other treaty would have no effect upon any treaty that had been negotiated before we had agreed to the treaty with this country?

Mr. WALSH of Montana. I am inclined to think so, although I have not given any particular consideration to that.

Mr. NORRIS. I never thought of it, of course, until the Senator called attention to it; but it seems to me there is a serious question as to whether that construction would be correct.

Mr. WALSH of Montana. It really looks to the future, because it reads:

> Each of the high contracting parties binds itself unconditionally to impose no higher or other duties—

Which would seem to look to future action rather than to anything that had occurred in the past.

Mr. NORRIS. Will the Senator read the clause in the treaty where it says that if we impose lower duties this country will get the benefit of them?

Mr. WALSH of Montana. I read from page 6 of the Norwegian treaty:

> Each of the high contracting parties binds itself unconditionally to impose no higher or other duties, charges, or conditions and no prohibition on the importation of any article, the growth, produce, or manufacture of the territories of the other party, from whatever place arriving, than are or shall be imposed on the importation of any like article, the growth, produce, or manufacture of any other foreign country.

So that if we admit the sugar from Cuba at 2 cents a pound we must admit the sugar from every other country at 2 cents a pound, notwithstanding the rate in the tariff act is 2.40 cents.

Mr. NORRIS. The language the Senator has just read is "are or shall."

Mr. WALSH of Montana. Yes.

Mr. NORRIS. I am wondering whether that language would not apply to existing treaties.

Mr. WALSH of Montana. I am really not prepared to say as to that. My judgment is that it is prospective, however. That may not be right.

Mr. VANDENBERG. Mr. President, may I submit an inquiry to the Senator?

Mr. WALSH of Montana. I shall be glad to have the Senator do so.

Mr. VANDENBERG. Suppose that in the evolution of the Philippine question it should develop that it were advisable to extend a postindependence privilege by way of trade reciprocity to the Philippines. What is the Senator's construction of that situation?

Mr. WALSH of Montana. That has given me very much concern, and no little anxiety. It might be that we would pass an act granting freedom to the Philippines, and we might conceive that for some time—a period of 5 years or 10 years—we would give to them an opportunity to introduce their goods into our country at a lower rate than the specified rate. My judgment is that this would immediately operate to the equal advantage of every country with which we have this unconditional most-favored-nation treaty.

Mr. VANDENBERG. And, as I understand the Senator, that situation already has been created by treaties which we have previously ratified, including that clause.

Mr. WALSH of Montana. Yes.

Mr. VANDENBERG. So that we are virtually precluded from proceeding in that direction in respect to the Philippine Islands.

Mr. WALSH of Montana. Practically. I am not sure that that is right, because of the conditions. These treaties thus far ratified, you will observe, are with Austria, China, El Salvador, Estonia, Germany, Honduras, Hungary, Latvia, Turkey, and Yugoslavia. Now, we import from the Philippine Islands few commodities that come from any of these countries except Honduras. Although theoretically Austria would have the right to import coconut oil into this country at the same rate that the Philippines have, as a practical proposition it would mean nothing to her. So—a point that I was going to advert to a little later on—notwithstanding these unconditional most-favored-nation clauses, the countries of Europe still do enter into these arrangements, but only with reference to commodities of such a peculiar character as that they can freely do it without affecting other countries. But you will observe at once that the scope within which these reciprocal arrangements can be made would be very much narrowed, if not entirely eliminated, by this kind of a clause.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. KING. Have the treaties that have been negotiated since the war been regarded as precedents to bind us in the formulation of this treaty and subsequent treaties?

Mr. WALSH of Montana. Oh, they do not bind us.

Mr. KING. No, no; but are they regarded as precedents?

Mr. WALSH of Montana. My understanding about that matter is that these unconditional provisions are put in, not at the instance of the country with which we have made the treaties, but at our own instance—that is, at the instance of our State Department, which seemed to take the view that that is the proper policy. As suggested by the Senator from Idaho, its effect is to accomplish a lowering of the rates of duty; but after very careful study I have been quite unable to understand that operation of this particular provision.

Mr. KING. Why does the Senator say "lowering"? Might it not operate to increase the duty?

Mr. WALSH of Montana. No; because it simply provides that they shall be no higher. So, if they operate at all, they must operate to reduce.

Mr. KING. There is no inhibition in these treaties against the United States increasing its duties?

Mr. WALSH of Montana. None whatever.

Mr. KING. So that it does not restrain the United States from imposing prohibitive duties if it desires to do so?

Mr. WALSH of Montana. No.

Mr. KING. If lower duties are obtained, it would be because the United States lowered its duties, which it might do by reciprocal relations, rather than by a general omnibus treaty such as this might be if extended to other nations.

Mr. WALSH of Montana. Of course, if a European nation with which we have this most-favored-nation clause should grant to any particular country a concession in the matter of duties, that would immediately inure to our benefit, and in that way it would accomplish a reduction in our duties. But I have not been able to discover that we have profited particularly in that way thus far.

I asked for information about this matter from the State Department and have some correspondence with the Secretary which may be interesting in this connection.

Mr. FLETCHER. Mr. President, may I interrupt the Senator just on the point raised by the Senator from Utah?

Mr. WALSH of Montana. Certainly.

Mr. FLETCHER. The language may be somewhat ambiguous. It is "binds itself unconditionally to impose no higher or other duties, charges," and so forth. It seems to me that the phrase "no higher or other duties" is a little ambiguous. That is the language in the treaty.

Mr. KING. Yes.

Mr. WALSH of Montana. We have now an article which carries an ad valorem and a specific duty, and we grant to a certain country the forgiving of the specific duty, leaving the ad valorem duty. We charge just as high ad valorem to that country as we do to the other, but we charge one two duties, and from the other we get but one. So that the two words "higher" and "other" are used to meet the case completely.

Under date of January 23 I addressed a letter to the Secretary of State, as follows:

JANUARY 23, 1932.

Hon. HENRY L. STIMSON,
Secretary of State.

DEAR MR. SECRETARY: I wish you would have the kindness to send me a list of the countries with which we have commercial treaties containing what is known as the unconditional most-favored-nation clause, with the date of ratification and the time within which and the conditions upon which the treaty may be terminated. I should be glad also to have the views of your office concerning whether such a treaty in effect prohibits reciprocity treaties, or rather whether a reciprocity treaty negotiated with any nation would immediately inure to the benefit of all nations with whom we have treaties containing such unconditional most-favored-nation clause. Likewise, I should appreciate an expression from you as to whether it would forbid a tender of a horizontal reduction in our duties to any nation which would make a corresponding reduction in its own, or whether, rather, if such a tender were made and accepted by one nation, all other nations, without actually agreeing to reduce, would by virtue of the unconditional clause mentioned be entitled to enjoy a like concession.

Cordially yours,

THOMAS J. WALSH.

I had in mind a situation such as this: The United States proposes to reduce its duties by appropriate legislation by 5 per cent, we will say, or 10 per cent, to any country which makes a like concession. It occurred to me that in that case we would be treating all alike, that we would be giving every nation the same opportunity. Some might accept, and thus have the benefit of it, but some others might refuse, and the duties would remain stationary as to the countries not accepting.

Apparently it is the view of the State Department at least that we could not even make that kind of a proposition; that is to say, that if one country did accept it and cut its duties, all other countries would be entitled to exactly the same concession.

The Secretary replied to my letter as follows:

DEPARTMENT OF STATE,
Washington, February 4, 1932.

The Hon. THOMAS J. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: In reply to your letter of January 23, 1932, I am glad to furnish the following information:

Treaties reciprocally according unconditional most-favored-nation treatment in regard to import duties are in force between the United States and 10 foreign countries. This Government has also entered into agreements by exchange of notes with 16 countries providing reciprocally for unconditional most-favored-nation treatment in regard to import duties. In most cases the latter arrangements are terminable on 30 days' notice or lapse as a result of conflicting legislation enacted by either party. I inclose a statement showing the countries with which treaties containing the unconditional most-favored-nation clause have been concluded, together with information regarding the dates on which they respectively came into force, and the dates on which they may be terminated.

The requirement that bargains made by one party to a treaty providing for unconditional most-favored-nation treatment shall not justify discrimination against the other party is the essential feature of the unconditional most-favored-nation principle. Thus the United States is bound to extend to all countries with which it has treaties according unconditional most-favored-nation treatment the benefits of any tariff reductions made by it in favor of one foreign country, even though the reductions were made in return for tariff reductions by the latter. Similarly, the other party to such a treaty is bound to extend to the United States unconditionally the lowest duties which it accords to any other country, a requirement which has proved of practical value to the United States in cases in which reciprocal tariff reductions have been made in favor of other countries by countries with which the United States has such treaties.

It would seem to be clear that treaties providing for unconditional most-favored-nation treatment are incompatible with a policy of concluding reciprocity treaties if the latter term is used in its narrowest sense of treaties under which exclusive concessions are granted. It would also seem to be clear that a horizontal reduction in tariff rates in favor of one country which is not extended freely to countries having a right to unconditional most-favored-nation treatment would be contrary to treaties conferring such rights.

It does not follow, however, that treaties providing for unconditional most-favored-nation treatment are incompatible with arrangements between countries for reciprocal tariff reductions. It has been a common practice among countries of continental Europe to enter into unconditional most-favored-nation treaties and at the same time to enter into treaties providing for reciprocal tariff reductions. By a careful selection of the articles of merchandise on which reductions of duty are made in bargaining arrangements it is possible to restrict the items covered by the arrangements so that the reduced duties may be generalized to countries entitled to most-favored-nation treatment without destroying the basis for bargaining with the latter.

Sincerely yours,

JAMES GRAFTON ROGERS,
Assistant Secretary.

The point is that, generally speaking, treaties of this character destroy the opportunity to enter into reciprocity treaties. They likewise destroy the opportunity to get a general reduction of duties upon our giving a like reduction of duties. In other words, as it seems to me, the treaties operate practically to freeze our tariff rates, and to make them unamenable to reductions by negotiations.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. CUTTING in the chair). Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I yield.

Mr. KING. I think I misconceived the letter from the Secretary of State which the Senator has just read. As I understood the first sentence, or the first paragraph, it was a definite statement that a treaty of this character would preclude entering into treaties or arrangements between two nations which did not apply to all. Yet the latter part seemed to convey the idea, if I understood it, that this treaty would not be a prohibition against reciprocal treaties which might favor one country against others.

Mr. WALSH of Montana. So strange did that part of the letter seem to me, that I addressed another communication to the Secretary, which I was about to read.

Mr. KING. I hope the Senator will pardon me.

Mr. WALSH of Montana. He explains that, notwithstanding that, as I have indicated before, you can pick out certain commodities coming from some other country to which you may make concessions, and there are none such coming from countries with which you have the unconditional most-favored-nation treaties, and thus you can, within a very limited area, make a reciprocity treaty.

Under date of February 5 I addressed the following letter to the Secretary:

FEBRUARY 5, 1932.

Hon. JAMES G. ROGERS,
Assistant Secretary of State.

DEAR MR. SECRETARY: I am obliged to you for your letter of February 4. I shall be under further obligations to you if you will give me in detail the underlying facts supporting the statements in your letter to the effect:

(1) That the United States has, by reason of the unconditional clause in its treaties, had the benefit of tariff reductions given by foreign parties thereto to some nation or nations other than the United States.

(2) That notwithstanding the unconditional most-favored-nation clause in treaties by them, countries of continental Europe quite commonly enter into treaties providing for reciprocal tariff reductions.

I find it difficult to visualize the situation to which the last sentence of your letter applies, namely:

"By a careful selection of the articles of merchandise on which reductions of duty are made in bargaining arrangements, it is possible to restrict the items covered by the arrangements so that the reduced duties may be generalized to countries entitled to most-favored-nation treatment without destroying the basis for bargaining with the latter."

Will you be good enough to elaborate the idea there expressed, referring to instances if the information is at your command?

Very truly yours,

THOMAS J. WALSH.

To that the Secretary replied as follows, under date of March 8, 1932:

DEPARTMENT OF STATE,
Washington, March 8, 1932.

The Hon. THOMAS J. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: Replying to your letter of February 5, I am glad to comply with your request for further information on certain of the points mentioned in my letter of February 4. Should the following discussion not clarify these points I shall be

glad at any time to furnish such further information as you may request.

The department's statements are intended to be only explanatory and not as an expression of opinion by this department as to the merits of negotiating reciprocal trade agreements under a policy of mutual trade concessions.

(1) You ask to be given in detail the underlying facts supporting the statement that "the United States has, by reason of the unconditional clause in its treaties, had the benefit of tariff reductions given by foreign parties thereto to some nation or nations other than the United States."

The unconditional most-favored-nation clause in treaties or Executive agreements entered into by this Government has been of practical value in assuring to the United States the benefit of tariff concessions made by the other parties in favor of third countries. A complete analysis would be very laborious, but a few examples may be given.

The most important commercial country with which the United States has an unconditional most-favored-nation treaty of the type which it has been negotiating since 1923 is Germany. Germany has a tariff-bargaining policy and has made many treaties granting favorable tariff rates to third countries since its treaty with the United States became effective October 14, 1925.

That probably means to speculate upon what would be the effect upon our country had Germany and Austria effected the so-called customs union, under which, as I understand it, importations from Austria were to be permitted to come into Germany with either no duty at all or with a very much reduced duty.

I was wondering whether, notwithstanding the use of the word "unconditional" in this clause, circumstances would not be such as to justify one country in making concessions to another which would not accrue to the benefit of all countries having the most-favored-nation clause. So I expressed some hesitancy to the Senator from Michigan with respect to the Philippine Islands. I must admit that I am not enough of an international lawyer to venture an opinion on the question propounded by him. I read further:

Under the treaty Germany has been obligated to extend to the United States "simultaneously and unconditionally, without request and without compensation," every favor with respect to the amount and collection of duties on imports and exports of every kind which Germany has granted to any third state, regardless of whether such favored state has been accorded such treatment gratuitously or in return for reciprocal compensatory treatment.

France apparently desiring to continue the policy of entering into reciprocal agreements whenever it seems to be to her interest to do so.

This resulted in a prohibitive discrimination against certain American exports to France until the matter was substantially adjusted by negotiation between the United States and France.

But just why the negotiations were necessary, I find it a little difficult to understand. If by reason of our most-favored-nation treaty with Germany we were entitled to the same concessions which Germany gave to France, it would seem to me that we are not called upon to enter into any negotiations with France. The probabilities are, however, Germany having agreed to admit the products of France at a less rate or France having agreed to admit German products at a less rate, that we contended that Germany was being treated with discrimination as against us; and yet I do not see how France under those circumstances could make a concession to us, having no such unconditional favored-nation treaty with us. In other words, the matter is left a little obscure still, notwithstanding the letter of the Secretary.

The letter continues:

In some instances the tariff reductions made by a treaty have affected long lists of products, including numerous articles of importance to American producers and exporters. In others the concessions have been made on short lists of products which are of interest to the country at whose request the reductions were granted, few, possibly none of them, being of interest to American exporters. No case can be taken as representative. However, I may illustrate the matter on a small scale by the treaty between Czechoslovakia and Finland—

It will be observed that, although I asked the Secretary to give me information as to just exactly how the United States profited by this particular kind of treaty with Germany, we find no information here about any particular commodity imported from Germany upon which we get a lower rate of duty than we would if we did not have this kind of a treaty with that country.

However, I may illustrate the matter on a small scale by the treaty between Czechoslovakia and Finland, signed March 2, 1927, by which these countries granted each other certain tariff concessions, which were immediately extended to American exporters under our most-favored-nation treaty with Finland and the most-favored-nation Executive agreement with Czechoslovakia. I inclose the text of articles 7, 8, and 16, together with list "A" of the treaty of March 2, 1927. You will observe that Finland grants reductions on canned fruits, berries, and vegetables, and on patent leather—articles exported from the United States. Similarly Czechoslovakia grants reductions on fish preserved in oil and on rough veneers.

In considering the practical value of the unconditional most-favored-nation clause in such cases, it is to be borne in mind, first, that Finland naturally asks Czechoslovakia for reductions which are of interest to the Finnish exporters, and vice versa; and, second, that the extent of the concessions is frequently limited by narrow classifications. For instance, the Czechoslovakia concession on carpets is limited to "plush imitation, not knotted."

Further comment seems necessary in order to give, as you request, the facts underlying this matter. The United States obtains the benefit of any reduction of duties made, for instance, by Germany, and it might appear that the United States obtains these reductions gratuitously. The United States does, however, pay a price, namely, a pledge that if within the life of the treaty with Germany the United States undertakes any tariff bargaining all concessions made to any other country (except Cuba) will be extended to Germany without requesting reciprocal compensatory treatment.

That rather answers the question addressed to me by the Senator from Michigan. The department appears to think that these countries will not be entitled to claim the same concession that we give to Cuba, but they do not say why.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. WALSH of Montana. I yield.

Mr. FLETCHER. I observe that in both of these treaties the treatment of Cuba is excepted and specified.

Mr. WALSH of Montana. I had quite forgotten about that, but that is correct.

The letter continues:

In view of the nonbargaining policy of the United States this may not seem to be a valuable concession; but on the other hand, with reference to the concession given by the other parties, it may well be argued that bargaining treaties between European States largely represent the exchange of merely illusory reductions. In other words, the European marketing systems have led to the erection of artificial bargaining tariffs representing not the rates which the Government believes necessary for the economic interests of the country but the rates which it considers expedient for the purpose of seeking concessions from other countries, and success within the bargaining system has largely been the success of securing the removal of the barriers which the systems have themselves created. When a government with a tariff of this type concedes to the United States tariff reductions which it has given to the bargaining countries only in exchange for reciprocal concessions, it is merely exempting American products from artificial bargaining rates which were never intended as permanent rates and which never would have been imposed except for this artificial European bargaining system.

Then follows a reference to other treaties. I ask that they be incorporated in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

(See Exhibit A.)

Mr. WALSH of Montana. In brief it is perfectly apparent that treaties of this character practically forbid reciprocity treaties and destroy the hope of relief from tariff barriers to our foreign trade through that particular route. If the foreign nations with their bargaining systems make reductions, we get the benefit of those reductions, but we can do no bargaining whatever. We can not, as I said, even make a general proposition to all countries to reduce our duties if they will make corresponding reduction in theirs.

I must confess that I am still in doubt in my own mind as to which is the wise policy to pursue. I did not want the Senate to act upon the matter until the effect of the treaties was thoroughly understood.

EXHIBIT A

Examples of treaties by which Czechoslovakia, Estonia, Finland, Germany, Greece, Hungary, and Yugoslavia have made tariff concessions to third countries and extended them to the United States by virtue of our treaties and executive agreements are as follows, reference being made in each case to the article of the treaty and on the page on which it may be found in the League of Nations Treaty Series:

Czechoslovakia and France: Commercial convention of July 2, 1928, Article I, League of Nations Treaty Series, volume 99, page 107.

Estonia and Germany: Treaty of commerce and navigation of December 7, 1928, article 9, League of Nations Treaty Series, volume 99, page 289.

Finland and Austria: Convention of commerce and navigation of August 8, 1927, Article V, League of Nations Treaty Series, volume 70, page 351.

Germany and France: Commercial agreement of August 17, 1927, article 8, League of Nations Treaty Series, volume 76, page 345.

Greece and Italy: Convention of commerce and navigation of November 24, 1926, article 6, League of Nations Treaty Series, volume 63, page 53.

Hungary and Italy: Treaty of commerce and navigation of July 4, 1928, article 9, League of Nations Treaty Series, volume 92, page 119.

Yugoslavia and Germany: Treaty of commerce and navigation of October 6, 1927, article 9, League of Nations Treaty Series, volume 77, page 48.

(2) You also ask to be given in detail the underlying facts supporting the statement that "notwithstanding the unconditional most-favored-nation clause in treaties by them, countries of continental Europe quite commonly enter into treaties providing for reciprocal tariff reductions."

To cover this question in detail would involve citing two or three hundred treaties. In brief, it may be said that practically all the countries of Europe include unconditional most-favored-nation clauses in their commercial treaties and that practically all of them make special tariff concessions by treaty. After the war two or three countries announced the intention to abandon the most-favored-nation clause, but these countries have been only partially successful because the insistence of the countries with which they negotiated has compelled them in many cases to grant at least de facto most-favored-nation treatment.

The commercial treaties concluded by European countries may largely be grouped into (1) those providing simply for most-favored-nation treatment, (2) those providing for most-favored-nation treatment and in addition for specific tariff concessions by one or both parties, and (3) those providing for specific tariff concessions only, without provision for most-favored-nation treatment. The same country may have all three types of treaty, and there are numerous illustrations of countries which have contracted with some countries, particularly American countries, treaties granting most-favored-nation treatment but not specific tariff concessions, while to other countries they have granted both most-favored-nation treatment and specific concessions. The treaties listed on page 7 illustrate this point, for they are all made by countries which grant to the United States only most-favored-nation treatment.

An apparently competent and comprehensive analytical and informatory review of the tariff and commercial treaty policies of each country in Europe, with a list of all commercial treaties in force between them, and an indication of which of the above types they belong to, is found in the October 25, 1930, number of L'Europe Nouvelle, a French weekly periodical. The department knows of no similar recent study in English.

To illustrate treaties of several types recently concluded by European countries, I inclose clippings from the United States Department of Commerce publication, Commerce Reports.

(3) You ask that the department elaborate, with instances, in order that you may better visualize the situation, the statement that "by a careful selection of the articles of merchandise on which reductions of duty are made in bargaining arrangements, it is possible to restrict the items covered by the arrangements so that the reduced duties may be generalized to countries entitled to most-favored-nation treatment without destroying the basis for bargaining with the latter."

This statement, which you quote from the last paragraph of my letter of February 4, had reference to the fact that tariff concessions confined to specified products of interest to the country at whose instance the concessions are granted can be extended to like products of other countries without destroying the basis for bargaining with them. For example, Switzerland may make tariff concessions in favor of Greek currants, Italian olives, Spanish grapes and oranges, and Portuguese wines without impairing her bargaining power in relation to Great Britain and with very slight decrease of her bargaining power with France, Belgium, or Germany, which are to some extent interested in wines. France may have received all the concessions made by Switzerland to half a dozen other countries and still be very desirous of obtaining a treaty which will concede reductions on many characteristic French products. A country which offers tariff concessions to another in order to obtain tariff reductions in return naturally has in view the peculiar needs of its own commerce and seeks to obtain tariff reductions on those products which are of particular interest to it. Consequently a country which benefits from such reduced rates solely by virtue of a most-favored-nation treaty will ordinarily still have a motive for offering concessions to the other party in order to obtain reductions on other products selected with the peculiar needs of its own commerce in mind.

(A further motive for seeking specific concessions rather than relying solely on the most-favored-nation clause is that specific concessions, unlike those obtained under the most-favored-nation clause, are enjoyed independently of any changes in the commercial relations between the country granting the concessions and third countries.)

The situation may perhaps be visualized from the case of Germany. The above-mentioned (October 25, 1930) number of L'Europe Nouvelle lists 25 commercial agreements and treaties, dated between June 17, 1818, and June 18, 1930, and in force between Germany and 25 European countries, which provide for most-favored-nation treatment. The following paragraphs are condensed or translated from the text which accompanies this list:

By the tariff law of August 17, 1922, which was put into force October 1, 1925, Germany revised its tariff in preparation for negotiations with its ex-enemies. On the basis of this tariff Germany has concluded 50 commercial arrangements or agreements reducing or consolidating the rates on 1,241 items of its tariff. ("To consolidate rates" means to agree that rates on specified articles will not be increased during the life of the treaty.)

The German treaty with Italy, signed October 31, 1925, is of special interest as illustrating German policy. Germany reduced its tariff in favor of Italian agricultural products such as grapes and fresh or preserved vegetables, in so far as they do not directly compete with German agriculture either because Germany does not produce them or produces them at different seasons from Italy. Italy had more trouble in obtaining reduction on wines, in view of the German production of Rhine wine. Only slight reductions were granted on typical Italian products, such as silks, hats, and magnetos, but there were rather extensive "consolidations."

Under the German treaty with France, which consolidated 717 items of the German tariff, the most important reductions granted France, many of which had already been granted to third countries, were on vegetables and fruits, vegetable oils, liqueurs, wines, mineral waters, alimentary fats, canned vegetables and condiments, essential oils and perfumes, articles of silk and cotton, lingerie and laces, special steels, jewelry, and rubber goods.

With Poland, which could export to Germany only products directly competitive with German products, an agreement regarding Polish lumber was reached, but the treatment to be given Polish rye and pork products caused long negotiations.

"The other agreements made by Germany are not as important, but the procedure is the same. Germany almost always obtains some tariff reductions, in exchange for which it grants clearly specified reductions. However, Germany is remarkably prudent in its granting of consolidations and tariff reductions, since in five years it has stabilized only 54 per cent of the items in its tariff, and has done so in 28 agreements made with 17 different countries—Austria, Belgium, Denmark, Estonia, Finland, France, Greece, Japan, Lithuania, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, Yugoslavia. By way of comparison, France in less than a year—between August 17, 1927, and July 2, 1928—consolidated duties under 72 per cent of the items of its tariff nomenclature by seven agreements concluded with only six countries—Germany, Switzerland, Belgium, Italy, Austria, and Czechoslovakia."

You will note that the most-favored-nation treaties between Germany and several other countries prior in date to the German tariff revision of October 1, 1925, have not prevented Germany from making numerous subsequent bargaining arrangements by a judicious selection of articles and from generalizing the reduced duties to all the countries entitled to most-favored-nation treatment.

Sincerely yours, JAMES GRAFTON ROGERS.

(Inclosures: Excerpt from convention of commerce and navigation between Finland and Czechoslovakia; clippings from Commerce Reports.)

INCLOSURE

(Clippings from Commerce Reports as indicated below)

Description of treaty between:	In Commerce Reports for—
Most-favored-nation treaties—	
Germany and Haiti	June 23, 1930.
Austria and Turkey	March 31, 1930.
Germany and Turkey	
El Salvador and Germany	April 21, 1930.
Brazil and France, Netherlands, United Kingdom	September 26, 1931.
Germany and Irish Free State	June 23, 1930.
Most-favored-nation treaties, including tariff concessions—	
Germany and Irish Free State	January 25, 1932.
Germany and Turkey	July 26, 1930.
Austria and Germany	April 28, 1930.
France and Rumania	December 1, 1930.
Germany and Turkey	October 13, 1930.
Hungary and Turkey	
Germany and Hungary	February 1, 1932.
Austria and Germany	February 2, 1931.
Austria and Czechoslovakia	October 26, 1931.
Austria and Rumania	November 2, 1931.
Miscellaneous treaties—	
Czechoslovakia and Germany	July 28, 1930.
Austria and Hungary	July 13, 1931.
Albania and France	December 16, 1929.
Germany and Poland	March 31, 1930.

DEPARTMENT OF STATE,
Washington, March 8, 1932.

The Hon. THOMAS J. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: Supplementing the two letters which I have written you in reply to your inquiries concerning the unconditional most-favored-nation clause, I send you herewith a memorandum prepared in the department, touching several other questions relating to the treaties of friendship, commerce, and consular rights signed by the United States with Norway and Poland which are now before the Senate.

It has been necessary to mark as confidential the parts of the memorandum in which statements are made of reasons why the ratification of these two treaties is desirable to the United States. It is, however, not necessary to regard as confidential the part of the memorandum relating to the duration of the treaties.

I am also sending a copy of this memorandum to Senator BORAH.

Very truly yours,

JAMES GRAFTON ROGERS,
Assistant Secretary.

(Inclosure: Memorandum—treaties of friendship, etc.)

CLIPPINGS FROM "COMMERCE REPORTS"

(June 23, 1930)

Germany—Haiti

Office of commercial attaché, Berlin, May 5

MOST-FAVORED-NATION COMMERCIAL TREATY CONCLUDED

The text of the mutual most-favored-nation commercial treaty which was concluded between Germany and the Haitian Republic on March 10, 1930, at Port au Prince, Haiti, was published on May 3, 1930, in No. 102 of the Deutscher Reichsanzeiger und Preussischer Staatsanzeiger. The treaty is still subject to ratification by the legislative bodies of the two countries and becomes effective the twentieth day after exchange of ratifications, to remain in effect for three years. Unless notice of termination of the treaty is given one year prior to the expiration of the treaty, it is prolonged automatically.

"The treaty provides most-favored-nation treatment in regard to import and export duties and charges as well as in regard to all customs formalities. Reciprocal unconditional most-favored-nation treatment is also provided in regard to rights of citizens; taxation, commerce, and industry; navigation except coast traffic; companies including insurance and transportation companies; consular rights and transit shipments.

"The contracting parties agree to endeavor not to hinder their trade through import and export restrictions. Exceptions may be made, however, relating to public protection, war materials, State monopolies, and foreign articles similar to domestic articles whose internal production, consumption, sale, or transport is or will be similarly restricted by national laws. Import and export restrictions at present effective in both countries are not affected by this treaty.

"In general, certificates of origin are not required at the time of importation on products of one contracting party imported into the territory of the other party. A certificate of origin may be required, however, if one of the contracting parties subjects products of a third country to higher charges than the products of the other party, or if it restricts or prohibits the importation of products of a third country. If products of third countries are imported over the territory of one contracting party into the territory of the other, customs officials of the one party must also accept certificates of origin issued in due form in the territory of the former.

"The treaty does not contain any specific duty concessions."

[The United States is on a most-favored-nation basis with Germany and Haiti.]

(March 31, 1930)

COMMERCIAL TREATIES AND AGREEMENTS

Austria—Turkey

Germany—Turkey

Commercial Attaché Julian E. Gillespie, Istanbul, February 15 and 18

TEMPORARY MOST-FAVORED-NATION AGREEMENTS CONCLUDED

It is announced that agreements have been concluded between Turkey and Austria and between Turkey and Germany granting reciprocal most-favored-nation treatment in customs matters pending the conclusion of new commercial treaties.

(April 21, 1930)

El Salvador—Germany

Acting Commercial Attaché Douglas Miller, Berlin, March 10

COMMERCIAL TREATY INDEFINITELY CONTINUED

An agreement has been reached between Germany and El Salvador providing that the commercial treaty between these two countries which was concluded on April 14, 1908, and denounced by El Salvador to expire on March 27, 1930, shall not expire on that day, but will remain in effect until further notice.

[Commerce Reports for June 10, 1929, announced the intended abrogation of the commercial treaty of April 14, 1908.]

Germany—Haiti

Commercial Attaché H. Lawrence Groves, Berlin, March 15

MOST-FAVORED-NATION COMMERCIAL TREATY SIGNED

A mutual most-favored-nation commercial treaty was concluded between Germany and the Haitian Republic on March 10, 1930. Further details are lacking so far, but will be published as soon as available.

(September 28, 1931)

Brazil—France, Netherlands, United Kingdom

Cablegram from Commercial Attaché Carlton Jackson, Rio de Janeiro, September 16

MOST-FAVORED-NATION AGREEMENTS CONCLUDED WITH THE UNITED KINGDOM AND NETHERLANDS—AGREEMENT RENEWED WITH FRANCE EXCHANGING TARIFF CONCESSIONS

The Brazilian Government has signed most-favored-nation tariff agreements with the United Kingdom and the Netherlands and has signed a temporary renewal of its agreement with France, which had been denounced by France on April 25, 1931, to expire on September 10, 1931.

The temporary agreement with France provides for a decrease in the French import duties that apply to Brazilian meats and cacao, in return for which Brazil reduces her nominal import duty of 120$000 per kilo on serums and vaccines to a nominal duty of 15 per cent ad valorem, and promises a reduction of duty on yarns.

Other countries are expected to sign most-favored-nation tariff agreements with Brazil in the near future in order to benefit by the minimum tariff rates in Brazil when the 2-column tariff is inaugurated (probably in December, 1931). It is understood that goods from the United States will be subject to the minimum tariff rates under our most-favored-nation agreement of 1923.

(June 23, 1930)

Germany—Irish Free State

Office of commercial attaché, Berlin, May 15

MOST-FAVORED-NATION COMMERCIAL TREATY CONCLUDED

A mutual most-favored-nation commercial treaty between Germany and the Irish Free State was signed on May 12, 1930, at Dublin. It will become effective on the day of the exchange of ratifications and will remain in force for an unlimited period. Six months' notice must be given to terminate the treaty. It is still subject to ratification by the legislative bodies of both countries.

[The United States is on a most-favored-nation basis with Germany and the Irish Free State.]

(January 25, 1932)

COMMERCIAL TREATIES AND AGREEMENTS

Germany—Irish Free State

Reichsgesetzblatt 1931, Part II, Nos. 9 and 29, Berlin, April 15 and December 24, 1931

MOST-FAVORED-NATION TREATY OF COMMERCE AND NAVIGATION NOW EFFECTIVE

Ratifications of the most-favored-nation commercial treaty, concluded between Germany and the Irish Free State on May 12, 1930, were exchanged in Berlin on December 21, 1931, and the treaty became effective on that date. It is to remain in force indefinitely but may be terminated by either party on six months' notice of denunciation.

"The treaty provides most-favored-nation treatment in regard to import and export duties and charges, as well as in regard to customs formalities. Reciprocal, unconditional most-favored-nation treatment is also provided in regard to rights of citizens, commercial travelers and their samples, taxation, commerce and industry, navigation (with certain exceptions regarding coast traffic) companies, including insurance and transportation companies, consular rights, and transit shipments.

"Both most-favored-nation and national treatment is reciprocally granted in regard to internal taxes which are or may be levied on goods, and regarding shipping, with the exception of the coastwise trade.

"The contracting parties agree not to hinder their trade through import and export restrictions. Exceptions may be made, however, relating to public protection, war materials, etc.

"The treaty does not affect the right of the Irish Free State to grant preferred customs treatment to members of the British Commonwealth of Nations.

"Exceptions from the granting of most-favored-nation treatment are made with regard to (1) border traffic, (2) present or future customs unions, (3) present or future favors granted to a third state in agreements to avoid double taxation and the mutual protection of the revenue.

"The treaty does not contain any specific duty concessions.

"[The United States is on a most-favored-nation basis with Germany and the Irish Free State.

"The conclusion of this treaty was originally reported in Commerce Reports of June 23, 1930.]"

GENERAL TARIFF CHANGES

(July 28, 1930)

Germany—Turkey

Deutscher Reichsanzeiger und Preussischer Staatsanzeiger, Berlin, June 7; Chargé d'Affaires (ad interim) Jefferson Patterson, Ankara, June 12

MOST-FAVORED-NATION TREATY OF COMMERCE PROVIDES ADDITIONAL REDUCTIONS IN NEW TURKISH TARIFF

An unconditional most-favored-nation treaty of commerce and navigation, with reciprocal tariff concessions on certain products, was signed at Ankara on May 27, 1930, between Germany and Turkey. The treaty is to become effective on the fourteenth day after exchange of ratifications and will remain in force for one year, and indefinitely thereafter unless denounced after three months' notice.

"This treaty provides for reciprocal, unconditional most-favored-nation treatment with regard to import duties, surtaxes, and coefficients; export duties and taxes; in methods of assessing import and export duties; in storing goods in customs warehouses; customs fees and formalities; customs clearances; treatment of commercial travelers' samples; proof of country of origin and certificates of origin; transportation and transit of persons and goods; import and export prohibitions and restrictions. Both countries reserve the right, however, to impose prohibitions or restrictions to protect human, animal, or plant life for public-protection purposes.

"Products and manufactures, imported through third countries into the territory of either contracting party shall not be subject at the time of importation to different or higher duties or charges than those imported directly from the country of origin. This regulation also refers to goods which are immediately forwarded in transit, as well as to such as are transshipped, repacked, or stored in transit.

"If either contracting party requires for the protection of the transit of goods the deposit of a certain amount of security, this amount shall not exceed the value of the regular duties and taxes due in case of importation.

"National treatment is reciprocally accorded in regard to internal taxation of goods, ships, and navigation (with certain exceptions such as coastwise and internal shipping, coast fishing, and national shipping supported or to be supported by premiums).

"The two countries likewise agreed to take measures for the repression of unfair competition and to grant reciprocally the duty-free admission and readmission of containers of all kinds usual in trade which should serve or have served for the exportation of goods, duty-free admission of articles for repairs and for markets, fairs, or exhibitions, as well as moving vans and boxes. Used settlers' effects, which are brought in by the settler, or are sent either two months before or three months after the settler arrived, will be exempt from duty and any taxes.

"Exceptions to the general most-favored-nation treatment are made in regard to privileges accorded the frontier traffic; to special concessions which are made in a tariff union; and tariff concessions at present granted or to be granted by Turkey to countries detached from the Ottoman Empire since 1923.

"Besides providing unconditional most-favored-nation treatment, the treaty establishes percentage reductions from the 'general' rates on a number of items in the Turkish tariff and 'binds' certain items in the German tariff schedule. If the Turkish 'general' rate for any of these goods is increased, the reduced rate resulting from the application of the specified percentage reductions to the present tariff rates is nevertheless to remain in force for a period of nine months from the date of the increase of the 'general' tariff rate. Article 15 of the Turkish tariff law provides that the duties may not be increased until after notice has been given in the newspapers at least three months in advance. If this occasion should arise, the two parties agree that negotiations will be undertaken in order to adjust such increases."

CONCESSIONS IN THE TURKISH TARIFF

Turkey grants reductions in duty on a number of German products. The following percentage reductions from the general rates, in addition to those already in effect under the Franco-Turkish treaty of August 29, 1930, will become effective when the treaty enters into force:

"Ten per cent: (Ex item 118) Plain woolen hosiery and knit goods; (ex 320) certain walking and umbrella sticks; (328–B) uncut writing paper and fine printing paper; (ex 342–A) fine glazed board, weighing from 200 to 300 grams per square meter; (401) cotton waistbelts, bed and table covers, kerchiefs, curtains, baby carriers, flags, etc.; (ex 452–A) certain cork linoleum; (453) oilcloth; (455–A) certain articles of oilcloth; (ex 553–A) certain fancy articles of iron, for adornment, desk, and personal use, combined with galalith or silvered; (558–B) copper wire, lacquered or coated with metals; (576–B) certain articles of zinc alloys; (587–B and C) jewelry of gold and silver; (601–C–1) small pianos; (613) telescopes and microscopes; (615) photographic apparatus and parts thereof; (667–A–1) passenger automobiles weighing up to 900 kilos; (700–B) coloring earths; (ex 702–A) iron sulphide, colcathar; (ex 702–B) lithopone; (703–A and D) printing and stamping inks; (703–F) pencils; (ex 716–E) magnesium chloride; and (ex 723–D) chromic oxide preparations for tanning.

"Fifteen per cent: (307–B and C) Brushes and brooms; (329–B) certain cut writing paper and envelopes; (ex 424) transmission belting of hemp, linen, etc.; (448) surgical rubber goods; (ex 487–A, C, and D) stoneware and porcelain wares; (539 D and E) cutlery, hair clippers and safety razors, etc.; (550–A–2) oxidized or galvanized iron cloths; (563 and 564–A and B) kitchen and table utensils, including those electrically worked; (632–E) large weighing machines; (ex 667–E) springs for automobiles; and (ex 792) aspirin.

"Twenty per cent: (556–E–1) Copper wires and cables insulated with rubber, etc.; (569–B, C, D) aluminum and aluminum alloys, except ores; (616) cinematograph and projection apparatus, etc.; (ex 619) radio receiving sets and parts, including tubes; (625) technical, surveying, mathematical, and physical instruments; (634) instruments and apparatus not specially mentioned in the tariff; and (ex 853–B) pharmaceutical specialties entitled to import permits from the Turkish Government.

"Twenty-five per cent: (488–A) Electrical articles of faience or porcelain combined with other materials; (552–B and 565–A and B) plain, painted, varnished, nickeled, oxidized, or polished hardware and ironmongery; (ex 595 C) certain wall and table clocks; and (632–A) precision scales.

"Thirty per cent: (361–B) Photographs, photo-engravings, lithographs, etc.; and (395–B) ornamented or combined knitted articles of cotton."

CONCESSIONS IN THE GERMAN TARIFF

Besides "binding" 34 items or parts of items in the German tariff schedule, Germany grants a reduced rate of 2 reichsmarks per 100 kilos on canary seed. (The present conventional duty on canary seed amounts to 6 reichsmarks per 100 kilos.)

Germany also agrees to add a note to item 52 of the German tariff schedule to the effect that "all duty reductions which are now or may be granted on currants (present conventional duty on currants is 5 reichsmarks per 100 kilos) shall be granted immediately and unconditionally to raisins which originate in Turkey. (The present conventional duty on raisins amounts to 8 reichsmarks per 100 kilos.)

The Turkish Assembly ratified the treaty on June 7, 1930; ratification by Germany is expected at an early date.

[United States products enjoy most-favored-nation treatment in Germany and Turkey.

Proposed conventional rates on particular commodities will be supplied upon inquiry by the Division of Foreign Tariffs.]

(April 28, 1930)

Austria—Germany

Radiogram from Commercial Attaché Gardner Richardson, Vienna, April 17

Cable from Acting Commercial Attaché Douglas Miller, Berlin, April 17

COMMERCIAL TREATY PROVIDES CERTAIN DUTY MODIFICATIONS

A mutual most-favored-nation commercial treaty between Austria and Germany was signed on April 12, 1930, but will not go into effect until 14 days after the exchange of ratifications. The treaty provides for certain modifications of Austrian and German duties.

Some of the changes in the Austrian tariff rates will be as follows:

"A decrease of the duty on hard-rubber wares not specially mentioned, if pressed raw but without visible pressing seams, from 100 to 60 gold crowns per 100 kilos.

"The duty on typewriters, adding machines, and mathematical, physical, surgical, medical, and other instruments of fine mechanics not specially mentioned, except cases of mathematical instruments, will be lowered from 3 gold crowns to 1 gold crown per kilo.

"Cow and horse hides, not tanned like sole leather, even dyed, otherwise than mineral tanned, except leather for trunks, furniture, and lacquered or bronzed leather, will be subject to a duty of 20 gold crowns per 100 kilos instead of the present duty of 55 gold crowns per 100 kilos.

"The duty on knitted and netted gloves will be decreased from 280 to 250 gold crowns per 100 kilos, while the duty on rayon gloves will be 1,000 gold crowns per 100 kilos instead of 2,000 gold crowns per 100 kilos.

"The duty on needles, combined or not combined with fine materials, except machine and sewing needles, will be decreased from 120 to 100 gold crowns per 100 kilos."

The treaty also provides for a certain number of increases in Austrian import duties, among which are:

"Heads and worked parts of heads for domestic sewing machines and flat knitting machines, for which the duty will be increased from 80 to 100 gold crowns per 100 kilos.

"Artificial leather will be subject to a duty of 120 gold crowns per 100 kilos instead of 110 gold crowns per 100 kilos.

"Increases will also be effected for certain machinery.

"Austria will grant the duty-free importation of some meters, measuring, and testing devices, as well as special machines not manufactured in Austria."

Germany will grant Austria the following reduced tariff rates, all in reichsmarks per 100 kilos:

"Sawn fir, spruce and larch lumber, 0.85; larch railroad ties, 0.32; and soft-wood paving blocks, 0.80.

"Multiple machine tools for metal working, free; pneumatic tools, 100; and electric windshield wipers, 250.

"Ferrochrome containing less than 0.6 per cent carbon, free; up to 4 per cent carbon, 6; more than 4 per cent carbon, 4.50."

The treaty, when ratified, will remain in effect for two years.

[The United States is on a most-favored-nation basis with both Austria and Germany.]

(December 1, 1930)

France—Rumania

Journal Officiel, Paris, September 12

Monitorul Oficial, Bucharest, September 30

COMMERCIAL TREATY EXCHANGING DUTY CONCESSIONS

The Franco-Rumanian most-favored-nation treaty of commerce and navigation of August 27, 1930, which became provisionally effective on September 15, 1930, provides for an exchange of tariff concessions. National and most-favored-nation treatment is reciprocally granted in matters of internal taxation and shipping, with certain usual reservations. The treaty will become definitely effective 15 days after the exchange of ratifications and will remain in effect for a period of two years and thereafter until six months after notice of denunciation by either country.

"Rumanian concessions: Rumania grants to France reduced rates of import duties and agrees to bind certain existing rates. The products on which the rates are lower than those previously in effect include the following:

"Certain cheese; tapioca, arrowroot, sago and salep, and flours and substitutes thereof; infants' foods containing sugar or cocoa; unleavened bread in wafers; preserved mushrooms; shelled peanuts and unshelled almonds; dates; and certain spices.

"Certain hides and skins; carpets, silk fabrics, silk stockings, lace, and other silk articles; lace of vegetable textiles, except silk; feather dusters, powder puffs, stuffed birds.

"Certain fancy buttons, combs, hairpins, and costume jewelry of ivory, tortoise shell, or mother-of-pearl; silver and gold jewelry; fine brushes mounted on aluminum, nickel, or other metals; fancy articles of paper combined with fine materials; carbon paper; artistic articles of glass; rubber dolls and animals.

"Gas meters; wrought lead and sheet lead; sword blades.

"Soaps, liquid, in powder, or in flakes; certain inedible vegetable oils; castor oil; inedible gelatine; crude colophony.

"Prepared medicines; blood serums; flowers, leaves, fruits, and herbs for medicinal purposes; perfumes, dentifrice waters, and cosmetics; chemical specialties for technical and household use; incense.

"Fine paints in tubes, tablets, boxes, etc.; coloring extracts; lithophone and zincolith; minium and white lead.

"French concessions: France grants to Rumania a 30 per cent reduction from her regular import duty rate on corn to yellow corn of the Bessarabian type destined as a poultry or animal food, within the limits of a contingent fixed annually by the French ministry of agriculture and subject to certain regulations laid down by the Minister of Agriculture. (This reduction has subsequently been extended to all countries by a French governmental decree of September 11, 1930.) France also binds her minimum import duty rates on fuel oils, salted or dried intestines, and bed feathers, and agrees to continue to exempt from duty silk cocoons, raw hides and skins, raw animal hair, and raw cattle bones, hoofs, and horns."

[The United States enjoys most-favored-nation treatment in Rumania, but not on all commodities in France. Announcements concerning the above-mentioned treaty appeared in Commerce Reports for September 15 and 29, 1930.]

(October 13, 1930)

Germany—Turkey

Hungary—Turkey

Radiogram from Commercial Attaché Julian E. Gillespie, Istanbul, September 30

Cable from Commercial Attaché William Hodgman, Budapest, October 2

COMMERCIAL TREATIES EFFECTIVE

The most-favored-nation treaty of commerce between Germany and Turkey, which was signed on May 27, 1930, became effective on September 27, 1930, 14 days after the exchange of ratifications.

Numerous reductions in the Turkish import tariff and two reductions in the German import tariff (on raisins and canary seed) became effective with the treaty. These reductions apply also to American products, since the United States enjoys most-favored-nation treatment in both Germany and Turkey.

[A list of the products affected appeared in an analysis of the treaty in Commerce Reports for July 28, 1930. The reduced rates of duty on specific commodities may be obtained upon request to the division of foreign tariffs.]

The ratifications of a most-favored-nation commercial treaty between Hungary and Turkey have been exchanged and the treaty becomes effective on October 12, 1930.

The treaty provides for a reduction in the Hungarian import duty on Turkish Sultana raisins from 150 to 12 gold crowns per 100 kilos. (The previous Hungarian-Turkish treaty, which expired on March 26, 1930, provided for a Hungarian import duty of 40 gold crowns per 100 kilos on Sultana raisins.) The present reduction also applies to similar American raisins.

[The United States enjoys most-favored-nation treatment in both Hungary and Turkey. Commerce Reports for August 25, 1930, announced the extension of the provisional most-favored-nation agreement of March 19, 1930, between Hungary and Turkey, until the coming into effect of the present treaty.]

(February 1, 1932)

Germany—Hungary

Reichsgesetzblatt 1931, Part II, Berlin, December 24

MOST-FAVORED-NATION COMMERCIAL TREATY, WITH RECIPROCAL DUTY CONCESSIONS, PROVISIONALLY EFFECTIVE

A German Government decree of December 21, 1931, provisionally put into effect as of December 28, 1931, the most-favored-nation commercial treaty concluded between Germany and Hungary on July 18, 1931, together with a final protocol and an exchange of notes of December 18, 1931, with certain exceptions contained in an exchange of notes of December 19, 1931.

This treaty, which replaces the provisional agreement of June 1, 1928, in addition to the exchange of duty concessions and contingents (detailed below), provides for reciprocal most-favored-nation treatment in regard to commerce and navigation, import and export duties, customs formalities, rights of citizens and firms, taxation of goods, commercial travelers and their samples, etc.

Exceptions from most-favored-nation treatment are made for favors granted with regard to border traffic, present or future customs unions, present or future treaties with regard to double taxation or legal protection and assistance to citizens in tax matters, and for concessions which may be granted by one of the contracting parties to a third state exclusively on the basis of multilateral agreements of general importance, which can be adhered to by other nations and which have been entered into under the auspices of the League of Nations after March 1, 1930, unless the same concessions are granted by the other contracting party.

National treatment is granted with regard to rights and taxation of citizens and corporations, internal taxation of goods, shipping, with the customary exceptions, as well as to transport of citizens and goods on the railroads of each contracting party.

The contracting parties agree not to hinder their trade through any new import, export, or transit restrictions, except for reasons of public safety, health, etc.

Certificates of origin are generally not required, although they may be necessary if the products of third states should be subject to higher duties or import restrictions than those applying to products of the other party. In such cases they are valid without consular visa.

Provisions are made to regulate the temporary free admission of goods into either country.

The treaty is to be ratified and becomes definitely effective one month after the exchange of ratifications. Both parties reserve the right to restrict the entry into force to a part of the treaty, and to put all or part of the treaty provisionally into effect before that date.

It is to remain in force for two years and, unless denounced three months before the expiration of that period, indefinitely thereafter until three months after denunciation by either party. In case one of the parties should enter into a customs union with a third state, the treaty can be terminated upon three months' notice at the end of the first year that it has been in force.

"German concessions: German duties on a number of products are bound at the present rates, while lower conventional rates are granted on the following Hungarian products: Paprika, rabbits, and other furred game, certain mineral waters, hog-cholera serums, hemp belting, rubber bathing caps, and certain iron wares coated with rubber.

"In addition to the above duty concessions, Germany grants to Hungary an annual import contingent during 1931–1933 of 6,000 head of cattle for slaughter, to be increased to 7,000 head the following year if more than 90 per cent of this contingent is used in any year. The conventional rate of 16 reichsmarks per 100 kilos, already granted to Sweden for the same number of cattle, will also apply to the above contingent from Hungary.

"Should it become impossible for Hungary to enter this cattle contingent into Germany, she is given the right to terminate the treaty upon three months' notice.

"Germany also grants Hungary an annual contingent of 80,000 slaughtered hogs to be used in German meat-packing plants.

"Hungarian duty concessions: Hungary binds the duties on a number of German articles and grants reduced conventional rates on the following products:

"Heather plants, blooming; artificial iron oxide, red lead; certain veneered furniture; art print paper; chromo paper and cardboard; stockings; fur skins, dressed and dyed; earthenware mangers and troughs; certain oil and spirit stoves and soldering apparatus; nonsafety razors and blades; certain electrical measuring instruments and apparatus; certain mathematical sets and compasses; certain articles of precious metals; and certain scissors and penknives."

The original text of the treaty contained a number of other duty concessions on both sides, among them a preferential rate in the German tariff of three-fourths of the general duty on Hungarian wheat, which were not put into effect, being specifically excepted in the exchange of notes of December 19, 1931.

[The conclusion of this treaty was announced in Commerce Reports of August 3, 1931. Information regarding the new conventional rates will be furnished to American firms upon request to the Division of Foreign Tariffs.]

(February 2, 1931)

COMMERCIAL TREATIES AND AGREEMENTS

Austria—Germany

Radiogram from Commercial Attaché Gardner Richardson, Vienna, January 20

MOST-FAVORED-NATION COMMERCIAL TREATY, EFFECTIVE FEBRUARY 1

The Austrian-German mutual most-favored-nation commercial treaty of April 12, 1930, was ratified by Austria on January 19, so that the treaty will go into effect on February 1, 1931. The treaty will remain in effect for two years, and thereafter subject to termination upon three months' notice. It provides for a number of modifications of Austrian and German duties.

AUSTRIAN DUTY CONCESSIONS

Reductions in Austrian import duties are made, among others, on the following items:

Sewing and knitting machines, calculating machines, pneumatic tools, certain leather wares, crude and special hard rubber wares, and certain photographic paper.

Austria also agreed to grant the duty-free importation of some meters, measuring and testing devices, as well as special machines not manufactured in Austria.

In certain cases Germany waived either bindings of conventional rates or reduced conventional rates, so that some of the Austrian duties will increase, effective February 1.

Such increases will take place in regard to tulles, rubber soles and heels, artificial leather, mineral tanned calf leather, certain types of footwear, woodworking, printing, bookbinding and paper-producing machinery, motor cycles, and certain chemicals.

GERMAN DUTY CONCESSIONS

Reductions in German import duties are granted, among others, on the following items: Certain drills, pneumatic tools, certain netted or knitted wares of rayon, certain textile fabrics, unlined furs, certain leather goods, sawed fir, and certain rubberized textile wares for sanitary purposes.

[The United States is on a most-favored-nation basis with both Austria and Germany.]

(October 26, 1931)

COMMERCIAL TREATIES AND AGREEMENTS

Austria—Czechoslovakia

Commercial Attaché Sam E. Woods, Prague; Commercial Attaché Gardner Richardson, Vienna; and Bundesgesetzblatt—No. 58, Vienna

SUPPLEMENTAL COMMERCIAL AGREEMENT WITH RECIPROCAL DUTY CHANGES PROVISIONALLY EFFECTIVE

A new supplementary commercial agreement to the Austro-Czechoslovak most-favored-nation commercial treaty of May 4, 1921, was signed on July 22, 1931, and became provisionally effective on July 28, 1931, replacing the former supplementary agreement of July 21, 1927, which expired on July 27, 1931. It contains a number of increases in the tariffs of both countries, as well as a special provision regarding export aids.

Numerous duties on both sides have been increased and a considerable number of conventional duties, fixed by the previous commercial treaty with Czechoslovakia, have been discontinued, so that in future the autonomous rates will apply on those products. Duty reductions were made on only a very limited number of commodities and those mostly products of minor importance.

Austrian tariff changes: The treaty provides for increases in Austrian import duties on a number of products of interest to American trade, including the following:

"Knitted goods, vulcanized fiber, special paper goods, certain woodenwares, certain kinds of hardware, small metal goods, steam boilers, apparatus for distilling, cooling, and cooking, internal-combustion engines, certain agricultural machinery, weaving looms, power-transmission equipment, some electrical items, crank shafts for engines, vegetable and animal albuminous matter, and essential oils."

Czechoslovak tariff changes: In return Austria releases Czechoslovakia from former reduced treaty rates on a considerable number of industrial products, including the following:

"Candy, cotton yarn, knitted goods from artificial silk, hats, tissue paper, sole leather, wooden furniture, combs, smokers' articles, safes, plows, locomotives, telephones, and internal-combustion engines."

Each of the contracting parties reserves the right to examine the economic effects upon the trade with each other of commercial agreements which one of them has concluded or may conclude with third countries, and, if necessary, to demand negotiations on the subject of such effects.

Negotiations for a revision of the present agreement are also to be opened, at the request of one of the contracting parties, if this party proves (especially on the basis of statistical figures) that, as a result of the effects of the present agreement or of autonomous measures of the other party upon its customs, tax, or trade régime, its exports to the territory of the other party have suffered a considerable decline compared with the period in which the supplementary agreement of July 21, 1927, was in force.

Such negotiations, which may not be requested before January 1, 1932, must be opened within 30 days after the request is made by one party, and a satisfactory settlement must be reached within a further 30 days, otherwise the complaining party may denounce the treaty prematurely.

"Einfuhrscheine" and other aids to exportation: Each of the contracting parties agrees not to grant export premiums, under whatever designations or form, on products involved in the trade between them without the consent of the other.

The Czech Government promises to take the necessary precautions to minimize the unfavorable effects upon the Austrian market of the system of "Einfuhrscheine" (certificates granted upon the exportation of certain products that may be tendered in payment of duty on imports) now in force in Czechoslovakia. In the event of reestablishment of an "Einfuhrscheine" system by Austria, the Government of that country correspondingly undertakes to keep at a minimum the unfavorable effects of its operation upon Czechoslovak markets.

If such a system on the part of either country should result in continued pressure upon the market prices of the articles in question, the injured party reserves the right to present evidence to the other and to demand that negotiations be opened within 8 days and an agreement be reached within 14 days. Otherwise, defensive measures may be taken against the other party, after due notice, such as the imposition of special duties or surcharges or the restriction of imports.

The above provisions do not, however, apply to drawbacks of duty granted upon the exportation of products made from imported raw materials.

This agreement is to become definitely effective on the fifteenth day after the exchange of ratifications, to remain in force until July 15, 1932. If not denounced three months before the expiration of this period, it will be extended indefinitely, subject to three months' notice of denunciation by either party.

[Details of the changed duties will be furnished to interested American firms upon request, by the Division of Foreign Tariffs. The United States is on a most-favored-nation basis with both Austria and Czechoslovakia.]

(November 2, 1931)

COMMERCIAL TREATIES AND AGREEMENTS

Austria—Rumania

Commercial Attaché Gardner Richardson, Vienna, September 14
First Secretary of Legation Merritt Swift, Vienna, September 15
Bundesgesetzblatt, 1931, Nos. 236 and 276, Vienna, July 31 and September 7

MOST-FAVORED-NATION COMMERCIAL TREATY, WITH RECIPROCAL DUTY CONCESSIONS PROVISIONALLY EFFECTIVE

A most-favored-nation treaty of establishment, commerce, and navigation, with reciprocal duty concessions, signed between Austria and Rumania on August 22, 1931, was provisionally put into effect on September 7, 1931, according to an Austrian Government decree of the same date.

In addition to reciprocal most-favored-nation treatment in regard to commerce and navigation, import and export duties, customs formalities, rights of citizens and firms, commercial travelers and their samples, etc., the treaty contains a number of duty concessions in each tariff, a special agreement with duty reductions (see below) and a veterinary agreement.

Exceptions from most-favored-nation treatment are made with regard to (1) border traffic; (2) special tariff treatment which Rumania may grant for imports intended to facilitate financial arrangements resulting from the state of war existing from 1916 to 1918; (3) new concessions or privileges which may be granted in the future by one of the contracting parties in multilateral conventions in which the other does not participate, provided that such multilateral treaties have been entered into under the auspices of, or registered with, the League of Nations and can be adhered to by other countries.

National treatment is granted with regard to rights and taxation of citizens and corporations, to shipping, with some exceptions, as well as to internal taxation of goods.

The contracting parties agree not to hinder their trade through any new import, export, or transit restrictions, except for reasons of public health, national safety, protection of national art treasures, restrictions relative to money and securities, state monopolies, etc., and in order to safeguard the vital interests of the country in extraordinary and abnormal circumstances.

An effort has been made to simplify the complicated formalities which were formerly observed with regard to commercial transactions between the two countries, especially concerning certificates of origin, analysis of foodstuffs, and sojourn permits (Aufenthaltsbewilligungen).

Certificates of origin are generally not required, although they may be necessary if products of a third state should be subjected to higher duties or import restrictions than those applying to products of the other party, and in such cases are valid without consular visa.

Provisions are made to regulate the temporary free admission of goods into either country.

Duty concessions: The duties on a limited list of Rumanian products are bound in the Austrian tariff, but they are not lower than the rates in force heretofore.

Rumania, in addition to binding the rates on a number of commodities, grants reduced duties to Austria on the following articles (tariff item in parentheses):

"(Ex 100) Imitations of exotic hides and skins; (119) certain Morocco leather goods; (ex 119) ordinary purses of split leather; (146–b) dyed woolen yarns for retail sale; (620–c) artificial flowers and parts of silk; (646–a) certain veneer sheets; (686–a) umbrella

and parasol sticks; (751) parchment paper; (ex 755) crêpe paper; (ex 927–b) 'Stausziegelgewebe' (building material made of iron wire combined with ceramic material; (1093) boilers and stoves of cast-iron; (1094–b) radiators of wrought iron; (ex 1168) pocket knives; (1182) door locks and keys; (1245–e1) automatic and semiautomatic weighing apparatus, weighing up to 50 kilos; and (1424 and 1425) taps, valves, lubricators, etc., for liquids, steam, and gas."

Safeguarding against dumping, bounties, and unfair labor conditions: Rumania retains the right to increase import duties on all articles for which minimum rates are provided in the customs tariff, even if such rates are fixed in this treaty, in case, in her own judgment, the existence of some of the branches of the home industry should be jeopardized by dumping.

It is likewise understood that, even if the rates are bound by this treaty, Austria has the right to assess duties or additional duties, or to increase duties up to the amount of the bounty as granted on goods upon which, in her own judgment, a direct or indirect export bounty is granted in the country of export. The Austrian Government is also empowered to increase up to one-third of the rate provided in the tariff the duties on industrial products of countries which have not ratified the Washington convention of 1919, limiting the hours of work, and which in their present labor regulations are considerably below the provisions of the said convention.

Rumania guarantees to the Austrian Government that 40 per cent of her annual imports of breeding cattle shall be imported from Austria, while the veterinary agreement permits the entry into Austria of an import contingent of Rumanian cattle and meat amounting to 840 head of cattle and 100 tons of fresh meat a week.

The treaty becomes definitely effective 10 days after the exchange of ratifications and is to remain in force for three months, thereafter becoming subject to denunciation, with three months' notice, by either party. Irrespective of these regulations, the duration of this treaty is dependent on the provisions of the special agreement concluded by an exchange of notes on July 23, 1931, as noted below.

REDUCED AUSTRIAN DUTIES ON CONTINGENTS OF RUMANIAN CATTLE, HOGS, PORK, AND BEEF

A special agreement, concluded between Austria and Rumania by an exchange of notes on July 23, 1931, and incorporated as an integral part of the above treaty, provides for reduced Austrian import duties on specified quantities of Rumanian cattle, hogs, beef, and pork, retroactively effective from July 19 to October 31, 1931, according to an Austrian Government decree of July 23, 1931, as follows:

"Live cattle for slaughter, for an annual quantity equal to one-half of the number imported by Austria from Rumania in 1930 (not to exceed 432 head weekly), 9 gold crowns per 100 kilos.

"Live hogs: (a) weighing over 40 and up to 150 kilos each, for an annual quantity of 20,600 head, 18 gold crowns per 100 kilos; (b) weighing over 150 kilos each, free (quantity not to exceed 900 head per week, regardless of weight per head).

"Slaughtered hogs and pork, for an annual quantity of 2,000 metric tons, 26 gold crowns per 100 kilos.

"Beef, for an annual quantity equal to 30 per cent of the contingent of 100 metric tons which are permitted into Austria per week, 23 gold crowns per 100 kilos."

In case this special agreement is not prolonged after October 31, 1931, or superseded by a similar agreement, the commercial treaty will also expire on October 31, 1931.

In case one of the two Governments should take measures which should be considered by the other as liable to create discrimination against its products, the injured party shall have the right to demand the immediate opening of negotiations for the purpose of reestablishing the economic equilibrium and, if these negotiations should not show any results within three weeks, to denounce the present treaty upon 10 days' notice.

[Details concerning conventional duties on specific products may be obtained on request by American firms from the Division of Foreign Tariffs.

The United States is on a most-favored-nation basis with both Austria and Rumania.]

(July 28, 1930)

COMMERCIAL TREATIES AND AGREEMENTS

Czechoslovakia—Germany

Consul General Arthur C. Frost, Prague, June 14

PROVISIONAL AGREEMENT CONCERNING CLASSIFICATION OF BOOKS, ARTIFICIAL MANGANESE, BREWERS' PITCH, AND QUALITY STEEL EFFECTIVE

Pending the conclusion of a regular commercial treaty with Germany, Czechoslovakia has agreed provisionally to admit duty free, effective January 15, 1930, books, calendars, pictures, and music, bound in cloth, even if the corners or backs are bound in leather. Hitherto a duty of 1,200 gold crowns per 100 kilos was levied on the above-mentioned articles.

In return Germany has agreed to grant certain concessions on imports of Czechoslovakia artificial manganese, except in the form of briquets; brewers' pitch with a paraffin content of more than 10 and not more than 30 per cent; and quality steel.

[The United States is on a most-favored-nation basis with Czechoslovakia and Germany.]

(July 12, 1931)

Austria—Hungary

Cablegram from Commercial Attaché Gardner Richardson, Vienna, July 3

COMMERCIAL TREATY PROVIDING RECIPROCAL IMPORT CONTINGENTS AT REDUCED RATES OF DUTY CONCLUDED

A commercial treaty granting reciprocal import contingents at reduced rates of duty was signed between Austria and Hungary on July 1 and is expected to become effective on July 15.

It is understood that the agreement contains a number of important arrangements specially designed to promote the exchange of goods between the two countries. As the official text of the treaty is not yet available, the exact details of the contingents and other provisions are not yet known.

In order to avoid the application in Austria of the autonomous tariff rates on imports from Hungary in the absence of preferential rates such as contained in the former treaty with Hungary and in the treaty with Yugoslavia, the validity of these treaties which were to have expired on July 1, has been prolonged for two weeks. However, the previous conventional duty of 2 gold crowns on wheat, rye, and barley has been increased to 10 gold crowns, and the previous conventional duty of 5 gold crowns on flour has been increased to 23.50 gold crowns, all per 100 kilos. Both of these increases became effective July 1.

(December 16, 1929)

Albania—France

Eugene A. Masuret, office of commercial attaché, Paris, November 6

CONDITIONAL MOST-FAVORED-NATION TREATY SIGNED—DUTY CONCESSIONS BY ALBANIA

A conditional most-favored-nation treaty between Albania and France, which provides for special tariff concessions on the part of Albania, was signed on March 26, 1929. National treatment is reciprocally guaranteed for interior taxes collected on the consumption, production, circulation, and conditioning of merchandise. Citizens of each of the two countries will receive most-favored-nation treatment in all respects on the territory of the other. The treaty also carries a reciprocal agreement not to hinder commerce by any import or export restrictions.

"Albanian duty concessions to France: In addition to most-favored-nation treatment for all French products, Albania grants duty reductions on an extensive list of articles (list A annexed to treaty), which includes the following: Certain food products such as dates, powdered cocoa and chocolate, and fruit preserves; edible oils other than olive oils; certain cardboard boxes; tissues of jute, hemp, or wool, and of cotton mixed with wool; oilcloth and linoleum; table and toilet china, coffee cups and other objects; articles of hardware and cutlery such as shovels, spades, saws, knives, razors, and razor blades; toys; sewing needles; and dentrifices and cosmetics.

"France grants the benefit of her minimum rates, as well as most-favored-nation treatment, to certain Albanian products specified under a list B annexed to the agreement.

"Certificate of origin: It is reciprocally agreed that if one of the contracting parties should subject the merchandise of a third country to higher import duties or to import restrictions which are not applicable to merchandise of the other contracting party, the party applying such restrictions will be authorized to make the granting of her minimum duty rates dependent on the presentation of a certificate of origin from the other contracting party. It is further reciprocally agreed that certificates of origin must bear the regular consular visa when issued by other than the customs authorities of either of the contracting parties.

"This agreement constitutes the first commercial treaty which has ever been entered into between these two countries. It is concluded for a period of three years and will enter into force three months after the exchange of ratifications. If the agreement is not denounced within six months before expiration it will be prorogued by tacit agreement, each party reserving the right of denunciation at any time to effect the termination of the agreement six months thereafter."

[Products of the United States enjoy most-favored-nation treatment in Albania, but not in France.]

(March 31, 1930)

Germany—Poland

Radiogram from Commercial Attaché Clayton Lane, Warsaw, March 18. Cable from Commercial Attaché H. Lawrence Grove, Berlin, March 19

MOST-FAVORED-NATION COMMERCIAL TREATY SIGNED

A most-favored-nation commercial treaty between Germany and Poland was signed in Warsaw on March 17, 1930. The treaty is still subject to ratification and when ratified will remain in effect for one year, and thereafter subject to termination upon three months' notice.

"The most-favored-nation arrangement removes all special import restrictions at present imposed against certain German goods, as well as the restrictions against shipments from and through Germany of certain foreign goods. As soon as the treaty goes into effect, the so-called "non-German" certificates of origin will no longer be required for a number of articles from the United States, including the following: Tires, hardware, machinery, bicycles, linoleum, rice, lard and fatbacks, artificial and edible fats, gums and resins, rubber goods, ultramarine, metal and shoe

polishes, coffee, sewing machines, photographic plates, unexposed films, typewriters and calculating machines, and certain types of leather.

"Germany will also receive import contingents on various commodities at present denied entry into Poland. German nationals engaged in business and banking in Poland are granted most-favored-nation and national rights of domicile. Domicile of German agriculturists in Poland, however, will be restricted under terms agreed in a protocol signed on July 21, 1927.

"The German steamship lines HAPAG and the Norddeutscher Lloyd will enjoy all privileges granted to other foreign lines, including participation in Polish emigrant traffic, but will not enjoy all privileges granted to Polish lines.

"Germany will grant Poland a monthly coal import contingent amounting to 320,000 tons plus the amount of German coal exports to Poland, as well as a hog contingent of 200,000 head to be increased by 75,000 after 18 months and similarly one year thereafter up to 350,000. Shipments of Polish meat and meat products by rail or sea to German packing plants and hogs only by sea to German port abattoirs are assured the German market prices by the Reichsverband der Deutschen Industrie and guaranteed by the German Government. Polish hogs and pork are not to be reexported by Germany. Other Polish meats will enjoy full rights of transit through Germany for other markets. Veterinary regulations are drawn up very specially in order to avoid future disagreements."

[The United States has most-favored-nation agreements with Germany and Poland.]

Mr. BORAH. Mr. President, the policy of the unconditional most-favored-nation clause was adopted in 1925 in our treaty with Germany. It was discussed at that time at considerable length. The purpose was to protect our own merchants and traders in Europe. It is of more benefit to us, or was so believed, than it can be to the nations with whom we are making the treaties, for the simple reason that they were in the habit of giving advantages and favored conditions which they were not extending to the United States. We have, I think, some 10 or 12 treaties negotiated on this basis. Others are being negotiated on the same basis.

If I thought the Senator from Montana [Mr. WALSH] wished really to contest the proposition, the treaty should be sent back to the committee because it involves a complete change of national policy with reference to a most important matter which was thought out and considered at length by the committee some 10 years ago. But it seems to me the Senate should continue this policy.

I ask for a vote on the first treaty.

Mr. FESS. Mr. President, before we vote I would like to have the Senator's interpretation of the opening clause of the treaty and whether it does interfere in any way with the agreement we now have with Cuba, where we give Cuba a preference right on sugar, for example.

Mr. BORAH. Not with the present condition, because that was based upon a special consideration.

Mr. FESS. It was argued that if we did that we would have to do it with Germany also.

Mr. BORAH. I do not think it does.

Mr. FLETCHER. That has been expressly excepted in the treaty.

Mr. BORAH. Yes.

The treaty was reported to the Senate.

The VICE PRESIDENT. The question is on the resolution of ratification, which will be read.

The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive KK, Seventieth Congress, second session, a treaty of friendship, commerce, and consular rights with Norway, signed at Washington on June 5, 1928, and an additional article thereto signed at Washington on February 25, 1929.

The VICE PRESIDENT. The question is on agreeing to the resolution of ratification. [Putting the question.] The resolution is agreed to, two-thirds of the Senators present voting in the affirmative.

TREATY WITH POLAND

The legislative clerk proceeded to read Executive A (72d Cong., 1st sess.), a treaty of friendship, commerce, and consular rights between the United States and the Republic of Poland, signed at Washington on June 15, 1931.

The Senate as in Committee of the Whole proceeded to consider the treaty, which was read as follows:

The United States of America and the Republic of Poland, desirous of strengthening the bond of peace which happily prevails between them, by arrangements designed to promote friendly intercourse between their respective territories through provisions responsive to the spiritual, cultural, economic and commercial aspirations of the peoples thereof, have resolved to conclude a Treaty of Friendship, Commerce and Consular Rights and for that purpose have appointed as their plenipotentiaries:

The President of the United States of America, Henry L. Stimson, Secretary of State of the United States of America, and

The President of the Republic of Poland, Tytus Filipowicz, Ambassador Extraordinary and Plenipotentiary of Poland in Washington;

who, having communicated to each other their full powers found to be in due form, have agreed upon the following articles:

ARTICLE 1

The nationals of each of the High Contracting Parties, shall be permitted to enter, travel and reside in the territories of the other; to exercise liberty of conscience and freedom of worship; to engage in professional, scientific, religious, philanthropic, manufacturing and commercial work of every kind; to carry on every form of commercial activity which is not forbidden by the local law; to own, erect or lease and occupy appropriate buildings and to lease lands for residential, scientific, religious, philanthropic, manufacturing, commercial, and mortuary purposes; to employ agents of their choice; and generally the said nationals shall be permitted, upon submitting themselves to all local laws and regulations duly established, to enjoy all of the foregoing privileges and to do anything incidental to or necessary for the enjoyment of those privileges, upon the same terms as nationals of the State of residence, except as otherwise provided by laws of either High Contracting Party in force at the time of the signature of this Treaty. In so far as the laws of either High Contracting Party in force at the time of the signature of this Treaty do not permit nationals of the other Party to enjoy any of the foregoing privileges upon the same terms as the nationals of the State of residence, they shall enjoy, on condition of reciprocity, as favorable treatment as nationals of the most favored nation.

The nationals of either High Contracting Party within the territories of the other shall not be subjected to the payment of any internal charges or taxes other or higher than those that are exacted of and paid by its nationals.

The nationals of each High Contracting Party shall enjoy freedom of access to the courts of justice of the other on conforming to the local laws, as well for the prosecution as for the defense of their rights, in all degrees of jurisdiction established by law.

The nationals of each High Contracting Party shall receive within the territories of the other, upon submitting to conditions imposed upon its nationals, the most constant protection and security for their persons and property, and shall enjoy in this respect that degree of protection that is required by international law. Their property shall not be taken without due process of law and without payment of just compensation.

Nothing contained in this Treaty shall be construed to affect existing statutes of either of the High Contracting Parties in relation to emigration or to immigration or the right of either of the High Contracting Parties to enact such statutes, provided, however, that nothing in this paragraph shall prevent the nationals of either High Contracting Party from entering, traveling and residing in the territories of the other Party in order to carry on international trade or to engage in any commercial activity related to or connected with the conduct of international trade on the same terms as nationals of the most favored nation.

Nothing contained in this Treaty is to be considered as interfering with the right of either party to enact or enforce statutes concerning the protection of national labor.

ARTICLE 2

With respect to that form of protection granted by National, State, or Provincial laws establishing civil liability for injuries or for death, and giving to relatives or heirs or dependents of an injured party a right of action or a pecuniary benefit, such relatives or heirs or dependents of the injured party, himself a national of either of the High Contracting Parties and injured within any of the territories of the other, shall, regardless of their alienage or residence outside of the territory where the injury occurred, enjoy the same rights and privileges as are or may be granted to nationals, and under like conditions.

ARTICLE 3

The dwellings, warehouses, manufactories, shops, and other places of business, and all premises thereto appertaining of the nationals of each of the High Contracting Parties in the territories of the other, used for any purposes set forth in Article 1, shall be respected. It shall not be allowable to make a domiciliary visit to, or search of, any such buildings and premises, or there to examine and inspect books, papers, or accounts, except under the conditions and in conformity with the forms prescribed by the laws, ordinances and regulations for nationals.

ARTICLE 4

Where, on the death of any persons holding real or other immovable property or interests therein within the territories of one High Contracting Party, such property or interests therein would, by the laws of the country or by a testamentary disposition, descend or pass to a national of the other High Contracting Party, whether resident or non-resident, were he not disqualified by the laws of the country where such property or interests therein is or are situated, such national shall be allowed a term of three years in which to sell the same, this term to be reasonably prolonged if circumstances render it necessary, and withdraw the proceeds thereof, without restraint or interference, and exempt from any succession, probate or administrative duties or charges other than those which may be imposed in like cases upon the nationals of the country from which such proceeds may be drawn.

Nationals of either High Contracting Party may have full power to dispose of their personal property of every kind within the territories of the other, by testament, donation, or otherwise, and their heirs, legatees and donees, of whatsoever nationality, whether resident or non-resident, shall succeed to such personal property, and may take possession thereof, either by themselves or by others acting for them, and retain or dispose of the same at their pleasure subject to the payment of such duties or charges only as the nationals of the High Contracting Party within whose territories such property may be or belong shall be liable to pay in like cases.

ARTICLE 5

The nationals of each of the High Contracting Parties in the exercise of the right of freedom of worship, within the territories of the other, as herein above provided, may, without annoyance or molestation of any kind by reason of their religious belief or otherwise, conduct services either within their own houses or within any appropriate buildings which they may be at liberty to erect and maintain in convenient situations, provided their teachings or practices are not contrary to public morals; and they may also be permitted to bury their dead according to their religious customs in suitable and convenient places established and maintained for the purpose subject to the mortuary and sanitary laws and regulations of the place of burial.

ARTICLE 6

Between the territories of the High Contracting Parties there shall be freedom of commerce and navigation. The nationals of each of the High Contracting Parties equally with those of the most favored nation, shall have liberty freely to come with their vessels and cargoes to all places, ports and waters of every kind within the territorial limits of the other which are or may be open to foreign commerce and navigation. Nothing in this Treaty shall be construed to restrict the right of either High Contracting Party to impose on such terms as it may see fit, prohibitions or restrictions designed to protect human, animal, or plant life and health, or regulations for the enforcement of police or revenue laws, including laws prohibiting or restricting the importation or sale of alcoholic beverages or narcotics.

Each of the High Contracting Parties binds itself unconditionally to impose no higher or other duties or charges, and no condition or prohibition on the importation of any article, the growth, produce, or manufacture of the territories of the other Party than are or shall be imposed on the importation of any like article, the growth, produce or manufacture of any other country. Administrative orders effecting advances in duties or changes in regulations applicable to imports shall not be made operative until the elapse of sufficient time, after promulgation in the usual official manner, to afford reasonable notice of such advances or changes. The foregoing provision does not relate to orders made operative as required by provisions of law or judicial decisions, or to measures for the protection of human, animal or plant life or for the enforcement of police laws.

Each of the High Contracting Parties also binds itself unconditionally to impose no higher or other charges or other restrictions or prohibitions on goods exported to the territories of the other High Contracting Party than are imposed on goods exported to any other foreign country.

Neither High Contracting Party shall establish or maintain restrictions on imports from or exports to the territories of the other Party which are not applied to the import and export of any like article originating in or destined for any other country. Any withdrawal of an import or export restriction which is granted even temporarily by one of the Parties in favor of the articles of a third country shall be applied immediately and unconditionally to like articles originating in or destined for the other Contracting Party. In the event of rations or quotas being established for the importation or exportation of articles restricted or prohibited, each of the High Contracting Parties agrees to grant for the importation from or exportation to the territories of the other Party an equitable share in the allocation of the quantity of restricted goods which may be authorized for importation or exportation.

Any advantage concerning charges, duties, formalities and conditions of their application which either High Contracting Party may extend to any article, the growth, produce or manufacture of any other foreign country, shall simultaneously and unconditionally, without request and without compensation be extended to the like article the growth, produce or manufacture of the other High Contracting Party.

All articles which are or may be legally imported from foreign countries into ports of the United States of America or are or may be legally exported therefrom in vessels of the United States of America, may likewise be imported into these ports or exported therefrom in Polish vessels without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in vessels of the United States of America; and, reciprocally, all articles which are or may be legally imported from foreign countries into the ports of Poland or are or may be legally exported therefrom in Polish vessels, may likewise be imported into these ports or exported therefrom in vessels of the United States of America without being liable to any other or higher duties or charges whatsoever than if such articles were imported or exported in Polish vessels.

In the same manner there shall be perfect reciprocal equality in relation to the flags of the two countries with regard to bounties, drawbacks and other privileges of this nature, of whatever denomination, which may be allowed in the territories of each of the Contracting Parties, on goods imported or exported in national vessels so that such bounties, drawbacks and other privileges shall also and in like manner be allowed on goods imported or exported in vessels of the other country.

With respect to the amount and collection of duties on imports and exports of every kind, each of the two High

Contracting Parties binds itself to give to the nationals, vessels and goods of the other the advantage of every favor, privilege or immunity which it shall have accorded to the nationals, vessels and goods of a third state, whether such favored state shall have been accorded such treatment gratuitously or in return for reciprocal compensatory treatment. Every such favor, privilege or immunity which shall hereafter be granted the nationals, vessels or goods of a third State shall simultaneously and unconditionally, without request and without compensation be extended to the other High Contracting Party for the benefit of itself, its nationals, vessels and goods.

No distinction shall be made by either High Contracting Party between direct and indirect importations or articles originating in the territories of the other Party from whatever place arriving. In so far as importations into Poland are concerned, the foregoing stipulation applies only in the case of goods which for a part of the way from the place of their origin to the place of their ultimate destination had to be carried across the ocean.

Either Contracting Party has the right to require that articles which are imported from the territories of the other Party and are entitled under the provisions of this Treaty to the benefit of the duties or charges accorded to the most favored nation, must be accompanied by such documentary proof of their origin as may be required in pursuance of the laws and regulations of the country into which they are imported, provided, however, that the requirements imposed for this purpose shall not be such as to constitute in fact a hindrance to indirect trade. The requirements for furnishing such proof of origin shall be agreed upon and made effective by exchanges of notes between the High Contracting Parties.

The stipulations of this article shall not extend: (a) To the treatment which either High Contracting Party shall accord to purely border traffic within a zone not exceeding 10 miles (15 kilometers) wide on either side of its customs frontier.

(b) To the special privileges resulting to States in customs union with either High Contracting Party so long as such special privileges are not accorded to any other State.

(c) To the treatment which is accorded by the United States of America to the commerce of Cuba under the provisions of the commercial convention concluded by the United States of America and Cuba on December 11, 1902, or any other commercial convention which hereafter may be concluded by the United States of America with Cuba. Such stipulations, moreover do not extend to the treatment which is accorded to commerce between the United States of America and the Panama Canal Zone or any of the dependencies of the United States of America, or to the commerce of the dependencies of the United States of America with one another under existing and future laws.

(d) To the provisional customs régime in force between Polish and German parts of Upper Silesia laid down in the German-Polish Convention signed at Geneva on May 15, 1922.

ARTICLE 7

The nationals and merchandise of each High Contracting Party within the territories of the other shall receive the same treatment as nationals and merchandise of the country with regard to internal taxes, charges in respect to warehousing and other facilities.

ARTICLE 8

No duties of tonnage, harbor, pilotage, lighthouse, quarantine, or other similar or corresponding duties or charges of whatever denomination, levied in the name or for the profit of the Government, public functionaries, private individuals, corporations or establishments of any kind shall be imposed in the ports of the territories of either country upon the vessels of the other, which shall not equally, under the same conditions be imposed on national vessels. Such equality of treatment shall apply reciprocally to the vessels of the two countries respectively from whatever place they may arrive and whatever may be their place of destination.

ARTICLE 9

For the purposes of this Treaty, merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties, and carrying the papers required by its national laws in proof of nationality, shall, both within the territorial waters of the other High Contracting Party and on the high seas, be deemed to be the vessels of the Party whose flag is flown.

ARTICLE 10

Merchant vessels and other privately owned vessels under the flag of either of the High Contracting Parties shall be permitted to discharge portions of cargoes at any port open to foreign commerce in the territories of the other High Contracting Party, and to proceed with the remaining portions of such cargoes to any other ports of the same territories open to foreign commerce, without paying other or higher tonnage dues or port charges in such cases than would be paid by national vessels in like circumstances, and they shall be permitted to load in like manner at different ports in the same voyage outward, provided, however, that the coasting trade of the High Contracting Parties is exempt from the provisions of this Article and from the other provisions of this Treaty, and is to be regulated according to the laws of each High Contracting Party in relation thereto. It is agreed, however, that the nationals of either High Contracting Party shall within the territories of the other enjoy with respect to the coasting trade the most favored nation treatment.

The provisions of this Treaty relating to the mutual concession of national treatment in matters of navigation do not apply to special privileges reserved by either High Contracting Party for the fishing and shipbuilding industries.

ARTICLE 11

Limited liability and other corporations and associations, whether or not for pecuniary profit, which have been or may hereafter be organized in accordance with and under the laws, National, State or Provincial, of either High Contracting Party and maintain a central office within the territories thereof, shall have their juridical status recognized by the other High Contracting Party provided that they pursue no aims within its territories contrary to its laws. They shall enjoy freedom of access to the courts of law and equity, on conforming to the laws regulating the matter, as well for the prosecution as for the defense of rights in all the degrees of jurisdiction established by law.

The right of such corporations and associations of either High Contracting Party so recognized by the other to establish themselves within its territories, establish branch offices and fulfill their functions therein shall depend upon, and be governed solely by the consent of such Party as expressed in its National, State, or Provincial laws and regulations.

ARTICLE 12

The nationals of either High Contracting Party shall enjoy within the territories of the other, reciprocally and upon compliance with the conditions there imposed, such rights and privileges as have been or may hereafter be accorded the nationals of any other State with respect to the organization of and participation in limited liability and other corporations and associations, for pecuniary profit or otherwise, including the rights of promotion, incorporation, purchase and ownership and sale of shares and the holding of executive or official positions therein. In the exercise of the foregoing rights and with respect to the regulation or procedure concerning the organization or conduct of such corporations or associations, such nationals shall be subjected to no conditions less favorable than those which have been or may hereafter be imposed upon the nationals of the most favored nation. The rights of any of such corporations or associations as may be organized or controlled or participated in by the nationals of either High Contracting Party within the territories of the other to exercise any of their functions therein, shall be governed by the laws and regulations, National, State or Provincial, which are in force or may hereafter be established within the territories of the Party wherein they propose to engage in business.

The nationals of either High Contracting Party, shall, moreover, enjoy within the territories of the other, on condition of reciprocity, and upon compliance with the conditions there imposed, such rights and privileges as may hereafter be accorded the nationals of any other State with respect to the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain of the other. It is understood, however, that neither High Contracting Party shall be required by anything in this paragraph to grant any application for any such right or privilege if at the time such application is presented the granting of all similar applications shall have been suspended or discontinued.

ARTICLE 13

Commercial travelers representing manufacturers, merchants and traders domiciled in the territories of either High Contracting Party shall on their entry into and sojourn in the territories of the other Party and on their departure therefrom be accorded the most favored nation treatment in respect of customs and other privileges and of all charges and taxes of whatever denomination applicable to them or to their samples.

If either High Contracting Party shall deem necessary the presentation of an authentic document establishing the identity and authority of commercial travelers representing manufacturers, merchants or traders domiciled in the territories of the other Party in order that such commercial traveler may enjoy in its territories the privileges accorded under this Article, the High Contracting Parties will agree by exchange of notes on the form of such document and the authorities or persons by whom it shall be issued.

ARTICLE 14

There shall be complete freedom of transit through the territories including territorial waters of each High Contracting Party on the most convenient routes open for international transit, by rail, navigable waterway, and canal, other than the Panama Canal and waterways and canals which constitute international boundaries, to persons, their luggage and goods coming from, going to or passing through the territories of the other High Contracting Party, except such persons as may be forbidden admission into its territories, or goods or luggage of which the importation may be prohibited by law. Persons, their luggage and goods in transit shall not be subjected to any transit duty, or to any unnecessary delays or restrictions, or to any discrimination as regards charges, facilities or any other matter.

Goods in transit must be entered and cleared at the proper custom house, but they shall be exempt from all customs or other similar duties.

All charges imposed on transport in transit shall be reasonable, having regard to the conditions of the traffic.

Nothing in this Article shall affect the right of either of the High Contracting Parties to prohibit or restrict the transit of arms, munitions and military equipment in accordance with treaties or conventions that may have been or may hereafter be entered into by either Party with other countries.

ARTICLE 15

Each of the High Contracting Parties agrees to receive from the other, consular officers in those of its ports, places and cities, where it may be convenient and which are open to consular representatives of any foreign country.

Consular officers of each of the High Contracting Parties shall after entering upon their duties, enjoy reciprocally in the territories of the other all the rights, privileges, exemptions and immunities which are enjoyed by officers of the same grade of the most favored nation. As official agents, such officers shall be entitled to the high consideration of all officials, national or local, with whom they have official intercourse in the State which receives them.

The Government of each of the High Contracting Parties shall furnish free of charge the necessary exequatur of such consular officers of the other as present a regular commission signed by the chief executive of the appointing state and under its great seal; and it shall issue to a subordinate or substitute consular officer duly appointed by an accepted superior consular officer with the approbation of his Government, or by any other competent officer of that Government, such documents as according to the laws of the respective countries shall be requisite for the exercise by the appointee of the consular function. On the exhibition of an exequatur, or other document issued in lieu thereof to such subordinate, such consular officer shall be permitted to enter upon his duties and to enjoy the rights, privileges and immunities granted by this Treaty.

ARTICLE 16

Consular officers, nationals of the state by which they are appointed, shall be exempt from arrest except when charged with the commission of offenses locally designated as crimes other than misdemeanors and subjecting the individual guilty thereof to punishment. Such officers shall be exempt from military billetings, and from service of any military or naval, administrative or police character whatsoever.

In criminal cases the attendance at court by a consular officer as a witness may be demanded by the prosecution or defence. The demand shall be made with all possible regard for the consular dignity and the duties of the office; and there shall be compliance on the part of the consular officer.

Consular officers shall be subject to the jurisdiction of the courts in the State which receives them in civil cases, subject to the proviso, however, that when the officer is a national of the state which appoints him and is engaged in no private occupation for gain, his testimony in cases to which he is not a party shall be taken orally or in writing at his residence or office and with due regard for his convenience. The officer should, however, voluntarily give his testimony at court whenever it is possible to do so without serious interference with his official duties.

ARTICLE 17

Each of the High Contracting Parties agrees to permit the entry free of all duty of all furniture, equipment and supplies intended for official use in the consular offices of the other, and to extend to such consular officers of the other and their families and suites as are its nationals, the privilege of entry free of duty of their baggage and all other property intended for their personal use, accompanying the officer to his post; provided, nevertheless, that no article, the importation of which is prohibited by the law of either of the High Contracting Parties, may be brought into its territories. Personal property imported by consular officers, their families or suites during the incumbency of the officers shall be accorded the customs privileges and exemptions accorded to consular officers of the most favored nation.

It is understood, however, that the privileges of this Article shall not be extended to consular officers who are engaged in any private occupation for gain in the countries to which they are accredited, save with respect to governmental supplies.

ARTICLE 18

Consular officers, including employees in a consulate, nationals of the State by which they are appointed other than those engaged in private occupations for gain within the State where they exercise their functions, shall be exempt from all taxes, National, State, Provincial and Municipal, levied upon their persons or upon their property, except taxes levied on account of the possession or ownership of immovable property situated in, or income derived from property of any kind situated or belonging within, the territories of the State within which they exercise their functions. All consular officers and employees, nationals of the State appointing them, shall be exempt from the payment of taxes on the salary, fees or wages received by them in compensation for their consular services.

The Government of each High Contracting Party shall have the right to acquire and own land and buildings required for diplomatic or consular premises in the territory of the other High Contracting Party and also to erect buildings in such territory for the purposes stated subject to local building regulations.

Lands and buildings situated in the territories of either High Contracting Party, of which the other High Contracting Party is the legal or equitable owner and which are used

exclusively for governmental purposes by that owner, shall be exempt from taxation of every kind, National, State, Provincial, and Municipal, other than assessments levied for services or local public improvements by which the premises are benefited.

ARTICLE 19

Consular officers may place over the outer door of their respective offices the coat of arms of their State with an appropriate inscription designating the official office, and they may place the coat of arms of their State on automobiles employed by them in the exercise of their consular functions. Such officers may also hoist the flag of their country on their offices including those situated in the capitals of the two countries. They may likewise hoist such flag over any boat or vessel employed in the exercise of the consular function.

The quarters where consular business is conducted and the archives of the consulates shall at all times be inviolable, and under no pretext shall any authorities of any character within the country make any examination or seizure of papers or other property deposited with the archives. When consular officers are engaged in business within the territory of the State where they are exercising their duties, the files and documents of the consulate shall be kept in a place entirely separate from the one where private or business papers are kept. Consular offices shall not be used as places of asylum. No consular officers shall be required to produce official archives in court or testify as to their contents.

Upon the death, incapacity, or absence of a consular officer, having no subordinate consular officer at his post, secretaries or chancellors, whose official character may have previously been made known to the Government of the State where the consular function was exercised, may temporarily exercise the consular function of the deceased or incapacitated or absent consular officer; and while so acting shall enjoy all the rights, prerogatives and immunities granted to the incumbent.

ARTICLE 20

Consular officers, nationals of the State by which they are appointed, may, within their respective consular districts, address the authorities, National, State, Provincial or Municipal, for the purpose of protecting their countrymen in the enjoyment of their rights accruing by treaty or otherwise. Complaint may be made for the infraction of those rights. Failure upon the part of the proper authorities to grant redress or to accord protection may justify interposition through the diplomatic channel, and in the absence of a diplomatic representative, a consul general or the consular officer stationed at the capital may apply directly to the government of the country.

ARTICLE 21

Consular officers, in pursuance of the laws of their own country may (a) take, at any appropriate place within their respective districts, the depositions of any occupants of vessels of their own country, or of any national of, or of any person having permanent residence within the territories of, their own country; (b) draw up, attest, certify and authenticate unilateral acts, translations, deeds, and testamentary dispositions of their countrymen, and also contracts to which a countryman is a party; (c) authenticate signatures; (d) draw up, attest, certify and authenticate written instruments of any kind purporting to express or embody the conveyance or encumbrance of property of any kind within the territory of the State by which such officers are appointed, and unilateral acts, deeds, testamentary dispositions and contracts relating to property situated, or business to be transacted, within the territories of the State by which they are appointed.

Instruments and documents thus executed and copies and translations thereof, when duly authenticated by the consular officer, under his official seal, shall be received as evidence in the territories of the Contracting Parties as original documents or authenticated copies, as the case may be, and shall have the same force and effect as if drawn by and executed before a notary or other public officer duly authorized in the country by which the consular officer was appointed; provided, always, that such documents shall have been drawn and executed in conformity to the laws and regulations of the country where they are designed to take effect.

A consular officer of either High Contracting Party shall within his district have the right to act personally or by delegate in all matters concerning claims of nonsupport of nonresident minor children against a father resident in the district of the consul's residence and a national of the country represented by the consul, without other authorization, providing that such procedure is not in conflict with local laws.

ARTICLE 22

In case of the death of a national of either High Contracting Party in the territory of the other without having in the locality of his decease any known heirs or testamentary executors by him appointed, the competent local authorities shall at once inform the nearest consular officer of the State of which the deceased was a national of the fact of the death, in order that necessary information may be forwarded to the parties interested.

In case of the death of a national of either of the High Contracting Parties without will or testament, in the territory of the other High Contracting Party, the consular officer of the State of which the deceased was a national and within whose district the deceased made his home at the time of death, shall, so far as the laws of the country permit and pending the appointment of an administrator and until letters of administration have been granted, be deemed qualified to take charge of the property left by the decedent for the preservation and protection of the same. Such consular officer shall have the right to be appointed as administrator within the discretion of a tribunal or other agency controlling the administration of estates provided the laws of the place where the estate is administered so permit.

In case of the death of a national of either of the High Contracting Parties without will or testament and without any known heirs resident in the country of his decease, the consular officer of the country of which the deceased was a national shall be appointed administrator of the estate of the deceased, provided the regulations of his own Government permit such appointment and provided such appointment is not in conflict with local law and the tribunal having jurisdiction has no special reasons for appointing someone else.

Whenever a consular officer accepts the office of administrator of the estate of a deceased countryman, he subjects himself as such to the jurisdiction of the tribunal or other agency making the appointment for all necessary purposes to the same extent as a national of the country where he was appointed.

ARTICLE 23

A consular officer of either High Contracting Party may, if this is not contrary to the local law, appear personally or by delegate on behalf of nonresident beneficiaries, nationals of the country represented by him before the proper authorities administering workmen's compensation laws and other like statutes, with the same effect as if he held the power of attorney of such beneficiaries to represent them unless such beneficiaries have themselves appeared either in person or by duly authorized representative.

Written notice of the death of their countrymen entitled to benefit by such laws should, whenever practicable, be given by the authorities administering the law to the appropriate consular officer of the country of which the deceased was a national.

A consular officer of either High Contracting Party may on behalf of his non-resident countrymen collect and receipt for their distributive shares derived from estates in the process of probate or accruing under the provisions of so-called workmen's compensation laws or other like statutes provided he remits any funds so received through the appropriate agencies of his Government to the proper distributees.

ARTICLE 24

A consular officer of either High Contracting Party shall, within his district, have the right to appear personally or by delegate in all matters concerning the administration and



distribution of the estate of a deceased person under the jurisdiction of the local authorities for all such heirs or legatees in said estate, either minors or adults, as may be non-residents and nationals of the country represented by the said consular officer with the same effect as if he held their power of attorney to represent them unless such heirs or legatees themselves have appeared either in person or by duly authorized representative.

ARTICLE 25

A consular officer shall have exclusive jurisdiction over controversies arising out of the internal order of private vessels of his country, and shall alone exercise jurisdiction in cases, wherever arising, between officers and crews, pertaining to the enforcement of discipline on board, provided the vessel and the persons charged with wrongdoing shall have entered a port within his consular district. Such an officer shall also have jurisdiction over issues concerning the adjustment of wages and the execution of contracts relating thereto provided the local laws so permit.

When an act committed on board of a private vessel under the flag of the State by which the consular officer has been appointed and within the territorial waters of the State to which he has been appointed constitutes a crime according to the laws of that State, subjecting the person guilty thereof to punishment as a criminal, the consular officer shall not exercise jurisdiction except in so far as he is permitted to do so by the local law.

A consular officer may freely invoke the assistance of the local police authorities in any matter pertaining to the maintenance of internal order on board of a vessel under the flag of his country within the territorial waters of the State to which he is appointed, and upon such a request the requisite assistance shall be given.

A consular officer may appear with the officers and crews of vessels under the flag of his country before the judicial authorities of the State to which he is appointed to render assistance as an interpreter or agent.

ARTICLE 26

A consular officer of either High Contracting Party shall have the right to inspect within the ports of the other High Contracting Party within his consular district, the private vessels of any flag destined or about to clear for ports of the country appointing him in order to observe the sanitary conditions and measures taken on board such vessels, and to be enabled thereby to execute intelligently bills of health and other documents required by the laws of his country, and to inform his Government concerning the extent to which its sanitary regulations have been observed at ports of departure by vessels destined to its ports, with a view to facilitating entry of such vessels therein.

ARTICLE 27

All proceedings relative to the salvage of vessels of either High Contracting Party wrecked upon the coasts of the other shall be directed by the consular officer of the country to which the vessel belongs and within whose district the wreck may have occurred. Pending the arrival of such officer, who shall be immediately informed of the occurrence, the local authorities shall take all necessary measures for the protection of persons and the preservation of wrecked property. The local authorities shall not otherwise interfere than for the maintenance of order, the protection of the interests of the salvors, if these do not belong to the crews that have been wrecked, and to carry into effect the arrangements made for the entry and exportation of the merchandise saved. It is understood that such merchandise is not to be subjected to any custom house charges, unless it be intended for consumption in the country where the wreck may have taken place.

The intervention of the local authorities in these different cases shall occasion no expense of any kind, except such as may be caused by the operations of salvage and the preservation of the goods saved, together with such as would be incurred under similar circumstances by vessels of the nation.

ARTICLE 28

Subject to any limitation or exception hereinabove set forth, or hereafter to be agreed upon, the territories of the High Contracting Parties to which the provisions of this Treaty extend shall be understood to comprise all areas of land, water, and air over which the Parties respectively claim and exercise dominion as sovereign thereof, except the Panama Canal Zone.

ARTICLE 29

The Polish Government which is entrusted with the conduct of the foreign affairs of the Free City of Danzig under Article 104 of the Treaty of Versailles and Articles 2 and 6 of the Treaty signed in Paris on November 9, 1920, between Poland and the Free City of Danzig, reserves hereby the right to declare that the Free City of Danzig is a Contracting Party to this Treaty and that it assumes the obligations and acquires the rights laid down therein.

This reservation does not relate to those stipulations of the Treaty which the Republic of Poland has accepted with regard to the Free City in accordance with the Treaty rights conferred on Poland.

ARTICLE 30

The present Treaty shall be ratified and the ratifications thereof shall be exchanged at Warsaw. The Treaty shall take effect in all its provisions thirty days from the date of the exchange of ratifications and shall remain in full force for the term of one year thereafter.

If within six months before the expiration of the aforesaid period of one year neither High Contracting Party notifies to the other an intention of modifying by change or omission, any of the provisions of any of the Articles in this Treaty or of terminating it upon the expiration of the aforesaid period, the Treaty shall remain in full force and effect after the aforesaid period and until six months from such a time as either of the High Contracting Parties shall have notified to the other an intention of modifying or terminating the Treaty.

In witness whereof the respective Plenipotentiaries have signed this Treaty and have affixed their seals thereto.

Done in duplicate, each in the English and Polish languages, both authentic, at Washington, this fifteenth day of June, one thousand nine hundred and thirty-one.

HENRY L STIMSON [SEAL]
TYTUS FILIPOWICZ [SEAL]

The treaty was reported to the Senate. The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, Seventy-second Congress, first session, a treaty of friendship, commerce, and consular rights with Poland, signed at Washington on June 15, 1931.

The resolution was agreed to, two-thirds of the Senators present voting in the affirmative.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McNARY. I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

NAVY AND MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Navy and Marine Corps.

Mr. McNARY. I ask that the nominations in the Navy and Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc. This concludes the business on the Executive Calendar.

The Senate resumed legislative session.

SEWAGE-DISPOSAL METHODS IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, in relation to Senate

Resolution 44, requesting the Surgeon General of the Public Health Service to make an investigation of conditions resulting from the present method of disposing of sewage from the District of Columbia in the Potomac River, and stating in part: "It is proposed that the beginning of the reconnaissance survey be delayed until midsummer, when the river may be expected to be at a comparatively low stage and the amount of sewage from the District of Columbia may be assumed to be at its maximum. A report on the results of the proposed preliminary investigation will be made to the Senate as soon as practicable. It is not believed that this phase of the investigation should last over a period greater than two or three months," which was referred to the Committee on the District of Columbia.

FIXING THE TERMS OF PRESIDENT, VICE PRESIDENT, ETC., AND THE TIME OF ASSEMBLING OF CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Governor of the State of Michigan, together with a concurrent resolution of the legislature of that State, which, with the attached papers, was ordered to lie on the table and to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
EXECUTIVE OFFICE,
Lansing, Mich., April 2, 1932.

Hon. CHARLES CURTIS,
President of the Senate of the United States,
Washington, D. C.

MY DEAR MR. CURTIS: Attached hereto is a certified copy of the preamble and Senate Concurrent Resolution No. 1, entitled:

"A concurrent resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress."

Said Concurrent Resolution No. 1 was unanimously adopted by the Senate of the State of Michigan on March 30, 1932, and by the House of Representatives on March 31, 1932.

Very respectfully yours,

WILBER M. BRUCKER.

MICHIGAN STATE SENATE,
Lansing.

To all to whom these presents shall come, greeting:

I certify that the copy hereto attached is a true copy of Senate Concurrent Resolution No. 1, entitled: "A concurrent resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress," which said Concurrent Resolution No. 1 was unanimously adopted by the Senate of the State of Michigan on March 30, 1932.

In testimony whereof, I have hereunto set my hand and caused the great seal of the State of Michigan to be affixed at the city of Lansing, State of Michigan, this 2d day of April, A. D. 1932, and of the Commonwealth the ninety-seventh.

[SEAL.]

FRED I. CHASE,
Secretary of the Senate.

Attest:

FRANK A. FITZGERALD,
Secretary of State.

HOUSE OF REPRESENTATIVES,
Lansing, Mich.

To all to whom these presents shall come, greeting:

I certify that the copy hereto attached is a true copy of Senate Concurrent Resolution No. 1, entitled: "A concurrent resolution ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress," which said Concurrent Resolution No. 1 was unanimously adopted by the House of Representatives of the State of Michigan on March 31, 1932.

In testimony whereof, I have hereunto set my hand and caused the great seal of the State of Michigan to be affixed at the city of Lansing, State of Michigan, this 2d day of April, A. D. 1932, and of the Commonwealth the ninety-seventh.

[SEAL.]

MYLES F. GRAY,
Clerk of the House.

Attest:

FRANK A. FITZGERALD,
Secretary of State.

Senate Concurrent Resolution No. 1, ratifying the proposed amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress

Whereas the Seventy-second Congress of the United States of America at its first session, in both Houses, by a constitutional majority of two-thirds thereof, has made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"JOINT RESOLUTION

"Proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress.

"Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled (two-thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"Article —

"SECTION 1. The term of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January, unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President elect shall have died, the Vice President elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President elect shall have failed to qualify, then the Vice President elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President elect nor a Vice President elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

Resolved by the Senate of the State of Michigan (the House of Representatives of the State of Michigan concurring), That in the name of, and on behalf of, the people of the State of Michigan, we do hereby ratify, approve, and assent to the said proposed amendment to the Constitution of the United States.

Resolved, That certified copies of the foregoing preamble and resolution be transmitted by his excellency, the Governor of the State of Michigan, to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, and the Speaker of the House of Representatives of the United States.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Senate of the State of Michigan, together with a resolution adopted by the Senate of Michigan, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

STATE OF MICHIGAN,
Lansing, April 1, 1932.

Hon. CHARLES CURTIS,
Vice President of the United States, Washington, D. C.

SIR: I have the honor to transmit herewith a copy of Senate Resolution No. 12, which was adopted by the senate on March 31, 1932.

Respectfully yours,

FRED I. CHASE,
Secretary of the Senate.

Senate Resolution 12

Whereas the need of stabilizing and encouraging American industry and business in order to stimulate employment and increase the use of farm products in this hour, demands a protest from Michigan against the proposed excise taxes on the products of our motor-car industry; and

Whereas added taxes on an industry that uses the products of steel, iron, copper, lumber, glass, lead, cotton, oil, and many others from American mines, forests, farms, and factories are bound to retard the revival of business and trade at this time: Now, therefore, be it

Resolved, That we petition President Hoover and the Members of Congress and the United States Senators from Michigan to do all in their power to prevent the infliction of this excise tax on America's motor-car industry in the interest of fairness and for the encouragement of employment and resumption of normal business activities; and be it further

Resolved, That copies of these resolutions be sent to President Hoover, the Speaker of the House, the chairmen of the Committees on Finance and Appropriations in the House and Senate, and to the Members from Michigan in both Houses.

Mr. CAPPER presented a memorial of sundry citizens of Oswego, Kans., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. DAVIS presented a memorial of sundry citizens of Philadelphia, Pa., remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which was referred to the Committee on the District of Columbia.

Mr. SHIPSTEAD presented the petition of W. G. Tibbetts, of Minneapolis, Minn., praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which was referred to the Committee on Interstate Commerce.

Mr. BLAINE presented resolutions adopted by the Ladies' Auxiliary and the Missionary Society of the Presbyterian Church of Oconto and the Woman's Foreign Missionary Society of Oconto Falls, in the State of Wisconsin, protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which were referred to the Committee on the Judiciary.

Mr. ROBINSON of Arkansas presented memorials of sundry citizens of Little Rock, Ark., remonstrating against the passage of legislation imposing a "cent a shell" tax upon shotgun shells, which were referred to the Committee on Finance.

Mr. ASHURST presented a telegram in the nature of a memorial from the Disabled American Veterans, Tucson, Ariz., remonstrating against the passage of legislation proposing to reduce veterans' relief, especially with reference to compensation, which was referred to the Committee on Finance.

He also presented telegrams from R. E. Moore, city manager; F. H. Lyons and P. M. Long, all of Jerome, Ariz., remonstrating against the imposition of a tax on sales of stocks and bonds, which were referred to the Committee on Finance.

Mr. JONES presented petitions of sundry citizens of Spokane, Wash., praying for the passage of legislation providing old-age pensions, which were referred to the Committee on Pensions.

He also presented a letter from the clerk of the United States District Court for the Western District of Washington, Tacoma, Wash., transmitting, by direction of the court, copy of a recommendation made by the United States Grand Jury for the Western District of Washington, Southern Division, regarding the water supply and an isolation hospital at the United States Penitentiary at McNeil Island, Wash., which, with the accompanying paper, was referred to the Committee on the Judiciary.

Mr. WALSH of Massachusetts presented telegrams, in the nature of memorials, from 270 citizens of the State of Massachusetts, remonstrating against the imposition of a tax upon sales of stocks and bonds, which were referred to the Committee on Finance.

He also presented letters, in the nature of memorials, from 113 citizens of the State of Massachusetts, remonstrating against the proposed reduction in compensation of postal and other Federal employees, which were referred to the Committee on Civil Service.

Mr. TYDINGS presented a petition of sundry citizens of the State of Maryland, praying for the passage of legislation to regulate the sale and price of wheat, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of sundry citizens of the State of Maryland, remonstrating against the passage of legislation imposing a "cent a shell" tax upon shot gun shells, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Baltimore, Md., favoring inclusion in the pending revenue and taxation bill of a general manufacturers' sales tax, which were referred to the Committee on Finance.

Mr. COPELAND presented a memorial of the New York Tow Boat Exchange (Inc.), of New York City, N. Y., remonstrating against the passage of legislation proposing to transfer to an administrative officer the duties of the United States Engineers Office or the Supervisor of the Harbor of New York, which was referred to the Committee on Commerce.

He also presented a petition of the executive committee of the Unemployed Union of West Queens, of Long Island, N. Y., praying for an investigation of alleged terrorism in mining operations in Bell and Harlan Counties, Ky., which was referred to the Committee on Manufactures.

He also presented a resolution adopted at Chicago, Ill., by representatives of business interests of the Middle West favoring retrenchment in governmental expenditures, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the New York Clearing House Association, of New York, N. Y., protesting against the passage of legislation making fundamental changes in the banking laws of the United States at the present time, which was referred to the Committee on Banking and Currency.

He also presented a petition of substitute letter carriers of the postal service at Buffalo, N. Y., praying for the passage of legislation granting sick and annual leave to substitute carriers and requiring the regular appointment of substitutes after one year of service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of the State of New York favoring the passage of legislation providing for a system of pensions for transportation employees, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Kiwanis Club, of Newark, N. J., favoring the passage of House bill 10492, to regulate the interstate transportation of weapons used in crimes of violence, which was referred to the Committee on Interstate Commerce.

He also presented petitions of several organizations of the State of New York praying for the passage of legislation providing for the deportation of undesirable aliens, which were referred to the Committee on Immigration.

He also presented the memorial of the Hope Baptist Missionary Society, of Albany, N. Y., remonstrating against the proposed resubmission of the national prohibition amendment to the States, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Westend Republican Club of Queens County (Inc.), of Woodhaven, N. Y., favoring the passage of legislation providing for the more effective control and punishment of crime, especially criminal gangs and organizations, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Red Hook, N. Y., praying for the repeal of the national prohibition amendment of the Constitution, and protesting against the passage of legislation providing for cash payment of World War veterans' adjusted-compensation certificates, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at the annual convention of the American Brush Manufacturers' Association, at Philadelphia, Pa., remonstrating against the policies and methods of officials of the Bureau of Prisons, and opposing the making of appropriations for the purchase or operation of labor-saving machinery in the brush factory at Leavenworth prison, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Exchange Club, of New Berlin, N. Y., favoring the enforcement of the provisions of section 307 of the tariff act of 1930, prohibiting the importation of goods produced by convict, forced, or

indentured labor, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Chamber of Commerce of the Borough of Queens, New York City, favoring the imposition of an increased duty on sugar importations, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Chamber of Commerce of the Borough of Queens, New York City, requesting consideration of views submitted by it on the subject of Federal taxation, which was referred to the Committee on Finance.

He also presented a memorial of employees of the Remington Arms Co. (Inc.), of Ilion, N. Y., remonstrating against the proposed 1 cent per shell tax on loaded shot shells, which was referred to the Committee on Finance.

He also presented a letter of the Southern Pine Association, of New Orleans, La., favoring certain suggestions contained in a printed pamphlet by John H. Kirby, entitled "A Relief for Unemployment and an Aid in the Pursuit of Happiness," which, with the accompanying papers, was referred to the Committee on Finance.

He also presented the petition of Syracuse Lodge, No. 381, International Association of Machinists, of Syracuse, N. Y., favoring an increase in inheritance and income taxes in the higher brackets, which was referred to the Committee on Finance.

He also presented a telegram from the Rochester Coal Merchants Association, of Rochester, N. Y., praying for the passage of legislation imposing a tax of 10 cents per hundred pounds on importations of anthracite coal, which was referred to the Committee on Finance.

He also presented the memorial of the Endicott Automobile Club (Inc.), of Endicott, N. Y., remonstrating against the proposed tax on automobiles and gasoline, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens, being jewelers, of Binghamton and Olean, N. Y., remonstrating against the proposed 10 per cent sales tax on jewelry, which were referred to the Committee on Finance.

He also presented several petitions of citizens of the State of New York, praying for the passage of legislation providing for the cash payment of World War adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented memorials of sundry citizens and various organizations of the State of New York, remonstrating against the proposed tax on the sale of securities, which were referred to the Committee on Finance.

He also presented petitions and resolutions in the form of petitions of sundry citizens and various organizations of the State of New York, praying for the defeat of legislation providing a reduction in the compensation of Federal employees, which were referred to the Committee on Civil Service.

STATUE OF WASHINGTON, COMMEMORATING HIS TAKING COMMAND OF THE CONTINENTAL ARMIES

Mr. WALSH of Massachusetts. Mr. President, I ask to have printed in the RECORD and appropriately referred a letter embodying a resolution adopted by the Cambridge Historical Society of Massachusetts, indorsing the proposal of the Cambridge Committee on the Bicentennial of the Birth of George Washington, that the United States shall erect a statue to commemorate his taking command of the Continental Armies.

There being no objection, the letter embodying a resolution was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: At a meeting of the Cambridge Historical Society held at Craigie House, General Washington's headquarters in Cambridge, on February 22, 1932, the Cambridge Historical Society voted unanimously that—

"We heartily indorse the proposal of the Cambridge committee on the bicentennial of the birth of George Washington that the United States shall erect a statue to Washington to commemorate his taking command of the armies of the United Colonies at Cambridge on July 3, 1775, at the site of the Washington Elm or near by on Cambridge Common, the said statue to be preferably equestrian."

I was directed, as secretary of the society, to send you a copy of this resolution.

Yours very sincerely,

ELDON R. JAMES, *Secretary.*

PROPOSED IMPORT DUTY ON COAL

Mr. WALSH of Massachusetts. Mr. President, I ask permission to have printed in the RECORD and appropriately referred a telegram which I have received from the Division on the Necessaries of Life of the Commonwealth of Massachusetts, vigorously protesting the imposition of a $2 tax per ton on imported anthracite coal. This protest is made in behalf of the consumers of coal in Massachusetts.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BOSTON, MASS., *April 4, 1932.*

Hon. DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR: The division on the necessaries of life of the Commonwealth of Massachusetts, in behalf of the consumers of Massachusetts, vigorously protest the imposition of a $2 tax per ton on foreign anthracite and requests that a determined fight be made to eliminate this tax from the revenue bill now before the Senate. The revenue derived from this tax, based on 1931 receipts, would be about a million dollars, which is inconsequential in comparison with the prospective prices that would most likely be charged our Massachusetts consumers for this monopolistic fuel if foreign competition is eliminated. Until a reduction of anthracite prices was announced last Saturday our retail prices have been equivalent to those charged in all normal years since 1920. Diversion from the use of anthracite to substitute fuels has caused the anthracite industry great concern, and now it is proposed that a monopoly be rehabilitated through the imposition of this prohibitive tax. New England received 96 per cent of total United States imports of 638,000 net tons in 1931—Massachusetts 65 per cent. Foreign anthracite, notwithstanding steady increase in its use, is still considered a luxury fuel in that its retail price is generally higher than domestic anthracite. The solution of this anthracite problem is in the hands of three factors, the principal one of which is the railroads, who charge $4.28 per gross ton for a 350-mile haul from the anthracite field to Boston. The Welsh coal fields are 3,500 miles away, about ten times the distance, but the ocean freight rate is $1.20 per gross ton. The Russian coal fields are approximately 8,500 miles away, but the freight rate is only $2.50 a ton. The Indo-China coal fields are over 12,000 miles away, forty times the distance from Pennsylvania, but the transportation charge is only $3.20 per gross ton. The coal and coke proposals are misjudged efforts to protect natural-resource industries against the consequences of domestic overexploitation that can only be cured by drastic direct action. It is proposed by this tax to penalize the consumers of Massachusetts and New England because of our geographical location, and it is hoped that through your good offices this tax will be eliminated. The imposition of a tax on foreign coke is equally as drastic, for although the imports up until recently have been small, the elimination of competition resulting from a tax of this kind reacts detrimentally to the consumer.

RALPH W. ROBART,
Director Division on the Necessaries of Life, Boston, Mass.

THE REMONETIZATION OF SILVER

Mr. WHEELER presented a petition in the form of a resolution, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Knowing only too well the distressed condition of the farmer class, and lamenting the fact that Congress has done nothing toward the enactment of remedial legislation, more than to make gestures, and believing the Wheeler bill, S. 2487, now pending in Congress, to be fundamental, and therefore necessary to the preservation of not our class alone but all others as well, knowing, as we do, that farming is basic, and hence, all other industries are founded thereon: Therefore, be it

Resolved, That this mass meeting of 500 persons, said meeting being sponsored by the Harmon County Farmers Union, urge that our Members in Congress give to the said Wheeler bill, S. 2487, their immediate active support, both by their influence and finally by their vote.

Unanimously adopted, February 22, 1932, at courthouse, Hollis, Okla.

L. F. MARTIN, *Chairman.*
R. B. BRYANT, *Secretary.*

Mr. WHEELER also presented a petition of sundry citizens of the State of South Dakota, which was referred to the Committee on Finance and ordered to be printed in the RECORD, without the signatures, as follows:

RESOLUTION AND PETITION TO CONGRESS URGING PASSAGE OF WHEELER BILL, S. 2487

Whereas a medium of exchange so limited in quantity as to make its use prohibitive in world commerce, either in direct coinage service, or as a basis for currency issue (even when not cornered but given the freest possible circulation); and

Whereas silver as a precious metal is admirably adapted, both as a direct and indirect medium of exchange for world commerce, same being already in use in most of the nations of the world; and

Whereas the remonetization of silver will not only be an essential step toward dethroning a despotic, usurping tyrant that is heading man "back to the cave," but also toward such issuance and control of money as provided for in the Constitution; and

Whereas the conquests of science and invention have brought the world to our door, making ox-cart isolation very impractical, expensive, and inconvenient, if not tragical; and

Whereas the last stand of the gold standard battling to retain world supremacy has so paralyzed world commerce as to place recovery in question or doubt: Therefore

As loyal American citizens, looking toward the welfare and perpetuity of our Nation, we herewith petition you, our Representatives in Congress, to lend all possible support to the Wheeler bill, S. 2487, as an initial step toward honest money and credit, and toward that end we herewith subscribe our names.

Respectfully submitted for your cooperation.

IMMIGRATION OF FOREIGN LABOR

Mr. DILL. Mr. President, I ask unanimous consent to have printed in the RECORD a memorial remonstrating against the immigration of foreign labor into the United States, together with the names of a few of the prominent people of the State of Washington who have signed the memorial. I ask to have the memorial, containing 175,000 names, referred to the Committee on Immigration.

There being no objection, the memorial was referred to the Committee on Immigration and was ordered to be printed in the RECORD, as follows:

COLLINSVILLE, OKLA., *April 1, 1932.*

Hon. C. C. DILL,
Washington, D. C.

DEAR SENATOR: I am sending to you under separate cover, by express, petition containing approximately 170,000 signatures against the immigration of foreign labor to this country.

Will you please see what you can do with same. Also, will you notify the public through newspaper reporters that you have received said petition, and said signers will be ever grateful to you for your interest in the matter.

Expecting to be back home in the State of Washington for the election, I am,

Yours very truly,

JNO. N. WILSON.

A FEW PROMINENT PEOPLE OF OLYMPIA, WASH., WHO HAVE SIGNED OUR PETITION

J. Grant Hinkle, secretary of state of the State of Washington; A. M. Kitto, assistant secretary of state of the State of Washington; Ray Yeoman, clerk in the office of secretary of state of Washington; Nettie E. Hopkins, stenographer, office of secretary of state of Washington; Melvin B. Wells, clerk, office of the secretary of state of Washington; Dorothy Loucks, stenographer, office of secretary of state of Washington; Leila L. Berry, stenographer, office of secretary of state of Washington; Marian E. Carmell, stenographer, office of secretary of state of Washington; John R. Mitchell, chief justice, State Supreme Court, State of Washington; John H. Dunbar, attorney general of the State of Washington; E. R. Donnelly, assistant attorney general of the State of Washington; C. W. Clausen, State auditor of the State of Washington; J. P. Jamison, assistant State auditor of the State of Washington; Chas. Hinton, State treasurer of the State of Washington; Homer R. Jones, assistant State treasurer of the State of Washington; J. T. Trullinger, assistant attorney general, State of Washington; W. A. Grace, State Capitol, State of Washington; Leonard E. Top, assistant prosecuting attorney, Thurston County, Wash.; Oliver R. Ingersoll, candidate for prosecuting attorney, Thurston County, Wash.; C. J. Bartholett, hydraulics division, State Capitol, State of Washington; Fred Agate, State Capitol, State of Washington; Phil K. Eaton, attorney; H. C. Brodie, attorney; C. W. Karney, division conservation development, State Capitol, State of Washington.

REPORTS OF COMMITTEES

Mr. HEBERT, from the Committee on the Judiciary, to which was referred the bill (S. 1335) to provide for the appointment of two additional district judges for the district of New Jersey, reported it with amendments and submitted a report (No. 507) thereon.

Mr. BLAINE, on behalf of himself and Mr. CAPPER, submitted the views of the minority to accompany the joint resolution (S. J. Res. 13) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, which were ordered to be printed as part 2 of Report No. 475.

AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT (S. DOC. NO. 79)

Mr. McNARY submitted a report, which was ordered to lie on the table and be printed, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7912) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1933, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 41, 45, 47, 62, 63, 64, 65, 66, 74, and 75.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 7, 8, 10, 12, 18, 19, 20, 23, 24, 25, 26, 27, 28, 43, 44, 49, 50, 51, 52, 54, 55, 57, 58, 59, 60, 70, 71, 72, 73, 79, and 81 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Public Resolution No. 9, Fifty-eighth Congress, first session, approved March 14, 1904 (U. S. C., title 44, sec. 290), is hereby amended by striking out all after the resolving clause and inserting in lieu thereof the following"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,503,218"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,164,038"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,631,360"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$699,079"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$683,599"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$892,145"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,201,661"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,217,687"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$544,940"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$133,284"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$127,489"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,131,244"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,019,640"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$10,491,764"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert "$12,383,304"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided further*, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses and station wagons) at a cost, completely equipped for operation, in excess of $750, except where, in the judgment of the department, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year; including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. The limitations of this proviso shall not apply to any motor vehicle for official use of the Secretary of Agriculture."; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"SEC. 3. No appropriation under the Department of Agriculture available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (a) to absolutely essential positions the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or (b) to temporary, emergency, seasonal, and cooperative positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: *Provided*, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation, when, in his judgment, such action is necessary and in the public interest."

And the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 6, 13, 14, 15, 16, 17, 21, 22, 29, 30, 53, 56, 61, 67, 68, 69, 76, 77, and 82.

CHAS. L. MCNARY,
W. L. JONES,
HENRY W. KEYES,
JOHN B. KENDRICK,
Managers on the part of the Senate.

J. P. BUCHANAN,
JOHN N. SANDLIN,
ROBT. G. SIMMONS,
Managers on the part of the House.

AGRICULTURAL RELIEF

Mr. WHEELER. Mr. President, I invite the attention of the Senate to an article appearing in the New York Herald Tribune of this morning, reading as follows:

FEDERAL CREDIT PLANNED TO HELP MORTGAGE FIRMS—POOL, BACKED BY R. F. C., FORMING TO MEET HALF BILLION IN BOND MATURITIES

By Randolph Phillips

Negotiations between the Reconstruction Finance Corporation and the major guarantee companies of New York City are under way whereby the interests of more than 150,000 mortgage bondholders will be safeguarded by a pooling of the resources of the companies, backed by the reserves of the Government agency, that will enable the meeting, without default, of approximately $500,000,000 in first-mortgage maturities during 1932 and the payment of interest when due.

The appointment of a prominent Wall Street figure—whose name can not be revealed at this time—to head a committee which will supervise the activities of the mortgage companies borrowing from the Government is an essential of the plan which officials of the Reconstruction Finance Corporation are attempting to effect.

The first intimation of the negotiations came in an announcement of The Prudence Co. (Inc.), of New York, last night that "it had obtained the cooperation of the United States Government through the Reconstruction Finance Corporation" in preserving the safety of guaranteed first-mortgage investments.

Mr. President, when the Reconstruction Finance Corporation act was passed it was stated upon the floor of the Senate that it was going to help and would be of tremendous help to the farmers of the country in that it would refinance the local banks and make it possible for them to loan money to the farmers. The Reconstruction Finance Corporation has been in existence now for a considerable period of time, and my recent investigation throughout the Northwest convinces me that, so far as that corporation is concerned, it has been of no benefit whatsoever to the farmers. Neither, Mr. President, has the bill which we enacted for the purpose of helping the Federal farm-land banks to sell their bonds been of any value to the farmers throughout the United States.

I call attention to the fact that throughout the Middle West and the Northwest to-day not one single farmer, even though his land is not mortgaged, can go to the banks and borrow a 5-cent piece. Apparently the word has gone out to banks throughout the Northwest that they should loan no money to farmers. Regardless of whether or not they have assets, whether they have cattle that are unmortgaged, or whether they have farms on which there are no mortgages, they are unable to get any money; and the Federal land banks are threatening to foreclose the farm mortgages which are due. Because of that fact, I am going to introduce, out of order, a bill to provide emergency financial facilities to aid in the financing of agriculture, and for other purposes.

I want to say to the Senate that this bill follows exactly the language of the Reconstruction Finance Corporation bill that has passed both branches of Congress, has been

signed by the President, and is now being administered by the board. The only respect in which it differs from the Reconstruction Finance Corporation law is that it provides that money shall be loaned directly to farmers; but the provisions for raising the money are identical with those in the Reconstruction Finance Corporation law. The members of the board are to consist of the Secretary of Agriculture, the governor of the Federal Reserve Board, and the Farm Loan Commissioners, and four others.

Ordinarily, in drafting a bill for the benefit of the farmers of the United States, I certainly would not have put on the board to administer it Eugene Meyer, the head of the Federal Reserve Board; but because I understand he is the guiding genius of the administration with reference to finance, I have provided in this bill that he shall be a member of the board; likewise that four other persons shall be appointed thereto by the President of the United States, by and with the advice and consent of the Senate.

The bill also provides for a corporation which shall have a capital stock of $500,000,000, to be subscribed by the United States, payment for which shall be subject to call, in whole or in part, of the board of directors of the corporation. The bill also provides, identically with the provisions of the Federal Finance Corporation act, that the corporation may issue securities up to $2,000,000,000.

Mr. President, the Senate, the House of Representatives, and the administration have talked about helping the farmers; they have talked about refinancing the farmers; they have talked about bringing, if you please, the prices of farm commodities up; they have talked about trying to put money more in circulation and about actually wishing to do something for the benefit of the farmers. I say to the Senate to-day that the farmers of the country need refinancing more than the bankers need it, more than the railroad companies need it, more than the insurance companies need it, and more than the mortgage-loan companies need it. I assert that we are not going to have prosperity in the country unless we begin at the bottom rather than at the top. For that reason I am introducing this bill, and I ask that it may be printed in the RECORD and referred to the Committee on Agriculture and Forestry. I hope that committee will give the bill prompt consideration and that it may be passed at this session of Congress.

The bill, introduced by Mr. WHEELER (S. 4323) to provide emergency financing facilities to aid in financing agriculture, and for other purposes, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That there be, and is hereby, created a body corporate with the name Farmers' Reconstruction Finance Corporation (herein called the corporation). That the principal office of the corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors. This act may be cited as the "Farmers' Reconstruction Finance Corporation act."

SEC. 2. The corporation shall have capital stock of $500,000,000 subscribed by the United States, payment for which shall be subject to call in whole or in part by the board of directors of the corporation. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000, for the purpose of making payments upon such subscription when called. Receipts for payments by the United States for or on account of such stock shall be issued by the corporation to the Secretary of the Treasury and shall be evidence of the stock ownership of the United States.

SEC. 3. The management of the corporation shall be vested in a board of directors consisting of the Secretary of Agriculture, the governor of the Federal Reserve Board, and the Farm Loan Commissioner, who shall be members ex officio, and four other persons appointed by the President of the United States, by and with the advice and consent of the Senate. Of the 7 members of the board of directors not more than 4 shall be members of any one political party and not more than 1 shall be appointed from any one Federal reserve district. Each director shall devote his time not otherwise required by the business of the United States principally to the business of the corporation. Before entering upon his duties each of the directors so appointed and each officer of the corporation shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other act shall be construed to prevent the appointment and compensation as an employee of the corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof. The terms of the directors appointed by the President of the United States shall be two years and run from the date of the enactment hereof and until their successors are appointed and qualified. Whenever a vacancy shall occur among the directors so appointed, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. The directors of the corporation appointed as hereinbefore provided shall receive salaries at the rate of $10,000 per annum each. No director, officer, attorney, agent, or employee of the corporation shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 4. The corporation shall have succession for a period of 10 years from the date of the enactment hereof, unless it is sooner dissolved by an act of Congress. It shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, by-laws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its chairman and vice chairman, together with provision for such committees and the functions thereof as the board of directors may deem necessary for facilitating its business under this act. The board of directors of the corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this act.

SEC. 5. To aid in financing agriculture the corporation is authorized and empowered to make loans to farmers upon improved farm land, upon such terms and conditions not inconsistent with this act as it may determine. All such loans shall be fully and adequately secured. The corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promissory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the corporation may approve; except that in no case shall any such interest or discount rate exceed 5 per cent per annum.

Each such loan may be made for a period not exceeding five years, and the corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise; but the time for such payment shall not be extended beyond five years from the date upon which such loan was made originally. The corporation may make loans under this section at any time prior to the expiration of one year from the date of the enactment hereof; and the President may from time to time postpone such date of expiration for such additional period or periods as he may deem necessary, not to exceed two years from the date of the enactment hereof.

No fee or commission shall be paid by any applicant for a loan under the provisions hereof in connection with any such application or any loan made or to be made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful.

SEC. 6. Section 5202 of the Revised Statutes of the United States, as amended, is hereby amended by inserting after the words "Reconstruction Finance Corporation act" the words "and the Farmers' Reconstruction Finance Corporation act."

SEC. 7. All moneys of the corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the corporation or in any Federal reserve bank, or may, by authorization of the board of directors of the corporation, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the corporation, and the corporation may reimburse such Federal reserve bank for their services in the manner as may be agreed upon. The Federal reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the corporation in the general performance of the powers conferred upon it by this act.

SEC. 8. The corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than three times its subscribed capital, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than five years from their respective dates of issue, to be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the

corporation: *Provided*, That the corporation, with the approval of the Secretary of the Treasury, may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other obligations of the corporation may be secured by assets of the corporation in such manner as shall be prescribed by its board of directors: *Provided*, That the aggregate of all obligations issued under this section shall not exceed three times the amount of the subscribed capital stock. Such obligations may be offered for sale at such price or prices as the corporation may determine, with the approval of the Secretary of the Treasury. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof. In the event that the corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid to the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations. The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the second Liberty bond act, as amended, and the purposes for which securities may be issued under the second Liberty bond act, as amended, are extended to include any purchases of the corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the corporation shall be treated as public-debt transactions of the United States. Such obligations shall not be eligible for discount or purchase by any Federal reserve bank.

SEC. 9. Any and all notes, debentures, bonds, or other such obligations issued by the corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The corporation, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

SEC. 10. In order that the corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the corporation, to be held in the Treasury subject to delivery, upon order of the corporation. The engraved plates, dies, bed pieces, etc., executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other obligations.

SEC. 11. When designated for that purpose by the Secretary of the Treasury, the corporation shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it. Obligations of the corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

SEC. 12. Upon the expiration of the period of one year within which the corporation may make loans, or of any extension thereof by the President under the authority of this act, the board of directors of the corporation shall, except as otherwise herein specifically authorized, proceed to liquidate its assets and wind up its affairs. It may, with the approval of the Secretary of the Treasury, deposit with the Treasurer of the United States as a special fund any money belonging to the corporation or from time to time received by it in the course of liquidation or otherwise, for the payment of principal and interest of its outstanding obligations or for the purpose of redemption of such obligations in accordance with the terms thereof, which fund may be drawn upon or paid out for no other purpose. The corporation may also at any time pay to the Treasurer of the United States as miscellaneous receipts any money belonging to the corporation or from time to time received by it in the course of liquidation or otherwise in excess of reasonable amounts reserved to meet its requirements during liquidations. Upon such deposit being made, such amount of the capital stock of the corporation as may be specified by the corporation with the approval of the Secretary of the Treasury, but not exceeding in par value the amount so paid in, shall be canceled and retired. Any balance remaining after the liquidation of all the corporation's assets and after provision has been made for payment of all legal obligations of any kind and character shall be paid into the Treasury of the United States as miscellaneous receipts. Thereupon the corporation shall be dissolved and the residue, if any, of its capital stock shall be canceled and retired.

SEC. 13. If at the expiration of the 10 years for which the corporation has succession hereunder its board of directors shall not have completed the liquidation of its assets and the winding up of its affairs, the duty of completing such liquidation and winding up of its affairs shall be transferred to the Secretary of the Treasury, who for such purpose shall succeed to all the powers and duties of the board of directors of the corporation under this act. In such event he may assign to any officer or officers of the United States in the Treasury Department the exercise and performance, under his general supervision and direction, of any such powers and duties; and nothing herein shall be construed to affect any right or privilege accrued, any penalty or liability incurred, any criminal or civil proceeding commenced, or any authority conferred hereunder, except as herein provided in connection with the liquidation of the remaining assets and the winding up of the affairs of the corporation, until the Secretary of the Treasury shall find that such liquidation will no longer be advantageous to the United States and that all of its legal obligations have been provided for, whereupon he shall retire any capital stock then outstanding, pay into the Treasury as miscellaneous receipts the unused balance of the moneys belonging to the corporation, and make the final report of the corporation to the Congress. Thereupon the corporation shall be deemed to be dissolved.

SEC. 14. The corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans made pursuant to this act during the period covered by such report and the number of borrowers by States. The statement shall show the assets and liabilities of the corporation, and the first report shall be made on April 1, 1932, and quarterly thereafter. It shall also show the names and compensation of all persons employed by the corporation whose compensation exceeds $400 a month.

SEC. 15. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security for the purpose of obtaining for himself or for any applicant any loan or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the corporation, or for the purpose of obtaining money, property, or anything of value under this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the corporation, or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, or coupon purporting to have been issued by the corporation, knowing the same to be false, forged, or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the corporation, or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the corporation, knowing the same to be falsely altered or spurious, or any person who willfully violates any other provision of this act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the corporation, makes any false entry in any book, report, or statement of or to the corporation, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the corporation, or (4) gives any unauthorized information concerning any future action or plan of the corporation which might affect the value of securities, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(d) No individual, association, partnership, or corporation shall use the words "Farmers' Reconstruction Finance Corporation," or a combination of these four words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $1,000 or imprisonment not exceeding one year, or both.

(e) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive), in so far as applicable, are extended to apply to contracts or agreements with the corporation under this act, which for the purposes hereof shall be held to include loans, advances, discounts, and rediscounts; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

SEC. 16. The right to alter, amend, or repeal this act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of com-

petent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 4316) granting a pension to Emma Foster (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4317) granting an increase of pension to Elizabeth B. Craig (with accompanying papers); to the Committee on Pensions.

By Mr. HASTINGS:

A bill (S. 4318) for the relief of Horace G. Knowles; to the Committee on Claims.

By Mr. HAWES:

A bill (S. 4319) to amend the act approved May 15, 1928, entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes"; to the Committee on Commerce.

By Mr. STEIWER:

A bill (S. 4320) to amend the Reconstruction Finance Corporation Act to provide for loans to producers of canned foods; to the Committee on Banking and Currency.

A bill (S. 4321) for the relief of the successors of Josiah W. Doten and John S. Doten; to the Committee on Claims.

By Mr. HULL:

A bill (S. 4322) granting a pension to Martha E. Cox; to the Committee on Pensions.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 136) for creating a secrecy commission; to the Committee on Military Affairs.

MERGER OF STREET RAILWAYS IN THE DISTRICT—AMENDMENTS

Mr. BLAINE and Mr. CAPPER jointly submitted nine amendments intended to be proposed by them to the joint resolution (S. J. Res. 13) to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes, which were ordered to lie on the table and to be printed.

PROPOSED AMENDMENT OF EMERGENCY OFFICERS' RETIREMENT ACT

Mr. REED. Mr. President, Order of Business No. 507, being the bill (S. 3769) proposing to amend the emergency officers' retirement act, has been favorably reported by the Military Affairs Committee. The bill was in that committee about a month, and no request for hearings came from any person, although the committee did actually send for and examine representatives of the War Department and of the Veterans' Administration. However, since the bill has been reported every Member of the Senate has received a large number of telegrams from persons affected, or who think they will be affected by the bill, complaining of the measure being reported without a hearing. I do not think that fairness requires any more opportunity for hearings; but, in order that there may be no complaint and no ground for any reasonable complaint, I am going to ask that the bill may be recommitted to the Committee on Military Affairs. If that shall be done, we shall have a subcommittee appointed in order to hear any person who wants to present evidence.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President, I shall not object to the request of the Senator from Pennsylvania, although, in my opinion, there are no sufficient reasons for a hearing on the bill to which he refers.

This bill, Mr. President, will, I believe, commend itself to the judgment of Senators and all fair-minded men. When the reserve officers' retirement bill was under consideration it was represented by a distinguished Senator, whose untimely death we very much deplore, that but a few hundred persons—perhaps between twelve and fifteen hundred—would make application for retirement privileges. Much to the surprise of many—though not to my surprise, because I predicted that there would be thousands—more than 6,000——

Mr. REED. Seven thousand.

Mr. KING. Seven thousand officers have applied for and received retirement benefits. Many of them were never overseas; a considerable number were doctors; and a large number served in clerical or administrative positions or in situations connected with what might be called business activities in contradistinction to military service on land or on sea. It is claimed that the law was so administered or construed, or both, as to permit some persons to receive retirement benefits who were not entitled to the same, and that a proper administration of the law and a proper examination of those who have claimed and have obtained retirement benefits would result in the elimination of no small number of names from the reserve officers' retirement roll. Certainly no person whose name is upon this roll can object to a reexamination. If there are names upon the roll that ought to be stricken off, certainly no obstacle should be interposed to accomplish that result. I shall ask the chairman of the committee to expedite the hearings to the end that the bill may be reported back to the Senate at the earliest possible date.

Mr. BRATTON. Mr. President, I wish to say just a word respecting the request of the Senator from Pennsylvania. I have received a number of protests from veterans in New Mexico who are affected by the bill. They complain severely that they were not afforded an opportunity to be heard. I think they should have a full opportunity to present their views, and I am glad that opportunity is to be afforded them. Mr. President, I am not in favor of the bill. There are cases where individuals receive compensation under the emergency officers' retirement act and at the same time receive other compensation from the Government. Those, however, are exceptional cases, and they should be corrected. Some limitation should be put upon dual compensation of that character, but veterans falling in that category are by far in the minority.

This bill, as I understand it, changes the whole basis of compensation to emergency retired officers; it puts them upon a different basis. As I have stated—and I shall elaborate my position at a subsequent time—I oppose the measure in its present form, and I am glad that the Senator from Pennsylvania has asked that the bill may be recommitted to his committee, in order that an opportunity may be accorded those affected to present their views. The measure is important; it is far-reaching; and it deserves that consideration which the committee, under the leadership of the Senator from Pennsylvania, will give it.

The VICE PRESIDENT. Without objection, the bill will be recommitted to the Committee on Military Affairs.

SURVEY OF INDIAN CONDITIONS—EXPENSES

Mr. FRAZIER submitted the following resolution (S. Res. 193), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Indian Affairs, authorized by Senate Resolution No. 79, Seventieth Congress, agreed to February 1, 1928, to make a general survey of Indian conditions, hereby is authorized to expend in furtherance of the purposes of said resolution $12,000 in excess of the amount heretofore authorized.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 3836. An act to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.; and

S. J. Res. 47. Joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

The message also announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 300. An act to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909;

H. R. 4724. An act to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition the benefits of hospitalization and the privileges of the soldiers' homes;

H. R. 5848. An act authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans to be held at Richmond, Va., in June, 1932;

H. R. 7233. An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes;

H. R. 8031. An act to provide for expenses of the Crow Indian tribal council and authorized delegates of the tribe;

H. R. 8603. An act to provide a preliminary examination of the Combahee, Big Salkehatchie, Coosawhatchie, Edisto, and South Edisto Rivers, S. C., with a view to the control of floods;

H. R. 8624. An act to authorize the loan of War Department equipment to the Knights of Pythias;

H. R. 9143. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak.;

H. R. 9146. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes;

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County poor farm, S. Dak.;

H. R. 9301. An act to extend the times for commencing and completing the construction of a bridge across the Black River at or near Pocahontas, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10088. An act to revive and reenact the act entitled "An act authorizing the South Carolina and the Georgia Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga." approved May 26, 1928;

H. R. 10159. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr.;

H. R. 10284. An act to authorize the acquisition of additional land in the city of Medford, Oreg., for use in connection with the administration of the Crater Lake National Park;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

"THE MONEY, FACTORIES OF AMERICANS," ARTICLE BY CLAUDE G. BOWERS

Mr. FLETCHER. Mr. President, I present and ask leave to have published in the RECORD an article from the Washington (D. C.) Times of the 4th instant, by Claude G. Bowers, entitled "The Money, Factories of Americans."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MONEY, FACTORIES OF AMERICANS

By Claude G. Bowers

When the historian of the future comes to write the bizarre story of the last 12 years in the United States under the domination of the "best minds," from the multiplicity of odorous scandals in the Harding régime to the Hoover panic, he will find much to interest him and his readers in the subserviency of the present régime to the big banking interests. It now seems possible that we shall not have to wait on the historian for the story of just what happened in the case of the Missouri Pacific loan and just why it happened.

The interference of the President in this instance, in something which is none of his business, is probably the most flagrant disregard of the law and the constitutional limitations of power in his record. Now that Senator COUZENS, who in financial matters is wise in his generation, has spoken out, it is imperative that there be a showdown and an investigation. Money—$2,000,000,000—belonging to the People's Treasury and extracted from the pockets of all the people has been set aside for loans and assistance to banks, railroads, etc.

In the case of the Missouri Pacific $5,850,000 is generously assigned the road that it may pay back a loan made by J. P. Morgan & Co. and Kuhn, Loeb & Co. This sort of thing was not intended by Congress when it generously assigned the two billions to help out big business—which has made such a sorry mess of things.

RECONSTRUCTION COMMISSION APPROVED THE LOAN

We return to this subject because it is such an enlightening indication of the trend of the administration which is shocked unbearably at the suggestion that a penny shall be used to feed the jobless who are hungry.

Under the law the loan could not have been made without the consent of the Interstate Commerce Commission. But it appears that the Reconstruction Corporation, headed by Mr. Dawes, approved this loan by resolution before the Interstate Commerce Commission had begun to study the application.

The Interstate Commerce Commission was unfavorably impressed with the proposed loan. Mr. Eastman, a member, is on record. He says:

"No good reason has been shown for approving a Government loan to enable the applicant to make a 50 per cent payment on the bank loan maturing April 1. I would have no difficulty in joining in such approval if there were any evidence that the loan were needed in the public interest. But no one has made or attempted to make such a showing. Morgan & Co., Kuhn, Loeb & Co., and the Guaranty Trust Co. would not, so long as the interest on the bank loan is paid, force a receivership by refusing an extension. * * * I realize that the majority (of the Interstate Commerce Commission) are no more persuaded than I am that there is any need for using Government funds to 'bail out' these banks."

"TOO MUCH IS ENOUGH"

And yet the commission, feeling this way, did agree against its judgment and its sense of propriety—under pressure. This pressure, we are told, came from the White House.

If that is true, it is a shocking thing.

All the more shocking, Senator COUZENS and others think, because of the moral obligations on the "money merchants" to grant an extension in appreciation of the fact that they have "profited largely" in handling the financing of the road in the past.

But the banks, groaning with hoarded money, want their money back.

Under normal conditions they would extend the loan.

But if they can get their money back now by dipping into the $2,000,000,000 of the people's money, appropriated from the people's Treasury, by having pressure brought upon the Interstate Commerce Commission and the Reconstruction Finance Corporation by the President, who has no right to bring any pressure, they want it.

And so they get it.

This incident imposes upon Congress the duty to scrutinize the use of this money of the people's, and the people have a right to know.

"Too much is enough."

USING OUR WEALTH TO DESTROY OUR TRADE

In an article by Theodore Knappen, in the Magazine of Wall Street, we learn more about the effect of the Chinese tariff wall we have erected at our ports. This wall not only keeps goods out, but prevents goods from going out. And this is not only wrecking the great Atlantic ship lines but the railroads of America, and as we have pointed out before, forcing American factories to build plants in other countries with American capital to employ foreign labor.

Mr. Knappen tells us that Henry Ford's plant in Cork, Ireland, shipped 2,000 Fordson tractors, valued at $1,167,715, to the United States duty free.

These tractors once were made in America by American workingmen.

These workingmen no longer have jobs because tractors are no longer made here.

And the 2,000 tractors sent to the American market were made by foreign workingmen, paid with American money, which they spent with foreign merchants.

This merely illustrates what is happening under the operations of the present prohibitive tariff. Ford is not alone. Now that England, following the rest of Europe in retaliation, has put up the bars against the products of American factories and fields, we are told that the result is to "send American branch factories to England in swarms."

And Mr. Knappen concludes that "we are using our wealth to destroy our foreign trade." For every branch factory that goes to Europe to get beyond our Chinese wall deprives American workingmen of jobs.

WHAT SPAIN IS DOING

Spain wants factories.

She wants them to furnish jobs for Spanish workingmen.

She wants these Spanish workingmen to get wages that will be spent with Spanish merchants.

And so she puts a prohibitive tariff on American motor cars.

She makes no secret of the purpose behind the act.

She thinks that American manufacturers will establish branch factories in Spain, so that American cars sold there will be made by Spanish and not by American workingmen.

The hysterical trend toward prohibitive tariffs followed immediately after the United States, responding to the lash of Joe Grundy, built its Chinese wall against trade. Now we have reached a point where nothing can be safely done for the restoration of international trade except through the negotiation of reciprocal agreements.

APPROPRIATIONS AND EXPENDITURES

Mr. McKELLAR. Mr. President, I wish to occupy very little of the time of the Senate this afternoon. On yesterday the President of the United States sent to the Congress a message, an excerpt from which I desire to read, as follows:

I have in various messages to the Congress over the past three years referred to the necessity of organized effort to effect far-reaching reduction of governmental expenditures.

To balance the Budget for the year beginning July 1 next the revenue bill passed by the House of Representatives on April 1 necessitates that there shall be a further reduction of expenditures for the next year of about $200,000,000 in addition to the reduction of $369,000,000 in expenditures already made in the Budget recommendations which I transmitted to the Congress on December 9.

It is essential in the interest of the taxpayer and the country that it should be done. It is my belief that still more drastic economy than this additional $200,000,000 can be accomplished.

Mr. President, I want to call to the attention of the President, or to the attention of those who advised him, as to a huge mistake in the figures presented by him in the foregoing excerpt, and to show what the actual figures are. I obtained my figures from the clerk of the Committee on Appropriations, and I know they are accurate. In tabular form the figures are, as follows:

Appropriations for fiscal year ending June 30, 1932	$5,178,524,967.95
Appropriations recommended by the President on Dec. 9, 1931, for fiscal year ending June 30, 1933:	
Budget estimates (including Postal Service)	4,601,479,101.00
First deficiency act, second session, Seventieth Congress	126,250,333.00
Public Resolution No. 3, Veterans' Administration, etc.	203,925,000.00
United States employment service	120,000.00
Reconstruction Finance Corporation	500,000,000.00
Disarmament conference	300,000.00
Federal land banks (capital stock)	125,000,000.00
Total, 1933	5,557,074,434.00
Total, 1932	5,178,524,967.95
Excess of recommendations and appropriations for 1933 over appropriations for 1932	378,549,466.05

It thus appears, Mr. President, that last year the Congress appropriated $5,178,524,967.95, which was a total of about $28,000,000 less, as I recall, than the President had recommended. I hope Senators will keep in their minds the figure of the total of last year's appropriations—$5,178,524,967.95.

I will now state the appropriations the President has recommended up to date this year. The Budget estimates which the President recommended on December 9, 1931, amount to $4,601,479,101. Of course, that includes expenditures for the Postal Service, to which I shall refer hereafter.

In the first deficiency bill the President recommended and the Congress has appropriated $126,250,333.

In addition to that the President recommended and there has been provided by Public Resolution No. 3 appropriations to cover payments by the Veterans' Administration of $203,925,000.

Later on the President recommended for the administration of the United States Employment Service and the Congress appropriated $120,000.

Still later the President recommended and the Congress appropriated for the Reconstruction Finance Corporation $500,000,000.

Again the President recommended and the Congress has appropriated at this session for the Disarmament Conference $300,000.

Again the President recommended and the Congress has appropriated at this session for the Federal land bank capital stock subscription $125,000,000.

Or an enormous total, Mr. President, of $5,557,074,434.

So that from these figures it is seen with perfect ease, by simple subtraction, that this Congress has already appropriated, under the recommendation of the President, the sum of $955,595,333, and the President has also recommended for appropriation for the running expenses of the Government, $4,601,479,101 more, in all the gigantic sum of $5,557,074,434; and that amount, by the simple subtraction of last year's appropriation, shows that if the President's recommendations are carried out, there will be appropriated for this year, without taking into account any future appropriations that he may recommend or that we may make, $378,549,466.05 more than was appropriated last year.

Those are figures taken from the records; and yet the President says in his message that he has already secured a reduction of $369,000,000 over last year's figures! It is impossible for me to understand how those figures of the President can be sustained unless it may have happened that the various departments recommended to the President annual appropriations aggregating a certain figure, and the President cut down those estimates of departments $369,000,000. The so-called $369,000,000 reduction can not be accounted for in any other way. In such a case, of course, it is no reduction at all. It is simply a reduction under department estimates and means nothing whatever. I know the President is not undertaking to mislead anybody; but somebody has imposed upon the President in furnishing him these figures, in my judgment. It is the only way the figures can even be accounted for, and thus accounted for, they mean absolutely nothing.

Mr. KING. Mr. President, will the Senator yield?

Mr. McKELLAR. Just one moment, and then I will yield to my friend.

I desire to call the attention of the Senate to another matter.

On the next page of the President's message I find the following:

A clear indication that the limit of executive authority to bring about economies has about been reached is shown by the fact that the total expenditures estimated in the Budget of $4,112,000,000 (including Post Office deficit after deduction of receipts)—

And so forth.

Mr. President, what the Executive has done in this matter is this: Here is the Post Office Department, which is substantially left out of the Budget calculation, and with the exception of the deficit out of the appropriation calculation. The only part of the Post Office Department appropriation that the President refers to is the overdraft, the deficit; but evidently the income from the Post Office Department, being well over a half billion dollars, is not taken into consideration at all by the President. I want to say that all sums paid out by the Post Office Department are taken out by appropriations made by the Congress. We have to appropriate for that department just as we appropriate for every other department, and all the money that we appropriate for the Post Office Department should be considered in making up these estimates. In other words, the difference resulting

from leaving out the Post Office Department is the difference between $4,112,000,000 and $4,601,000,000.

If the President is going to leave out the income from the Post Office Department, why not leave out the income from the Panama Canal? Why not leave out the income from the Reclamation Service? Why not leave out the income from fines and forfeitures in the Department of Justice?

So I say the figures given by the President do not give the picture. The true picture is given in the figures taken from the statement of appropriations which I set out above.

I felt that in justice to the President, in justice to the Congress, and in justice to everybody, the facts ought to be shown as they are shown in this statement of actual appropriations made or recommended by the President.

I now yield to the Senator from Utah, if he desires to ask me a question.

Mr. KING. Mr. President, I only had in mind the suggestion made by the able Senator, and I wanted to elaborate it for just a moment; namely, when the Budget committee was in session during the summer, the President gave out a statement to the effect that in two of the departments he had effectuated economies and reduced appropriations $76,000,000. The fact was that the departments to which I refer asked for very large appropriations, very much larger than ever before, very much larger than Congress had ever appropriated, and the Budget reduced the demands which were made some forty, fifty, or sixty million dollars, and the President hailed that as a reduction of the expenses of the departments. There was nothing at all to it, and the same thing has characterized the statement to which the Senator has referred.

Mr. McKELLAR. I thank the Senator. A mere deduction from department estimates is not a reduction in government expenditures at all. The only kind of reduction that is real is a reduction of appropriations made this year under the appropriations made last year.

Mr. President, it is true that the President, in his message, recommends an additional cut of $200,000,000; but he does not point out how it is to be made; and inasmuch as he does not say a word about the Senate plan of a 10 per cent reduction under the House totals, it is fair to assume he is opposed to such reductions. Of course, if a commission were appointed, as he recommends, it could not help cut down appropriations for the year of 1933 beginning July 1, 1932. The appropriations would probably all be made before the commission could be organized. As a reduction plan for this year, a commission would make for great extravagance.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or placed on the calendar as indicated below:

H. R. 300. An act to amend section 319 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909; to the Committee on the Judiciary.

H. R. 7233. An act to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes; to the Committee on Territories and Insular Affairs.

H. R. 9146. An act authorizing the transfer of certain lands near Vallejo, Calif., from the United States Housing Corporation to the Navy Department for naval purposes; to the Committee on Public Buildings and Grounds.

H. R. 10284. An act to authorize the acquisition of additional land in the city of Medford, Oreg., for use in connection with the administration of the Crater Lake National Park; to the Committee on Public Lands and Surveys.

H. R. 5848. An act authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Richmond, Va., in June, 1932; and

H. R. 8624. An act to authorize the loan of War Department equipment to the Knights of Pythias; to the Committee on Military Affairs.

H. R. 8031. An act to provide for expenses of the Crow Indian Tribal Council and authorized delegates of the tribe; and

H. R. 9254. An act to authorize the exchange of a part of the Rapid City Indian School land for a part of the Pennington County Poor Farm, South Dakota; to the Committee on Indian Affairs.

H. R. 8603. An act to provide a preliminary examination of the Combahee, Big Salkehatchie, Coosawhatchie, Edisto, and South Edisto Rivers, S. C., with a view to the control of floods;

H. R. 9143. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak.;

H. R. 9301. An act to extend the times for commencing and completing the construction of a bridge across the Black River at or near Pocahontas, Ark.;

H. R. 10088. An act to revive and reenact the act entitled "An act authorizing the South Carolina and the Georgia Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.," approved May 26, 1928; and

H. R. 10159. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr.; to the Committee on Commerce.

H. R. 4724. An act to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine Insurrection, or the China relief expedition the benefits of hospitalization and the privileges of the soldiers' homes;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala., and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.; to the calendar.

SHIPPING-BOARD LOANS—OCEAN MAIL CONTRACTS

Mr McKELLAR. I ask unanimous consent, out of order, to introduce two joint resolutions, and I ask unanimous consent also that they may be printed in the RECORD for the information of Senators.

The VICE PRESIDENT. Without objection, the resolutions will be received and printed in the RECORD.

The joint resolution (S. J. Res. 138) relative to interest rates on loans by the United States Shipping Board from the construction loan fund authorized by the merchant marine act of 1920 was read twice by its title, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

Whereas a construction loan fund of $250,000,000 is authorized by the merchant marine act, 1920, as amended by section 301 (d) of the merchant marine act, 1928, to be maintained by the United States Shipping Board (hereafter called the board), from which, in its discretion, the board may make loans in aid of the construction of new vessels, the interest on which when the vessel is operated in foreign trade (and all references in this resolution to interest are to periods in which the vessel is operated in foreign trade) to be determined as follows: (Sec. 301 (d), merchant marine act, 1928) "* * * the rate shall be the lowest

rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds) and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board, upon its request"; and

Whereas at the time of the passage of the merchant marine act, 1928 (hereafter referred to as the 1928 act), the interest rate for such loans, prescribed by law, was 4¼ per cent per annum. By that act (sec. 301 (d)) a lower rate was authorized, but the text of the law and assurances to Congress during debate by the sponsors of the bill (S. 744, 70th Cong.) made it clear that it was the intent that the rate should not be lower than the lowest rate the United States paid on its bonded indebtedness of certain issues indicated; and it was specifically mentioned in debate that the rate would thus be about 3 to 3½ per cent per annum, and that no such loan in any event would be at a rate resulting in a loss to the United States; and

Whereas at recent hearings before the Senate Committee on Appropriations it has been shown, and it is admitted by the board, that the board, in violation of law and of the clear intent of Congress, with full power and discretion in the board to deny an application for a loan unless conforming with the clear intent of Congress as revealed not only in the text of the law but also as revealed in debates both in the House and the Senate, had there been ambiguity in the text of the law, made many loans much lower than 3 per cent and a number of them at rates as low as one-fourth to seven-eighths per cent; and

Whereas the board has attempted to justify the grant of such astounding rates on loans of millions of dollars, to run so long as 20 years, on the ground that on the dates such loans were made the Government had "obligations" outstanding on which the rate of yield was only one-fourth per cent, etc., ignoring entirely that such "obligations," if any, were temporary—to be redeemed in a very short time—yet fastening such transient rates on these ship loans for periods of 20 years, not explaining, however, why, if such transient "obligations" were to be the test, it did not make the loans without any interest whatever, as it is fundamental this Government does not pay any interest at all on its bills or "obligations" incident to its current transactions; and

Whereas the inexcusable interest rate applied by the board, viz, one-fourth per cent, three-eighths per cent, one-half per cent, seven-eighths per cent, and all other rates lower than 3½ per cent, are the more unjustified in the light of the fact that the board loaned so large a proportion as 75 per cent of the cost of constructing the vessels held as security, thus leaving as a margin only 25 per cent to offset shrinkage in market value, extending this 75 per cent in some cases even to the crockery, bed and table linen, flatware, glassware, and other hotel equipment of the vessel, notwithstanding the perishable nature of such materials, with the net result that the total loan is even more than 75 per cent of the cost of the vessel proper; and

Whereas the companies to which these loans have been made not only were given the abnormally low interest rates mentioned but have also been granted large subsidizing payments, ostensibly for the transportation of mail, but in fact as a vast system of ship subsidies, notwithstanding the text of Title IV of the merchant marine act, 1928, on which these ocean mail contracts purport to be based, contains nothing whatever justifying these subsidizing payments, payments which will greatly exceed in the aggregate $300,000,000, should these contracts remain in force for their full term. That Title IV of the 1928 act does not authorize a subsidy is revealed not only by the fact that it contains no language susceptible of that interpretation; on the contrary, its text is consistent only with authority for strictly business contacts to meet the requirements of the Post Office Department in the transportation of ocean mails, to be awarded on a normal competitive basis. The Postmaster General, however, has awarded most of these contracts to favored lines by special grace and selection, on specifications with which they, and only they, could possibly comply, with the result that in practically all cases only one bid was received—and that at the maximum rate named in the law. Nevertheless, the Postmaster General has considered such single bids, presented under these conditions, as competitive bidding and has awarded such contracts at the maximum rates, irrespective of the need of or the value of the services to the Post Office Department in the transportation of ocean mails. That Title IV of the 1928 act which authorizes proper ocean mail contracts can not be interpreted as a subsidy or subvention to the merchant marine is confirmed by the fact that section 24 of the merchant marine act, 1920, as in force when the 1928 act was passed, expressly provided that compensation under contracts authorized by that section should be not merely contracts for transportation of mails but also, "* * * in aid of the development of a merchant marine adequate to provide for the maintenance and expansion of the foreign or coastwise trade of the United States * * *," and yet the 1928 act, while it does not repeal section 24 of the 1920 act in its entirety, culls out and definitely repeals the provision thus quoted. And yet the Postmaster General, admitting that the contracts were not necessary from the point of view of mail transportation, has assumed to commit the United States to the payment of over $300,000,000 solely, as in his discretion he elects to do so, as subsidies to favored and specially selected lines; and

Whereas the board further seeks to justify its appreciation of such abnormally low interest rates as one-fourth of 1 per cent, three-eighths of 1 per cent, one-half of 1 per cent, seven-eighths of 1 per cent, and other rates less than 3½ per cent (which, if allowed to stand, will result in a loss exceeding $15,000,000 to the United States) because an informal legal opinion was obtained by it that the interest rate is temporary unfunded obligations of the United States should be included among the "obligations" constituting the test but which did not go so far as to suggest that no interest should be charged, notwithstanding there were many "Government obligations" in its current transactions not bearing any interest; an opinion rendered without any judicial decision having been obtained in the premises and which did not purport to and could not bind the board nor impair its discretion in determining whether a loan should be made, and nevertheless made such loans at such rate, notwithstanding the chairman of the board has testified that the Secretary of the Treasury advised the board that obtaining such an opinion was unnecessary and that it should adhere to the 3 per cent rate: Now, therefore, be it

Resolved, etc., That the Congress of the United States, in the absence of a judicial decision requiring it, hereby disapproves and rejects the interpretation which has been applied by the United States Shipping Board to the provisions of section 301 (d) of the merchant marine act, 1928, with respect to the interest rate on loans from its construction loan fund when the vessel is operated in foreign trade.

SEC. 2. That any loan the board has made since May 22, 1928, the date of the enactment of the 1928 act, the interest rate on which, for periods when the vessel is operated in foreign trade, is less than the lowest rate of yield of any Government bond bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), forming a part of the funded debt of the United States and outstanding at the time the loan was made shall be subject to interest in accord with this standard or test, and section 11 of the merchant marine act, 1920, as amended by section 301 (d) of the merchant marine act, 1928, shall not be interpreted to apply to temporary, though liquidated, obligations of the United States in determining the interest rate or loans from the construction loan fund of the board.

SEC. 3. The board is hereby authorized and directed to collect interest on any and all such loans accordingly, notwithstanding a lower rate may be named in the notes, agreements, or other documents. In cases where the permanent notes and preferred mortgages have been given, the board may require the execution of a supplemental agreement noting the correction of the interest rate; such agreement shall not affect the status of the preferred mortgage. In cases where an agreement for the loan has been made, but the permanent notes and mortgages have not been executed, such permanent notes and mortgages shall provide for interest in accord herewith, and no further advance shall be made under any such preliminary loan agreement unless and until the agreement shall have been amended in conformance herewith.

SEC. 4. If the promisors or other obligors under any such notes, bonds, or mortgages carrying such lesser rate of interest should decline to pay interest in accord herewith, the board shall regard interest payments as in default, notwithstanding the lesser rate may have been tendered, and shall proceed in accord with the provisions of the mortgage, in the event of default of payment of interest.

SEC. 5. The board is hereby prohibited from entering into any further agreements to make loans from the construction loan fund maintained by it under section 11 of the merchant marine act, 1920, as amended.

SEC. 6. Should the obligors under the notes or mortgage elect not to execute a supplemental agreement correcting the interest rate, as hereinbefore provided, nothing herein contained shall impair any right they or the owner of the vessel or other party interested may have by law, and jurisdiction is hereby conferred on the Court of Claims for that purpose, to bring suit, within 90 days from the passage of this resolution, in the Court of Claims, to have their rights and obligations in the premises judicially determined: *Provided, however*, That if the lesser interest rate named in such notes is not maintained by the court as binding on the United States, the board shall not waive the default in not having paid the full interest due, and payment of the entire debt, principal and interest, shall forthwith be enforced.

The joint resolution (S. J. Res. 139) repealing Title IV of the merchant marine act of 1928 and prohibiting the Postmaster General from entering into certain ocean mail contracts, and for other purposes, was read twice by its title, referred to the Committee on Post Offices and Post Roads and ordered to be printed in the RECORD, as follows:

Whereas on May 22, 1928, the merchant marine act, 1928, was approved, Title IV of which provides (sec. 402) that the Postmaster General certify to the United States Shipping Board—

"What ocean mail routes in his opinion should be established and/or operated for the carrying of mails of the United States" to foreign ports, and the volume of mail and commerce then moving over such routes, and the estimated volume thereof during the next five years; and

Whereas section 403 of said act required the Shipping Board "to determine and certify the type, size, speed, and other characteristics of the vessels which should be employed on each such route, the frequency and regularity of their sailings, and all other facts which bear upon the capacity of the vessels to meet the requirements of the service stated by the Postmaster General"; and

Whereas the Postmaster General, by section 404 of the act, is authorized to enter into contracts with citizens of the United States, "whose bids are accepted for the carrying of the mails"; and

Whereas by section 405 of the act it is required that all such mail-carrying vessels shall be (1) American built or registered under the laws of the United States during the entire time of such employment; or (2) registered under the laws of the United States not later than February 1, 1928; or (3) actually ordered and under construction for the account of citizens of the United States, prior to February 1, 1928, and registered under the laws of the United States during the entire time of such employment; and

Whereas by subsection (C) of section 405 it is required that all licensed officers shall be American citizens, and one-half of all crews for the first four years shall be citizens of the United States, and thereafter two-thirds of the crews, including all employees; and

Whereas by section 406 of said act the greatest advertisement and publicity for bids are required, giving the widest notice to prospective bidders, and section 407 required the contracts "to be awarded to the lowest bidder"; and

Whereas under advertisement and instructions to bidders it is provided that "no proposal from parties not eligible under the law to become contractors for this service shall receive consideration"; and

Whereas it appears from a report of the Postmaster General, known as Senate Document No. 69, containing the advertisements, contracts, names of contractors, and other details concerning the letting of ocean mail contracts; and also it appearing from the testimony of the Postmaster General and other witnesses, recently given before the Appropriations Committee of the Senate, that said ocean mail contracts, some 44 in number, have been let without competitive bids, as provided for in Title IV of said act; that the advertisements for mail contracts were carefully worded so as to avoid competition in the letting of such contracts and in violation of law; that in most cases the contracts were let by the Postmaster General without regard to the needs of the Post Office Department for carrying mail, and were let for the most part because of an intention upon the part of the Post Office Department to grant a subsidy contrary to the provisions of law; that 44 contracts were let in all, 43 being let for a period of 10 years each, and 1 being let for a period of 5 years, all aggregating the payment by the United States of the enormous sum of more than $350,000,000, and causing an outlay annually averaged through the 10-year period of at least $35,000,000; that 2 mail contracts were let to the International Mercantile Marine, 1 to the Munson Line, and 3 to the United Fruit Co., notwithstanding the fact that those several lines were running directly or indirectly foreign-flag ships in competition with American-flag ships and contrary to the spirit, if not the letter, of the law; that one contract was let to an intercoastal steamship company, and it was arranged for that company, by including Balboa on the Canal Zone as a foreign port, a patent subterfuge, and in violation of the law; that said advertisements for bids were so arranged as to shut out competition rather than provide for competition as required by law. Usually this was done by specifying as the type, size, and kind of vessel to be employed in the service, a type, size, and kind identical with the fleet of the favored company, and making the time within which the service was to be commenced so short that other persons could not bid because there was not time sufficient to secure a fleet. Another illustration of this device is shown in the advertisement and contract of the United Fruit Co., where "refrigeration space" was called for in the advertisement, and the evidence disclosed that the United Fruit Co. was the only company on the seas having refrigerator space which could be furnished within the time limits fixed by the Postmaster General, and while it was further disclosed that it was totally unnecessary to have the mails on the seas put into refrigerators, and besides it being disclosed that on some of these routes there was transported not more than a "hat full" of mail anyway; that as another illustration of the method of awarding these so-called mail contracts, the Postmaster General established a route from New Orleans to Habana and other ports and a contract was let to the United Fruit Co. for carrying the mail at a yearly compensation that will average over $133,000 for a period of 10 years, and that 7,800 pounds of mail only was carried during a year, and afterwards the Postmaster General awarded a contract to the Seatrain Co. (Inc.), at the time a British-flag vessel, with which the Postmaster General was forbidden to negotiate, to help the United Fruit Co. carry this 7,800 pounds of mail during a whole year and required that the Seatrain Co. have a capacity of not less than 90 freight cars on each trip in order to help carry the 7,800 pounds of mail to be transported during the entire year and agreed to pay a price that may average over $200,000 to the said Seatrain Co. a year for 10 years for carrying its share of the said 7,800 pounds of mail in carload lots, and besides that Seatrain Co. was then operating under a foreign flag; and

Whereas it appears from said contracts and other evidence given in Senate Document No. 69 and from the evidence given before said Senate Appropriations Committee that the Post Office Department, in its administration of Title IV of the merchant marine act, 1928, has flagrantly disregarded and misinterpreted the provisions of said law, and has agreed to pay out the funds of the United States, and has paid the same out under said alleged contracts, in enormous sums, not only in a reckless manner but in violation of almost every provision of the law: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Title IV of the merchant marine act, 1928, be, and the same is hereby, in all things, repealed.

SEC. 2. It is the sense of the Congress that the said 44 contracts set out in Senate Document No. 69 were let, each and every one of them, in violation of Title IV of the merchant marine act, 1928, and such pretended contracts are absolutely void.

SEC. 3. That the Postmaster General be, and he is hereby, prohibited from negotiating and from attempting to enter into any further ocean mail contracts under Title IV of the merchant marine act, 1928.

SEC. 4. That the Postmaster General be, and he is hereby, prohibited from paying any further sum or sums as compensation on any one of said contracts.

SEC. 5. In order that said alleged ocean mail contractors may promptly have their day in court and that their rights, if any they have, may be preserved to them, jurisdiction is hereby conferred on the United States Court of Claims upon application of any of said contractors in the usual way to determine the validity of any and all of such contracts as other cases coming before said court with the right of both the Government and the contractors to appeal to higher courts as by law provided.

Mr. McKELLAR. Mr. President, in my judgment, these joint resolutions are quite important. I am not going to read all of them, but I am going to read an excerpt from one of them.

After setting forth in this mail resolution the law under which mail contracts have been awarded, or allegedly awarded, I desire to read the facts as they were developed at recent hearings before the Committee on Appropriations.

Whereas it appears from a report of the Postmaster General, known as Senate Document No. 69, containing the advertisements, contracts, names of contractors, and other details concerning the letting of ocean mail contracts; and, also, it appearing from the testimony of the Postmaster General and other witnesses recently given before the Appropriations Committee of the Senate, that said ocean mail contracts, some 44 in number, have been let without competitive bids, as provided for in Title IV of said act; that the advertisements for mail contracts were carefully worded so as to avoid competition in the letting of such contracts and in violation of law; that in most cases the contracts were let by the Postmaster General without regard to the needs of the Post Office Department for carrying mail, and were let for the most part because of an intention upon the part of the Post Office Department to grant a subsidy, contrary to the provisions of law; that 44 contracts were let in all, 43 being let for a period of 10 years each and 1 being let for a period of 5 years, all aggregating the payment by the United States of the enormous sum of more than $350,000,000 and causing an outlay annually averaged through the 10-year period of at least $35,000,000; that two mail contracts were let to the International Mercantile Marine, one to the Munson Line and three to the United Fruit Co., notwithstanding the fact that those several lines were running directly or indirectly foreign-flag ships in competition with American-flag ships, and contrary to the spirit, if not the letter, of the law; that one contract was let to an intercoastal steamship company and it was arranged for that company by including Balboa on the Canal Zone as a foreign port, a patent subterfuge, and in violation of the law; that said advertisements for bids were so arranged as to shut out competition rather than provide for competition as required by law. Usually this was done by specifying as the type, size, and kind of vessel to be employed in the service, a type, size, and kind identical with the fleet of the favored company, and making the time within which the service was to be commenced so short that other persons could not bid because there was not time sufficient to secure a fleet; another illustration of this device is shown in the advertisement and contract of the United Fruit Co. where "refrigeration space" was called for in the advertisement, and the evidence disclosed that the United Fruit Co. was the only company on the seas having refrigerator space which could be furnished within the time limits fixed by the Postmaster General, and while it was further disclosed that it was totally unnecessary to have the mails on the seas put into refrigerators, and besides it being disclosed that on some of these routes there was transported not more than a "hatful" of mail anyway; that as another illustration of the method of awarding these so-called mail contracts the Postmaster General established a route from New Orleans to Habana and other ports and a contract was let to the United Fruit Co. for carrying the mail at a yearly compensation that will average over $133,000 for a period of 10 years and that 7,800 pounds of mail only was carried during a year, and afterwards the Postmaster General awarded a contract to the Seatrain Co. (Inc.) at the time a British-flag vessel with which the Postmaster General was forbidden to negotiate, to help the United Fruit Co. carry this 7,800 pounds of mail during a whole year, and required that the Seatrain Co. have a capacity of not less than 90 freight cars on each trip in order to help carry the 7,800 pounds of mail to be transported during the entire year, and agreed to pay a price that may average over $200,000 to the said Seatrain Co. a year for 10 years for carrying its share of the said 7,800 pounds of mail in carload lots, and besides that Seatrain Co. was then operating under a foreign flag; and—

Mr. REED. Mr. President, if the Senator will yield, that contract requires the Seatrain Co. to construct ships in this country to carry the mail.

Mr. McKELLAR. Oh, yes; but I stop here long enough to say that there was but one ship in all the world that con-

formed to that advertisement, and that ship was then flying the British flag between New Orleans and Habana and owned by this Seatrain Co. (Inc.).

I continue reading:

Whereas it appears from said contracts and other evidence given in Senate Document No. 69 and from the evidence given before said Senate Appropriations Committee that the Post Office Department in its administration of Title IV of the merchant marine act, 1928, has flagrantly disregarded and misinterpreted the provisions of said law, and has agreed to pay out the funds of the United States, and has paid the same out under said alleged contracts in enormous sums, not only in a reckless manner but in violation of almost every provision of the law: Now, therefore, be it

Resolved, etc., That—

1. Title IV of the merchant marine act, 1928, be, and the same is hereby, in all things repealed.

2. It is the sense of the Congress that the said 44 contracts set out in Senate Document No. 69 were let each and every one of them in violation of Title IV of the merchant marine act, 1928, and such pretended contracts are absolutely void.

3. That the Postmaster General be, and he is hereby, prohibited from negotiating and from attempting to enter into and further ocean mail contracts under Title IV of the merchant marine act, 1928.

4. That the Postmaster General be, and is hereby, prohibited from paying any further sum or sums as compensation on any one of said contracts.

5. In order that said alleged ocean mail contractors may promptly have their day in court and that their rights, if any they have, may be preserved to them, jurisdiction is hereby conferred on the United States Court of Claims, upon application of any of said contractors in the usual way, to determine the validity of any and all of such contracts as other cases coming before said court, with the right of both the Government and the contractors to appeal to higher courts as by law provided.

Mr. President, I am not going to read the second joint resolution, but I am going to make a very brief statement as to what it contains.

Acting under the so-called Jones-White Act, the Shipping Board has loaned millions and scores of millions of the American people's money at rates of interest as follows: One contract at one-fourth of 1 per cent, another contract at three-eighths of 1 per cent, another contract at three-fourths of 1 per cent, another contract at 1 per cent, and one contract, I believe, at seven-eighths of 1 per cent, and so on. How did they arrive at that rate of interest? It is asserted in the testimony that they arrived at that rate of interest in this way. When the first $125,000,000 was appropriated by Congress and turned over to the Shipping Board for the purpose of lending to the merchant marine for building new ships it was provided that all such loans should carry a rate of 4¼ per cent. Evidently, later on the companies complained of that rate and a bill was introduced to reduce the rate. At this point I want to quote very briefly from debates in the House and Senate showing what was intended by that bill. I read from the CONGRESSIONAL RECORD.

Mr. BRIGGS (vol. 69, p. 7837). You have in it [the bill] a doubling of the construction loan fund, which provides money at rates of interest at which the Government itself might borrow. It means no gift of the money. * * *

This bill provides that the money may be obtained where the ship goes into foreign trade at the current rate of interest or the lowest rate of interest at which the Government may borrow the money. It means no loss to the people, but it gives ship operators and builders a very low rate of interest.

In other words, it was argued that the Government had and could borrow money at from 3¼ per cent to 3½ per cent, and that the purpose of the act was to enable the Government to relend the money to the shipowners at the same rate at which it borrowed it. I quote again from the House proceedings:

Mr. MCDUFFIE (vol. 69, p. 7838). And you propose to have the American Government lend to the American shipbuilders or ship operators money at 3 per cent?

Mr. BRIGGS. At the current rate the United States may borrow it, probably 3 per cent, so the Government does not stand to lose anything on the transaction.

Mr. DAVIS (vol. 69, p. 7851). * * * All the Government is asked to do is to lend 75 per cent of the value of the construction, at the rate at which the Government itself could borrow the money. * * *

Mr. FREE (vol. 69, p. 8669). It provides for loans by the Government in an amount equal to three-fourths the value of the ship for a period of 20 years, at a rate of interest at which the Government itself can borrow the money.

When that bill came over to the Senate, on May 15, 1928, the junior Senator from Wisconsin [Mr. BLAINE], as appears in volume 69, page 8720, commented as follows:

Mr. BLAINE (vol. 69, p. 8720). Am I correct in the understanding that vessels engaged in foreign trade may obtain loans at a rate of interest as low as 2½ per cent?

Mr. JONES. No; I do not understand it is that low. I understand that the lowest rate is about 3¼ per cent.

Under that remarkable provision, it was provided by the Jones-White Act that the rate of interest should be the rate on the obligation of the Government bearing the lowest rate of interest, meaning, of course, the bonded obligations of the Government, and that the amount should be certified by the Secretary of the Treasury within one-eighth of 1 per cent. It was idle to suppose the Government would borrow money on 90-day paper at one-fourth of 1 per cent and lend it to a shipping company for 20 years at a like rate. The only rate considered was the rate the Government paid on its bonds.

What was the result? When the Shipping Board loaned this money they asked the Secretary of the Treasury for a certificate of the lowest rate at which the Government could borrow money, and Secretary Mellon certified, so the proof shows, that he had borrowed some money on a short-time obligation at one-fourth of 1 per cent, and they fixed the rate at which that shipbuilder could borrow at one-fourth of 1 per cent. That is the excuse they give for it. It was never intended that any such rate should be given, as shown by the debates in both Houses of Congress, and my judgment is that the companies which borrowed at any such remarkable rates owe to the Government the difference between this absurdly low and unthinkable rate and the rate of 3¼ to 3½ as really was fixed by the law. The situation has certainly been made happy for the shipping companies. First, they, or many of them, bought ships from the Government for a song. Then they got postal contracts worth the ransom of several kings; and then they borrowed money at a half to three-quarters of 1 per cent. Some subsidies!

Mr. NORRIS. Mr. President, does the Senator mean to say that the Government of the United States loaned an amount to shipbuilders amounting to 75 per cent of the cost of a ship at a rate of interest less than 1 per cent per annum?

Mr. McKELLAR. I mean to say precisely that very thing. Is that specific?

Mr. NORRIS. That is specific; that is just what I wanted.

Mr. McKELLAR. I mean that very precise, absolute, identical, undeniable thing.

Mr. NORRIS. How much did they lend at that rate?

Mr. McKELLAR. To one concern, I think, the Dollar Line, or perhaps the Brigeman Line, both of which needed help so much at that time, five and a half million.

Mr. NORRIS. At less than 1 per cent?

Mr. McKELLAR. I think it was one-fourth of 1 per cent; it might have been a half. There were several such contracts.

Mr. NORRIS. For what time?

Mr. McKELLAR. They loaned part of it for 20 years, to be paid back on the installment plan.

Mr. NORRIS. They are enjoying that rate now?

Mr. McKELLAR. They are enjoying that rate now.

Mr. REED. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. REED. Is it not a fact that that was held to be required by the act of Congress which we passed?

Mr. McKELLAR. It was first held by the Shipping Board, and the contracts were let, and later on the Shipping Board itself took a different position about it and charged 3 per cent. I think it is fair to the Shipping Board to make that statement.

Mr. REED. Is it not fair to the Treasury to admit that the Treasury did its best to exact a higher rate?

Mr. McKELLAR. I do not know what it did, outside of what it certified to in at least four instances, involving millions of dollars, indeed, involving scores of millions of dollars, as I remember. What the Treasury did was to certify

this absurdly small rate. I think the Government stands to lose on these contracts something like the enormous sum of $15,000,000 in the way of difference in interest.

Mr. REED. If the Senator will yield——

Mr. McKELLAR. I yield.

Mr. REED. Is it not true that both the Treasury and the Shipping Board resisted that construction to the utmost——

Mr. McKELLAR. No, indeed; if either one of them had resisted it, it would not have been done, because there was no obligation upon the part of the Shipping Board to lend the money, there was no obligation upon the part of the Treasury to certify to a rate of a fourth of a per cent, the rate on an obligation under which the Secretary had borrowed money to tide him over perhaps for a few weeks. In my opinion, the Secretary of the Treasury violated the law in certifying to this low rate, and the Shipping Board violated the law in contracting for this low rate.

Mr. REED. If the Senator will let me finish the sentence——

Mr. McKELLAR. Yes.

Mr. REED. As I understand the facts, and I think I do, both the Treasury and the Shipping Board held that it was so preposterous that they refused to believe that Congress meant that, and it was only when the Attorney General said that there was no other construction to be put on our words that that perfectly outrageous result was arrived at. I join with the Senator from Nebraska and the Senator from Tennessee in saying that the result is an outrage; but it is our fault, not the Shipping Board's.

Mr. McKELLAR. I thank the Senator, but I do not think it is our fault at all, and I want to tell him why.

This certificate was received from the Secretary of the Treasury, and the money loaned, a contract formally made, entered into, agreed to, and the Shipping Board has been receiving that low amount of interest since those contracts were made.

I am glad to see the junior Senator from Michigan [Mr. VANDENBERG] on the floor. The testimony in the hearing showed that when a bill to correct some other feature of the merchant marine act came to the Senate from the House, the Senator from Michigan found out about this ridiculous interest rate before his committee and prepared an amendment. I do not remember whether it was an amendment to a bill that had been introduced in the House, or the Senator's own bill, but it was one or the other. Anyway he offered an amendment to correct the matter. He introduced that amendment here on the floor, and afterwards it was passed. But after the Senator from Michigan had learned of it, the board itself changed its action and made other contracts at a rate of interest of 3 per cent.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. The Senator's recollection is approximately correct. The so-called Free bill came over from the House dealing with another phase of the control of the merchant marine.

Mr. McKELLAR. Yes.

Mr. VANDENBERG. In the course of my inquiry into the situation I discovered the perfectly outrageous situation to which the Senator adverts. I brought it to the attention of the Shipping Board, and immediately the Shipping Board and the Treasury joined in recommending the change. May I say to the Senator that the amazing thing to me was that it remained for a casual inquiry from the outside to develop the facts, and that the facts were not apparently within the continuous purview of the Shipping Board at all? They suddenly acquired a great enthusiasm for the reform, as soon as the situation actually was disclosed as being indefensible. Thereupon Congress passed the proposal which I submitted, which makes it impossible for any such outrage to be perpetrated again.

Mr. McKELLAR. That is entirely true. The Senator from Michigan has stated the facts, and as a matter of fact, while his measure was pending, the Shipping Board, for some reason, I do not know why, having entered into these contracts for a quarter of a per cent interest, and three-eighths of a per cent interest, and a half of a per cent interest, and three-fourths of a per cent interest, and 1 per cent interest, and 1½ per cent interest in other cases, not having a uniform rate, they themselves, while the Vandenberg measure was pending to change it, changed the rate to 3 per cent, and entered into two contracts fixing that as the rate.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. NORRIS. That interests me. They did that without any change of the law?

Mr. McKELLAR. Without any change in the law.

Mr. NORRIS. Prior to that time they made these loans at the low rate, as I understand the Senator, on the theory that the law was compulsory?

Mr. McKELLAR. Yes; so they said. But it was not in any way compulsory. They were not required by the act to lend any company any money.

Mr. NORRIS. Has the Senator a copy of the law?

Mr. McKELLAR. Yes.

Mr. NORRIS. Did the law compel the Shipping Board to make those loans?

Mr. McKELLAR. No; it did not. I will read the Senator the exact provision. It is the most remarkable kind of a provision for the collection of interest, I will say to the Senator. I read it just as it was put in the Jones-White Act, a provision which the Senator from Washington [Mr. JONES] thought would bring the Government from 3¼ to 3½ per cent interest, and I know Senator JONES thought that, because he does not say anything about this or any other matter unless he believes it. I quote from the act.

Section 306 (d) of the act of 1928:

The rate—

Meaning the rate of interest—

shall be the lowest rate of yield (to the nearest one-eighth of 1 per cent) of any Government obligation bearing a date of issue subsequent to April 6, 1917 (except postal-savings bonds), and outstanding at the time the loan is made by the board, as certified by the Secretary of the Treasury to the board upon its request.

Mr. NORRIS. That does not quite answer my question. That refers to the rate of interest; but the question I want to get information on is, Did the law itself require the board to make the loan?

Mr. McKELLAR. Oh, no; it had perfect freedom of action.

Mr. NORRIS. That is the law I am inquiring into. If the law was not compulsory, they were not required to make the loans.

Mr. McKELLAR. Not at all. My judgment is that the rates were made not only contrary to the law but in violation of the law.

I want to say to those Senators who are listening to me that there is an investigation of these contracts now before the Committee on Post Offices and Post Roads, and we will proceed farther in the matter. I thought it was right and proper, inasmuch as all this evidence came out before the Committee on Appropriations, to bring it in this way at this time to the attention of the Senate.

I ask that the two joint resolutions be referred to the Committee on Post Offices and Post Roads for their consideration.

Mr. MOSES. Mr. President, before that order is made, may I say to the Senator from Tennessee that in my opinion they should go to the Committee on Commerce, which handled the original legislation.

Mr. McKELLAR. I do not think so, because, as a matter of fact, they relate to postal contracts. They both affect the postal system. They are let in furtherance of the same plan; in other words, the owners of ships received gratuities in the way of these loans and then in addition subsidies from the Postmaster General. I think the same committee ought to look after both of them. The investigation is now before the Committee on Post Offices and Post Roads, and the Senator



from New Hampshire is a member of the subcommittee that is going to examine into the matter. It seems to me both joint resolutions should go to that committee, and I hope he will withdraw his objection.

Mr. MOSES. In addition to that, I was a member of the subcommittee on appropriations which heard the testimony, and I shall probably have to hear it again before the Subcommittee on Post Offices and Post Roads. If it goes then to the Committee on Commerce, of which I am likewise a member, I suppose I shall have to hear it another time, knowing the persistence of the Senator from Tennessee.

Mr. McKELLAR. No; it is not owing to my persistence. It is owing to the facts which have been developed by and concerning the Post Office Department and the Shipping Board.

Mr. MOSES. In the course of a long series of hearings on this question, for the first time the Senator from Tennessee makes the direct charge that the notes were made illegally. As a matter of fact, regardless of what opinion I may have as to the wisdom of the matter, there is not a scintilla of evidence before the committee, of which I happen to be a member, to prove that the loans were not made strictly in accordance with the law. It has been brought out by interrogations of the Senator from Pennsylvania [Mr. REED] that they were all made upon an opinion rendered by the Attorney General.

Mr. McKELLAR. Not by a formal opinion of the Attorney General. I do not know how that opinion came to be rendered. The opinion never should have been rendered; but there is an opinion of the Attorney General which I think is as erroneous as any opinion could possibly be, and I believe the courts will so hold. There is some doubt as to how this remarkable opinion got into the record.

Mr. MOSES. That is beside the mark.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Nebraska?

Mr. McKELLAR. Certainly.

Mr. NORRIS. I want to draw the distinction, if there is such a distinction, between an opinion that permits this to be done and a statute that requires it to be done. I think I make myself clear.

Mr. McKELLAR. That is perfectly clear. The statute does not require any loan to be made.

Mr. NORRIS. If the Attorney General was called upon to render an opinion, it is no answer to me that his opinion said they could do it. What I want to know is, Was he called upon to render an opinion and did he say they had to do it? If we are going to blame it on the law, then it must have been compulsory for this kind of contract to be made.

Mr. McKELLAR. He said it might be done, but did not say it should be done. Of course, the board could have refused any loan.

Mr. NORRIS. It is still left to the board as to whether they should make that kind of contract.

Mr. McKELLAR. As a matter of fact, the whole act shows it was absolutely in the discretion of the board whether they should make any loan to any particular company. I do not have to emphasize that. Any lawyer knows that the power would rest there with the board. We could not say—I mean Congress could not say that every shipping company in the United States was entitled to a loan, whether the board wanted to make it or not. There are three ships owned by companies having foreign vessels which are receiving loans in violation of law.

Mr. NORRIS. I got the impression from the interrogation of the Senator from Pennsylvania that the board was compelled to make the contract and that the Attorney General said so.

Mr. McKELLAR. Oh, no; it was not mandatory at all, and that opinion does not so hold.

Mr. MOSES. There is some mystery, according to the testimony, as to the exact manner in which the opinion came from the Department of Justice to the Shipping Board.

Mr. McKELLAR. Yes; there is quite a lot of mystery.

Mr. MOSES. That is to say, whether one member of the subcommittee of the board upon his own authority asked for the opinion, or whether the subcommittee itself asked for it, or whether it was ratified by some further action of the whole board; but the fact is that that opinion was rendered in connection with a contract which had already been made and where complaint was made by the company about the rate of interest which was being charged. That contract had been made. Of course, it is true that the Shipping Board did not have to make a loan in the strict construction of the language, but we have enacted a statute which was designed for upbuilding the American merchant marine.

If the Shipping Board had refused to make loans under the terms of that statute and in accordance with the restrictions laid down by the Treasury Department, fortified by an opinion from the Attorney General, what would have been the result? There would have been a vast outcry all over the country that, having determined to build up a merchant marine, a mere ministerial agency or establishment was interfering with that beneficent program.

The reason why I suggested that the joint resolution should be referred to the Committee on Commerce is that the original legislation, the Jones-White Act, came from the Committee on Commerce. In my opinion that is where the whole subject should be studied. I think, and I so expressed myself in the committee room, that the testimony which we took during nearly three weeks in the Subcommittee on Appropriations while it was there, it is true, because of a rider put upon the appropriation bill in the House of Representatives, and therefore we could consider it was a subject matter with which the Committee on Appropriations ought not to deal, but which should be dealt with by the Committee on Commerce.

Another reason why I think the joint resolution should go to the Committee on Commerce rather than to the Committee on Post Offices and Post Roads is that we already have the whole subject before the Committee on Post Offices and Post Roads in the form of another resolution, and the Committee on Post Offices and Post Roads is not competent to deal with the question of the upbuilding of a merchant marine.

There are always two factors concerned in the contracts to which the Senator from Tennessee has referred; that is to say, a postal subvention—I use the term "subvention" because that seems to be a favorite word with some persons who are squeamish about the word "subsidy," though I do not shrink from its use. There is a postal subvention, on the one hand, handled by the construction lines, and on the other hand handled by the Shipping Board. The two subjects are handled separately, with some intermingling by reason of some interdepartmental committees which work with reference to the subject. But the whole general subject arose in the Committee on Commerce, and the legislation under which complaint now comes came from that committee.

I feel that we can not resist the request of the Senator from Tennessee to refer the joint resolutions to the Committee on Post Offices and Post Roads, because I hold to the theory that while the Presiding Officer may override the Senator in his request, yet, generally speaking, a Senator is entitled to have his legislation referred to the committee where he would rather have it considered. But under the general view of the whole situation, and in view of the fact that the Senator from Tennessee already has the subject matter before a subcommittee of the Committee on Post Offices and Post Roads under his earlier resolution, I ask him to permit the joint resolutions to go to the Committee on Commerce, where the whole subject matter properly belongs.

Mr. McKELLAR. In reply to the able Senator from New Hampshire I just want to say that there is a subcommittee on Post Offices and Post Roads acting under a resolution of the Senate which is considering both of these activities—the air mail contracts and the sea mail contracts. That

matter is before the Committee on Post Offices and Post Roads now, referred to that committee without objection, and they are examining it. There is no use dividing the activities. I ask unanimous consent—and I will move if necessary—that the joint resolutions be referred to the Committee on Post Offices and Post Roads.

Mr. MOSES. I do not insist that the Senator shall so move. I admit the Senator has a perfect right, under courtesy of the Senate, to have his resolutions go to the Committee on Post Offices and Post Roads. I do not think they should go there, however.

Mr. McKELLAR. I ask that the joint resolutions be referred to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. McKELLAR. I ask permission that an editorial entitled "Economy Versus Subsidy" be inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

ECONOMY VERSUS SUBSIDY

The worried gentlemen in Congress responsible for the economy end of the Budget-balancing problem have received at least one valuable suggestion from President Hoover. He proposes a reorganization of the Government's merchant-marine activities.

The most cursory study should disclose that even more economy than the President had in mind is not only possible but sensible.

Transfer of present Shipping Board activities to the Department of Commerce, with creation of a new body to regulate water-commerce rates, would save little or nothing in administrative expense, but alteration of the mail subsidy and construction-loan subsidy policies of the Government would accomplish a saving running into millions of dollars.

The Government has set aside $142,994,082 for loans for merchant-marine construction in the past few years, and in addition has given the borrowers mail subsidies amounting to more than $28,000,000 a year.

This policy has nothing to do with efficient transportation of the mails. Foreign shipping lines in many cases could perform that service satisfactorily for a fraction of the sums now being given American steamship lines.

And when the merchant marine and the tariff policies of our Government are considered in relation to each other the effect is comic. We are pouring millions of dollars into the coffers of steamship owners to encourage the foreign trade which we shut out with our high tariff wall.

A 50 per cent reduction in ocean mail subsidies would save $14,000,000 in the coming fiscal year. It would prevent expenditure of as much more from the construction-loan fund.

It would, perhaps, cause some steamship companies distress, but it might cause them to discover, at last, that their road to prosperity lies through a lower tariff wall, not through the taxpayer's pocketbook.

The issue is: Federal subsidy versus Federal economy.

Mr. COPELAND. Mr. President, I wish merely to ask a question which I desired to ask before final action was taken on the resolutions of the Senator from Tennessee. What was it that was referred and acted upon in this matter?

Mr. McKELLAR. Just a moment ago?

Mr. COPELAND. Yes.

Mr. McKELLAR. The joint resolutions were referred to the Committee on Post Offices and Post Roads.

Mr. COPELAND. What joint resolutions?

Mr. McKELLAR. Two joint resolutions which I introduced. I suppose the Senator from New York was not here. It would take me a long time to explain them again. They will both be in the RECORD in the morning, and I hope the Senator will read them.

Mr. COPELAND. Did one of them relate to the air mail contracts?

Mr. McKELLAR. One related to the air mail contracts and one to the remarkable rates of interest, ranging from one-eighth of 1 per cent to 1½ per cent.

Mr. COPELAND. Were they referred to the Committee on Post Offices and Post Roads for definite action, or to be considered by them?

Mr. McKELLAR. For investigation and such action as they may take. For what purpose are resolutions referred to committees if not for that purpose?

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. Certainly.

Mr. NORRIS. I think the Senator has an erroneous idea as to just what was done. The joint resolutions were not passed by the Senate. They were referred to the committee for consideration. It will be the duty of the committee to give them such consideration as they think they deserve and then report back to the Senate whether, in their opinion, they should be passed by the Senate.

Mr. COPELAND. I am entirely satisfied——

Mr. MOSES. As a matter of fact, they are joint resolutions.

Mr. COPELAND. I am entirely satisfied with that explanation which I was trying to get.

Mr. COPELAND subsequently said: Mr. President, I desire to give notice of my intention to move a reconsideration of the action of the Senate just taken referring to the Post Offices and Post Roads Committee the two joint resolutions providing for investigations.

The VICE PRESIDENT. That motion will be entered.

RELIEF OF STORM-STRICKEN AREAS IN THE SOUTH

Mr. BANKHEAD. From the Committee on Agriculture and Forestry I ask unanimous consent out of order to report favorably without amendment Senate Joint Resolution No. 131, and I submit a report (No. 508) thereon.

The VICE PRESIDENT. The joint resolution will be placed on the calendar.

Mr. BLACK. Mr. President, before the joint resolution goes to the calendar, I desire to say that it has reference to relief for the storm-stricken areas of several of the Southeastern States. It was read in the Senate before it went to the Committee on Agriculture and Forestry. It has gone to the committee, and it comes back with a unanimous report of that committee.

I desire further to state to the Senate that unless this relief shall be granted in a very brief time it will be entirely too late for it to be advantageous to the people who have suffered from this storm. It is my desire to ask that the joint resolution be immediately considered by the Senate. I do not believe there will be any objection to it. It is exactly in line with other legislation which has been passed, except it is not so liberal as some legislation of this character has been. I believe I could explain it sufficiently in two or three minutes so that there would be no objection to it, and I desire to ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Let the joint resolution be reported by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

Mr. McNARY. Mr. President, the joint resolution presents a very important matter; it has not been considered by the Members of the Senate, and I shall object to its consideration at this time.

The VICE PRESIDENT. The joint resolution will be placed on the calendar.

Mr. BLACK. Mr. President, I desire to state that immediately upon the convening of the Senate to-morrow I shall ask for the consideration of the measure. I shall do that for the reason that thousands of men and women have had their homes destroyed. That is not only the case in one State, but it is true in a number of States. It is wholly impossible for the States affected to give the people the relief which they need. I appreciate the attitude of the chairman of the Committee on Agriculture and Forestry [Mr. McNARY]; and knowing his usual liberality with reference to measures in which the people are interested, I am not making this statement as any criticism of him, either express or implied, but simply to call the attention of Senators to the fact that conditions are such that if relief is to be granted it is needed at once.

I further desire again to give notice that I shall attempt to-morrow to bring this joint resolution up for the consideration of the Senate.

INTERNATIONAL CONFERENCE ON SILVER

Mr. KING. Mr. President, I introduce a joint resolution which I ask may be read and lie upon the table. To-morrow I may offer some remarks upon it.

The VICE PRESIDENT. Is there objection to the reading of the joint resolution at this time? The Chair hears none, and the Secretary will read, as requested.

The joint resolution (S. J. Res. 137) authorizing the calling of an international conference to consider and devise plans to increase the use of silver, and providing for expenses of American participation therein, was read the first time by its title and the second time at length, as follows:

Whereas for centuries the production of silver and gold has been at a ratio substantially uniform, and that at such ratio were used interchangeably and discharged all the functions of money, including the payment of debts, public and private, and constituted the base upon which rested currencies and credits; and

Whereas it has been universally recognized that economic and industrial conditions are influenced, if not determined, by the number of units of value available for monetary purposes; and

Whereas the Constitution of the United States recognizes gold and silver as primary money, and Congress by law provided for the free coinage of both gold and silver, with silver constituting the unit of value, at a ratio fixed by law, which was substantially the natural and universally recognized ratio, and thereby adopted a policy of bimetallism which prevailed in all civilized countries; and

Whereas certain selfish interests conspired to destroy this sound and approved bimetallic system, notwithstanding the irrefragable proof that disastrous economic, industrial, and political consequences would follow, and were so successful in their efforts that the mints of most nations were closed to the free coinage of silver, thus forcing gold monometallism and an unsound and unwise monetary system upon most nations; and

Whereas the United States, yielding to this unsound and harmful policy, demonetized silver in 1873; and

Whereas governments and peoples everywhere are burdened with debt, and the limited amount of basic or primary money in the world creates fears and distrust of existing financial policies and the ability of nations and individuals to discharge their indebtedness, thus delaying industrial and economic recovery; and

Whereas there is an increasing demand for the rehabilitation of silver and for an adequate metallic base consisting of silver and gold in order that the credit structure of the world may be strengthened and commodity prices and property values stabilized and restored to a proper level; and

Whereas by the act of November 1, 1893, it was declared to be the policy of the United States to continue the use of both gold and silver as standard money and to coin both metals into money of equal exchangeable value, and that the efforts of the Government should be steadily directed to the establishment of a safe system of bimetallism; and

Whereas by the act of March 3, 1897, the President of the United States was authorized to appoint commissioners to represent the United States in any international monetary conference called by the United States or by any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money by means of a common ratio with free coinage at such ratio, and for the purpose of such conference the sum of $100,000, or so much as is necessary, was appropriated; and

Whereas by the act of March 14, 1900, the policy of accomplishing international bimetallism was again recognized; and

Whereas leading economists, financial writers, industrialists, and men of large business interests, as well as many persons throughout the world, are urging an international conference for the consideration of the silver question and the adoption of a plan for the rehabilitation of silver: Therefore be it

Resolved, etc., That the President of the United States is authorized, and is hereby requested, to call a conference for the purpose of considering and devising plans to increase the use of silver for monetary and other purposes, including the restoration of silver to its proper monetary status as a part of the primary and basic money of the world, and he is authorized to appoint five or more commissioners to represent the United States at such conference. For compensation of the representatives of the United States, and for all reasonable expenses connected with said conference, to be approved by the Secretary of State, including the proportion to be paid by the United States of the joint expenses of any such conference, the sum of $100,000, or so much thereof as may be necessary, appropriated for such purposes by the act of March 3, 1897 (29 Stat. 624), is hereby reappropriated and continued available for such purposes.

The VICE PRESIDENT. The joint resolution will be printed and lie on the table.

RECESS

Mr. McNARY. Mr. President——

Mr. HARRISON. Does the Senator from Oregon desire to move a recess at this time?

Mr. McNARY. That is my purpose.

Mr. HARRISON. As the Senator is going to move a recess, I should like to get recognition so that I may have the floor to-morrow morning.

The VICE PRESIDENT. The Senator from Mississippi is recognized.

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The VICE PRESIDENT. Does the Senator from Mississippi yield for that purpose?

Mr. HARRISON. I yield.

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and (at 4 o'clock and 25 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, April 6, 1932, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5 (legislative day of April 4), 1932

PROMOTIONS IN THE NAVY

To be lieutenant commander

Charles H. Ramsdell.
Robert P. McConnell.

To be lieutenant

Frank Monroe, jr.
Joseph B. Renn.
Alvin D. Chandler.
Julian J. Levasseur.
Joyce A. Ralph.
Homer Ambrose.
James C. Guillot.
Carson R. Miller.
William M. Hobby, jr.
Guy M. Neely.
Horace C. Robison.
John B. Moss.
Thomas H. Hederman.
Valentine L. Pottle.

To be lieutenant (junior grade)

Richard E. Hawes.

To be medical director

Arthur W. Dunbar.

To be assistant dental surgeon

William D. Bryan.

MARINE CORPS

Irving E. Odgers to be captain.
Earle S. Davis to be first lieutenant.
Ernest R. West to be second lieutenant.
Clinton A. Phillips to be chief pay clerk.

POSTMASTERS

INDIANA

Walter C. Belton, Acton.
Earle O. Gilbert, Brooklyn.
Hovey Thornburg, Parmland.
Henry J. Schroeder, Freelandville.
David E. Demott, Greenwood.
Warren B. Johnson, Owensville.
Delbert E. Cantrall, Red Key.
Fred W. Baker, Ridgeville.
John N. Hunter, South Bend.

KENTUCKY

Bryant H. Givens, Caneyville.
Hugh M. Chatfield, Catlettsburg.
Nannie J. Wathen, Irvington.
Carley O. Wilmoth, Paris.
Anna E. Fuqua, Rockvale.

LOUISIANA

Minnie M. Baldwin, Bernice.
David S. Leach, Florien.
George W. Taylor, Franklin.
Elson A. Delaune, Lockport.
Edward A. Drouin, Mansura.
Edwin J. LeBlanc, Melville.
Melvin P. Palmer, Morgan City.
Otto J. Gutting, Oil City.
Teakle W. Dardenne, Plaquemine.
James H. Gray, Pollock.
Avenant Manuel, Ville Platte.
Samuel A. Fairchild, Vinton.

MINNESOTA

Georgia C. Hompe, Deer Creek.
Theresa E. Thoresen, East Grand Forks.
Emanuel Nyman, Foley.
Roy Coleman, Lancaster.
Arnold E. Talle, McIntosh.
Milton P. Mann, Worthington.

NEW HAMPSHIRE

Leston F. Eldredge, Durham.
William T. Lance, Meredith.
Maurice R. Wright, North Hampton.

NORTH DAKOTA

Ethel M. Anderson, Bowman.
James H. McNicol, Grand Forks.
William Roche, Inkster.
Agnes L. Peterson, Washburn.

OKLAHOMA

Everette L. Richison, Bokoshe.
James P. Gaulding, Checotah.
Leslie S. Reed, Hobart.
Noah B. Hays, Keota.
Ruth J. McLane, Lookeba.
Ira Thatcher, Vian.
Bernice Pitman, Waukomis.
Frank C. McKinney, Yukon.

WISCONSIN

William A. Devine, Madison.
Peter F. Piasecki, Milwaukee.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 5, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most Gracious Father, we thank Thee for Thy redeeming love, unfailing care, and for Thy unerring guidance. As Thou art the sure foundation for a good, upright life, may we cling to Thee with unbroken trust. Bear company with us to-day and hear our urgent prayer for divine help in meeting the tasks which are before us. Sustain us with that peace that never flows in but always flows out. Stoop to our hearts with their tenderest longings, yearnings, and with their priceless treasures of human ties. If any of our homes are in the valley, lead them through it and bring them to the mount of strength and health. Beneath all the breathing, throbbing things of life, teach us how to love Thee with faithfulness, with cheerful sacrifice, and with steady devotion to serve the Republic. Amen.

The Journal of the proceedings of yesterday was read and approved.

PHILIPPINE INDEPENDENCE

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Philippine bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. DICKINSON. Mr. Speaker, the bill for Philippine independence deserves favorable and prompt action. I once served on the Insular Affairs Committee, whose great chairman, William A. Jones, of Virginia, in the year 1916 pressed through Congress the Jones Act seeking to grant independence to the Filipino people. Nearly 16 years have passed since the enactment of this act.

More than 10 years have passed since President Wilson certified to Congress that the condition precedent for granting of independence had been fulfilled. The United States acquired control of the Philippine Islands and the Filipinos by purchase and by force of arms. At the end of the war between Spain and the United States the Spanish Government found itself indebted to the Government of Cuba in the sum of $20,000,000 and, without means to make payment, agreed with and transferred to the United States by quitclaim deed all of Spain's interest, rights, and possessions in the Philippines if the United States would assume and pay Cuba the said sum of $20,000,000, and the deal was made. Then the United States, that had helped to drive Spain from further control of said islands and people, took possession and warred with the Filipino people for control, and has since retained control, promising in 1916 independence by solemn act of Congress.

The World War came on, and independence, long delayed, is now ripe for action by the United States. Seven or eight thousand miles away in the Orient; shortest route, 7,164; longest, 8,340. A Malay people, kindly, thirsting for independence, loving liberty, as all peoples do, united in their voice for the right to govern themselves, grateful to the United States for its beneficent rule and helpfulness, they ask now for liberty, that human rights be placed above the dollar of mere business. Let the expense of control end. They feel and urge that the heartbeat of the nation for freedom and liberty be heard; and when this bill shall have been enacted into law, all nations will proclaim the justice of this act and pay tribute and say with one voice the United States of America has kept its promise to the Filipino people. Not only the liberty of these people but the plighted word and honor of the United States is involved. In my judgment, they will measure up to their full responsibility when they join in the concert of nations as a free and independent nation.

INSURING DEPOSITORS AGAINST LOSS OF INSOLVENT BANKS OF THE FEDERAL RESERVE SYSTEM

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech I delivered in the House of Representatives, January 15, 1927, on a bill introduced by me entitled "A bill for the purpose of insuring depositors against loss of insolvent banks of the Federal reserve system," and also an excerpt from another speech subsequently delivered by me on this subject, showing the gross and net earnings and expenses of the 12 Federal reserve banks and also of each Federal reserve bank from 1914 to 1930, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BRAND of Georgia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech made in the House by myself:

Mr. Chairman and gentlemen of the committee, I want to discuss and explain the provisions of the bill which I introduced before the holidays, at this session of Congress, the object of which is to protect depositors against losses when member banks in the Federal reserve system fail or become insolvent.

This bill is now pending before the Committee on Banking and Currency, of which I am a member. I do not know whether I shall succeed in getting a hearing before the committee at this session or not, but, if not, I intend to do so at the next session.

Next in importance to the problem of farm relief and to the necessity for legislation to avoid a collapse of the agricultural classes of this country is the problem of bank failures and the necessity for appropriate legislation to protect depositors against loss.

There being so much misinformation and the want of information on the part of many intelligent business men and prominent editors in this country, and even among bankers and Members of Congress, in regard to the provisions of the bill I have introduced, the object of which is to insure depositors in member banks of the Federal reserve system against loss upon insolvency of banks, I have decided it will not be out of place to briefly explain the material provisions of this bill.

The bill is H. R. 14921, and entitled:

"A bill to amend section 7 of the Federal reserve act, as amended, for the purpose of insuring depositors in member banks

of the Federal reserve system against loss," a copy of which is carried in the RECORD of December 16, 1926.

A prominent official of one of the largest banks of Atlanta, one at Athens, and a high banking official of a great public institution of Georgia, and an outstanding Democratic Member of Congress have expressed opposition to this bill, basing their opposition upon the assumption that the bill makes the strong banks protect the weak banks. This is exactly what it does not do. It is a misconception of the provisions of the bill.

The ultimate end to be accomplished by this proposed legislation is to give complete protection to depositors in the member banks of the Federal reserve system by creating a fund which will be set aside as a guaranty to depositors that they will be fully protected against loss upon the failure of any bank in the Federal reserve system. If the confidence of the people in the banks of this country is to be maintained, it being at low ebb in many sections of the country at this time, some legislation must be enacted by Congress to guarantee that depositors will lose nothing when any of these banks become insolvent.

There is no provision in this bill which requires the strong banks to protect the weak or puts upon the strong banks any burden of this character. This is probably the only objection which has ever been urged against the Nebraska law, which was so lucidly explained several days ago by the gentleman from Nebraska [Mr. HOWARD]. Though there have been numerous failures of banks in the State of Nebraska during the last several years, by reason of this law no depositor has ever lost a dollar.

My bill gives protection against bank failures whether on account of stealing, embezzlement, mismanagement, or bad judgment on the part of officers and against any fraudulent and illegal conduct on the part of officers, employees, or directors of banks in the use and misuse of the money of the people.

There is one thing just as certain as death and taxes so far as bankers are concerned. They want protection, and they demand it when they hand out their money. I do not criticize them for this, but why not put the depositors in the same attitude and in the same zone of protection when the bankers take their money, especially as the deposits help build up the banks and keep them going and without the depositors getting any interest at that unless from savings banks.

For the purpose of establishing the depositors' guaranty fund provided for in the bill there is authorized to be appropriated out of the Treasury of the United States a sum not in excess of $50,000,000. Such sum, when appropriated, shall be advanced by the Secretary of the Treasury to the guaranty deposit fund.

The bill further provides that this fund shall be decreased from time to time by the franchise tax which, under the present law, the 12 Federal reserve banks are required to pay into the Treasury of the United States out of the net earnings of these banks.

This fund is not available for use at this time for the purpose of creating the depositors' guaranty fund, because, under the law establishing the Federal reserve act, it has been used for the purposes set forth in section 7 of this act.

The total amount of this franchise tax during the year 1926 is $818,150.51.

The scheme of this bill is, and provides as this franchise tax accumulates from year to year, that the amount of the yearly payments thereof is to take care of that much of the guaranty fund appropriated from the Treasury. For instance, if this bill had been enacted into law at the time of the payment to the Government of the $818,150.51 by the Federal reserve banks, this amount would have been placed to the credit of the $50,000,000, the depositors' guaranty fund, at which time and when this was done the Secretary of the Treasury would thereupon have taken out of the depositors' guaranty fund the amount of this payment and placed it back in the Treasury. When this franchise tax amounts to as much as $50,000,000 no part of the funds of the Treasury will be used any longer for the protection of the depositors, but this franchise tax fund will take its place and thereafter be treated as the depositors' guaranty fund. However, this fund can at no time exceed $75,000,000, and at no time be less than $25,000,000. Subsequent payments of the franchise tax in excess of $75,000,000 shall be thereafter paid into the Treasury of the United States. In short, this franchise tax in the end will become the depositors' guaranty fund, in which case this fund and this alone will be the protection and the guaranty against loss to depositors of insolvent banks.

In the scheme of protection and guaranty against loss provided for in this bill, when a bank becomes insolvent the depositors will be paid the full amount of their deposits without any cost to them and without any additional liability being put upon the stockholders. No national bank, no State bank member of the Federal reserve system, neither one of the 12 banks of the system, and no officer or stockholder of any of these banks would lose a dollar by this scheme of protection.

No part of the net earnings of the 12 Federal reserve banks, except the franchise tax, is taken in order to create this guaranty fund. So far as this act is concerned, excepting the franchise tax, the net earnings of the Federal reserve banks are left undisturbed.

Paragraph E, on page 3, provides whenever a member bank of the Federal reserve system is placed in the hands of a receiver or liquidating agent the Federal Reserve Board shall investigate and estimate as soon as practicable whether the assets of such bank, together with such amount as may be realized by enforcing the liabilities of the shareholders, officers, and directors thereof, will be sufficient to pay the depositors in full. Upon the basis of such estimate, the board shall make payment to such depositors from the guarantee fund of amounts, which, in the opinion of the board, will not be realized for the benefit of the depositors from such sources.

(f) If upon final settlement of the affairs of any such bank the assets, together with such amounts as may be realized by enforcing the liabilities of the shareholders, officers, and directors thereof and amounts paid from the depositors' guaranty fund under subdivision (e) are insufficient to discharge such bank's obligations to depositors, the Federal Reserve Board shall pay to such depositors from the depositors' guaranty fund such amounts as may be necessary to make up the deficiency.

If this bill becomes a law, hundreds and hundreds of State banks which are not now members of the Federal reserve system will immediately apply for membership. The bill will thus have a tendency to strengthen the system, which at present it stands in more or less need of. The system is languishing now because so many State banks are not members of it. Hundreds of banks in the United States are purposely keeping out of this system because they are not in sympathy with some of the requirements of the act creating the system, and yet under the protection given by the provisions of this bill no reasonable man can intelligently reach any other conclusion than that most of these nonmember State banks would become members of the Federal reserve system.

We must not be unmindful of the fact that Congress has no jurisdiction over State banks which are not members of the Federal reserve system, and therefore this class of banks would get no benefit from the protection afforded by my bill. The depositors of these nonmember banks would have to rely upon the general assemblies of the States where these nonmember banks are located to enact legislation for their protection.

Mr. O'CONNOR of Louisiana. During the course of the gentleman's remarks he made a statement which, to my mind, is very important to the laymen that have not got the knowledge that lawyers have concerning the power of Congress. On the theory that banking is of an interstate character—of course, a great many banks doing an interstate business are not members of the Federal reserve system. Has not the Congress the power to compel those banks to join the Federal reserve system in the event Congress should choose to exercise its power?

Mr. BRAND of Georgia. I am inclined to think it does have that power if the State banks are engaged in interstate and not solely intrastate business. If this bill should become a law and the franchise tax finally equal the $50,000,000 appropriated, there would not thereafter be any necessity to take a dollar out of the Treasury of the United States.

I did not fix the amount of the guarantee fund at the sum of $50,000,000 arbitrarily. As far as I could, from time to time, I obtained information from the office of the Comptroller of the Currency in regard to the losses sustained by banks since the act creating the Federal reserve system was passed by Congress, as well as prior thereto, and particularly the number of failures of banks in the system during the last five years and the losses sustained by the depositors on account of these failures.

Mr. HUDSON. Mr. Chairman, will the gentleman yield there?

Mr. BRAND of Georgia. Yes.

Mr. HUDSON. How long does the gentleman estimate that it would be before that sum would be covered back into the Treasury?

Mr. BRAND of Georgia. That is a very fair question. The Federal reserve system has been in vogue about 12 years, and there has been paid into the Treasury up to July 1, 1925, as a franchise tax, $139,992,093.58. There have been a great many bank failures in the past five or six years, though I take it that there will not be an increased number in the future.

Mr. HUDSON. Is there not a probability that the number will decrease?

Mr. BRAND of Georgia. Yes; there is strong probability that bank failures will materially decrease in the future rather than increase.

Mr. ALMON. Will the gentleman tell us what was approximately the amount of losses to the banks per annum—that is, member banks belonging to the Federal reserve system.

Mr. BRAND of Georgia. I am glad the gentleman inquired as to that. I have made some investigation into the amount of failures of banks and losses sustained thereby before and since the Federal reserve system was inaugurated. Prior to that time the losses were not anything like what they have been since the establishment of the system, particularly since 1920. The following statement, furnished at my request by the Comptroller of the Currency, shows the losses in insolvent member banks from 1921 to 1924, inclusive, the total losses to creditors, however, include other creditors besides depositors:

Statement of losses sustained by creditors of insolvent national banks in receivership which were completely liquidated during the years 1921 to 1925, inclusive

Year	Number of liquidations	Liabilities to creditors	Amount paid creditors	Losses sustained by creditors
1921	14	$4,085,035	$2,737,604	$1,347,431
1922	11	3,244,714	1,976,009	1,268,705
1923	13	2,362,876	940,554	1,422,322
1924	19	7,644,445	5,334,843	2,309,602
1925	5	804,850	804,850	
Total	62	18,141,920	11,793,860	6,348,060

Mr. ALMON. To what does the gentleman ascribe the increase?

Mr. BRAND of Georgia. It was brought about, and the primary cause is due to the deflation policy set in motion during the year 1920 by the Federal Reserve Board.

Mr. MANLOVE. Mr. Chairman, will the gentleman yield there?

Mr. BRAND of Georgia. Certainly.

Mr. MANLOVE. What proportion of those are State banks?

Mr. BRAND of Georgia. There are 20,168 State banks in the United States not in the Federal reserve system, though not all of them are eligible for membership, and only 1,969 in the system. If this bill becomes a law, you will find these State banks that are not in the system falling over themselves in trying to get into the system. Every State bank not protected by State legislation will endeavor to get into the system, or should do so.

Mr. ALMON. Have any hearings been held on the bill and is it being considered by the committee?

Mr. BRAND of Georgia. Not yet.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. BRAND of Georgia. May I have five minutes more?

Mr. HARRISON. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Georgia is recognized for five minutes more.

Mr. BRAND of Georgia. The Committee on Banking and Currency has been busy holding hearings on a bill from the Treasury Department ever since Christmas. The chairman, Mr. MCFADDEN, was more or less indisposed before Christmas. The bill to which I refer proposes to amend the Federal farm loan act. We have had sessions almost every day, and we shall have sessions for another week or so. I hope the committee will give me a hearing, at least to start on this bill at this session; but if not, I shall expect to have hearings at the next session. If this bill should become a law and my scheme of protection is carried out, in the end it will not increase the liability of the stockholders of any member banks of the Federal reserve system or of any of the 12 Federal reserve banks of the system; but it will protect the depositors of all member banks when a failure occurs. So that, without doubt, they will get every dollar of their money. [Applause.]

I hope you will excuse me for saying that I have examined every State law in the United States in regard to the protection and guaranty of deposits in State banks. I did it last year, including, of course, affected member banks of the Federal reserve system. I have examined all of the bills which have been introduced either at the last session or this session which have for their object the protection of depositors in insolvent banks, and in my judgment none of these bills afford any better or more workable and satisfactory plan than the bill I am discussing.

The time has come when confidence has got to be restored in the banks [applause], otherwise the money of the rank and file of the masses will seek hiding places. In many States stock in banks can not be sold to anybody at any price. Over and above everything that can be said upon this subject, all agree that the depositor who puts his money in any bank and does not get any interest on it ought in a spirit of justice and fairness when the bank fails be paid back his deposits, and this sort of guaranty should be bestowed upon the innocent depositor at the hands of this Congress. The hour has struck for action, and the call comes from every section of our country for protection. [Applause.]

I welcome criticism of my bill by Members of Congress. I want them to study the provisions of the bill. I also welcome criticism from anybody out of Congress, bankers and others, because if it can be improved I want to improve it. I am going to contend as long as I am a Member of Congress for some legislation which will protect depositors against loss on account of insolvency of these banks. [Applause.]

For the reasons outlined by me I can not understand how any Member of Congress, unless controlled by party lash, or how any officer of any bank of the Federal reserve system, or any other person can object to the purpose sought to be accomplished by this bill, unless such a one is wholly without sympathy and destitute of compassion and is utterly indifferent to the welfare of the people of this Republic. [Applause.]

Gross and net earnings and expenses of all Federal reserve banks, and also of each Federal reserve bank, 1914–1930

Gross earnings for Federal reserve system	$941,052,065
Total expenses for Federal reserve system	417,847,900
Net earnings for Federal reserve system	523,204,165
Gross earnings for Federal reserve, Atlanta	46,484,095
Total expenses for Federal reserve, Atlanta	22,774,963
Net earnings for Federal reserve, Atlanta	23,709,132
Gross earnings for Federal reserve, Boston	64,301,175
Total expenses for Federal reserve, Boston	28,371,548
Net earnings for Federal reserve, Boston	35,929,627
Gross earnings for Federal reserve, New York	273,116,241
Total expenses for Federal reserve, New York	95,077,273
Net earnings for Federal reserve, New York	178,038,968
Gross earnings for Federal reserve, Philadelphia	70,835,186
Total expenses for Federal reserve, Philadelphia	28,709,532
Net earnings for Federal reserve, Philadelphia	42,145,654
Gross earnings for Federal reserve, Cleveland	81,781,907
Total expenses for Federal reserve, Cleveland	38,089,978
Net earnings for Federal reserve, Cleveland	43,691,929
Gross earnings for Federal reserve, Richmond	45,280,078
Total expenses for Federal reserve, Richmond	22,070,963
Net earnings for Federal reserve, Richmond	23,209,115
Gross earnings for Federal reserve, Chicago	$134,478,670
Total expenses for Federal reserve, Chicago	57,023,387
Net earnings for Federal reserve, Chicago	77,455,283
Gross earnings for Federal reserve, St. Louis	41,654,421
Total expenses for Federal reserve, St. Louis	24,076,969
Net earnings for Federal reserve, St. Louis	17,577,452
Gross earnings for Federal reserve, Minneapolis	31,008,468
Total expenses for Federal reserve, Minneapolis	15,330,485
Net earnings for Federal reserve, Minneapolis	15,677,983
Gross earnings for Federal reserve, Kansas City	45,907,568
Total expenses for Federal reserve, Kansas City	26,421,013
Net earnings for Federal reserve, Kansas City	19,486,555
Gross earnings for Federal reserve, Dallas	33,972,462
Total expenses for Federal reserve, Dallas	20,843,698
Net earnings for Federal reserve, Dallas	13,128,764
Gross earnings for Federal reserve, San Francisco	72,231,794
Total expenses for Federal reserve, San Francisco	39,088,091
Net earnings for Federal reserve, San Francisco	33,143,703

PHILIPPINE INDEPENDENCE

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Philippine bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, exactly 13 years ago to-day the first Philippine mission, headed by Senate President Quezon, sent at the behest of the Philippine Legislature and the Filipino people, in this very city formally and officially presented to the Government and people of the United States our plea for independence. I was with that mission. Before and after that memorable date, April 4, 1919, I had been laboring for our national emancipation. After years of unremitting toil I am naturally happy that at last the day long awaited when we will act on a definite independence bill has come.

April 4, 1932, will be a date forever to be remembered by Filipinos. A concrete independence measure is presented for action before the constitutional representatives of a liberty-loving people. I esteem it an honor and a privilege to have a modest part in the deliberations of this body as we consider H. R. 7233. This resulted from the painstaking study and careful deliberation of the members of the Committee on Insular Affairs under the able chairmanship of the gentleman from South Carolina [Mr. HARE], whose name the bill bears. It enables the people of the Philippines to adopt a constitution and form a government of the Commonwealth of the Philippine Islands and provides for the complete independence of the Filipinos. This bill has merited the approval of the members of the committee and, in the committee report, its passage is strongly recommended. I trust the recommendation will be heeded.

In youth I learned as all of you did learn that a government in a democracy has three branches—legislative, executive, and judicial. I further had the impression that a bill to become a law only needs to be presented, and it would then be approved by both houses and the Chief Executive. In theory all these seemed to be simplicity itself. My legislative experience in the Philippine Senate and in this Congress has taught me that a government has numerous branches. The legislative department alone seems to have different branches. Just now I am wondering if there are not in reality more than 435 branches of Congress—that is to say, as many branches as there are Members plus the committees and other elements. The reality of politics has taught me that, in practice, the enactment of a law is complexity many times complicated.

Before I came here I learned one other thing about your Government. I heard and read that it was a Government of checks and balances. Now I know that it is in truth a Government of checks and balances, mostly checks and balances rather scarce. I have met with so many checks of various kinds. In golfing parlance, I have been made to work my niblick over time. Bunkers galore I have encountered. I am now asking your sympathy and aid so that I may have the joy of playing on the fairway and move along smoothly to the last green.

We had need of the assistance of ever so many in the past and now we need your support all the more. It would be a well-nigh endless task to enumerate the names of those who directly and indirectly assisted in this great struggle, the end of which is now at last not only in sight but

within reach. My people can not too greatly thank previous Congresses which have enacted legislation giving us increased participation in our government. We are thankful to those Members who, in this Congress and in previous Congresses, have submitted bills to secure the fulfillment of America's promise to grant Philippine independence. In this Seventy-second Congress no less than 7 independence bills were presented to this House, 3 from the Republican side and 4 from the Democratic side. This is significant, for it shows that Americans, irrespective of party affiliation, are desirous to effect an immediate and lasting solution of American-Filipino relations on the basis of the redemption of America's pledge and the satisfaction of my people's aspiration.

The Committee on Insular Affairs has had under consideration all these bills and, at the extended and exhaustive hearings held, the Hare bill (H. R. 7233) was used as a basis. Opponents and proponents of the bill were given ample opportunity to present facts and arguments. The representatives of the Filipino people were heard and the record of the hearings contains a wealth of information and data in support of our contention that the time for action has arrived. The members of the committee listened to our plea attentively, courteously, and patiently. They have since deliberated as a body, and as a fruition of their combined wisdom and collective judgment we have before us to-day H. R. 7233, and I join the members in recommending that the bill do pass.

The bill before the House is complete. It takes care of all important eventualities. It was formulated after giving due consideration to the views of the Filipino people and the different elements in the United States interested in the definite settlement of the Philippine question. The amendments incorporated after the presentation of evidence endeavored to harmonize conflicting interests and divergent viewpoints.

It may not be amiss briefly to summarize the salient features of the bill.

The first four sections deal with the constitution.

Section 1 authorizes the Filipino people to hold a constitutional convention to formulate and draft a constitution for the government of the Commonwealth of the Philippines.

Section 2 defines the nature of the constitution to be approved specifying certain mandatory provisions.

Sections 3 and 4 provide for the submission of the constitution to the President of the United States and the Filipino people.

Section 5 provides for the transfer of existing property and rights to the new government of the Commonwealth to be created—

Except such land or other property as is now actually occupied and used by the United States for military and other reservations of the Government of the United States.

Section 6 deals with the trade relations that should exist between the government of the Commonwealth of the Philippines and the United States before independence is definitely granted. A limitation is placed upon the amount of Philippine exports duty-free to the United States in three major products. More specifically, the limitation is placed at 50,000 long tons on refined sugar and 800,000 tons on unrefined sugar; 200,000 tons on coconut oil, and 3,000,000 pounds on cordage. No limitation whatsoever is placed upon American products exported to the Philippines.

Section 7 prescribes certain conditions to be met pending complete independence. Among these requirements are: (1) the submission of constitutional amendments to the President of the United States for approval; (2) the authority of the President of the United States with respect to certain Philippine laws and obligations and debt and currency; (3) the submission of reports by the President of the Commonwealth to the President of the United States; (4) the appointment of a United States high commissioner for the Philippines; and (5) the appointment of a Philippine resident commissioner to the United States.

Section 8 deals with Philippine immigration to the United States, fixing a maximum annual quota of 50.

Section 9 provides for the withdrawal of American sovereignty and the grant of complete independence to the Philippine Islands on July 4, immediately after the 8-year period from the date of the inauguration of the government of the Commonwealth of the Philippines.

Section 10 deals with the notification of foreign governments by the President of the United States upon the recognition of independence.

Section 11 deals with the tariff duties to be imposed after independence.

The last two sections specify certain statutes continued in force.

It may well be that the bill as presented is not what any one of us would have written. Personally, I wish the period set were shorter. It may well be that to others not every single provision is wholly satisfying. I doubt not that there are features that may be subject to criticism. While all this may be true, none can deny that the enactment of this bill would signify a great step forward. It is the best we have been able to secure. It is the only bill on which we can act now. I accept the judgment of the committee and, with the chairman and the Members, I urge its passage. I believe that this course is the better part of political sportsmanship, and that it is common sense and practical wisdom besides.

It is to the advantage of the people of America and the people of the Philippines that the Philippine problem be now definitely settled. And it is fortunate for both countries that a settlement can be effected amicably and on the basis of mutuality of interests. It is likewise auspicious that the solution herein proposed, namely, the grant of independence, is in accordance with the informed and intense desire of the Filipino people and with the demands of various groups in the United States and America's solemn promise.

That the Filipino people want independence is no longer disputed. Even the opponents of certain features of this particular bill have admitted this to be a fact. To the membership of this body we have frequently made known that our people are a unit for independence. In the record of the hearings we have adduced proofs showing that both political parties in the Philippines, the majority and the minority, are one in their advocacy of independence. Labor, agriculture, business, and professional groups have approved resolutions petitioning that it be immediately granted. Men and women, young and old, have vied with one another in persistently petitioning Congress to redeem America's promise at the earliest possible date. The pagan Filipinos, Mohammedan Filipinos, and Christian Filipinos are united on independence; and the Christian Filipinos, be they Catholic, Aglipayans, or Protestants, are all of one mind on this particular question. It should also be borne in mind that the Philippine Legislature, representing all elements of our population, annually approved resolutions for the early grant of Philippine independence. The slogan, in fact, of all live elements in the Philippines for years has been independence—immediate, absolute, and complete.

From the United States, whether for ethical reasons or on the ground of enlightened selfishness, there have come demands for the early grant of independence from the American Federation of Labor, the American Farm Bureau Federation, the National Beet Growers' Association, the National Grange, the National Cooperative Milk Association, the Farmers' Union, the National Dairy Union, the railroad brotherhoods, and other entities and organizations.

That the United States definitely promised independence is now universally admitted. It is unnecessary to show documentary evidence to such a body as this to prove that America stands committed to the duty of making the Philippines free. It is known that every President of the United States from McKinley has enunciated this as a fundamental Philippine policy. The Congress of the United States in the Philippine autonomy act categorically made known to the world that—

It is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine

Islands and to recognize their independence as soon as a stable government can be established therein.

The present bill is an earnest attempt to redeem America's solemn pledge and to satisfy the needs, demands, and interests of the peoples of the United States and of the Philippine Islands.

Our common task has been greatly simplified by the labors of the House Committee on Insular Affairs. After a conscientious analysis of the evidence presented at the hearings the committee reached the following conclusions:

1. When the United States, as a result of the war with Spain, assumed sovereignty over the Philippine Islands it disclaimed any intention to colonize or exploit them.

2. In pursuance of such lofty purpose the United States, through Executive pronouncements and a formal declaration made by the Congress in 1916, pledged itself to grant independence to the Philippines. The only condition precedent imposed by the Congress was the establishment of a stable government.

3. It is believed that a stable government now exists in the Philippines; that is, a government capable of maintaining order, administering justice, performing international obligations, and supported by the suffrage of the people.

4. Every step taken by the United States since the inception of American sovereignty over the Philippines has been to prepare the Filipino people for independence. As a result they are now ready for independence politically, socially, and economically.

5. The American farmer is urging protection from the unrestricted free entry of competitive Philippine products.

6. American labor is seeking protection from unrestricted immigration of Filipino laborers, especially at this time of widespread unemployment.

7. The solution of the Philippine problem can no longer be postponed without injustice to the Filipino people and serious injury to our own interests.

8. Any plan for Philippine independence must provide for a satisfactory adjustment of economic conditions and relationships. The present free-trade reciprocity between the United States and the Philippines was established by the American Congress against the opposition of the Filipino people. The major industries of the islands have been built on the basis of that arrangement. This trade arrangement can not be terminated abruptly without injuring both American and Philippine economic interests.

All the Philippine missions who have appeared before congressional committees and the Philippine Resident Commissioners have from time to time presented to the people and Government of the United States a record of substantial progress made to show our people's readiness and to justify the need of action on their national emancipation. The voluminous records of hearings and other documents in the Seventy-first and Seventy-second Congresses contain abundant data and information, facts and figures demonstrative of conditions prevailing in the Philippines. They have been made available to all who were willing to ascertain the truth. It is extremely significant that, after the testimony and evidence have been scrutinized, the committees of the Senate and House of Representatives should have seen fit and deemed wise to act favorably on the independence bills and report them out so that action may be taken by the Congress.

Without unduly burdening the Members with repetitious arguments, let me present a few facts and statements at this juncture to prove the Filipinos' preparedness for an independent life.

Peace reigns throughout the archipelago.

Order exists everywhere.

We have an adequate municipal and insular police force.

An adequate civil-service system is maintained.

There is an adequate system of communication and transportation, and from year to year it is being improved.

About 98 per cent of the posts in the Philippine government are occupied by Filipinos. Most of the American employees are in educational work.

From the beginning of the civil government to the present the Filipinos enjoyed autonomy in their municipal and provincial governments.

In the central government there has been a gradual and steady increase in Filipino participation.

There is in the islands a well-organized system of courts. Justice is administered impartially, without fear or favor.

All the justices of the peace are Filipinos. All the judges of the courts of first instance except two are Filipinos. The chief justice of the supreme court is a Filipino.

Five of the six department heads are Filipinos.

Most of the bureau directors are Filipinos.

In the Philippine Legislature, consisting of the Philippine Senate and the House of Representatives, all the members are Filipinos.

A transition from the present government to the government of the Commonwealth of the Philippines contemplated in this bill under consideration will occasion no very radical change in our political and governmental set-up.

The Philippines is blessed with ample natural resources. It is rich in possibilities—agricultural, mineral, and forestal.

Economically, our island country can comfortably be the home not only of 13,000,000 but fifty or sixty million. It is a land where the climate is favorable, whose soil is fertile, and where famine is practically unknown.

The record of the hearings and the report of the committee show conclusively that the Philippine currency is sound.

They further show that our government is without deficit and has met its obligations and its debts. Better still, it has a balanced budget and a surplus.

The time prescribed in the bill before the grant of complete independence will be adequate to bring about the essential and necessary economic readjustments with the least possible harm to business interests.

The Philippines has a good system of health and sanitation and hospital and public-welfare service. Governmental and private enterprises are working harmoniously in a many-sided program of social service.

The annual death rate in the islands is the lowest among oriental countries.

The people's love of education is proverbial. Parents make the utmost sacrifices to send their children to school, public or private.

Over 30 per cent of the annual budget of our insular government is devoted to educational purposes.

The Filipino children have an opportunity to acquire academic and vocational training. At present we have over 8,500 schools and colleges and 5 universities, public and private. There are nearly 1,350,000 pupils and students in these institutions. English is the medium of instruction used from the first grade up through the elementary, secondary, and collegiate grades. Over 31,000 teachers are employed and, except about 270, all are Filipinos.

The present record of literacy in the Philippines to-day is higher and better than that of 37 of the independent countries of the world.

We are from all essential standpoints ready for independence.

Truly the time is ripe for congressional legislation which definitely settles the Philippine question by fixing the day and pointing out the way for independence. House bill 7233, in the language of the committee report—

provides a sound, feasible, and orderly process of granting independence under conditions which shall be just and fair at once to American and Filipino interests.

The enactment of this measure will remove the cloud of uncertainty in the Philippines. It will dispel all doubt as to the American people's purpose. The whole world shall know that the establishment of a free and independent government is the chief aim and sole justification of America's Philippine occupation.

The passage of this bill amidst the utmost friendship, understanding, and confidence between the American and Filipino peoples is a guaranty that it will be observed faithfully and that its provisions will be interpreted liberally. This act will be a new covenant between the United States and the Philippine Islands, more binding than an ordinary treaty because a great and powerful sovereign state has approved it voluntarily and magnanimously for the benefit of a relatively small and weak country. The Filipino people people shall receive it gratefully.

I believe this day the United States Congress will write a new chapter in history. Redeem America's promise and you will engender new confidence in the Far East. Do an

act of justice and you will reap gratitude. Liberate the Filipinos and they will forever call you blessed.

Pass this bill, grant independence to our people, and 13,000,000 Filipinos and their children and their children's children will enshrine America's sacred name.

Mr. THATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. THATCHER. Mr. Speaker, I voted against the so-called Hare bill, H. R. 7233, providing for the independence of the Philippines. My vote was not actuated by any motive or feeling except one which arose from a sincere desire to do what I believed to be best for the Filipino people.

The Philippine Islands came to the United States as a result of a war of liberation waged by our Nation. We have administered the sacred trust thus confided in the most unselfish manner. Some mistakes we have made, but on the whole our work has been done wisely and well. I believe that the great body of American people have held the Filipino people in affectionate esteem. Such, certainly, has been my own sentiment. I have been loath to see them go.

STATEHOOD STATUS

I have hoped that some formula or plan might be evolved which would cause them, proud and happy, to desire to remain under the American flag. I have heretofore suggested that such a formula might be found through giving to the Philippines a statehood status, with representation in the House and Senate, with the full powers—including the right to vote on all questions—now accorded Members of the House and Senate, coming from the State of the Union. Such a statehood status should be somewhat different from that obtaining as to existing States of the Union, because of the differences in the local conditions prevailing in the Philippines and in continental United States. Necessarily, the Philippines would have to be vested with greater local powers and benefits than the respective existing States possess. This consideration would have to be borne in mind as regards the number of Representatives in the Congress to be accorded the Islands. Further, the questions of immigration and customs would require, in the Philippines, a treatment different from that obtaining as to the present States. These questions could be handled through some form of mutual or reciprocal basis.

It has been my hope that some plan might be found whereby the Filipino people would be able to realize both their theoretical and idealistc aspirations as well as those of a purely practical character.

FILIPINO ASPIRATIONS

As the Filipino people progress, these idealistic aspirations as to the unconditional rights of American citizenship—or its full equivalent—become more pronounced. All this is not only natural but highly laudable. There should be no feeling or condition of "inferiority complex" anywhere under the American flag. I have believed that a just solution to the people of the Philippines and to those of the United States might be found, though time, patience, and, perhaps, an amendment to the Federal Constitution might be required. The thoughtful, intelligent Filipinos, in large measure, object to their present status, because they believe it imposes certain limitations on them as regards all the attributes of freedom. In this view they have my full sympathy, but I believe that the economic and political welfare of the Philippine Islands are bound up with the United States, and that any complete and unconditional separation will work to the grave economic and political disadvantage of the islands.

I do not favor trade embargoes against the Philippines. As long as they are under American jurisdiction I desire to see them treated as basic American territory is treated, subject only to the differences which may attach to them because of their geographical situation and their peculiar local conditions.

CONTINUANCE UNDER THE AMERICAN FLAG

It has been my hope to see the Philippine Islands and the Filipino people remain, for better or for worse, under the American flag through the future, and I have also wished that they might of their own will desire this. I have dreamed of the time when the people of continental United States would look toward the insular lands under the flag and say, "our country"; and when, in turn, the people of these insular lands would look toward continental United States and say, "our country." For all these I have wished there to be henceforth a common pride, a common destiny, and a blended heritage. I wish to see the Filipino people happy and prosperous.

I had hoped that through the formulation of some plan of the indicated character, they would be very glad to remain with us, and that we would be glad to have them remain.

As I have just indicated, it is my judgment that complete separation from the United States of the Philippines, and their absolute political independence, will be fatal to their welfare. It will be difficult for thousands of islands, big and little, separated by the wastes of the sea, with varying dialects and religions, to bind themselves into the bonds of indissoluble, enduring nationhood. The cold facts of life should not be blinked, especially those which affect the weal or woe of millions of people. The history and the age-old experience of the human race should not be disregarded.

DIFFICULTIES INVOLVED

This I say without the thought of casting any reflection on the Filipino people. If they were compacted into a single boundary, continental or islandic, the case might be different. Even in the United States, in a single boundary, its people possessed of a common tongue, domestic questions proved so difficult of solution that one of the greatest civil wars of history was waged before the American Union was complete. If the Philippines are accorded absolute, unconditional independence, may any number of civil or secessional wars bring about their complete unification and union? I doubt it. The geographical, racial, religious, and linguistic conditions, in my judgment, make against it.

Again, free and unconditional political independence will, I believe, invite or permit, sooner or later, invasion and subjection of the islands by more powerful nations, in one or another form.

The penetration, at first, may be more or less peaceful or economic, but in the light of all history, ancient, modern, and current—how may the Philippine Islands escape the fate which has overtaken so many countries similarly circumstanced?

The peace of the world may be endangered by our abandonment of the islands.

NO RESPONSIBILITY WITHOUT AUTHORITY

The Government and people of the United States can not afford to accept responsibility without authority. If the Philippines are to leave Uncle Sam's household at all, there should be no "mental reservations" involved. If a new Filipino nation is set up, it must derive protection from its own army and navy, and this would mean heavy tax burdens upon the Filipinos and the diversion of large sums from internal improvement purposes.

FREE TRADE WITH UNITED STATES

My judgment is that the Philippines can not economically exist—that is to say, exist in a satisfactory way—except through broad, intimate, and unrestricted trade relationships with the United States. Withdraw these advantages and the Philippines will soon be gasping for economic breath.

On the other hand, our trade with the Philippines means much to the American people. The potential resources of the Philippines are great. They need development. Where, better than in the United States, may capital for such development be found? I have believed that our mutual trade relations redound to our mutual benefit, and that this benefit will grow as the years roll on. Continental United States is a great mainland of the temperate zone, industrial as well as agricultural in character. In the tropical isles of the Filipino world are produced those growths of the soil and those articles of handicraft which, when compared with what we grow and manufacture, invite, for the most part, exchange rather than competition. Hence in the

ultimate situation the continued political bond between the United States and the Philippines should be mutually beneficial.

CHANGING VIEWPOINT

In this connection I know that large numbers of the American people have recently come to believe that the continuance of this bond makes for the commercial and economic disadvantage of the people of the United States. Considering the matter in its broad and enduring aspects I do not believe this is the correct view. But for this adverse opinion of many of our people, reflected so largely in the Congress, the bill under discussion would certainly have failed to command the strength that it did command upon its passage by the House. The vote involved did not, it seems to me, imply any particular compliment or altruistic concern for the Philippines. Because of purely economic considerations, rather than through those of sentiment or obligation, I believe, that vote was chiefly influenced.

Touching the passage of the bill by the House, I must not minimize, however, the effective efforts made in that behalf, by our greatly esteemed colleagues, Commissioners GUEVARA and OSIAS. Their influence in the Congress is of the highest character; and it was fully exercised to bring about favorable House action for the measure.

My earnest judgment is that considerations of sentiment and obligation should be paramount. Thus motivated, may not my vote prove me to be as good a friend of the Filipino people as the vote of another, who thought only in terms of commercial advantage to continental United States?

UNITED STATES AND THE PHILIPPINES

Destiny brought into the orbit of the United States of America the Philippine Islands.

The providence of the ages enabled the United States to become the liberator and protector of the islands. Compare the record of service made by the United States in the Philippines with the record of service of any other nation in any age, in any similar relationship. Is not the balance all in favor of the United States? Match, if you can, anywhere else the splendid unselfishness of the Republic of Washington and Lincoln in its dealings with the insular countries which came under its protection as a result of the Spanish-American War. We have not exploited these lands. We have put into them far more than we have taken out. And a part of what we have put into them has been the ideal of the highest liberty and independence. That ideal we do not wish to see destroyed; but I, for one, have hoped that it might be fully realized by an enduring acceptance by the Filipino people of the American flag and the American destiny upon terms that might be altogether consonant with that ideal.

And thus, Mr. Speaker, I have indulged the hope, born of the affection and esteem I have felt for the Filipino people—and, I have seen their beautiful islands, and have partaken of their splendid hospitality—the hope, I may say, that a formula might be evolved that would fully satisfy Filipino aspirations; a formula that would cause them to desire, upon their own volition and election, to march under the Stars and Stripes, with the States of the American Union—the Philippine Islands themselves a State, making its distinctive and invaluable contribution to the common nation—on and on through the eventful years of the indefinite future.

A PARLIAMENTARY INQUIRY

Mr. UNDERHILL. Mr. Speaker, I would like to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. UNDERHILL. On a motion to suspend the rules the Speaker is supposed to recognize and does recognize the ranking member of the committee who is opposed to the bill to demand a second.

The SPEAKER. That is customary.

Mr. UNDERHILL. Then must the Member who has that distinction recognize those in opposition to the bill or may he use his own discretion?

The SPEAKER. The Chair generally asks the question, as he did yesterday, whether the Member demanding a second is opposed to the bill. If he says he is, the Chair will recognize him. If he is a member of the committee and there is a contest in the committee, the Chair usually recognizes the Member who qualifies as being opposed to the bill, so that he may control the time against the bill.

Mr. UNDERHILL. I do not want the Chair to understand that I am criticizing him for his action yesterday, because it was perfectly proper, but I want to know if it is ethical for the man so recognized, and who then votes for the bill, to yield the time to those who are in favor of the bill instead of to those opposed to it?

The SPEAKER. The Chair hardly thinks that is a parliamentary inquiry. The Chair might not have the ethics that other Members of the House have, so the Chair must decline to pass on the ethics.

Mr. UNDERHILL. May I ask if there is any way whereby the minority can be protected in their rights?

The SPEAKER. The Chair does not know to what the gentleman refers; but if a Member of the House qualifies by saying he is opposed to the bill, then it is a matter for his own judgment as to what his procedure will be after that.

Mr. UNDERHILL. Then it is a matter of ethics and honesty?

PHILIPPINE INDEPENDENCE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the Philippine bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, notwithstanding that this bill will delay the recognition of Philippine independence for nearly 12 years, I shall vote for it, inasmuch as it is the best that can be obtained at this time. For nearly 25 years I have been advocating granting to the Philippine people their independence.

My first resolution to that effect, which called for neutrality so as to protect the islands from any foreign interference, was introduced in 1909, and I still feel that the plan embodied in my resolution would be, even at this late date, the safest to pursue. But the committee, having thoroughly and carefully investigated the conditions, disagreed with this plan and reported the bill, which, as I have stated, will grant the Philippine people their freedom upon their complying with its provisions at no later date than 1945, and which I take the privilege of inserting:

A bill to enable the people of the Philippine Islands to adopt a constitution and form of government for the Philippine Islands, to provide for the independence of the same, and for other purposes

Be it enacted, etc.,

CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS

SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention to meet at such time and place as the Philippine Legislature may fix, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898, the boundaries of which are set forth in Article III of said treaty, together with those islands embraced in the treaty between Spain and the United States concluded at Washington on the 7th day of November, 1900. The Philippine Legislature shall provide for the necessary expenses of such convention.

CHARACTER OF CONSTITUTION—MANDATORY PROVISIONS

SEC. 2. The constitution formulated and drafted shall be republican in form, shall contain a bill of rights, and shall, either as a part thereof or in an ordinance appended thereto, contain provisions to the effect that, pending the final and complete withdrawal of the sovereignty of the United States over the Philippine Islands—

(a) All citizens of the Philippine Islands shall owe allegiance to the United States.

(b) Every officer of the government of the Philippine Islands shall, before entering upon the discharge of his duties, take and subscribe an oath of office, declaring, among other things, that he recognizes and accepts the supreme authority of and will maintain true faith and allegiance to the United States.

(c) Absolute toleration of religious sentiment shall be secured, and no inhabitant or religious organization shall ever be molested

in person or property on account of religious belief or mode of worship.

(d) Property owned by the United States, cemeteries, churches, and personages or convents appurtenant thereto, and all lands, buildings, and improvements used exclusively for religious, charitable, or educational purposes shall be exempt from taxation.

(e) Trade relations between the Philippine Islands and the United States shall be upon the basis prescribed in section 6.

(f) The public debt of the Philippine Islands and its subordinate branches shall not exceed limits now or hereafter fixed by the Congress of the United States; and no loans shall be contracted in foreign countries without the approval of the President of the United States.

(g) The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

(h) Provision shall be made for the establishment and maintenance of an adequate system of public schools primarily conducted in the English language.

(i) No part of the public revenues shall be used for the support of any sectarian or denominational school, college, university, church, or charitable institution.

(j) Acts affecting the currency or coinage laws shall not become law until approved by the President of the United States.

(k) Foreign affairs shall be under the direct supervision and control of the United States.

(l) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.

(m) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

(n) Appeals to the Supreme Court of the United shall be as now provided by existing law and shall also include all cases involving the constitution of the Commonwealth of the Philippine Islands.

(o) The United States may exercise the right to intervene for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution and for the protection of life, property, and individual liberty and for the discharge of government obligations under and in accordance with the provisions of their constitution.

(p) The authority of the United States High Commissioner to the government of the Philippine Islands, as provided in this act, shall be recognized.

(q) Citizens and corporations of the United States shall enjoy in the Commonwealth of the Philippine Islands all the civil rights of the citizens and corporations respectively thereof.

SUBMISSION OF CONSTITUTION TO THE PRESIDENT OF THE UNITED STATES

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands such constitution shall be submitted to the President of the United States, who shall determine whether or not it conforms with the provisions of this act. If he finds that the proposed constitution conforms substantially with the provisions of this act he shall so certify to the Governor General of the Philippine Islands, who shall so advise the constitutional convention assembled, but if he finds that the proposed constitution does not conform with the provisions of this act he shall so advise the Governor General, stating wherein in his judgment the constitution does not so conform and submitting provisions which will in his judgment make the constitution so conform. The Governor General shall in turn submit such message to the constitutional convention for further action by them, pursuant to the same procedure hereinbefore defined, until the President and the constitutional convention are in agreement.

SUBMISSION OF CONSTITUTION TO FILIPINO PEOPLE

SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and, if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon, and a copy of said constitution and ordinances. The Governor General shall, in that event, within 30 days after receipt of the certification from Philippine Legislature, issue a proclamation for the election of officers of the government of the Commonwealth of the Philippine Islands provided for in the constitution. The election shall take place not earlier than three months nor later than six months after the proclamation by the Governor General ordering such election. When the election of the officers provided for under the constitution has been held and the results determined, the Governor General of the Philippine Islands shall certify the result of the election to the President of the United States, who shall thereupon issue a proclamation announcing the results of the election, and upon the issuance of such proclamation by the President the existing Philippine government shall terminate and the new government shall enter upon its rights, privileges, powers, and duties, as provided under the constitution. The present government of the Philippine Islands shall provide for the orderly transfer of the functions of government.

If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue without regard to the provisions of this act.

TRANSFER OF PROPERTY AND RIGHTS TO PHILIPPINE COMMONWEALTH

SEC. 5. All the property and rights which may have been acquired in the Philippine Islands by the United States under the treaties mentioned in the first section of this act, except such land or other property as is now actually occupied and used by the United States for military and other reservations of the Government of the United States, and except such land or other property or rights or interests therein as may have been sold or otherwise disposed of in accordance with law, are hereby granted to the new government of the Commonwealth of the Philippine Islands when constituted.

TRADE RELATIONS WITH THE UNITED STATES PENDING COMPLETE INDEPENDENCE

SEC. 6. After the date of the inauguration of the government of the Commonwealth of the Philippine Islands trade relations between the United States and the new government shall be as now provided by law, subject to the following exceptions:

(1) There shall be levied, collected, and paid on all refined sugars in excess of 50,000 long tons, and on unrefined sugars in excess of 800,000 long tons, coming into the United States from the Philippine Islands in any calendar year, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(2) There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 200,000 long tons, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(3) There shall be levied, collected, and paid on all yarn, twines, cords, cordage, rope, and cables, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fibers, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 3,000,000 pounds of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

(4) In the event that in any year the limit in the case of any article which may be exported to the United States free of duty shall be reached by the Philippine Islands, the amount or quantity of such articles produced in the Philippine Islands thereafter that may be so exported to the United States shall be allocated, under export permits issued by the government of the Commonwealth of the Philippine Islands, to the producers or manufacturers of such articles proportionately on the basis of their exportation to the United States in the preceding year; except that in the case of unrefined sugar the amount thereof to be exported annually to the United States free of duty shall be allocated to the sugar-producing mills of the islands proportionately on the basis of their production in the preceding year, and the amount of sugar which may be exported from each mill shall be allocated between the mill and the planters on the basis of the proportion of sugar received by the planters and the mill from the planters' cane, as provided in their milling contract. The government of the Philippine Islands is authorized to adopt the necessary laws and regulations for putting into effect the allocation hereinbefore provided.

When used in this section in a geographical sense, the term "United States" includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

SEC. 7. Until the final and complete withdrawal of American sovereignty over the Philippine Islands—

(1) Every duly adopted amendment to the constitution of the government of the Commonwealth of the Philippine Islands shall be submitted to the President of the United States for approval. If the President approves the amendment, or if the President fails to disapprove such amendment within six months from the time of its submission, the amendment shall take effect as a part of such constitution.

(2) The President of the United States shall have authority to suspend the taking effect of the operation of any law, contract, or executive order of the government of the Commonwealth of the Philippine Islands, which in his judgment will result in a failure of the government of the Commonwealth of the Philippine Islands to fulfill its contract, or to meet its bonded indebtedness and interest thereon or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which in his judgment will violate international obligations of the United States.

(3) The chief executive of the government of the Commonwealth of the Philippine Islands shall make an annual report to the President and Congress of the United States of the proceedings and operations of the government of the Commonwealth of the Philippine Islands and shall make such other reports as the President or Congress may request.

(4) The President shall appoint, by and with the advice and consent of the Senate, a United States high commissioner to the government of the Commonwealth of the Philippine Islands who shall hold office at the pleasure of the President and until his successor is appointed and qualified. He shall be known as the United States high commissioner to the Philippine Islands. He shall be the representative of the President of the United States in the Philippine Islands and shall be recognized as such by the government of the Commonwealth of the Philippine Islands, by the commanding officers of the military forces of the United States, and by all civil officials of the United States in the Philippine Islands. He shall have access to all records of the government or any subdivision thereof, and shall be furnished by the chief executive of the Commonwealth of the Philippine Islands with such information as he shall request.

If the government of the Commonwealth of the Philippine Islands fails to pay any of its bonded or other indebtedness or the interest thereon when due or to fulfill any of its contracts, the United States high commissioner shall immediately report the facts to the President, who may thereupon direct the high commissioner to take over the customs offices and administration of the same, administer the same, and apply such part of the revenue received therefrom as may be necessary for the payment of such overdue indebtedness or for the fulfillment of such contracts. The United States high commissioner shall annually, and at such other times as the President may require, render an official report to the President and Congress of the United States. He shall perform such additional duties and functions as may be lawfully delegated to him from time to time by the President.

The United States high commissioner shall receive the same compensation as is now received by the Governor General of the Philippine Islands, and shall have such staff and assistants as the President may deem advisable and as may be appropriated for by Congress. He may occupy the official residence and offices now occupied by the Governor General. The salaries and expenses of the high commissioner and his staff and assistants shall be paid by the United States.

The first United States high commissioner appointed under this act shall take office upon the inauguration of the new government of the Commonwealth of the Philippine Islands.

(5) The government of the Commonwealth of the Philippine Islands shall provide for the selection of a Resident Commissioner to the United States, and shall fix his term of office. He shall be the representative of the government of the Commonwealth of the Philippine Islands and shall be entitled to official recognition as such by all departments upon presentation to the President of credentials signed by the chief executive of said islands. He shall have a seat in the House of Representatives of the United States, with the right of debate, but without the right of voting. His salary and expenses shall be fixed and paid by the government of the Philippine Islands. Until a Resident Commissioner is selected and qualified under this section, existing law governing the appointment of Resident Commissioners from the Philippine Islands shall continue in effect.

(a) For the purposes of the immigration act of 1917, the immigration act of 1924 (except sec. 13 (c)), this section, and other laws of the United States relating to the immigration, exclusion, or expulsion of aliens, persons who are citizens of the Philippine Islands, and who are not citizens of the United States, shall be considered as if they were aliens. For such purposes the Philippine Islands shall be considered as if it were a separate country and shall have for each fiscal year a quota of 50. This subdivision shall not apply to a person coming or seeking to come to the Territory of Hawaii who does not apply for and secure an immigration or passport visa.

(b) Citizens of the Philippine Islands who are not citizens of the United States shall not be admitted to the continental United States from the Territory of Hawaii (whether entering such Territory before or after the effective date of this section) unless they belong to a class declared to be nonimmigrants by section 3 of the immigrant act of 1924 or to a class declared to be nonquota immigrants under the provisions of section 4 of such act other than subdivision (c) thereof, or unless they were admitted to such Territory under an immigration visa. The Secretary of Labor shall by regulations provide a method for such exclusion and for the admission of such excepted classes.

(c) Any Foreign Service officer may be assigned to duty in the Philippine Islands under a commission as a consular officer, for such period as may be necessary and under such regulations as the Secretary of State may prescribe, during which assignment such officer shall be considered as stationed in a foreign country; but his powers and duties shall be confined to the performance of such of the official acts and notarial and other services which such officer might properly perform in respect of the administration of the immigration laws if assigned to a foreign country as a consular officer, as may be authorized by the Secretary of State.

(d) For the purposes of sections 18 and 20 of the immigration act of 1917, as amended, the Philippine Islands shall be considered a foreign country.

(e) The provisions of this section are in addition to the provisions of the immigration laws now in force, and shall be enforced as a part of such laws, and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this section. An alien, although admissible under the provisions of this section, shall not be admitted to the United States if he is excluded by any provision of the immigration laws other than this section, and an alien, although admissible under the provisions of the immigration laws other than this section, shall not be admitted to the United States if he is excluded by any provision of this section.

(f) Terms defined in the immigration act of 1924 shall, when used in this section, have the meaning assigned to such terms in that act.

(g) This section shall take effect 60 days after the enactment of this act.

RECOGNITION OF PHILIPPINE INDEPENDENCE AND WITHDRAWAL OF AMERICAN SOVEREIGNTY

SEC. 9. (1) On the 4th day of July immediately following the expiration of a period of eight years from the date of the inauguration of the new government under the constitution provided for in this act the President of the United States shall withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof under the constitution then in force: *Provided*, That the constitution of the Commonwealth of the Philippine Islands has been previously amended to include the following provisions:

(2) That the property rights of the United States and the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(3) That the government of the Philippine Islands will cede or grant to the United States land necessary for commercial base, coaling or naval stations at certain specified points, to be agreed upon with the President of the United States not later than two years after his proclamation recognizing the independence of the Philippine Islands.

(4) That the officials elected and serving under the constitution adopted pursuant to the provisions of this act shall be constitutional officers of the free and independent government of the Philippine Islands and qualified to function in all respects as if elected directly under such government, and shall serve their full terms of office as prescribed in the constitution.

(5) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the final and complete withdrawal of the sovereignty of the United States, shall be assumed by the free and independent government of the Philippine Islands; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands, or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(6) That the government of the Philippine Islands, on becoming independent of the United States, will assume all continuing obligations assumed by the United States under the treaty of peace with Spain ceding said Philippine Islands to the United States.

(7) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except paragraph (3)) in a treaty with the United States.

NOTIFICATION TO FOREIGN GOVERNMENTS

SEC. 10. Upon the proclamation and recognition of the independence of the Philippine Islands, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

TARIFF DUTIES AFTER INDEPENDENCE

SEC. 11. After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries: *Provided*, That at least six months prior to the withdrawal of American sovereignty, as hereinbefore provided, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives to be appointed by the President of the United States and the chief executive of the Commonwealth of the Philippine Islands, respectively, for the purpose of formulating recommendations as to future trade relations between the Government of the United States and the independent government of the Philippine Islands, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

CERTAIN STATUTES CONTINUED IN FORCE

SEC. 12. Except as in this act otherwise provided, the laws now or hereafter in force shall continue in force in the Philippine

Islands until altered, amended, or repealed by the Legislature of the Commonwealth of the Philippine Islands or by the Congress of the United States, and all references in such laws to the Philippines or Philippine Islands shall be construed to mean the government of the Commonwealth of the Philippine Islands. The government of the Commonwealth of the Philippine Islands shall be deemed successor to the present government of the Philippine Islands and of all the rights and obligations thereof. Except as otherwise provided in this act, all laws or parts of laws relating to the present government of the Philippine Islands and its administration are hereby repealed as of the date of the inauguration of the government of the Commonwealth of the Philippine Islands.

SEC. 13. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability of such provisions to other persons and circumstances shall not be affected thereby.

This, of course, will give the American investors ample opportunity to adjust their affairs without causing any hardship, and will enable the Philippine people to adjust their domestic as well as foreign affairs in a manner that I hope will be satisfactory in every respect. My advocacy of the Philippine independence has been motivated by no other reason than to have our Nation keep faith, not only with the Philippine people but with the world, and prove without doubt that it is not the policy and the intent of this country to enlarge our foreign possessions.

To-day I am indeed gratified that after many years a favorable vote was taken fulfilling the solemn pledge and assurance given to the Philippine people and the world that this country was going to grant the islands their independence. I have always felt that the assurance contained in President Wilson's message in 1913 should and would be fulfilled:

We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence.

I also feel that the action taken by Congress in 1916 clearly stated our position when we adopted the following resolution:

Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy all the privileges of complete independence.

Nearly 16 years have passed since the enactment of this resolution. More than 10 years have elapsed since President Wilson certified to the Congress that the condition precedent for the granting of independence has been fulfilled.

I fully appreciate that many gentlemen will vote for this bill for economical reasons. But this is not so in my case. I have always believed and advocated that it was not the intention of our Government to deprive the Philippine people of their independence—the independence which we ourselves cherish and which is so dear to us.

I hope that this bill will meet with the approval of the other body and that the President, notwithstanding his imperialistically inclined advisers, will approve it and thereby cause rejoicing and happiness in the hearts of 13,000,000 or more Philippine people.

It is my foremost hope and wish that the Philippine people will adopt a constitution that will forever bring freedom and liberty to every person in the islands and that they will demonstrate to the doubtful, selfish, and militaristic groups their ability of self-government in precisely the same way that our own thirteen Colonies had demonstrated and proved to those who over a century and a half ago showed skepticism that they were capable of self-government.

It is also my wish that they will be spared the trials and tribulations that have been ours; that they will realize that in harmony and cooperation is strength; that prudence and wisdom will guide them in all their actions; and that happiness and contentment and prosperity will forever be theirs.

HENRIETTA M. WILLIAMSON

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from North Carolina offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 180

Resolved, That there shall be paid, out of the contingent fund of the House, to Henrietta Moye Williamson, widow of Milton Clay Williamson, late an employee of the House, an amount equal to six months' compensation and an additional amount not exceeding $250 to defray funeral expenses of the said Milton Clay Williamson.

The resolution was agreed to.

JESSIE M'KINLEY

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from North Carolina offers a resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 178

Resolved, That there shall be paid, out of the contingent fund of the House, to Jessie McKinley, daughter of Henry C. McKinley, late an employee of the House, an amount equal to six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said Henry C. McKinley.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. BACHMANN. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. WARREN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 43]

Abernethy	Doughton	Johnson, S. Dak.	Reid, Ill.
Aldrich	Drane	Kennedy	Sanders, N. Y.
Andrew, Mass.	Drewry	Kurtz	Schneider
Andrews, N. Y.	Erk	Lanneck	Selberling
Bacharach	Fish	Larrabee	Shreve
Bacon	Foss	Larsen	Stokes
Beers	Freeman	Lewis	Strong, Pa.
Burch	Garrett	Lindsay	Sullivan, Pa.
Burdick	Gillen	McFadden	Taylor, Tenn.
Campbell, Pa.	Goldsborough	McSwain	Thurston
Chapman	Hall, Ill.	Magrady	Treadway
Chase	Harlan	Martin, Mass.	Tucker
Cochran, Pa.	Hogg, Ind.	Montague	Turpin
Collier	Hogg, W. Va.	Murphy	Watson
Connery	Houston	Owen	Welsh, Pa.
Crisp	Hull, William E.	Peavey	Wolfenden
Darrow	Igoe	Perkins	Wood, Ga.
Dieterich	Johnson, Ill.	Purnell	

The SPEAKER. Three hundred and sixty-three Members have answered to their names; a quorum is present.

Mr. RAINEY. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

PHILIPPINE INDEPENDENCE

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks on the Philippine independence bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. NELSON of Wisconsin. Mr. Speaker, I have been heartily in favor of Philippine independence from the very beginning of our occupation of the Islands; and now that the opportunity is offered Congress to grant to the people of the Philippine Islands the independence they have for

more than 30 years been earnestly and persistently pleading for, I am glad to have the privilege of voting for the enactment of the Hare bill.

The reasons that have inspired me to favor it are too numerous to consider in detail at this time; they have already been stated by me on the floor of this House in a previous Congress. Therefore, I shall mention a few of the more important phases I have already discussed. To-day I purpose to speak principally on nationalism, the spirit of patriotism, which prompts the Filipinos to seek their own rightful place in the family of nations.

PROMISES

First of all our promises. I believe that we as a nation must keep faith with the Filipino nation or lose our own self-respect and the respect of other peoples, and particularly the people of the Orient. Secretary of State Stimson aptly said:

In nothing will we be judged more sharply and critically than in the way in which we keep our promise with these Filipino people who, for 30 years, we announced to the world we should govern in their interest and not in our interests.

That we have promised them independence no one can seriously attempt to deny. I have little patience with those who would quibble about this promise with such subterfuge as that these pronouncements were not "technically exactly promises"; or that "we have never given them a definite promise of independence"; and that we have a right to disregard our solemn promise to them made by legislative act because that "promise was not in the body of the bill and could not bind the American people." The well-known American author, Felix Morley, calls that "chicanery, unworthy of those who deal with the faith and honor of a nation." It has been stated by scores of responsible authorities and has recently been affirmed by President Hoover:

* * * Independence of the Philippines at some time has been directly or indirectly promised by every President and by the Congress. * * * The problem is one of time.

FILIPINO CONFIDENCE IN AMERICA

Early in their contact with us the Filipinos had confidence in our sincerity of purpose; they were convinced that our occupation of the Philippines was not selfish or mercenary, but was for the sake of humanity. A proclamation by Filipinos to Filipinos declared:

Divine Providence places us in a position to secure our independence, and this under the freest form to which all individuals, all peoples, all countries, may aspire.

At the time of the World War, when the American forces were needed elsewhere and were withdrawn from the islands, perfect order was maintained; the Filipinos not only refrained from pressing their own plea for independence but did all in their power to support our country in the fight we were making for the integrity of all nations, great and small. They did not take advantage of us then because they had full confidence that when the proper time came we would deal justly with them.

We expect that they shall continue in the future to hold the same confidence in our Nation when we shall have sponsored and set up the first Christian republic in the Orient.

AMERICAN INTERESTS

I am interested, too, in this question because it is of vital importance to the American people who have to compete with Philippine products and Philippine labor. Before the committee hearing this question have come representatives of the Federation of Labor, the Farmers' Union, the National Dairy Union, the railroad brotherhoods pleading to Congress for relief from this competition. Their desire for Philippine independence is not motivated wholly by their own self-interest. As American citizens, they take pride in seeing their country do the thing that is noble and right. In the words of one of their representatives:

* * * farmers are citizens just as much as town people; and if the Government has made a promise, it should be fulfilled.

They believe, as I do, that the best way to serve our own interests is to be fair and honorable with the people of the Philippines by granting their independence now. The present unsatisfactory relations exemplify the truth that "justice delayed is justice denied."

NATIONALISM—OURS AND OTHERS

I believe in Philippine independence because I am convinced that every nation should be given the privilege of preserving its national identity.

A Commissioner of the Philippine Islands has aptly said that if Washington were here to-day, "he would be deeply sympathetic with the aspirations of the 13,000,000 souls across the sea who have fought, labored, and sacrificed that they, too, may have a country of their own, independent and free." To-day our Nation is in the midst of a country-wide celebration of the two hundredth anniversary of the birth of this great American. It is fitting that we should so honor George Washington—the incarnation of our spirit of patriotism and of nationalism. But while we do so, we can not consistently be deliberately blind to the love of country that dominates the thought, the will, the actions of other nationalistic groups, nor be stubbornly indifferent to their appeal for reasonable and just treatment.

NATIONALISM EVERYWHERE

Nationalism is playing a most significant part to-day in the present turbulent affairs of the world. It is everywhere manifest. Korea for the Koreans; Italy for a greater Italy; Poland for a unified Poland; Ireland for the Sinn Fein; Indians over India; the Philippines for the Filipinos; and the United States for the 100 per centers. "Buy British goods," "buy American goods," high-tariff walls, and competitive armaments have their origin in the same source—nationalism.

WHAT IS IT?

Since it is everywhere, what is it? Times of real or imagined prosperity drove men to seek more raw materials and more markets. Because of their hemp, oil, or rubber, almost unknown peoples sprang into prominence. The resources that should have been a blessing to the people became their political snare. World contacts that should have made for peace and friendly relations culminated in a World War. Ever since that catastrophe to mankind historians, sociologists, anthropologists, and publicists, in order to prevent another world disturbance, have set to work to study the root, stem, and flower of that mysterious phenomenon called "nationalism."

What did they find? On nationalism, its origin, and its nature men are not agreed; but in one conclusion they are practically unanimous—that this thing "nationalism" is intangible and mysterious and exceedingly deep and powerful. It is a force laden with blessing and loaded with dynamite. Prof. Carlton Hayes, of Columbia University, calls it the "most significant emotional factor in public life to-day."

ITS POWER

The power of nationalism is revealed in history. The French Revolution was the real birth agony of nationalism. Nationalism it was that tore limb from limb the Spanish Empire. Nationalism changed the map of Europe. Nationalism is breaking up the British Empire. Nationalism is transforming the Orient.

NATIONALITY AND BOUNDARIES

John Stuart Mill held the necessary condition of nationalism to be "that the boundaries of government coincide in the main with those of nationality." Herein lies the problem of alien domination over subject peoples. Herein lies the problem of Japan in Manchuria and Korea, of Great Britain in Egypt, in Ireland, in India, and herein lies the problem of the United States in Hawaii and in the Philippine Islands. Will the nationalism of Great Britain, Holland, Japan, and the United States honor the boundaries of government and nationality? Or will these imperialistic nations see only the oriental market, oriental raw materials, a strategic naval base, a safe line of communication for trade, or the protection of foreign investors, with little or no regard for the rights of other nationalistic groups?

Chief Justice Charles Evans Hughes has clearly stated the real issue:

Every nation has the right to independence in the sense that it has a right to the pursuit of happiness and is free to develop itself without interference or control from other states, provided that in so doing it does not interfere with or violate the rights of other nations.

NATIONALITY AND NATIONALISM

Nationality is the term commonly used to designate a group of people who speak the same language or closely related dialects; who cherish common historical traditions, and constitute a distinct cultural entity.

The people of the Philippine Islands have such nationality. They speak either the same language—English—or closely related dialects. They cherish common historical traditions.

The Filipino nation was born in 1896. At that time a well-organized revolution against the Spanish intruder upon their nationalism gave evidence of a perfectly healthy birth. The Filipinos organized a government of their own under a chosen leader. It functioned satisfactorily to a majority of the people. Then came the American soldier and took possession. Filipino nationalism again resented the intrusion. A war followed, one of the bloodiest in history, a war between former friends and allies. Two wars then made of the Filipinos one people, a nation, a nationality. Their nationalism was crushed, but not destroyed. To-day it is alive, active, insistent.

However, their nationality defies all classification. A Filipino is the subject of the Government of the United States and entitled to its protection abroad. Yet, when he comes to the land of his protector, he may be bludgeoned for doing so; and strong efforts have been made and are being made to keep him out altogether.

If ever a country had a nondescript status, it is the Philippine Islands. It is not a territory; it has not dominion status; it is not self-governing. Apparently it is only a "possession." The Filipinos are simply our "wards." Even the Commissioners from the Philippine Islands have a peculiar status. The Commissioner from Porto Rico may introduce bills in Congress and have them enacted into laws; but the Commissioners from the Philippines have no such rights. Must not these Filipino men feel that they are merely "Commissioners" representing "wards" in our Philippine "possessions"?

NATIONALITY AND CULTURE

The group that constitutes, or thinks it constitutes, a cultural entity has nationality and nationalism. The Filipinos constitute such a nationality. They have an ancient culture that antedates the coming of the Spaniard. They added the Spaniards' culture to their own, and then for 30 years they absorbed both the good and the bad of our own American culture. It is the fear, however, that they shall absorb more of the bad than the good of our western culture that makes them demand a separate national existence. They do not want our kidnaping, our gangland, our divorces, our bootlegging, our political graft, our economic failures.

NATIONALITY AND LANGUAGE

The language factor is one of the most obvious elements of national unity. Has a people anything dearer than the speech of its fathers? In its speech resides its whole thought domain, its traditions, history, religion, and basis of life, all its heart and soul. "To deprive a people of its speech," says Herder, "is to deprive it of its one eternal good." Militaristic nations have not hesitated to destroy the language of subject peoples, impose their own, and then deny them self-government on the ground that they have no national language. This imposition of the conqueror's language has not created a community of thought and sympathy. The Irish speak English, but they have not become Englishmen in sympathy. The Italians have taught their language to the Tyrolese, have forbidden anything but Italian signs, yet the Tyrolese hate and despise the Italians. This effort to destroy another people's language is giving strength to the nationalistic movements of subject nations everywhere. Gandhi deplores it in India: "The strain of receiving instruction through a foreign medium is intolerable. * * * For this reason our graduates are mostly without stamina, weak, devoid of energy, diseased, and mere imitators."

In the Philippine Islands we have imposed our language. For 30 years the children have been learning English in the public schools. English is rapidly becoming their common language. One of the threadbare objections to granting the Filipinos their desired independence has been the propaganda of "no common language." This monster has been hit on the head by no less authority than W. Cameron Forbes, former Governor General of the islands:

Those who question Philippine capacity should look for arguments against it in other directions than that of language or tribal division.

NATIONALITY AND RELIGION

In addition to the linguistic amalgam, the people of the Philippines have a religious unity, for 92 per cent of the population is classified as Christian; only 4 per cent is Mohammedan.

NATIONALITY AND RACE

The Filipinos have been told that they are not ready for independence because they are not homogeneous and lack racial unity. Even D. R. Williams, an opponent of independence, admits that "the real Filipino, the Malay, comprises 90 per cent of the population." If, therefore, the "deepest thing about a man is his race," the people of the Philippines are 90 per cent of the best national cement. And, as former Governor General Forbes said, those who are looking for arguments against Filipino capacity for self-government will have to look in other directions than that of "tribal division" for objections.

NATIONALITY AND LOYALTY

Nationalism that springs from a decided nationality has been defined as a "passionate, undivided, unqualified loyalty to one's nation." It can not share that loyalty with any other. For this reason imperialism is creating a conflict of loyalties between one's own homeland and imposed sovereign or dominating power. It is difficult for the brown men, the yellow men, and the black men to understand why nationalism, patriotism, liberty are so good for the white man and so bad for them. The young nationals of England, France, Germany, and the United States are called "patriots." But in the Philippines, in India, Ireland, Korea they are labeled only "half-baked students." Their Jeffersons, Lincolns, Washingtons are "self-seeking politicians." If a George Washington rises in the white man's land to lead his people to freedom from a foreign yoke, he is honored with a bicentennial. If an Aguinaldo rises to free his country from alien rule, he is hunted like a common bandit and trapped by a questionable ruse. A Gandhi is clapped into jail. It is this attitude, says Elihu Root, that leads to war—this "contemptuous treatment," "bad manners, arrogant and provincial assertion of superiority on the part of the people of one nation toward those of another."

Recently Commissioner Osias was invited to address an American parent-teacher association. At the opening of the program the audience rose and sang "My country 'tis of thee, sweet land of liberty." And then they saluted the Stars and Stripes. When the Commissioner rose to speak, he said that he had been greatly impressed with the spirit of the song and the salute, and he could not help feeling a pang in his breast that he and his people can not sing with the same fervor, "My country 'tis of thee, sweet land of liberty," because theirs is not a land of the free, is not a land of liberty. They can not salute their flag as a free flag; it is a subject flag. They have no way of definitely determining what kind of loyalty or what kind of citizenship should be inculcated among the Filipinos. They can not teach their children the full duties of citizenship because they must always remember that theirs is a subject people, a subject citizenship. Could any American fail to appreciate the truth of the Commissioner's statement that on his country and on his people we have imposed this anomalous and humiliating condition?

INCREASING NATIONALISM

How long do we expect these intelligent, proud, liberty-loving people to submit patiently to this humiliation? How much longer will they be able to hold in check their own tempestuous and racial passions? "Nationalism in the Philippines," says a Filipino statesmen, "is no political watchword. * * * It is real; it was there when the Filipinos fought Spain; it was there when they resisted the implantation of American sovereignty over their country. And, instead of being checked, Philippine nationalism has been fostered by the United States when you assured them through President Taft that the Philippines are for the Filipinos, when your Congress assured them that they would be granted independence." Nationalism is in America and in Europe and in the Orient a rising power. It is unthinkable that this power, this world obsession—nationalism—shall continue to grow in the United States, in Great Britain, in Japan, in Germany, and not become more determined and more volatile in the Philippine Islands, in India, in Korea.

THE OUTCOME

What, then, must be the outcome? One shudders to think what is likely to be the outcome if imperialistic white man's nations persist in their contemptuous and arrogant treatment and "provincial assertion of superiority." We already see the mills of Great Britain practically still because of India's nationalism. We already see the riots and bloodshed in India and the unpleasant prospect of general slaughter. We have already had one war with the people of the Philippine Islands—one of the bloodiest wars in history. Let us not so act now that we shall visit upon our children and the children of the Philippines another bloody contest. For the sake of our own nationalism, if for no higher motive, let us respect theirs. But we have a higher motive—we have our national honor. We have definitely promised them independence. Let us now make good that promise in accordance with the wishes of the people of the Philippines, while they are still our friends. To-day, Commissioner Guevara pleads for a continuance of this friendship:

I ask you that the Filipino people be given independence, to the end that my people may be happy, helpful to the world, ever grateful to the United States, and champions of the eternal principles of justice for all peoples.

To-day, we who honor the Father of our Country because his name symbolizes that which is noblest in our national history, aspirations, and struggles—to live our own national life, independent and free—must make answer to the people of the Philippines who now ask us for the same God-given right. What shall we say to them? There has been, there is now, and there can be, but one answer—as we once would that others do unto us, so do we now unto you.

THE CRISIS CONFRONTING OUR FARMERS

Mr. SELVIG. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. SELVIG. Mr. Speaker, we face a national emergency in the deplorable condition which exists among the farmers of our country to-day. I do not at this time desire to go into the matter in detail. The Members from the agricultural districts have knowledge of the facts, but I desire to state that our Government must take cognizance of the crisis which confronts our farmers. Devastating results will follow if prompt remedial measures are not enacted.

Among the many letters received from my constituents bearing on the acute depression among the farmers I wish to call especial attention to one received this morning from Mr. A. M. Dunton, a farmer living near Bagley, in my district. This letter strikes at the heart of the problem.

I read:

BAGLEY, MINN., *March 28, 1932.*

Hon. C. G. SELVIG,
Congressman from Minnesota, Washington, D. C.

DEAR MR. SELVIG: Everyone is watching closely the record being made by the present Congress. Everyone with whom I have talked feels that the immense sums of money being loaned to the railroads, banks, home-loan associations, etc., is as unrelated to our actual needs as were the huge loans made to England, France, Germany, etc., for reconstruction purposes.

It may have been necessary to bolster up these institutions temporarily in order to prevent matters becoming worse, but it is difficult to see how extension of credit without establishing conditions which will warrant its extension or its use is going to benefit matters.

In my opinion there are only three things which Congress can do: (1) Reduce the rate of interest; (2) lower taxes; (3) depreciate the value of money.

At the present time I need roofing, cement, paint, and fencing, etc., in order to repair my buildings and keep the farm in shape. But at the present time my interest, taxes, and other necessary expense takes every cent I can get hold of. If my taxes and interest were cut in half, that saving would be available for these purposes.

When hundreds of thousands of farmers in the same position go into the market for roofing, cement, paint, fencing, etc., that will give employment to labor, traffic for the railroads, etc.

When one stops to consider the total indebtedness of individuals, corporations, and municipalities, it is evident that this debt can never be paid with dollars of the present value. Creditors must accept a cheaper dollar in settlement or there must come a total repudiation of all debts.

These three propositions are fundamental and are the only basis upon which a new and permanent prosperity can be based.

I note with pleasure the increases in the income and inheritance taxes, and the defeat of the sales tax. Nothing would do more to overcome the intense dissatisfaction in this country as the passage of inheritance taxes so high as to prevent the accumulation of these huge unearned fortunes and their further continued existence and would restore to the people the wealth that rightfully belongs to them.

I note in the report of Woodrow Wilson's Commission on Industrial Relations that not more than $1,000,000 be allowed to pass to the heirs. Since the President of the United States' salary is $75,000, why should any person be allowed an income of over $1,000,000 a year?

Can nothing be done to stop this wholesale foreclosure of farms? Better a complete catastrophe than this cruel, helpless, hopeless dropping out, one by one? Can you suggest any possible form of organization by the farmers that will stay this destruction until some adjustment can be made? Have human beings no rights that the money powers can be forced to respect?

Sincerely yours,

A. M. DUNTON.

The Members of Congress must realize that a crisis impends. There is need for a bipartisan program of relief for the farmers. We have passed the bipartisan tax bill. It was necessary to do this. Congress heeded the call to pass other bipartisan measures advanced under the plea of national loyalty to American institutions.

In my opinion, we have yet to face and to remedy the greatest of our problems, that of rehabilitating our farmers. Unless this is done the efforts to bolster business, the banks, the railroads and in balancing the Budget will be of no avail.

Alexander Hamilton once said:

They ought not to wait the event to know what measures to take, but the measures which they have taken ought to produce the event.

The events which must be produced are the continuance of opportunity for employment, the placing of farm prices on a profitable level, and the return of prosperity.

Instead, our country has fallen headlong into an unwarranted depression. Up to the present time the fundamental measures to remedy our condition have not been undertaken.

If I understand Hamilton's philosophy correctly, he would have struck to avert this onslaught of the ravages of the depression. At the appearance of the first signs of financial distress he would have formulated quickly and surely the blows "to produce the event," that is, to create the conditions necessary and essential for a continuance of economic stability and prosperity.

In the light of present-day facts, it is absolutely necessary to deal constructively with agriculture. Our country must provide the only stable foundation possible for creating jobs, increasing consumption, and promoting general well-being, which is to place agriculture on a paying basis.

The foundation must be made secure. Nothing else will suffice.

KUNZ V. GRANATA

Mr. KERR. Mr. Speaker, I call up a privileged report from the Committee on Elections No. 3.

The SPEAKER. The gentleman from North Carolina calls up a privileged report, and, without objection, the Clerk will read the resolution.



The Clerk read as follows:

Resolved, That Peter C. Granata was not elected as Representative in the Seventy-second Congress from the eighth congressional district in the State of Illinois and is not entitled to the seat as such Representative; and

Resolved, That Stanley H. Kunz was elected a Representative in the Seventy-second Congress from the eighth congressional district in the State of Illinois and is entitled to his seat as such Representative.

Mr. SNELL. Mr. Speaker, will the gentleman from North Carolina [Mr. KERR] yield to me for a question?

Mr. KERR. Yes.

Mr. SNELL. I would like to see if we could make an agreement relative to time for the discussion of this resolution. It has been suggested that we have only one hour on each side. We feel over here that that would not be sufficient time for us to place our position in regard to this matter before the House, and we would like to have two hours on this side.

Mr. KERR. In reply to my friend I may say that I had an agreement with the gentleman from Massachusetts [Mr. GIFFORD], who filed the minority report in this matter, and who agreed that three hours, or an hour and a half on the side, would be enough; one hour and a half to be controlled by the gentleman from Massachusetts [Mr. GIFFORD] and one hour and a half by myself.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that debate be limited to three hours, one-half to be controlled by himself and one-half by the ranking minority member of the committee. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object in order that the gentleman from Massachusetts may ask a question.

Mr. GIFFORD. Mr. Speaker, I wish to say that the statement of the gentleman from North Carolina is correct. We did come to a sort of understanding that we might get along with one hour and a half on each side, but I find on this side of the House there are many who desire to speak. There are many issues involved here, and I think the gentleman ought to be willing to allow two hours on the side, and I sincerely hope the gentleman will.

Mr. SNELL. I may say to the gentleman from North Carolina that we have never unreasonably limited discussion in an election case. This is the most important matter that comes before the House—the right of an individual Member to a seat—and we feel there should be a reasonable time for discussion.

Mr. KERR. Mr. Speaker, I am willing to consent to that, and ask that the debate be limited to four hours.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that general debate be limited to four hours, one-half to be controlled by himself and one-half by the gentleman from Massachusetts; and at the end of that time the previous question shall be considered as ordered. Is there objection?

There was no objection.

Mr. KERR. Mr. Speaker, I ask unanimous consent that at the close of the debate the gentleman from Iowa [Mr. CAMPBELL] may offer a substitute resolution for the one that has been read.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that at the close of debate the gentleman from Iowa [Mr. CAMPBELL] may be permitted to offer a substitute resolution. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object—and I do not know that I shall object—I want to make this statement to the House. We intend to attempt to have the resolution divided. There are two substantive propositions involved, and we intend to ask for a division and a separate vote on each one. I would not want this unanimous-consent request to do away with that proposition.

The SPEAKER. The Chair does not know what the substitute is, and therefore can not give the gentleman any information.

Mr. CAMPBELL of Iowa. Mr. Speaker, the substitute that I shall offer is a substitute to recommit for the purpose of getting into the ballot boxes; and I would like to ask the gentleman from North Carolina if it would not be possible to include in this request that has been made to the House that I be allowed 15 minutes in which to present my substitute.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, of course, I do not know what is in the minds of my colleagues on the Democratic side, but this is a very unusual request to be made in connection with a contested-election case. Of course, I am not going to interpose my judgment against that of the gentleman from North Carolina [Mr. KERR] and his associates on this proposition, but I do suggest that it is certainly an unprecedented and very unusual issue to inject into a contested-election case on the floor of the House.

Mr. SNELL. I do not yet understand the object of it. I have never heard of a unanimous-consent request of this kind being made.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, in the report there are two resolutions, the resolution just read and another resolution on page 19, which is the one that is usually substituted. That resolution does not ask for any recommittal of the contest to the committee. It says, "*Resolved*, That Peter C. Granata was elected," and so forth.

My recollection is that the substitute resolution is offered at the beginning and both resolutions debated.

Mr. GIFFORD. Reserving the right to object, that seems to be the usual procedure, and I expect the minority side to offer the resolution, and with that a motion to recommit the whole matter might be in order at any time, and that would not remove from me an opportunity and the right to offer a motion to substitute my resolution for the majority motion at the proper time.

Mr. SNELL. When does the Speaker think would be the proper time to make a motion to recommit?

Mr. CAMPBELL of Iowa. Mr. Speaker, I wish to call the attention of the Speaker of the House to the case of Rinaker against Downing, and that is the procedure that I have adopted. At that time there was a majority and minority report. The minority report sent it back, recommitted it, for the purpose of obtaining the ballots and receiving additional evidence. I feel that the resolution that I will offer to recommit should come after the two resolutions that have been presented by the majority and minority. That was the arrangement I had with the chairman of our committee.

Mr. MICHENER. Mr. Speaker, what effect would the unanimous-consent request, with the previous question ordered, have on this proposed substitute?

The SPEAKER. There would be nothing in order except the resolution before the House.

Mr. MICHENER. Precisely. The unanimous request propounded by the gentleman from North Carolina was not the one the Speaker submitted—the Chair included that the previous question should be considered as ordered. If that is done, that would prevent the accomplishment of what the chairman of the committee and the gentleman from Iowa have obviously agreed to.

The SPEAKER. The Chair thought that in view of the fact that the majority side of the House had granted four hours of general debate that at least the previous question should be ordered, and the Chair put it in that way—in order to protect the House.

Mr. GIFFORD. I agreed, so far as I was concerned, that the gentleman from Iowa should have an opportunity to offer a motion to recommit. I did not believe that would interfere with the question before the House. If he offers a motion to recommit and it fails, the vote comes on the motion of the gentleman from North Carolina, and I should have the privilege of offering the minority substitute.

The SPEAKER. Does the Chair understand it is the desire of the Election Committee that the gentleman from Iowa have permission to make a motion to recommit?

Mr. KERR. It was.

The SPEAKER. Is it the desire at the present time?

Mr. KERR. It is.

The SPEAKER. Without objection, the previous question will be ordered on the motion, and the motion to recommit. Is there objection?

Mr. ESTEP. Mr. Speaker, the resolution has been offered by the majority, and I would like to know whether this is not the proper time for the minority to offer their resolution as a substitute, and debate will be had on both resolutions?

The SPEAKER. If the previous question had not been ordered it would be, but the previous question has been ordered, and there are to be four hours' debate upon the resolution.

Mr. SNELL. Mr. Speaker, we did not understand that if the previous question was ordered we could not offer a substitute motion.

The SPEAKER. The Chair is somewhat to blame, and he is trying to undo it by asking unanimous consent that the previous question may be ordered upon the motion to recommit as well as the resolutions.

Mr. SNELL. I want to have included in that, so that there will be no mistake, that the gentleman from Massachusetts has the right to offer his substitute to the committee resolution. Then we will have no objection to the motion.

The SPEAKER. Without objection, the proposed substitute will be reported by the Clerk.

The Clerk read as follows:

Resolved, That Peter C. Granata was elected a Representative to the Seventy-second Congress from the eighth congressional district of the State of Illinois.

The SPEAKER. Is there objection to the request that the previous question shall be considered as ordered on the motion to recommit as well as the resolutions?

There was no objection.

Mr. KERR. Mr. Speaker, I hope the Members of the House will indulge me for a few minutes while I endeavor to state the position of the majority members of the committee in respect to this contest. It is needless for me to say that we have come face to face again in the matter of this kind with the wisdom and the foresight of the men who wrote the Constitution of the country. It is always important, of course, who should represent 250,000 people in the Congress of the United States, but there is another factor which enters into this matter to-day which is equally important, and that is that we should vouchsafe to the electorate of this country in this republican form of government the privilege to vote as it pleases, and that we should further vouchsafe to them the right to have the ballots counted and to have a proper return of that count. Unless we do that it is self-evident that under this form of government we sink a shaft into the soul of this Republic, and so when these controversies arise we realize that it was wise in those who made the Constitution that they gave the Congress of the United States the sole right to determine the eligibility of a person to sit in this Congress, and to also determine whether or not he was properly and legally elected.

At the election held in November, 1930, the last general election, in the eighth district of the State of Illinois the people of that district voted for two men for Representative, Mr. Stanley H. Kunz and Mr. Peter P. Granata. Immediately after that election, and immediately after the tally sheets were checked in respect to the election, the canvassing board reported that Granata had received 1,366 majority. Mr. Kunz filed a petition before the canvassing board in which he alleged certain irregularities, and on the 20th day of November following, the canvassing board, which was constituted by the election commissioners of the city of Chicago and by the judge of the county court in Chicago, met, and after making certain corrections, determined that the majority which Mr. Granata had received was 1,171 votes. They evidently found there were some mistakes or some fraud incident to the first tabulation of the count.

On December 2 this report of the canvassing board in the city of Chicago was certified to the secretary of state of the State of Illinois, and the secretary of state very properly issued a certificate of election declaring Granata was elected Representative from the eighth congressional district. On the 9th of December following, in the first petition filed by the contestant with the canvassing board, he alleged that in 13 election precincts in the several wards in the congressional district he had received 1,285 votes less than the other Democratic candidates upon the ticket in that election in Illinois. Although he made other allegations, that was principally the ground upon which he made his petition for a correction of the vote, and he petitioned afterwards for a recount and a contest. After these votes were cast and tallied under this Australian ballot law under which the vote was taken, it was necessary, first, to compute the number of straight votes for the Democratic candidate and the number of straight votes for the Republican candidate. There was no other way to do, and there was no reason why any mistake should have been made about it. A straight Democratic vote or a straight Republican vote was a vote that was voted for every candidate on the Democratic ticket and every candidate on the Republican ticket. I call attention to 13 of these precincts. In ward 25, precinct 1, the straight Democratic vote was 62. Mr. Kunz was given only 12. In ward 26, precinct 1, the straight Democratic vote cast for every other candidate on the Democratic ticket was 121, and Mr. Kunz was given only 78. In the second precinct of ward 27 the straight Democratic vote was 138, and Mr. Kunz was given only 23.

In the twenty-seventh ward at the tenth precinct the straight Democratic vote was 316, and Mr. Kunz was given 5, and so on, gentlemen, down the line for 11 precincts that have been culled out, and on which Mr. Kunz bases his motion and petition for a recount and on which he bases his contention in this contest to-day. In those 11 precincts it is shown that Kunz was deprived of 1,285 votes.

It is contended by the minority, gentlemen, that there was not sufficient evidence for Kunz to bring this contest. The majority of your committee thought otherwise, because, evidently, there are 11 precincts where Kunz was deprived of enough votes to overcome the majority of the contestee.

I think this House wants some explanation of that. I think this House ought to have some explanation of it, and I think this House would be unwilling to let the contestee prevail in this contest when it was clearly shown that in many of these precincts the contestant was not given the straight Democratic vote. So, gentlemen, we insist and contend that this evidence within itself, per se, was sufficient for the contestant to bring a contest and ask that these votes be counted and the ballot boxes opened to determine who was right, whether the election officer was right or whether he was wrong. He had evidently made a return that was entirely incompatible with the law and an impossibility.

So, gentlemen, following the statutes, which it is not necessary for me to read to you, Kunz, contestant, on the 9th day of December, filed a petition and filed a notice of contest alleging many irregularities, alleging many frauds, and alleging the condition which I have recited to you in these 12 precincts.

Any good lawyer knows that is sufficient evidence to open up the question of fraud, and any good lawyer knows, further, that the only way to determine whether or not there was fraud was to go into the ballot boxes, look at the ballots, and count them.

So, gentlemen, on the 9th day of December Kunz filed a petition and notice of contest. Within 30 days thereafter the contestee made his answer. He took all the time that the law would allow him. Before I sit down I will call your attention to the fact that this case has been continued and continued for more than nine months through the tactics of the contestee and his attorney.

At the first retabulation, the canvassing board had no right to recount; I call your attention to this fact, that under the law the canvassing board can not recount. The canvassing board can only check the tally sheets and see if they are correct. That is as far as it can go.

Following the rules of the House, gentlemen, on the twenty-first day after the filing of the answer by the contestee in respect to this case, and following the rules laid down by the Revised Statutes, which were passed just for conditions of this kind and were passed in order that this House might have a representative to take evidence in a case; on the 21st day of January the contestant appointed as notary public to take evidence, Edward H. Hoffman. I wish you gentlemen had time to read the record in this case. I do not think I ever read after a man who showed more patience and who was more desirous of getting at the facts in the case than Hoffman was. I read you section 110 of the Revised Statutes of the United States, which gave Mr. Kunz, the contestant, the right to designate this man Hoffman as his notary to take this evidence.

SEC. 110. When any contestant or returned Member is desirous of obtaining testimony respecting a contested election, he may apply for a subpœna to either of the following officers who may reside within the congressional district in which the election to be contested was held:

First. Any judge of any court of the United States.

Second. Any chancellor, judge, or justice of a court of record of any State.

Third. Any mayor, recorder, or intendent of any town or city.

Fourth. Any register in bankruptcy or notary public.

Let me say to you, gentlemen, that in all the history of these contests nobody has ever been designated to take evidence except a notary public. It is contended by the minority members of this committee, gentlemen, that the notary public did not have authority to take this evidence. It is seriously contended he did not have that authority.

Here is one of the best-considered cases that has ever been before this House, and I think the best opinion that was ever written in one of them. It was in the Rinaker-Downing case. It is cited in the briefs of both the contestee and the contestant, and it is used by both as authority for their position. I want to read to you, gentlemen, a paragraph or two from this case to show you that it was clearly within the right of the notary public to take this evidence and that he was a Representative of this House.

I want you to remember this: Here was an agent of this Congress constituted by the law of this land to take this evidence, and nobody else could take it.

When any contestant or returned Member is desirous of obtaining testimony respecting a contested election he may select a notary public. And then section 111 says:

The officer to whom the application authorized by the preceding section is made (the notary public) shall thereupon issue his writ of subpœna directed to all such witnesses as shall be named to him requiring their attendance before him at some time and place named in the subpœna, in order to be examined respecting the contested election.

Then section 123 provides—listen to this, gentlemen:

The officer shall have power to require the production of papers; and on the refusal or neglect of any person to produce and deliver up any paper or papers in his possession pertaining to the election, or to produce and deliver certified or sworn copies of the same, in case they may be official papers, such person shall be liable to all the penalties prescribed in section 116 (of the Revised Statutes). All papers thus produced and all certified or sworn copies of official papers shall be transmitted by the officer, with the testimony of the witnesses, to the Clerk of the House of Representatives.

This is what the distinguished gentleman who wrote this opinion thought of this, and this is accepted law, not only in this House but out of this House, and in the State of Illinois, in respect to the authority of the notary public to count the ballots and take all the evidence incident to the case.

Mr. GIFFORD. Will the gentleman yield?

Mr. KERR. I yield.

Mr. GIFFORD. I simply want to suggest that the minority has not objected to that statement of the gentleman about the bringing of papers.

Mr. KERR. Not at all. Of course, the gentleman has not objected. It is the plain mandate of the law.

Mr. GIFFORD. If the gentleman will permit me to go further, we did object, simply, that the ballots were papers.

Mr. KERR. I understand. The gentleman contends that "papers" did not include ballots.

Mr. GIFFORD. Exactly.

Mr. KERR (reading):

The notice of contest is required to be served within 30 days after the result of the election shall have been legally determined. The answer to such notice must be made within 30 days.

There is no question about the notice and the answer. They were properly in. I called your attention, gentlemen, to the fact that the contestee pursued his dilatory tactics—under the advice, doubtless, of his lawyer—and took all the time he could to answer; but the answer was made within the time, just as the petition and the notice were served within the time.

I want you gentlemen to hear this law, because the minority in the committee are insisting that the notary public did not have authority to take this evidence and count these ballots, and you have heard one Member—who, however, did not sign the minority report—insisting upon his right now to have this matter resubmitted and to have this House authorize some agent of the House to count these ballots again.

With that point in mind, listen to this:

The contestee by his bill in chancery seeking the injunction—

This was a case very much like ours, in which, when the notary public was appointed in the Rinaker-Downing case, these ballots were held up by an order of the court, just as they were in this case. In the Rinaker-Downing case they were not held up very long, but in the Kunz-Granata case, gentlemen, they were held up nine months and one day by the court. The whole procedure was in the lap of the court in custodia legis.

The contestee by his bill in chancery seeking the injunction, by direct language, insists upon such a construction of the statute of Illinois—

They were attempting to construe the statute of Illinois to defeat the plain mandate and statute of the United States, and I want you gentlemen to hear this—

restraining the opening and counting of the ballots as shall bring that statute in direct conflict with the statute of the United States—

That is what they were insisting upon—

and which latter statute plainly and clearly gives to both parties to an election contest over the seat of a Member of the House of Representatives the right to select any one of the officers mentioned—

And I read the law to you in the Federal statutes—

before whom to take the testimony and clothes that officer when so selected with the full power to require the production of any paper or papers pertaining to the election or to produce and deliver up certified or sworn copies of the same in case they may be official papers.

In view of the plenary and clear terms of the Federal statute, it is the opinion of the undersigned that the statute of Illinois should be construed to mean that where the ballots cast at any election for Member of the House of Representatives are called for by a subpœna duces tecum issued by a notary public, selected under sections 110, 111, and 123 of the act of Congress regulating the contests of seats in the House of Representatives, the notary so selected fully represents the House of Representatives—

The notary public is the agent of this House, constituted with all the authority this House can delegate to him to take the evidence in the case, including the counting of the ballots and—

to him is delegated the power of procuring and reducing to written form such evidence as the ballots may contain so as to comply with the obvious intention of the State statute, inasmuch as it is obviously impossible for the ballots in a contested-election case in the House of Representatives to be opened "in open session of such body, and in the presence of the officer having custody thereof."

The powers conferred by the Federal statute upon the notary public, or officers mentioned, to call for and enforce the production of all the papers pertaining to the election are full and complete and render such officer to that extent a "body trying such contest" to the extent of his obtaining and recording the evidence in the case. That is plainly and clearly the meaning and effect of the act of Congress and the State statute should be construed as to be in harmony rather than in conflict therewith.

To construe the State statute so as to prohibit the notary or other officers taking the testimony in a congressional-election contest from obtaining the evidence contained in the ballots would be to give the State statute the effect of repealing or nullifying the Federal law regulating congressional election contests. Congress has the power to regulate the taking of testimony in case of a contest of the election of any Member of the House of Representatives. That power has been exercised by the enactment of the statute above quoted, and when in conflict with its provisions all conflicting State statutes or decisions, to the extent to which they do conflict, must be held to be nugatory and void.

In other words, gentlemen, there can be no doubt in the mind of any lawyer that he was vested with full authority under the law to take the ballot box and make a report of the facts they found.

In the first place, it was necessary in order that this irregularity or these frauds, which were palpable, might be adjudicated and determined and, if necessary, to go into the ballot box and see whether Kunz got straight votes or whether he did not. You know very well it was not a straight vote unless Kunz got it.

Now, I want to call attention that when the officer of this House designated by Kunz had gone into the ballot boxes, Granata, after they had been investigating three or four days, put in an officer, a notary public. There was not a second during the controversy, after the matter came up before six judges, and before one judge 12 or 15 times—there was not a single minute but that Mr. Granata appeared by notary public and his lawyer, and himself on many occasions, to see that the ballots were counted properly.

The members of the minority contend that this was not a correct count. This is the only count that the agent of this House has set up here. He had authority to do it under this statute, and he had the right to make the count and make the returns on it.

This count, when the ballot box was opened, was made and returned by Mr. Hoffman, but that in no sense precluded Euzzino, the notary public selected by Mr. Granata, to also take evidence and make his return to you here. The only conclusion is that Hoffman made a correct count, and Euzzino did not think it was necessary to make any return, because he did not make any return.

So after the ballot boxes were opened, after nine months of contest in the courts of Illinois, that count showed that Mr. Kunz had received a majority of 1,288 votes.

Each ballot box was opened in the presence of not only the notary who sent the report to this House but they were opened in the presence of Granata's notary, who had a right to send his report here, but did not do it. The report shows, as I have said, that Mr. Kunz received a majority of 1,288 votes.

Mr. NELSON of Wisconsin. Were the ballots with Mr. Kunz's name on it the regular ticket?

Mr. KERR. Yes. I call attention to the fact that Kunz's majority, as afterwards returned, was about the number he lost in the precincts heretofore referred to.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. KERR. I will.

Mr. CHIPERFIELD. Was the majority made apparent from the recount of the ballots?

Mr. KERR. It was—a recount made in the presence of Mr. Granata and, furthermore, a recount made in the presence of his notary, who was there at all times.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. KERR. Yes.

Mr. SCHAFER. Does the majority of the gentleman's committee take the position that an Election Committee of Congress or a notary acting for Congress should open up and count ballots in an election contest on no stronger evidence than an allegation that a candidate ran behind his ticket?

Mr. KERR. There is no such allegation as that. A majority of the Elections Committee thinks that when it is apparent that in 11 precincts the contestant has received 1,285 votes less than the other Democratic candidates it should be done.

Mr. SCHAFER. Then, the position of the committee is that an Elections Committee of the House should follow the precedent of counting the ballots either by an Elections Committee or by a notary, as the gentleman said, on no stronger evidence than an allegation that a candidate ran behind his ticket. That is a terrible precedent to set, in my judgment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. McCORMACK. Do I understand that every one of these ballots were retabulated?

Mr. KERR. Every precinct box was opened and retabulated in the recount.

Mr. McCORMACK. And after the retabulation the representatives of the sitting Member were present and had an opportunity to protest or enter in the record any irregularities?

Mr. KERR. They were there all of the time, with not less than three there at any time, and it was done in the presence of his own notary.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. KERR. Yes.

Mr. COX. I notice in the report of the gentleman's committee that the total vote in the first count was 31,859, and in the second count it is 31,402, a difference of 457 votes. Is there any explanation made to your committee in respect to that discrepancy?

Mr. KERR. Yes; that discrepancy was due to the fact that in this keen contest as to who got this or that vote a great many votes were contested as doubtful and counted for neither one.

Mr. COX. Another thing I would like to question the gentleman about is if any explanation was made to his committee as to why the contestant abandoned certain grounds of his contest. In other words, in the original contest as filed he predicated his claim upon the allegation that gunmen and a lawless element took charge of the election.

Mr. KERR. The gentleman is a good enough lawyer to know that these things that are always controversial sometimes are left out of a case. The proper thing to do, as the contestant did here, was to insist on those things that were palpably wrong being righted.

Mr. COX. That was the allegation, however, and it occurred to me that maybe in the hearings of the gentleman's committee some explanation was given as to why those grounds were abandoned.

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. KERR. Not now. I want to call attention to this matter now and give you the reason why evidence was not taken in this case sooner. Immediately after Kunz signed his notice of contest the attorney for the contestee, appearing for him and other contestants in this election, got an impounding order from the county judge of the city of Chicago, and when these officers prepared to count the ballots they were faced with the statement of Mr. Tyrrell, who represented Mr. Granata, that he had the ballots impounded. It took from the 23d day of January to the 11th day of September before the contestant could ever get into the ballot boxes and count the votes and see who did have a majority. There were 32 continuances. This matter was brought up by the contestant before six judges in the city of Chicago, and five out of six of those judges held that the contestant was entitled under the law to count the ballots and dismissed time and time again proceedings which were instituted with the endeavor to keep the ballot boxes out of the hands of this Congress and its representatives. I have not time to discuss that, but gentleman who will follow me will do so.

Our friends object to this House receiving this count as final because they say that the integrity of the ballots was not preserved. I make this comment in passing, that the election laws of the State of Illinois are very good. They

will convince anyone that unless there is some design and purpose to commit a fraud it is hard not to have a fair election. When these ballots were cast they were put in charge of Mr. Rusch, who was the clerk of the elections commissioners in the city of Chicago. It is quite evident that Mr. Rusch is a man of fine sensibilities and fine character. When these ballot boxes were opened Mr. Rusch was called before the committee to test the integrity of them. The minority can not insist with any sort of reason that these ballot boxes were not kept intact and that the integrity of them was not vouched for by Mr. Rusch. Mr. Lavery, who was the attorney for the contestant, said to Mr. Rusch, who was the witness:

Will you state whether as custodian of the ballot boxes and chief clerk of the election commissioners you have kept and preserved these precincts other than six in the same condition as they were when you received them as such official the night of the election.

Six of these ballot boxes had been taken out by the court and looked into by the court in respect to a judicial contest.

Mr. Rusch said:

Yes.

Q. And where have these ballot boxes other than the six been kept by you as such official?—A. On the third-and-a-half floor.

Q. Have any of these precincts other than the six been removed from the box where they were kept since the election of November 4 until this day?—A. No, sir.

Q. Not one of the ballot boxes?—A. No, sir.

Mr. HORR. Will the gentleman answer a question now, because if he does not it will never be answered? On page 11 of your report I call attention to the fact that the gentleman's statement is wrong or your report is incorrect. It calls attention to the fact that at the original hearing Doctor Epstein brought out this fact, and I am quoting from your report:

Those ballots are not in the box, nor in an envelope, not tied with string, or sealed. We object on the grounds that the integrity of the ballots has not been preserved, and renew our objections made before that they are not protected, as required by law.

Going further, and I am reading from your report——

Mr. KERR. The gentleman is reading from the minority report, not my report.

Mr. HORR. It is taken from the direct report, the report of the original hearing.

You have produced a large bundle of official candidate ballots in the nineteenth precinct, twenty-seventh ward, which are loose and not wired; where did you get these ballots from?

Mr. KERR. I can not yield further. I understand that Epstein objected and asked where these ballots came from.

Mr. HORR. And he said they were brought in without string and were absolutely loose.

Mr. KERR. But that was not Rusch's testimony?

Mr. HORR. That is in the record.

Mr. KERR. But here is the record of the man who had the ballots, which I have read to you. So far as Epstein is concerned, he was the professional objector of the contestee. He objected to every vote in every ballot box before it was opened.

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield myself two additional minutes.

Now, gentlemen, in conclusion, we insist that there was evidence of deliberate fraud in this election. We insist that the only way to find out whether there was fraud or not was to go into the ballot boxes, and after nine long months the contestant in this case got into the ballot boxes, and when these ballots were counted, in the presence not only of Kunz's representative but of Granata's representatives, it was shown by the agent of this House, by the one who was authorized to act for the House, that Kunz had received 1,266 majority in this election.

Mr. SCHAFER. Will the gentleman yield for a question?

Mr. KERR. Yes.

Mr. SCHAFER. Has the gentleman found any precedent whatever to indicate where a so-called agent of this House, a notary public, ever counted ballots in an election contest?

Mr. KERR. I have found after long observation and industry that that is the only way a notary public can bring the evidence back to the House.

Mr. SCHAFER. Can the gentleman cite an election case in this House where a notary public issued subpœnas duces tecum and then counted the ballots?

Mr. KERR. Oh, yes. Does the gentleman want me to tell him?

Mr. SCHAFER. Yes.

Mr. KERR. In the cases cited by the minority in their report. In Gartenstein against Sabath; in Parillo against Kunz, and Rinaker against Downing.

Mr. DOWELL. The gentleman is mistaken about the Gartenstein-Sabath case. His statement is incorrect. It is just the opposite.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, I congratulate the chairman of this committee on the presentation of this case. It seems plainly evident that he was sincere in his own opinion.

This should not be a question of politics. It should be a question of orderly and proper procedure. If you seat Mr. Kunz to-day you will establish a precedent that will trouble all future Congresses and every Congressman who may hereafter ever be threatened with a contest. If any contestant wants to fight for your seat all that it will be necessary for him to do will be to appoint any certified notary public to act no matter who he may be, no matter what his character, no matter whether he be a political enemy of yours or not, as was shown to be the case in this instance, where the notary was the chairman of a precinct that was almost unanimously against Mr. Granata. Some one who would take orders absolutely from the attorney, so that when the time came to take testimony he took only such testimony he wished, namely ballots. Think of it! Under such precedent any contestant could select his own notary public and demand the ballots, have a recount, and, if you please, have a "mob recount." This was a mob recount in every sense of the word. Anyone can read this record and find that it speaks for itself. It is the worst by far that has ever been presented to any Congress. Ask your clerk, who has been here for many, many years. He tried to pick out of this record the proper portion to print, but it was finally determined to put it all in the record. They even have in the record the canvassing board's return. That is no place for it, but they are basing their argument on the canvassing board's return.

For many years we have tried to have orderly procedure in this House, and because we demanded orderly procedure, Mr. Kunz was previously seated here by a Republican Congress; Mr. SABATH, a Democrat, was seated by a Republican Congress; and in the Rinaker-Downing case, so constantly referred to, who got the injunction but our Mr. RAINEY? It was a very proper procedure. The court overruled that case and said these ballots ought to be given over, to be sure; that they were a part of the evidence, but the court did say, "But do it almost at your peril because this is a matter that the House of Representatives only will determine, and it can throw it all aside." It did.

While they have, as the gentleman from Wisconsin says, these two cases where the ballots were counted, once by agreement, this House determined that that was not the proper procedure, and it seated the other party.

All through this case our rules and our statutes have been constantly violated, and yet they are trying here to be excused from that. We say, "Give your notice in proper time to the contestee; do not surprise him; tell him everything which you expect or hope to prove; name to him all the witnesses you are going to call; and then give him 30 days to file his answer. Then you shall immediately begin to take the testimony, and you must take it in 90 days. Do not postpone it."

A Congressman is elected for only two years. If a special session were being held a contest ought to be promptly decided. Do not pay two salaries any longer than you can help, and live up to this rule.

The laws of 1851 and 1875 should be, and have been considered absolute, in spite of the fact that any Congress can change the law or can accept a different arrangement if it so pleases; but we have got to have some statute to go by, and we have got to have rules so we will know how to proceed, and the integrity of these statutes ought to be held up here to-day.

What a crime it would be if we overlook the present laches, in the light of what we have for so long been trying to do. I beg of you that you do not excuse them to-day. Why did the notary not take the testimony within the 90 days? Because Mr. Granata had impounded the ballots? No; that was done in another contest entirely. This Mr. Tyrell, the attorney for Mr. Granata, happened to be the same attorney in both, but it was an entirely different case in which the ballots were impounded. They went before Judge Jarecki many times, and he kept saying to them in effect, "Why don't you ask in a proper manner that this impounding order be modified?" They never did it; and when, finally, he did modify that order after these many, many months—six months—do you wonder that Mr. Granata did not seek to have those ballots again impounded? Would you, when you knew who the notary public was and that they were going to take no testimony—but simply wished to get hold of the ballots?

The ballots are the best evidence, they say. They are theoretically the best mute evidence, but they are the worst—by far the worst—when any opportunity has been given to let them be tampered with. On the day when the recount began they brought in these boxes and merely said, "Is that hemp string wound this way or that way; is it tied; is it sealed; and are those flaps pulled over, and are they sealed?" They thus tried to identify those boxes as they came in.

Read your record made by the contestant's own notary public. Box after box came in which looked as if it had been tampered with—not sealed, with flaps opened—so that any one could reach in and take out the ballots. Box after box came in in that way, and yet they say the ballots are the best evidence. I repeat, such is the case only when they have clearly not been tampered with. Would you not have demanded, if he was contesting your seat, that the ballot boxes must be securely tied and properly sealed with the flaps down? You would want to know, I am sure, that absolutely no opportunity had been given for them to be tampered with.

In one instance there were only 138 ballots in the box, and the question was asked, "Where are the others?" "Well, we do not know." "Can you not find them?" They finally found them somewhere in some warehouse.

Oh, such a record is absolutely ridiculous. They say that Mr. Granata had a notary, too. Yes; he came in a day or two after the hearings were supposed to be held, and the lawyer immediately stated that he was not there on the first day, so that he could not certify to any of the record and he would not recognize him. But he was there during the recount, and when I asked the attorney if Mr. Euzzino was a person of real character, upon whom you could depend, he said, "Yes," and paid him a very high tribute.

Then you should read Euzzino's story of the recount. This is not taking it up exactly as I would like to take it up, but please read the story of the notary public appointed by Granata and the treatment that he received during the recount. The record gives proof of what it was like.

At every session there was great milling about, boisterous arguments, with no semblance of order; no attempt to maintain it. They could not get close enough to the table to see how the ballots were being counted.

I can not read more to you, but the record discloses a terrible state of affairs.

Here a notary public was appointed to count ballots, but the State of Illinois says, "No; you shall not count any ballots except in the presence of the court itself." Of course, it was done by authorized agents, but here were 50 or 60 people—a regular mob. When they were told that the contestee wanted to see the ballots, as, of course, he had a right to do, they brought in a few boxes.

Now, this matter has been rushed through for some reason which is hard to understand. It is being heard a week before the primaries are to be held in Illinois. I can not understand why they have hurried so.

Ladies and gentlemen of the House, I have spent weeks on this matter, reading this record far into the night. If you read it you will find that they brought in the ballot boxes and laid them on the table. Ballots were counted in such a manner that anything could have been done to them.

Mr. PARKS. Will the gentleman yield?

Mr. GIFFORD. No; I can not yield now.

Mr. PARKS. I do not blame the gentleman.

Mr. GIFFORD. I regret that my voice does not serve me sometimes. I get too earnest. I did enjoy the work in the committee and I did follow the testimony in the committee.

Mr. TARVER. May I ask the gentleman a question for information?

Mr. GIFFORD. Yes.

Mr. TARVER. In view of the motion by the gentleman from Iowa [Mr. CAMPBELL], who is going to move to recommit the matter to the committee in order that there may be a recount by the committee, I want to inquire what possible benefit, in view of the statement the gentleman has made, that the record discloses of the condition of the ballot boxes—I want to ask whether any benefit would be derived by an attempt on the part of the committee to make a recount?

Mr. GIFFORD. I say I do not know. Last year, in the case of Mr. Wurzbach, when there was ample evidence taken at the proper time, and absolutely no need of a recount, at the request of the minority, they were sent back——

Mr. TARVER. But in that case there was no question, and here the gentleman says they were unsealed.

Mr. GIFFORD. I did not say that. The gentleman is putting the words into my mouth.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. BANKHEAD. In whose custody, ad interim, between the time of the contest and the final count, were these ballot boxes?

Mr. GIFFORD. They were supposed to be in the hands of the clerk, Mr. Rusch, but it is shown in that record that other people had access to them.

Mr. BANKHEAD. Were they in his custody?

Mr. GIFFORD. They were supposed to be.

Mr. DE PRIEST. They were in the custody of the election commissioners.

Mr. GIFFORD. I can not yield any further. Others will talk about these details. I said that I would try to present the issues in the case. No testimony was taken. They demanded the ballots. The contestee could also have demanded the ballots and had another recount, and then would they not have been in splendid condition to send to your committee to examine? That is all he could have done in taking testimony. So he rested his case by declaring that the whole thing has been illegal from beginning to end. They talk to you about the straight ballots. The records show that Senator LEWIS got a tremendous vote in the same precincts where Granata got a tremendous vote, and in very few instances were there any straight ballots. The record shows there were very many ballots in some precincts marked straight Democratic, but with a mark opposite the name of Mr. Granata, and that those were put in with the straight ballots and listed as straight Democratic ballots for the time being.

But that is a matter for the Illinois delegation to talk about, and not for me, but I do say that we should follow the laws of the State of Illinois when we can. Think of your judge saying, "Oh, yes; in the matter in Illinois they could only be counted in the presence of the court." Yes,

but it is good enough for the Congress to say that a Federal officer can appoint anybody, such as a notary public, and count them in that manner. There are many other issues. The important one to me is that the notary public should have had such enormous power as that delegated to him. It is unbelievable. You should also consider whether the ballots are "papers." The law says that they shall subpœna all of the "papers" and seal them and carefully send them all here. It is inconceivable that ballots may be considered as such, sealed and all sent by mail here to the Clerk of the House of Representatives. That is a matter for you lawyers to settle, and I am not going to take up time on that subject.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. MAY. Is it not a fact that a notary in the State of Illinois is a commissioned officer under bond and under constitutional oath?

Mr. GIFFORD. Yes; but he could be the chairman of a Republican precinct, and he could be one of the meanest election officers and one of the most prejudiced.

Mr. MAY. Could not a Member of Congress be the same?

Mr. GIFFORD. I suppose he could be mean if he wanted to, but he could not be elected.

Mr. SCHAFER. Did this notary public transmit the ballots to the gentleman's committee?

Mr. GIFFORD. No.

Mr. SCHAFER. If he is supposed to transmit to Congress all the "papers" and testimony, why did he not transmit the ballots if the ballots were "papers"?

Mr. GIFFORD. The point is well made. I shall close by saying that Mr. Kunz made plenty of allegations in his contest. He said that there were gunmen who took possession, that they were forced to write down a hundred votes here and a hundred votes there, and that money was spent freely, but on the day it came to take testimony never a word of that was said. Never was there a case presented where so many allegations were made, with no testimony whatever taken. It is utterly ridiculous. How can we stand for it? I can not think for one minute that you believe that a notary public should be our only agent and that he should recount the ballots and then refuse to let a committee of the House of Representatives look at them. A strange case indeed. [Applause on the Republican side.]

Mr. KERR. Mr. Speaker, I yield 20 minutes to the gentleman from Texas [Mr. WILLIAMS].

Mr. WILLIAMS of Texas. Mr. Speaker and gentlemen of the House, I first shall read the law governing the holding of elections in Illinois, and I shall follow that up by proving that the straight ballots as indicated by the chairman of the committee on the recount gave the contestant enough votes to have a majority to justify this House in seating him. I quote from the election law of the State of Illinois:

> The judges of election shall first count the whole number of ballots in the box. If the ballots shall be found to exceed the number of names entered on each of the poll lists, they shall reject the ballots, if any, found folded inside of a ballot. And if the ballots and the poll lists still do not agree after such rejection, they shall reject as many of the ballots as may be necessary to make the ballots agree in number with the names entered on each of the poll lists—

In other words, before the judges are permitted to count the votes in the ballot box the number on the poll list must be the same as the ballots in the box—

> Said judges shall open the ballots and place those which contain the same names together, so that the several kinds shall be in separate piles or on separate files. Each of the judges shall examine the separate files which are, or are supposed to be, alike, and exclude from such files any which may have a name or an erasure or in any manner shall be different from the others of such file.

In other words, under the election laws the judges take the ballots and, according to the law, lay them out.

Quoting again from the law:

> When said judges shall have gone through such file of ballots containing the same names and shall count them by tens in the same way and shall call the names of the persons named in said ballots and the office for which they are designated, the tally clerks shall tally the votes by tens for each of such persons in the same manner as in the first instance.

The law provides that each of the judges shall examine these ballots and that they shall, after counting them, pile them up in stacks of 10—10 straight Democrats, 10 straight Republicans, the splits or scratches being in a different package. Here is a sample of the ballot in the election held in November under which this contest arose. Here is a straight Democratic ticket; here is a straight Republican ticket. The voter who wished to vote a straight Democratic ticket marked up here, and that is a straight ticket. If he wished to vote a straight Republican ticket, he marked in the Republican column; and those were placed, under the election law in Illinois, in stacks of 10; and then each of the three judges, under the law, was to look at each ballot and see if it was a straight ballot when they were counted in 10.

Then, under the law, the tally clerk did not necessarily have to check each one of these 10 ballots; but after the three judges had inspected them, then one of the judges announced how many straight Democratic ballots there were and how many straight Republican ballots there were. Then the tally clerks, with the one judge sitting and the two other judges looking on, would call off the splits and scratched ballots. Under the law, these straight ballots were counted out in piles of 10, as I have stated, and the scratches and the splits would be kept separate and totaled up by themselves. That is the operation of the election law of Illinois.

Mr. LAGUARDIA. Will the gentleman yield for a question?

Mr. WILLIAMS of Texas. Yes.

Mr. LAGUARDIA. Is there any provision whereby a person can vote a straight ballot in one column and vote for one individual in the next column?

Mr. WILLIAMS of Texas. It would not be a straight ballot in that case; it would be a split or a scratch.

Mr. LAGUARDIA. But that may be done?

Mr. WILLIAMS of Texas. A voter can vote in that way if he wishes.

Mr. LAGUARDIA. That is what I wanted to know.

Mr. WILLIAMS of Texas. Further answering the gentleman from New York, I exhibit a straight Democratic ballot and a straight Republican ballot. If the ballot is scratched, it is not straight; it is a split; and the law says that three judges of election shall inspect that ballot. The ballots were inspected and the returns came in, as indicated by the chairman of this committee, and the contestant, discovering that he had not been given the straight Democratic votes that the other candidates had been given in the various boxes in the eighth congressional district of Illinois, entered into this contest; and, again as stated by the chairman of the committee, for over nine months they fought it through the courts.

In precinct 1 of ward 25, where three judges had inspected the ballots and made the statement that the returns on the straight Democratic ticket were 52 votes and the contestant received 12, would you not think there was something wrong with the return? In precinct 1, ward 26, with 121 straight Democratic tickets, where the contestant received but 78 votes, is not that prima facie evidence that there is fraud and that the Democratic candidate on that straight ballot had not received fair treatment, or his name would appear in the column with the others who had received the straight-ticket vote in that election?

Mr. CHIPERFIELD. Will the gentleman yield for a question?

Mr. WILLIAMS of Texas. I yield.

Mr. CHIPERFIELD. Does the gentleman understand that in the State of Illinois the election judges return the number of straight ballots cast?

Mr. WILLIAMS of Texas. I beg your pardon. That was not my statement. I said that the election law of Illinois provided that the three judges shall inspect and lay the straight ballots in packages of 10.

Mr. CHIPERFIELD. That is true.

Mr. WILLIAMS of Texas. That was my statement.

Mr. CHIPERFIELD. But in making the returns in the tally sheet that would not appear.

Mr. WILLIAMS of Texas. That does not apply to all tally sheets. I explained the tally sheet.

Mr. SCHAFER. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. SCHAFER. The gentleman indicated that there was prima facie evidence in the testimony adduced by this notary public, representing the Congress. Was that prima facie evidence sufficient to warrant the opening up of the ballots?

Mr. WILLIAMS of Texas. What more testimony does the gentleman want that there is fraud when in 1,611 straight Democratic tickets the contestant gets 316; and in 817 straight Republican votes the contestee gets 3,379. What more evidence of fraud does the gentleman want?

Mr. SCHAFER. I sat on the Elections Committee. From what you are just telling us it does not follow——

Mr. WILLIAMS of Texas. I am not going to enter into an argument with the gentleman.

Mr. SCHAFER. But prima facie evidence of fraud must be something more than the mere fact that a man runs behind his ticket.

Mr. WILLIAMS of Texas. Does the gentleman from Wisconsin mean to imply that the facts adduced in this case show there is no fraud?

Mr. SCHAFER. I want to know whether we are going to be faced with an election contest just because a candidate runs behind his ticket?

Mr. HOLADAY. Will the gentleman yield?

Mr. WILLIAMS of Texas. Certainly.

Mr. HOLADAY. What is the basis of the gentleman's statement that there were a certain number of straight tickets in any particular precinct?

Mr. WILLIAMS of Texas. The returns of the officers of the election.

Mr. HOLADAY. Does the gentleman understand that in Illinois the returns of the judges indicate how many straight ballots there were?

Mr. WILLIAMS of Texas. No.

Mr. HOLADAY. Then what is the basis of the gentleman's statement that there were certain numbers of straight ballots?

Mr. WILLIAMS of Texas. The record proves that.

Mr. HOLADAY. What record?

Mr. WILLIAMS of Texas. The record of this recount. In precinct 25 the record shows there were 62 straight ballots. The contestant received 12 votes and on the recount it developed that he received 62 votes in addition to 11 splits.

Mr. HOLADAY. As I understand the gentleman there is no evidence as to the number of straight ballots in any precinct except the report of the notary public appointed by Mr. Kunz.

Mr. KERR. May I answer that question?

Mr. WILLIAMS of Texas. Yes.

Mr. KERR. There is evidence in every return made by every election officer in this election on the tally sheets, showing those which were straight votes and those which were scratch votes.

Mr. HOLADAY. Does the gentleman understand the Illinois law to be that the returns of the judges indicate how many straight ballots there are?

Mr. WILLIAMS of Texas. I can not yield any further. The gentleman can address the House in his own time.

Mr. HOLADAY. The gentleman yielded to the gentleman from North Carolina to answer my question, and I was listening.

Mr. KERR. Let me answer the gentleman.

The SPEAKER pro tempore. Does the gentleman from Texas yield to the gentleman from North Carolina?

Mr. WILLIAMS of Texas. Yes.

Mr. KERR. I understand and assert that the returns made by the election officers show which were scratch votes and which were straight votes.

Mr. HOLADAY. As a Member from Illinois I am sorry that the chairman of the committee entirely misunderstands the Illinois law.

Mr. KERR. There is your tally sheet and the return made on it. Look at it.

Mr. WILLIAMS of Texas. I refuse to yield further. I will let the gentleman from Illinois address the House in his own time.

Mr. ARNOLD. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. ARNOLD. The gentleman from Illinois [Mr. HOLADAY] said there was nothing in the returns which would show what were straight ballots and what were mixed ballots. That is true so far as the judges' returns are concerned, but the tally sheets themselves show how many straight ballots and how many mixed ballots there are.

Mr. WILLIAMS of Texas. I understand that the tally sheets show that, and any man can see that if he can read.

Mr. HOLADAY. Show it to me.

Mr. WILLIAMS of Texas. Ten, twenty, thirty, and so on.

Mr. HOLADAY. That does not show it at all.

Mr. WILLIAMS of Texas. Certainly, it shows it.

Mr. MICHENER. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. MICHENER. The gentleman from Wisconsin said that this notary public had taken the evidence for Congress. I do not know anything about this case, but is there any law which permits a notary public to take evidence for the House?

Mr. WILLIAMS of Texas. That is the law of this House, passed in eighteen hundred and fifty something, and in the Sixty-eighth Congress, in an election contest, that right was recognized.

Mr. MICHENER. That may be recognized, but is there anything authorizing it?

Mr. WILLIAMS of Texas. The House recognized it when the Republicans were in the majority.

Mr. SCHAFER. Will the gentleman yield?

Mr. WILLIAMS of Texas. No. I will yield when I get through. I would like to explain this: In precinct 21 of the forty-seventh ward, the straight Democratic tickets were counted by the judges. The Democratic candidate for United States Senator received 320 votes, the Democratic candidate for Congressman at large received 270, Nesbit 269, and Kunz 51. The candidate for the Senate on the Republican ticket received 35 votes, Smith received 18, Yates 89, and Granata 307. There is no man of intelligence in the world but what will know there is something wrong with that return, and you can not defend it.

Mr. MICHENER. I have had worse than that in my district.

Mr. WILLIAMS of Texas. Not that discrepancy.

Mr. MICHENER. Yes.

Mr. WILLIAMS of Texas. All right; answer this question: Why is it that there is one of the election judges in jail for the limit of one year and about 20 of them under bond of $2,500 for fraud in this case? [Applause.] Answer that.

Mr. MICHENER. That is a different thing.

Mr. WILLIAMS of Texas. I know; it is very different.

Mr. MICHENER. But when a gentleman attempts to show that because an individual candidate——

Mr. BANKHEAD. Mr. Speaker, I rise to a point of order. The gentleman from Texas is entitled to yield to such gentlemen as he may desire, but when half a dozen gentlemen get up and point their hands at him it creates confusion in the House.

The SPEAKER pro tempore (Mr. JOHNSON of Texas). In order to avoid such confusion, the Chair would suggest that the gentlemen who desire the Member having the floor to yield, first address the Chair.

Mr. MILLARD. The gentleman asked if any Member on this side could answer his question, and several of us got up to answer.

Mr. WILLIAMS of Texas. I want to be courteous, but I can not cover this record and yield until I get through

with my statement. I shall then be glad to yield to any of the gentlemen.

In the minority report you will find the claim that the contestant objected to some 6,500 votes. The record shows that this recount began in the presence of representatives of both the contestant and the contestee, and there never was a minute that representatives of the contestee were not present.

With reference to the statement of the gentleman from Massachusetts [Mr. GIFFORD] about the ballot, there were only six boxes that had been opened, and they were opened in a contest over a judgeship, and the clerk of the commission swore—and it is in the record—that these ballot boxes were never out of his possession, and in the recount stated they were always under his supervision. The integrity of the ballot boxes at the time of this recount was not questioned, and that is one reason that I, as a member of the committee, do not care to go into them and recount them again, because their integrity may have been violated.

You understand that before this recount came they fought it out in the courts for nine months. They went to every court available in order to prevent a recount, and when Judge Jerecki gave them the order to recount, under the supervision of the commissioners, precinct 1, ward 20, gave contestant 2 votes and Granata 374. The recount gave the contestant 73 votes and Granata 229, or a gain of over 200 votes for the contestant.

Precinct 2, ward 20, gave contestant 57 votes and Granata 220, and a recount gave the contestant 72 votes and Granata 182, or a gain of 53 votes for the contestant. Understand that all of these were counted and the contestant was given credit for them by the recount and there was not a word of protest by the contestee.

Ward 20, precinct 3, gave Kunz 2 votes, Granata 351; and the recount gave Kunz 11 and Granata 279, a gain of 81 votes. Ward 20, precinct 5, gave Kunz 13 votes and Granata 245, and the recount gave Kunz 138 and Granata 199, or a gain for the contestant of 171 votes.

Ward 20, precinct 25, gave the contestant 3 votes and Granata 260, and the recount gave the contestant 15 and the contestee 228, or a gain of 46 votes.

Ward 25, precinct 1, the first count was Kunz 12, Granata 300; the recount gave Kunz 73 and Granata 229, or a gain of 132 votes.

It was developed in this count that 62 straight ballots that should have been credited to Kunz at that time—and the record will show that not until that time did the contestee question the validity of the ballots, but if you will look at the minority report, they are going to call your attention to the fact that he objected to 6,400 votes. There is one box where he objected to 11 more votes than were in the ballot box.

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. NELSON of Wisconsin. Will the gentleman yield for a question?

Mr. WILLIAMS of Texas. Yes.

Mr. NELSON of Wisconsin. Do I understand there was a recount of straight ballots?

Mr. WILLIAMS of Texas. Yes; and splits.

Mr. NELSON of Wisconsin. And both sides were present with their attorneys?

Mr. WILLIAMS of Texas. Yes.

Mr. NELSON of Wisconsin. Who did the recounting—who specifically did the counting?

Mr. WILLIAMS of Texas. It was under the supervision of the notary public selected by the contestant under the law.

Mr. NELSON of Wisconsin. And they went along and checked up the recount?

Mr. WILLIAMS of Texas. Yes. And after they counted eight or nine boxes, and it developed that the contestant was eight or nine hundred votes in the lead——

Mr. PARSONS. Was the notary public for the contestant and the contestee present?

Mr. WILLIAMS of Texas. All the time; and not only the notary public, and the contestant, and the contestee, but his brother and his friends; and they used every effort possible to prevent a count after it had reached the place where the contestant was gaining; they did everything in the world to intimidate and prevent the recount.

Now, let me give you another thing. In ward 43, precinct 27, the returns showed a straight Democratic ballot laid aside by the three judges. They were inspected by three judges, and they laid aside 200. Straight Democratic was 43. That is verified by the tally sheet. You can look at the tally sheet and see how many straight ballots were cast for both parties, and how many split. With 200 straight Democratic ballots the contestant received 27 votes. With 43 straight Republican ballots, the contestee received 270 votes.

The recount gave the contestant 195, and the contestee 83 votes, a gain for the contestant in one box in the eighth district of Chicago of 355 votes.

And then you talk about decency. This judge, who did the job, is serving a term in jail, the maximum penalty of one year, and there are 20 or more who are under bond for $2,500 for fraud they committed in this election.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. CHINDBLOM. Does the gentleman know that this judge of elections was not convicted of any fraud in this district, but in another district.

Mr. WILLIAMS of Texas. Then the record is wrong. But I am not going to get into a colloquy with the gentleman. I hope that the gentleman from Texas is just as anxious to do the right thing as is the gentleman from Illinois.

Mr. CHINDBLOM. I have no doubt of that.

Mr. WILLIAMS of Texas. I want to do the right and proper thing, but I say that any congressional district that would permit the irregularities and frauds and corruption that was evidently committed in the eighth district, according to this record, ought not to be defended.

Mr. CHINDBLOM. Will the gentleman yield further?

Mr. WILLIAMS of Texas. Yes.

Mr. CHINDBLOM. I want to say to the gentleman that I was in San Antonio and saw the thievery, and the results that were achieved there by the judicial officers.

Mr. ALLGOOD. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. ALLGOOD. Under the law of Illinois, are not the judges both Democrats and Republicans?

Mr. WILLIAMS of Texas. Yes; and the law says that every one of the straight tickets must be inspected by the judges.

Mr. DE PRIEST. Will the gentleman yield?

Mr. WILLIAMS of Texas. Yes.

Mr. DE PRIEST. Does the gentleman realize the fact that the judges, both Democrats and Republicans, of this election were appointed in a Democratic county?

Mr. WILLIAMS of Texas. That is the trouble.

Mr. DE PRIEST. And when he says these judges inspected the ballots, they would not incriminate themselves?

Mr. WILLIAMS of Texas. The record shows that they did it. I will not argue further. I call attention to this, that with 11 precincts, and with 1,611 straight Democratic tickets, the contestant received 316 votes. In the same boxes at the same time, on Republican straight ballots, the contestee received 3,379 votes. The returns on those boxes show that the contestant was elected by the voters in the eighth congressional district of Illinois. Gentlemen talk about precedent. If this House does not by its vote say to the eighth district of Illinois that we expect them to hold an election that is decent; that we expect them to hold an election that is fair; that when you send a Representative to Congress we know that he has been elected honestly, the time is coming when that district will not be allotted a Representative until they clean house.

I thank you. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield 15 minutes to the gentleman from Pennsylvania [Mr. ESTEP].

Mr. PARKS. Mr. Speaker, I make the point of order that there is no quorum present. This is a very important matter, going to the foundation of the Republic, and I think we ought to have a quorum present.

The SPEAKER pro tempore (Mr. JOHNSON of Texas). The gentleman from Arkansas makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 44]

Abernethy	Curry	Kurtz	Pratt, Ruth
Aldrich	Darrow	Kvale	Purnell
Andrew, Mass.	Dieterich	Lambertson	Reid, Ill.
Bacharach	Doughton	Lamneck	Romjue
Bacon	Douglas, Ariz.	Lankford, Ga.	Sanders, N. Y.
Baldrige	Drewry	Larrabee	Schneider
Beck	Englebright	Larsen	Shreve
Beedy	Foss	Lea	Snell
Beers	Freeman	Lewis	Steagall
Bolleau	Garber	Lindsay	Stokes
Brand, Ohio	Gillen	Lovette	Strong, Pa.
Britten	Golder	Lozier	Sullivan, Pa.
Brumm	Greenwood	McFadden	Taylor, Colo.
Burdick	Hall, Ill.	McSwain	Taylor, Tenn.
Campbell, Pa.	Harlan	Maas	Tucker
Carden	Hawley	Magrady	Turpin
Carter, Calif.	Hogg, Ind.	Martin, Mass.	Weeks
Chapman	Hull, Morton D.	Montet	Welsh, Pa.
Clancy	Hull, William E.	Murphy	West
Cochran, Pa.	Igoe	Nelson, Wis.	Wolfenden
Cole, Iowa	Jacobsen	Nolan	Wolverton
Collier	Johnson, Ill.	Owen	Wood, Ga.
Connery	Johnson, Okla.	Patman	Woodruff
Cooke	Johnson, Wash.	Perkins	Woodrum
Crisp	Kading	Pratt, Harcourt J.	

The SPEAKER pro tempore. Three hundred and thirty-two Members have answered to their names, a quorum.

Mr. RAINEY. Mr. Speaker, I move to dispense the further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. ESTEP] is recognized for 15 minutes.

Mr. ESTEP. Mr. Speaker, I suggest that the call of the House simply increased the noise in the House rather than the number of Members present.

In connection with the matter at issue I want first to say that the report filed by the majority Members of this Elections Committee is the weakest and the most unconvincing document that was ever filed in a case where the result of its adoption will be the unseating of a Member of this august body. It is simply the report of a notary public by the name of Hoffman, appointed by Mr. Kunz, who held an alleged recount, who appointed the tabulators, who appointed the counters, who appointed the talliers, and this committee adopted the report submitted by this man Hoffman, and is now asking this House to accept it and unseat Mr. Granata by reason of that report. I am not going to argue the questions of law in so far as the power of a notary public goes, but I give you the fundamentals of what his power usually is, as recognized by any lawyer and as recognized by the laws of any State, and that is the power to take affidavits, the power to take acknowledgments, and the power to take depositions, either by way of questions and answers or by a continuous statement made by the affiant, and signed by the affiant at the end thereof; and I challenge any man in this House or any member of the majority of the committee to find one place in this record where there is a deposition made by anyone, and I challenge any member of this committee to show me where anyone was sworn——

Mr. WILLIAMS of Texas. Mr. Speaker, will the gentleman yield?

Mr. ESTEP. No. As I say, I challenge any member of this committee to show me where anyone was sworn, except the carriers and the tabulators who were taking charge of this alleged recount. The law and precedent as laid down by this House for years and years is plain. First, where one wants to contest the election of another Member he files a petition with this House. In that petition he sets out certain allegations or statements of fact to sustain his contention that he is entitled to the seat, and upon the appointment of a notary public by him, which is authorized under the law for the purposes I have already stated, depositions are to be taken and evidence produced. For what purpose? To show to this House that there are certain grounds verified by the depositions and evidence that would warrant this House in taking an interest in the question as to whether there was some reason for his contest. Mr. Kunz on the 9th day of December, 1930, the election having been held on November 4, 1930, filed a petition with this House, and in that petition he alleged certain things in connection with the conduct of that election. I briefly give you one of the allegations:

That threats were made by gangsters, that they would make meat of the judges and clerks, that offers of money were made in great numbers of instances, that threats of violence were made.

That is one of the allegations made in Mr. Kunz's petition, and I challenge anyone to read this whole record, which is the most deplorable record I was ever called upon to read—and I trust no one in this House will ever have the misfortune to have to read a similar one. I challenge any man to find in that record one iota of testimony taken by the notary public to sustain the contention of Mr. KUNZ. I challenge any Member to find in that record where any evidence was taken by the notary public on behalf of Mr. Kunz to sustain any of the allegations in his petition. What else did he allege? He alleged that he did not receive certain straight ballots that were alleged to have been cast in that election. What are his grounds for so alleging? Because Senator J. HAMILTON LEWIS had received a tremendous vote in certain districts, and the ballots were counted by the elections boards as having been straight ballots. There is a law in Illinois that provides that you can mark a straight ballot in the circle either of the Democratic Party or of the Republican Party, and then you can go over into the column of the party opposite to the one you marked as a straight ballot and there mark for certain individuals or one individual. It appears in parts of the record that where there was a cross in the circle indicating a straight ballot, and then there was a cross opposite Mr. Granata's name, if the straight ballot happened to be marked as a Democratic ballot, that those ballots were set aside as straight ballots to save complications and not put over where there were numerous split ballots.

In so far as all of the other candidates were concerned, Senator LEWIS, Mrs. McCormick, and the rest of the candidates at the head of the ticket, they were counted as straight ballots, but in going through them afterwards for the purpose of checking up the single instances, where they wanted to vote for a candidate in another party column, they then marked those up separately and, therefore, they appeared on the return of the election board as straight ballots when, in fact, they were not straight ballots, because Granata had a vote on each one of them. When the gentleman from Texas [Mr. WILLIAMS] was reading from the report, which he undertook to make you believe was an authentic record of the situation which existed in September——

Mr. WILLIAMS of Texas. Will the gentleman yield?

Mr. ESTEP. Yes.

Mr. WILLIAMS of Texas. Was not that proven by the return of the recount?

Mr. ESTEP. The return of Mr. Hoffman, yes; and I am going to get to Mr. Hoffman a little later.

Mr. WILLIAMS of Texas. The recount proved it.

Mr. ESTEP. But where was the recount? There was no recount as provided in any law.

Mr. WILLIAMS of Texas. Did not Mr. Hoffman have authority to recount those ballots?

Mr. ESTEP. I can not yield further but will get to that a little later. That is the explanation as it appears in the RECORD as to how the vote for Granata was checked up. Suppose, for instance, in a certain district Senator LEWIS received 300 straight ballots. They called them straight ballots because on those particular ballots there was only

one cross. Then they went through them and found that Mr. Granata may have had 200 crosses opposite his name on the ballots that were called straight ballots. So far as the record shows there was no fraud; there was no cheating in those cases; it was merely a matter of whether the election board used good judgment in setting aside these ballots in the manner they did set them aside.

This House for years and years has sustained certain well-known and defined precedents. It has already been referred to, that when the Republican Party had a majority of 100 in this House a Republican election committee, because the contestant in his case had not pursued his rights within the time stated by the law, refused to consider him and placed the Democrat in his seat or, at least, retained the Democrat in his seat. That occurred on two occasions, once in the Sabath case and once in the case of Mr. Kunz himself, where a man by the name of Parillo was contesting his election, and it comes with poor grace from the Elections Committee of the Democratic majority to now undertake to upset the very precedent relied on to seat Mr. Kunz, the present contestant.

One can not in the time allotted in cases like this even begin to cover the matters that are important, but I want to pay my respects now to the notary public in this case and to give to the House an idea, and each Member of the House an idea as to how, in the event he is defeated for Congress, he can start a contest. He can appoint his own notary public, have that notary public appoint men who will recount the ballots 10 months after the election, and then seat him.

It is good advice now, because all of us may need it at some future date.

After Mr. Kunz filed his petition, without ever having sustained any allegation in it by testimony or depositions, Mr. Granata, on the 6th day of January, 1931, filed his answer. Under the law Mr. Kunz should have taken his testimony within 40 days from that date. It has been sustained time and time again by committees of this House that that is the law. What did Mr. Kunz do? Not once did he undertake to subpœna witnesses for the purpose of giving any testimony to sustain his petition. He had only one desire and one thought, and that was, "I want my notary public to get hold of those ballots. I want my notary public to count those ballots with my assistance and the assistance of other men that I will appoint or recommend to him." He struggled from January, 1931, until September, 1931, or a period of nine months, until he finally got his grasp on those ballots.

Now, they say Mr. Granata had a notary public there. Well, let me read from page 50 of the record and find out what position Mr. Granata's notary public held with reference to this so-called recount. Mr. Hoffman, Mr. Kunz's notary, said:

> We have a lot of matters in the record that should not have been said. Why not proceed orderly?

Mr. Libonati, attorney for Mr. Granata, said:

> Why do you not conduct it orderly in conjunction with this notary?

Meaning Mr. Euzzino, the notary that Mr. Granata had appointed. Mr. Hoffman said:

> I am not recognising that notary; he can not certify the record.

On page 50 Mr. Kunz's notary public said:

> I am not recognising Mr. Granata's notary; he has nothing to do with this case.

Despite all of that, the majority Members say that Mr. Granata was represented in that so-called recount.

I say to you that the recount was not held under the jurisdiction of the election commissioners of Chicago, as has been intimated by certain men on the majority side of the committee. Here is a telegram from Judge Jarecki, dated March 11——

Mr. KERR. Will the gentleman yield?

Mr. ESTEP. Yes.

Mr. KERR. Will the gentleman state that this telegram is not a part of the case?

Mr. ESTEP. I was going to state that it was received on March 11, 1932, and I assumed that when I mentioned the date of the telegram all of the Members of this House would know it was not in the record that was closed back in October, 1931. This is the telegram received from Judge Jarecki, who was ex officio head of this election commission:

> Neither the board of election commissioners nor myself conducted the recount in the Kunz v. Granata election contest. We gave services and made suggestions to either side when we were asked to do so.

I do not depend entirely on this telegram, because in the record, at page 241, Judge Jarecki said:

> I am here only as a spectator. I have nothing to do with this.

Then the court said, Judge Jarecki still speaking, at page 107:

> Yes; we are not even going to count them. You will have to have your own counters and tellers. This is not our contest. The only thing is we are custodians of these ballots and we let you take them. When we say "we," I mean the election commissioners and all the employees down there.

This appears on page 107 of the record and sustains my statement that this recount was held not by the election commissioners of the city of Chicago, not by any judge or any court, but by a notary public appointed by Mr. Kunz, and a notary public who was a Republican and a precinct committeeman in Mr. Kunz's own district.

Mr. KERR. May I interrupt the gentleman?

Mr. ESTEP. Yes.

Mr. KERR. Tell the House why Mr. Euzzino, your notary public, did not take evidence in this case and return it to this House, if you do not want this House to believe Mr. Hoffman's return.

Mr. ESTEP. I will tell you why he did not. It was because the time was up, and Mr. Hoffman had no jurisdiction, really, at any time to hold the recount.

Mr. KERR. The gentleman is a lawyer, is he not?

Mr. ESTEP. Yes.

Mr. KERR. Does not the gentleman know that you can not count against either one of them the time that this case was in court?

Mr. ESTEP. No; I do not know that. That is where the gentleman and I disagree about our understanding of the law, and I believe I am perfectly able to understand it as well as the gentleman from North Carolina.

Mr. O'CONNOR. Will the gentleman yield for a moment?

Mr. ESTEP. Certainly.

Mr. O'CONNOR. The gentleman undoubtedly knows that in the Sixty-eighth Congress, in the Ansorge-Weller contest, Ansorge appointed a notary from his own office, a clerk in his own office, and that was sustained by the Federal court. That notary counted 70,000 ballots and returned the results to that Congress. Surely that precedent is established with respect to the notary in such cases, and the fact he is connected with the contestant does not give ground for interference by the courts.

Mr. ESTEP. There are decisions that dispute the right of the notary to count the ballots. There are cases that hold that ballots are not "papers" in the sense that they can be subpœnaed by the notary public, and in the minority views filed in this case those cases are set out. I am not going to burden the RECORD by reading them or arguing them, because they are in the minority report, and anybody who wants to read them can find the precedents and the cases that have so held.

In the case from Illinois, where Mr. RAINEY was one of the lawyers, the Rinaker-Downing case, the judge there issued an injunction against the counting of the ballots, apparently on the theory they were not "papers" in the sense that the notary public had the right to subpœna them.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. ESTEP. Yes.

Mr. WHITTINGTON. Do I understand the gentleman to say that Mr. Granata's notary did not file a report because it was too late?

Mr. ESTEP. I said that Mr. Granata's notary having been informed, as I have already stated and as the record shows on page 50, that he was not to be recognized, that nothing he did or said was going to be recognized by Mr. Hoffman, had no power during this recount, and there is a report filed by Mr. Granata's notary public.

Mr. WHITTINGTON. And what does that report indicate as to the actual count of the ballots or the accuracy of the count of the ballots?

Mr. ESTEP. He sustains the original count of the election board of the city of Chicago.

Mr. CHIPERFIELD. Will the gentleman yield?

Mr. ESTEP. Yes.

Mr. CHIPERFIELD. Does not the record show that the contestant's notary said to the contestee's representative, "You are only a spectator; you have no part in this proceeding"?

Mr. ESTEP. Absolutely; as I have already quoted from page 50 of the record.

Now, let me go a little farther in connection with the ballots in this case.

Let us assume, for the purpose of the argument, that the notary public had the right to count these ballots. Let us assume that the notary public was an honest man and desired only one thing, namely, an honest count of the ballots.

Under the facts shown in this record was the integrity of those ballots so preserved that when they were counted 9 or 10 months after the election, the notary's return ought to be taken as indicating the true state of those ballots on November 4 when they were counted by the election boards in the eighth congressional district?

I say that any man who reads this record would hesitate to ever have his seat put in jeopardy by having ballots counted whose integrity was as much in doubt as this record shows these ballots to have been.

Mr. WILLIAMS of Texas. Is it not the contention of the minority that these ballots, six or nine months after, be brought here and this committee count them again?

Mr. ESTEP. No. That is not my contention. I say that the integrity of the ballots has been destroyed. That is the contention of the gentleman from Iowa.

Now, let me say this: On page 472 of the record it shows some of the ballots were stored in a warehouse owned by Werner Bros., not in the vaults of the commissioner, but in this warehouse, wrapped up in brown paper and tied with cord.

Mr. WILLIAMS of Texas. The record shows that those were ballots not voted.

Mr. ESTEP. On page 292 of the record there is a statement by Commissioner Hoffman:

> Let the record show that the second precinct, twenty-seventh ward, in the poll books as indicated, votes cast in this precinct, 442 votes; a difference between the number in the box, which is 139, and the poll books—a difference of 303 ballots, which are unaccounted for. Mr. Rusch, will you produce any other ballots you may have in this precinct and also the tally sheet and all other papers in connection with the same?

Mr. WILLIAMS of Texas. Who carried the precinct by an overwhelming majority?

Mr. ESTEP. I do not know who carried it by an overwhelming majority; I am talking about the integrity of the ballot. You have got your figures all mixed up. Where were the 303 ballots that afterwards appear in the record as being counted? In all probability they were in Werner Bros.' warehouse wrapped up in brown paper and tied with a cord. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield 15 minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Speaker and Members of the House, each and every one of the membership of this House to-day is sitting in this matter as a judge of the law and the trier of the facts. It should be the purpose of each and every one of us, it seems to me, to so develop and apply these facts, which are now well established, and to decide this case only upon the basis of right and justice.

I am very happy to say that upon a review of many cases in the House of Representatives, that it is to the eternal credit of each side of the House that they have frequently risen above narrow partisanship and on a number of occasions have seated a member of the opposition where it was in a minority where such action appeared right and just.

I want to devote myself to but one aspect of this case; that is, from what sources of evidence should it be established whether the contestant or the contestee is entitled to a seat in this House.

First, I want to assert that there are only two sources to which you can look and from which a decision can be made in this matter, only two sources of evidence that you have any right to consider. One class of evidence is the election return as made by the judges of election in the various precincts at the time of the election and at a time when the result of the general election could not be known and when there was little incentive to fraud.

I do not claim that of necessity such return is the highest form of evidence. The other source to which you may look is the ballots that were cast at the election, provided—and I will make the matter so plain that nobody will doubt the authority—that it is shown by the contestant by proper and competent proof that the ballots have been so preserved and protected that they remain the best evidence of the fact sought to be proved. [Applause.]

Here is the difficulty from a legal standpoint. You are apt to think—those who are in the laity, particularly, and many of us of the profession who have not looked into the subject—that you may take evidence where you find it and establish the right of a contestant to a seat in this House by any kind of evidence, whether competent or incompetent. Such is not the law. The law is very plain that you must take the class of evidence that is approved by the decisions of the courts and of this House.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. CHIPERFIELD. I prefer the gentleman would wait; but if it is of any particular point now, I yield.

Mr. ARNOLD. Does the gentleman mean to tell us that the tally sheets that were made at the time the votes were counted originally are not evidence as to the result of the votes cast at that election?

Mr. CHIPERFIELD. I mean to say that the tally sheets and the certificates of the judges and clerks constitute the returns. There is no question about that. They are made by the very official gentlemen who are eulogized by the gentleman from Texas [Mr. WILLIAMS] as in this case doing this fairly and correctly. I do not mean to be discourteous; but as my time is very short and I want to get along with what I have in mind, so I would prefer not to yield just now. I call attention that it is required by the statute law of the State of Illinois—and I say without any boasting that I have been in many election contests in that State—that ballots shall be preserved as follows:

CHAPTER 46

PAR. 60.—Ballots strung and returned—Sale—When destroyed.—Sec. 59: All the ballots counted by the judges of election shall, after being read, be strung upon a strong thread or twine, in the order in which they have been read, and shall then be carefully enveloped and sealed up by the judges, who shall direct the same to the officer to whom by law they are required to return the poll books, and shall be delivered, together with the poll books, to such officer, who shall carefully preserve said ballots for six months, and at the expiration of that time said clerk shall remove the same from original package and grind and shall sell the same, together with all reserve and unused ballots, to the highest and best bidder for cash in hand paid and deposit the proceeds in the city treasury, county treasury, or treasury of the municipality or other subdivision of the State which paid for such ballots: *Provided*, If any contest of election shall be pending at such time in which such ballots may be required as evidence, the same shall not be disposed of or sold until after such contest is finally determined.

PAR. 63.—Returns—Triplicate series—To county and town clerk and secretary of state.—Sec. 62: One of the lists of voters, with such certificate written thereon, and one of the tally papers footed up so as to show the correct number of votes cast for each person voted for, shall be carefully enveloped and sealed up and put into the hands of one of the judges of election, who shall, within 24 hours thereafter, deliver the same to the county clerk

or his deputy, at the office of said county clerk, who shall safely keep the same. Another of the lists of voters, with such certificate written thereon, and another of the tally papers footed up as aforesaid, shall be carefully enveloped and sealed up and duly directed to the secretary of state and by another of the judges of election deposited in the nearest post office within six hours after the completion of the canvass of the votes cast at such election, which poll book and tally list shall be filed and kept by the secretary of state for one year, and certified copies thereof shall be evidence in all courts, proceedings, and election contests. Another of the lists of voters, with such certificates written thereon, and another of the tally papers footed as aforesaid, shall be carefully enveloped and sealed up and delivered by the third one of the judges without delay, in counties under township organization, to the town clerk of the town in which the district may be; and in counties not under township organization they shall be retained by one of the judges of election and safely kept by said town clerk or judge for the use and inspection of the voters of such district until the next general election. Before said returns are sealed up as aforesaid the judges shall compare said tally papers, footings, and certificates and see that they are correct and duplicates of each other, and certify to the correctness of the same: *Provided*, That the lists of voters and tally papers required by this act to be forwarded to the secretary of state shall be transmitted in envelopes furnished to the various county clerks by the secretary of state for that purpose. Said envelopes shall bear the name and address of the secretary of state printed in plain, legible type, together with a blank form printed in convenient shape for designating the county and voting precinct or district where it is to be used, and also the words "poll book and tally list only" and the date of the election for which they are to be used. Said envelopes, printed as aforesaid, shall be forwarded by the secretary of state to the various county clerks in the same manner in which registration books are now sent and in ample time for each general election. And it shall be the duty of the county clerk of each county, upon receipt of said envelopes, to properly fill out the blank form on one copy of same for each voting precinct or district in his county, according to the list of precincts forwarded by him in pursuance of law, to the office of the secretary of state. Said county clerks shall attach to each of said envelopes sufficient stamps to fully prepay the postage on the list of voters and tally papers which it is to contain. Said envelopes, properly filled out and stamped as aforesaid, shall be distributed by the various county clerks to the election officers entitled to receive them, together with their regular quota of other election supplies.

(Revised Statutes of Illinois, ch. 46, pars. 60 and 63.)

It is required that they shall be sealed up securely in an envelope and then shall be returned to the proper authorities. Unless these requirements have been complied with, I maintain that under the law of the State of Illinois and the decisions of this House that there is no such preservation of ballots as entitle them to be received as evidence for the purpose of overturning the official returns. I shall quote to you the authority in just a moment. Indeed, Mr. Speaker, you have to follow these ballots when they are offered as evidence in a court in the State of Illinois from the precinct and show that they were delivered by one of the judges or clerks to the election officials for preservation, and show that they were in the same state when they were delivered as when they left the hands of the voting officials. I have nothing but kind words to say of Mr. Rusch, but it is very apparent that his testimony is merely perfunctory, and it is equally apparent from the evidence in this case that rarely in the history of the State of Illinois have ballots been so improperly and wrongfully and carelessly and negligently handled as the ballots that are now before this House for its decision.

I call attention to the case of Eggers *v.* Fox (177 Ill. 185), and I shall read only a few lines from the decision of our Supreme Court. I was in that case and I am thoroughly familiar with it. Here is what the court said:

There is no evidence here, it is true, that the ballots were meddled with by unauthorized parties, but they were left in the town hall from Tuesday night until Thursday in an exposed condition, where they might have been reached and tampered with. Under such circumstances we are of opinion that before the ballots could be used to impeach the returns as shown by the poll books, it devolved upon the appellant to prove that the ballots were not changed or tampered with before they were delivered to the custodian on the second day after the election.

In other words, that you have to follow them from the original polling place, and the duty devolves upon the appellant, who was the contestant in that case. Such is the plain burden resting upon the contestant in this case.

In the case of Dennison *v.* Astle (281 Ill. 442), a recent decision, the court says:

The burden was upon the appellant to show that the ballots had been kept intact as required by the statute and preserved in such a way that there was no reasonable opportunity to tamper with them, otherwise they can not overcome the returns.

Just one further short quotation:

The statute requires that when the ballots are strung they shall be inclosed in a secure canvas covering, securely tied and sealed with sufficient impression wax seals in such a manner that they can not be tampered with without breaking the seals. This provision of the statute was not followed, and consequently it was possible for any one to remove the seals and replace them with like seals and sealing wax before the box had been opened and again closed. It was not incumbent upon the appellee to show that the ballots had been tampered with, but it was incumbent upon the contestant to show clearly that the ballots had been kept intact in such a condition as when counted and preserved without opportunity of interference with them. The evidence offered in behalf of the appellant was not sufficient to show the situation and the ballots were not competent as evidence.

That is a ruling of the Supreme Court of Illinois, and such is the holding of the House of Representatives in the matter of Wallace against McKinley in the Forty-eighth Congress. That plainly is the law. There are only two sources, as I have said, to which you can look. What is the evidence in this case? Never, in my opinion, in any case that came from Cook County or elsewhere was there such an improper handling of the ballots subsequent to the election. There is no evidence showing that they were delivered to the commissioners in the same condition in which they left the judges of election, and the evidence clearly shows that part of these ballots were used in a contest between two of the judges of Cook County, that they were then placed upon tables, that they were used and counted, with every opportunity to mark and interfere, as to the office here involved, with them if anyone was so disposed. Not only that, but when those ballots came from the election office to the notary, a notary who was admittedly partisan, the boxes had been broken open, the ends were caved in, they were brought by messengers from a distance, the ballots were tied up with old cord, and they were not in a canvas sack or in any way protected. Every opportunity imaginable prevailed for tampering with these ballots, had that been desired. Gentlemen, I say to you in all candor and with a full realization of the responsibility of the remark I make that none of us would hang a yellow dog on the evidence that was produced from these ballot boxes, taking into consideration the opportunity for this interference and tampering that existed here. [Applause.]

Let us further consider the situation. Here is a notary representing the contestant; there are from 5 to 10 tables, with people sitting around these tables with pencils, and the ballots are being counted by persons wholly unauthorized to do so; the attention of the notary is called to the fact that there is a mob of men surging around these tables and interfering with the situation. Was there opportunity for interference? The record in this case plainly shows that there was. But that is not what has to be established by the contestee, my friends; it has to be established by the contestant from the evidence in this case to the satisfaction of every gentlemen in this House, both Republican and Democrat, on his conscience, on his oath as a Member of this House, so that he can say that the evidence shows there was no opportunity to tamper with these ballots. Otherwise they can not overcome the returns and are not proper evidence.

It would be a terrible thing for those who were engaged in the conduct of that election, picked up as they were from the various walks of life, to ignore the law and seek to pervert the fact; but it would be ten times as great a crime for us to here lay aside the law wilfully to serve partisan ends; and I have too much regard for both sides of this House to believe that that was done.

If time permitted, I could cite many instances where there was other opportunity than I have referred for interference with these ballots. I could call your attention to the fact that when they opened the boxes the number of ballots did not match the names on the poll sheets, and it was necessary to search and find and bring in from private

places of storage ballots that could have been marked many times for the purpose of aiding the contestant in this case. Again I say it is not incumbent upon the contestee to show that this was done, but under the decisions of the court and under the case I have cited of the Congress of the United States it must be shown by the contestant that these ballots were so handled that the opportunity to improperly change and alter did not exist; and unless that is shown from the evidence of the contestant that the returns prevail. Has that been shown? I would not stultify myself or belittle the intelligence of any gentleman in this House as to imagine that there is a single Member so credulous as to say that such a contention has been established.

You gentleman are the triers of the fate of this man. Some day some man upon one side or the other of the House may be called upon to stand trial himself in a contest of his seat; and when the question is asked him, as it is sometimes in other places, "How will you be tried?" let him answer, "I will be tried by the law of the land."

If the law of the land does not justify the removal of Representative Granata by saying that the ballots are better evidence than the return, then a lesser wrong would be done by retaining him his seat in this body to which he has aspired and to which the returns have shown him to be entitled, than to attempt his removal by a resort to improper evidence that has been condemned by the courts and the decisions of this House. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Speaker, the only question that we are to settle in a short time is whether or not Mr. Granata, who was certified by the duly constituted authorities in Illinois to be elected from the eighth district of Illinois, is entitled to retain his seat.

For many years contested election cases in the House of Representatives were decided not upon their merits nor upon the law and the facts, but from purely partisan considerations; and the way the matter was decided by those in power became a public scandal. This is the only type of case where this House sits as a judicial body; and if there ever was a type of case that should be decided solely upon merit, it is a contested election case.

When I came here 17 years ago, intensely interested in this matter of contested elections and the law of elections, I asked to go on the Committee on Elections. The second Congress that I was on the Committee on Elections was a Democratic Congress. I was on the Committee on Elections No. 1, composed of six Democrats and three Republicans. The chairman of that committee was Hon. Riley Wilson of Louisiana, than whom no fairer or more impartial Member ever sat in this House. He was of the same opinion as myself, that these cases ought to be decided solely upon their merits. The Democratic majority in the House of Representatives was only two, and yet in two closely contested cases our committee composed of six Democrats and three Republicans unanimously decided in favor of the Republican—in one case, that of Steele against Scott, in favor of the sitting Member; and in the other case that of Wickersham against Sulzer, the Democratic sitting Member was unseated. In both of these cases, in spite of all efforts on the part of Democratic Party leaders, the Hon. Riley Wilson stood firm, the reports were submitted to the House, and the House sustained the committee.

In the next Congress, the sixty-seventh, when there was a change in the political complexion of the House, I had the honor to be chairman of the Committee on Elections No. 1. We had two cases, both from Missouri: Earl against Major and Bogey against Hawes.

Our committee, composed of six Republicans and three Democrats, unanimously decided in favor of the Democratic sitting Members. In the next Congress, the sixty-seventh, I was again chairman of the committee when, strange to say, there came before us the case of Dan Parillo against Stanley Kunz from the eighth district of Illinois.

In order to expedite these contested election cases, and to do away with the scandal of having two men draw congressional salaries for a year, and sometimes two years, Congress enacted wise legislation and provided that 40 days should be allowed to the contestant to present his testimony, and 40 days to the contestee. In the case of Parillo against Kunz, from this same district, our committee, composed of six Republicans and three Democrats, found that the time had been extended by stipulation of the parties until almost six months had expired, and we found unanimously that the law of Congress had been ignored and that Mr. Parillo was entitled to no consideration, and we brought in a unanimous report allowing Mr. Kunz to keep his seat. [Applause.] I do not want gentlemen on the Democratic side to forget that this is the same district and the same man.

Now, this case is exactly the same, with this exception: There was a stipulation of both parties extending the time for taking testimony, but in this case Mr. Granata's counsel protested from the beginning that the ballot boxes should not be opened, but should be kept inviolate and sent to Congress to be counted by the Committee on Elections. However, the time was repeatedly extended, against his protest, until eight months had expired, and the law passed by Congress absolutely ignored. Upon those facts, no testimony having been taken, not a word of testimony to corroborate the charges set forth in the notice of the contestant, for almost eight months the law was ignored, and upon the strength of the Parillo-Kunz case and all the other precedents this contestant is entitled to no consideration, and the committee, now composed of six Democrats and three Republicans, in view of the precedents, and of the law and facts, should have brought in a unanimous report to the effect that Mr. Granata is entitled to his seat. [Applause.]

I appeal to the Democratic side of the House to be good sports, to be as fair to the Republican side when you are in the majority as we were to you when we were in the majority and you were in the minority.

Now, Mr. Speaker, the next question is about this alleged recount. Some States have a State law—we have in Massachusetts—by which votes can be recounted in a congressional election. Illinois has no such law.

It has been stated here that the contestee objected to these ballots being counted by the notary public. He was justified in that, because that is the law of the State of Illinois.

In 1928, in the case of Major against Ramey, an original writ of mandamus was brought in the Supreme Court of Illinois to have the ballots brought before a notary, as in this case, but the Supreme Court of Illinois refused, and said, in substance, that the only tribunal competent or empowered to recount ballots in a congressional election was the Congress of the United States. In this case Mr. Granata, through his counsel, objected to the ballot boxes being opened, and demanded that they should be sent to Congress in order that a committee of Congress might count the ballots. But he was overruled, and, contrary to the law of Illinois, this recount, irregular and illegal, was held.

Now, what are the precedents of Congress in regard to that?

Mr. KERR. Will the gentleman yield?

Mr. DALLINGER. I regret, but I can not yield. Fortunately, we have a case in the city of Chicago which is on all fours with this case. It was a case which affected another one of our colleagues—Mr. SABATH—the case of Gartenstein against SABATH, in the Sixty-seventh Congress, where the same thing occurred that occurred in this case. Mr. Gartenstein, the Republican contestant, contended that a recount held before a notary public, as in this case, showed that he was elected. But what did the Committee on Elections of this House, composed of six Republicans and three Democrats, do? According to the precedents, they decided that such a recount was absolutely irregular and absolutely ignored it, and by unanimous vote reported that Mr. SABATH, the sitting Democratic Member, was entitled to his seat.

Now, my friends, the issue here is simply whether you are going to follow the precedents.

Mr. KERR. If the gentleman will yield, I will give him two additional minutes.

Mr. DALLINGER. I yield.

Mr. KERR. The gentleman said that the Gartenstein-Sabath case was on all fours with this case.

Mr. DALLINGER. Certainly.

Mr. KERR. Does not the gentleman know that in that case the reason they seated the contestee was that Congress itself said that only half of the votes had been recounted and therefore they could not tell who was elected? The gentleman ought to know that.

Mr. DALLINGER. I know all about it because I have studied every one of these election cases. This is what the committee said on page 12 of the report:

> No attempt was made by contestant to offer these ballots to be canvassed by the committee, but contestant seeks in this case to overthrow the official canvass of the votes by the legally constituted election boards by calling a witness to go through the ballots and report the tally to the commissioners selected by contestant to take testimony.

That was exactly what happened in this case, and that case was absolutely on all fours with this case. [Applause.]

Mr. KERR. May I interrupt the gentleman?

Mr. DALLINGER. Certainly.

Mr. KERR. Was not the decision of the House upon this point, that the reason they seated the contestee was that there were only half of the ballot boxes opened and counted, so that they could not tell who was elected?

Mr. DALLINGER. That is exactly the case here. If the gentleman has read the record, he will find instance after instance where Mr. Granata's attorney objected to a recount of these ballots by a notary public because from 100 to 600 ballots were found to be missing out of various ballot boxes. [Applause.]

Mr. Speaker and gentlemen of the House, think of calling what took place here a valid recount. I ask gentlemen who come from States where they have a provision for a recount by election commissioners to think of having the returns of the regularly constituted authorities overthrown by a recount held before a notary public, picked out and chosen by the contestant, the said notary public being the sole judge in every instance as to whether a ballot should be counted for Kunz or whether it should be counted for Granata.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DALLINGER. Yes.

Mr. O'CONNOR. That is what happened in the Ansorge-Weller case. The notary counted 70,000 ballots, reported to this House, and the committee took that count.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DALLINGER. Yes.

Mr. CHINDBLOM. That was by agreement. I have the case right here. In the Ansorge against Weller case it was by agreement of the parties, and they came back to the House to have all the disputed ballots brought down here, and we passed a resolution in the House authorizing the disputed ballots to be brought down here, and after they had been counted, the committee reported.

Mr. O'CONNOR. I am not talking about disputed ballots or about bringing them here, because that is another subject entirely. I say that Ansorge appointed a notary in his office and that not only did Weller not consent to it, but he went into the Federal court to enjoin it.

Mr. CHINDBLOM. And the report of the committee shows that the count was by the parties and by their attorneys and by agreement.

Mr. O'CONNOR. Of course, they have to have a lot of people sitting around the table counting the ballots, because one man could not do it all.

Mr. DALLINGER. And I want to tell the gentleman from New York that I happened to be chairman of the committee in the Ansorge case, and we unanimously brought in a report in favor of the Democratic sitting Member, Mr. Weller.

Mr. LINTHICUM. Will the gentleman tell us about the case of Tom Harrison, who was unseated by the Republicans some years ago?

Mr. DALLINGER. That is an entirely different case.

Mr. WILLIAMS of Texas. I would like to advise the gentleman that if the records had proved that Mr. Granata was elected there would have been a unanimous report by this committee.

Mr. DALLINGER. Mr. Speaker, I want to call the attention of my Democratic friends to the fact that the canvassing board which returned Mr. Granata as elected, after making certain changes in the interest of Mr. Kunz, was a Democratic tribunal, and yet you are asked to go back of the returns of the regular canvassing board in which the Democratic Party had a majority.

[Here the gavel fell.]

Mr. KERR. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. DALLINGER. I thank the gentleman.

I wish to recall this fact to the attention of the House. It is a universal rule in contested elections, supported by all the precedents that you can not impute the official returns or call for the recounting of the ballots until you have produced testimony showing that there is ground for a recount. In case after case, Congress has refused to send for the ballots and count them, because there was no evidence presented to the committee that there was ground for belief that a recount should be had. Now, in this case there was absolutely no testimony taken, and this case was extended week after week and month after month, against the protest of Mr. Granata and his counsel, and the law of Congress, enacted in order to expedite these contested elections, was absolutely ignored. In conclusion, I am simply going to appeal to the Democratic Members of the House to play the game. We played the game with you on these two cases right in the city of Chicago, when we had a committee of 2 to 1 in our favor, and we ask you to-day, for the good name of the House of Representatives, to decide this case, not on partisan grounds, but upon its merits, upon the law and upon the facts. [Applause.]

I thank you very much for your attention.

Mr. GIFFORD. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Speaker, I did not intend to discuss this election contest; but fater listening to the debate, I now feel compelled to do so.

We should always approach these election contests from a nonpartisan standpoint. My record in so far as not having partisanship enter into such contests is clear. I voted to seat the Democratic Congressman, Mr. MILLIGAN, and was one of those few Republicans who voted to seat Congressman BLOOM.

I want to tell you, my friend, if you vote to seat Mr. Kunz on the evidence presented to the election committee and the House, you write into the precedents of the House of Representatives, in so far as election contests are concerned, a precedent that will rise to haunt you in the future.

Why, even in this session of Congress we have a contest before an election committee of which I am a member, and many of the arguments advanced by the sitting Democrat are fairly and squarely on all fours with the arguments advanced by the gentleman from Illinois [Mr. CHIPERFIELD] against the seating of Mr. Kunz.

Mr. Speaker, are we going to adopt a policy that whenever a candidate defeated by a sitting Member of Congress feels out of sorts, he can demand a recount, if you please, without presenting any evidence in behalf of such demand, although the State laws in the candidate's home State require reasonable proof of irregularities justifying such action? If you study most of the election contests where the question of having the committee bring in the ballot boxes and count the ballots has been raised, you will find precedent after precedent to the effect that some evidence must be presented which would justify a recount of such ballots.

Furthermore, are we going to establish the precedent of having a notary public sitting in the city of Chicago, appointed by the defeated candidate, without any evidence being produced, count in some room of his choice the ballots in an election contest because a defeated candidate for Con-

gress desires to have a recount, without presenting any evidence of fraud or irregularity?

Mr. Speaker, the gentleman from Texas [Mr. WILLIAMS] tried to bulwark his indefensible position on the grounds that Mr. Kunz did not receive as many votes on the returns as other Democratic candidates on the ballot, and stated that this was prima facie evidence that a recount should be ordered.

Why, the gentleman from Texas [Mr. WILLIAMS] well knows that in his own election in 1928 he received 30,926 votes and Gov. Al Smith received 18,001 in his district. Is that prima facie evidence that those returns should have been recounted, either upon the request of the gentleman from Texas or Governor Smith?

Why, in the State of Texas, in the presidential contest in 1928, what do we find?

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield the gentleman one additional minute.

Mr. WILLIAMS of Texas. Will the gentleman yield?

Mr. SCHAFER. Wait until I finish this statement.

Al Smith, in the 1928 election, received a total of 341,032 vote in Texas, while Mr. CONNALLY, the Democratic candidate for the Senate in that State, received a total of 566,139 votes. The Republican candidate for the Senate received 129,910 votes and President Hoover 367,036 votes. Following the gentleman's logic, should Al Smith or the Republican senatorial candidate, without any further evidence, have demanded and obtained a recount? [Laughter and applause.]

Mr. WILLIAMS of Texas. The contention of the committee is that this straight Democratic ticket had the contestant's name on it. I will say for the information of the gentleman that the gentleman from Texas ran like all the other Democrats on that ticket.

Mr. SCHAFER. The gentleman begs the question, because he did not know how the ballots read until after the notary public opened the boxes, and then when all the other unauthorized persons were milling around with them. Mr. Kunz did not present evidence indicating that anything was wrong with the ballots until the notary public appointed by him opened the ballot boxes. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield seven minutes to the contestee in the case [Mr. Granata].

Mr. GRANATA. Mr. Speaker, to-day this honorable body assumes the rôle of jury and I the rôle of defendant. Fate has placed me not only in the rôle of defendant but has directed that I act as defender of my honor, character, and destiny. Ladies and gentlemen, I appeal to you as jury to cast aside all manner of prejudice, the bias of partisanship, and judge me and my case on its merits alone.

All of you have heard of the contest being carried on by my opponent for my seat. The newspapers have carried from time to time scandalous stories of the alleged conduct of the election in my district, of the alleged frauds, and of the doubtfulness of my character, all made by the gentleman who is my contestant in this matter. I have deliberately abstained from making countercharges in the newspapers, because I thought it did not comport with the dignity of a Member of this honorable body; and, ladies and gentlemen, I do not now prefer to put on trial the character or reputation or integrity of the contestant, because I sincerely believe it is entirely irrelevant in so far as the contest is concerned. Suffice it to say that only in justice to my honor not one single charge or statement made by the contestant respecting my character and honor has been proven or attempted to be proven, and there has not been one single word of testimony submitted to substantiate the scandalous charges that have sought to leave my name stained and discolored.

Ladies and gentlemen, I appeal not to your sympathies but to your American spirit of fair play to consider and weigh this case simply and purely on its merits, free from the mire of unsubstantiated charges and accusations. The waters of this contest have been muddied through a nasty and vicious whispering campaign, so as to create prejudice, but I appeal to you to consider the true issues as presented in the briefs and the report of the minority in this matter.

If the Members of this honorable body accept the majority report of the committee you are voting an authorization to every dissatisfied and disgruntled opponent that you defeat in your respective districts to make scandalous charges, unsubstantiated, appoint a prejudiced notary public, to subpœna the ballots under conditions and restrictions dictated by him alone through his rubber-stamp notary, and there do with those ballots any act of magic he may be equal to perform. And you, ladies and gentlemen, will be obliged to accept that mysterious report of a prejudiced notary public as the true and correct count of the votes in your district. That is exactly what has happened in this case.

The inviolability of the ballot box, that has been so carefully protected by statute in every State of the Union, will thus be shattered, and duly elected Members of this House of Representatives will be at the mercy of a notary public. Certainly, ladies and gentlemen, that was not the intention and spirit of the act passed here in 1851.

In the State of Illinois alone, where this contest is being eagerly watched, I prophesy a contest in every single congressional district. The precedent would be dangerous to the security of all Members and would invite contests throughout the entire country. If established by your action in this case, it will return as a boomerang to injure some of you some day.

The majority report states that if the straight Democratic ballots were counted for Kunz it would make enough difference to show him elected, but remember this hand-picked notary public himself decided what constituted a straight Democratic ballot, and the printed record proves that a majority of these so-called straight Democratic ballots were also marked for me, which, under the Illinois law, should actually have been counted for me instead of for Mr. Kunz.

In conclusion, ladies and gentlemen, my fate in this case rests solely in your hands; you alone have the power to say what my destiny shall be; you determine whether I was duly elected and am entitled to retain my seat in this honorable body as a public servant or once more become a humble citizen, to build over again the ambitions which I have worked for and striven to achieve since my early youth.

I sincerely hope that party loyalty will not sway you from the right and from the course of justice as to the merits of my case, but that you will vote only as your conscience directs, and this as you would have others do to you were you the unfortunate victim of circumstances entirely beyond your control. With this I leave myself entirely in your hands. [Applause.]

Mr. GIFFORD. Mr. Speaker, I yield 15 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

Mr. CHINDBLOM. Mr. Speaker, I think perhaps enough has been said about the procedure by the contestant in this case. It is perfectly clear that in the presentation of his case, or the lack of presentation of his case, the contestant violated the law relevant to election contests in this House and the rules of the committees of the House itself in relation to such contests. Not a word of testimony, not a scintilla of evidence was taken in this case within the time prescribed by law.

Mr. Speaker, I think I may lay claim to some lack of partisanship with reference to my action on committees on election contests. I was a member of the committee which brought in the report in the case of Gartenstein against Sabath. Judge SABATH and Mr. Kunz are both old-time Democratic leaders on the West Side in the city of my birth. I have known them for years. If anybody had any bias or feeling, perhaps I might have had it; but in the Gartenstein case, as in this, the contestant, Doctor Gartenstein, against Judge SABATH absolutely failed to bring in any evidence in the time fixed by law and by the rules of the House. He had pretended to have had a recount by a notary public, and on the basis of that count he sought to have our Committee on Elections No. 3 declare him seated. We brought in a unanimous report by the committee, of which the Repub-



licans had a majority of 9 to 6, and we retained Judge SABATH as a Member of this House. That case is on all fours with the present case, and this should be treated like it.

Some reference has been made to the case of Ansorge against Weller. I have the report of the committee here in that case. About 70,000 ballots were counted by agreement of the parties, and the record shows it was so done. Then the committee came to the House, as appears in the RECORD of March 31, 1924, page 5271, and asked the House to pass a resolution under which authority would be given the Committee on Elections No. 1 to have brought down to Washington some 800 contested ballots in order that the truth might be learned with reference to these contested ballots. The ballots were brought here, and the Republican committee in Ansorge against Weller brought in a report in favor of the sitting Democratic Member, Mr. Weller, and against the Republican contestant, Mr. Ansorge. There is no precedent anywhere in any of the election cases in this House under which a notary public may proceed to count the ballots, under which he has any authority to count ballots. His only authority is to bring before him witnesses and to issue subpœnas for witnesses and subpœnas duces tecum for papers and documents, and those documents are to be brought before the notary public, and the notary public is to certify them to the House or to the committee of the House, and the committee of the House then determines their probative worth and effect.

I will tell you how this recount was handled. It happens that I was home last summer. I knew what was going on. Here is a man, a notary public, who was selected by the contestant himself, who proceeds with all of the arrogance of any man of small tyrannical power, in utter disregard of the rights of anybody but the man who hired him and paid him for his services. He proceeds to have a count, in what manner? We are being told here, and the committee says in its report—

> The board of election commissioners began the count of these congressional ballots.

The board of election commissioners never conducted any count of these ballots, and the committee or whoever wrote that sentence ought to apologize to the House for misrepresenting the facts by saying that the board of election commissioners began the count of these ballots. The board of election commissioners of Chicago never had anything to do with this alleged recount. Judge Jarecki, the county judge, never had anything to do with it. You have heard the telegram which he sent to Judge GIFFORD. You have also had read to you by Mr. ESTEP, of Pennsylvania, what the record shows. The judge himself says in this hearing that the board of election commissioners and the county judge had nothing to do with this recount. He said in fact:

> I am here only as a spectator; I have nothing to do with this. You will have to have your own counters and tellers. This is not our contest; the only thing is, we are the custodians of these ballots, and we will let you take them. When we say "we," I mean the election commissioners and all the employees down there.

It is idle to try to clothe this recount with any kind of judicial authority. It had none. It was purely the action of the contestant and of his notary public and the men they selected to conduct this count.

Mr. GILBERT. Mr. Speaker, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. GILBERT. In the case just cited by the gentleman in which the notary did the counting, was the notary selected by agreement?

Mr. CHINDBLOM. The gentleman means in the case of Ansorge against Weller?

Mr. GILBERT. Yes.

Mr. CHINDBLOM. There were two notaries. The notaries and the parties and their attorneys all agreed on the count. I will tell you how this count out there in Chicago was had. There was no tally made. These men were hired by the notary public. The chief clerk of the election commissioners brought in the ballot boxes. At first they had 5 tables and then 10. They were spread out over a big room that was filled with a large mob of people. A ballot box would be brought in. It would be opened. The ballots would be spread out on the table and these so-called counters or talliers would proceed to pick out these ballots and lay them in piles, saying, "There is a Kunz ballot, there is a Granata ballot, there is a Kunz ballot, there is a Granata ballot, and here is a ballot that somebody objects to, and we will lay that over there." Then the notary public would come around and he would say, "In this first precinct of the twenty-fifth ward what did you find?" and the notary would say, "We found so and so. In such a precinct we found so many votes for Granata and so many votes for Kunz." The notary public himself did not check it over. He knew nothing about it. Only these men who had been selected by this notary with the consent of the contestant knew. They pretended to count the ballots in the manner I have indicated, and then they come down here and say they have an accurate count, and the record shows that there were over 6,000 ballots to which objection was made by Granata or his representatives, to which objection no attention was paid.

The gentleman from North Carolina [Mr. KERR] and the gentleman from Texas [Mr. WILLIAMS] talk a great deal about these so-called straight ballots. Gentlemen from the large cities will understand me better when I refer to some of the conditions in this congressional district. This eighth congressional district of Illinois, when I came to the House in 1919, was represented by Hon. Thomas Gallagher, whom many of you will remember. When Mr. Gallagher came here as a representative from that district the district was overwhelmingly of Irish population. There was a time when that district had 75 per cent of Irish population. Then the Poles began to move into the territory. Mr. Kunz was a leader of the Polish people, particularly among the Democrats. He was an alderman in the city council and he was State senator at Springfield, and I think at one time he held both positions at the same time, which he was permitted to do under our law.

With his Polish population Mr. Kunz sought to replace Mr. Gallagher. The Polish population grew. At one time they constituted 60 per cent of the eighth congressional district; and Mr. Kunz grew in power; the Poles elected him and he came here. Then that nationality began to move out of this district and the Italians began to come in, and they began to get the power. Slowly they began to supplant those of Polish nationality who had held office in Mr. Kunz's congressional district until Parillo, an Italian, brought a contest here against Kunz on the ground that he had been elected. To-day 50 per cent of the population of that district is Italian, about 15 per cent is colored, and about 35 per cent still remains Polish.

Now, do you understand why that territory changes representation. Why, in the last congressional election in that district the Italians ran one of their people for the Democratic nomination against Mr. Kunz; and they ran Mr. Granata, one of their own folks, for the Republican nomination? Mr. Kunz managed to win out over his contenders in the Democratic Party, but Mr. Granata was nominated on the Republican ticket. Thereupon these Italian people turned around and voted for him for Congressman, although they voted the straight Democratic ticket for every other office. That is the secret of it.

Talk about straight ballots! I have served on boards of election where a situation like this has arisen. It is very customary for judges and clerks of election to take ballots which contain the name of only one specially marked candidate and count them as straight party ballots, and then count the single candidate's votes specially, merely as a matter of convenience. For instance, a voter may place a mark in the Democratic circle and make no further mark except a cross opposite Mr. Granata's name. In that way he has voted the whole Democratic ticket with the exception of the vote for Member of Congress, and for that office he voted for Mr. Granata. These judges and clerks—and I

know it within my own experience—will consider such ballots as straight ballots with the single exception of the one vote which is cast for some particular candidate.

Mr. GILBERT. Will the gentleman yield?

Mr. CHINDBLOM. I can yield for a very brief question only; I have not much time remaining.

Mr. GILBERT. I am seeking the light. In the tenth precinct of the twenty-seventh ward, referring to these straight ballots, all the other Democrats got 316 votes; Mr. Kunz got 5. Do the conditions the gentleman has pictured apply to the situation existing there?

Mr. CHINDBLOM. I will say to the gentleman that back in the days of 1915, when that territory was controlled by Mr. Gallagher and his friends, I was a candidate for circuit judge. In the first precinct of the old nineteenth ward every candidate for judge but one got 250 votes on the Democratic side. There was one Republican candidate living in the immediate vicinity. He got 250 votes and one of his Democratic opponents got only 13 or 14 votes. That is what the Democrats did in that case. That is what happened in those days. It is the easiest thing in the world to split a ballot; and that is being done in these precincts.

Now, what are the facts with reference to this eighth congressional district? I told you that the population is changing. It has become largely Italian in nationality. In the last few years this is what has happened: That nationality has elected 2 Republican ward committeemen and 1 Democratic ward committeeman; it has elected 4 representatives in the general assembly at Springfield and it has elected 1 State senator; it has elected 1 alderman in that eighth congressional district, all of the same nationality, because the people of that nationality stand together.

They were ambitious to send this young man to Congress. I dare say they might well be proud of him. His name was on the Republican ticket. They voted the Democratic ticket straight and then crossed over and marked their ballots for him. Then immediately my good friend Mr. Kunz concludes there is some skullduggery, something wrong, because he did not get those votes. Well, I dare say there may be other surprises in that congressional district yet. [Applause.]

[Here the gavel fell.]

Mr. CAMPBELL of Iowa. Mr. Speaker, I yield five minutes to the gentleman from Connecticut [Mr. TILSON]. [Applause.]

Mr. TILSON. Mr. Speaker, in the five minutes allotted to me I shall not attempt to analyze the evidence in this case. That has been done very thoroughly by others. As one of the older Members of the House I wish to say just a few words as to the importance and meaning of these election contests.

To Mr. Granata, the contestee, this contest means whether, as the record shall stand for the future, he shall stand recorded as having been elected to the Congress of the United States. To him it means whether the ambition he had entertained and which he supposed had been fulfilled shall be here nullified and brought to naught. It means, as he has so well said in his remarks, an important change so far as his destiny is concerned. All of this is important and should be considered, but even this is not the most important point. A greater point still is the future effect of a wrong decision in a case of this kind made upon insufficient evidence or lack of evidence, as clearly appears in this case. The precedent thus created will rise up from time to time to plague those who follow after us.

I regard it as one of the most solemn duties of a Member of Congress to pass upon the right of one of his colleagues to a seat in this body. After an election has been held, after the duly appointed officials authorized to hold the election have performed their duty, and the governor of a State has sent a certificate here to the effect that one has been elected to this body, for us to then, by a simple resolution, nullify the entire proceeding, to destroy the efficacy of the certificate upon which a Member has taken his seat, is surely a very solemn responsibility. It ought not to be done except upon the most serious consideration. Before doing it our minds should be clearly convinced that it would be unjust to allow the sitting Member to retain his seat here.

If we should unseat the contestee in this case upon the very flimsy evidence we have here, we shall have decided the right of a Member to a seat in this House practically upon an ex parte proceeding. Without judge, jury, or even the form of a court we shall have decided that the certificate through which this Member holds his seat is null and void.

It seems almost beyond belief that through the appointment of a notary public by the contestant, this notary should be given the power to count the ballots, and in doing so to exercise his own discretion in overruling any objections that might be made by the contestee or his attorneys. In other words, a partisan notary public named by the contestant at his own sweet will decides what ballots he will count and what ballots he will reject. Apparently this partisan friend of the contestant, named for the purpose, had the power to determine that thousands of ballots should be thrown out if they were favorable to Mr. Granata, or should be counted if they were favorable to Mr. Kunz.

If the ballots in this case had been brought to Washington and a committee of our colleagues sitting upon the case had examined them, then we should bow gracefully to the decision arrived at by the committee, because we should then know that the case had not been conducted solely along partisan lines, but that at least the contestee would have colleagues of his own party to see that he had a fair hearing.

Mr. TARVER. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. TARVER. Does the gentleman believe it would be of any benefit to the House in arriving at a correct decision in this case if it should now recommit this matter to the committee with instructions to procure and consider those ballots?

Mr. TILSON. That would be far better than the course now proposed, that of unseating a man on the flimsy evidence here presented. Unless the contestee can be given his seat, as it seems to me he should be on the record in this case, then by all means the matter should be recommitted and have all of the ballots counted, because I believe this House would prefer to fairly arrive at the truth as to who was the real choice of the people in this congressional district. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Speaker, I yield three minutes to the gentleman from Maine [Mr. SNOW].

Mr. SNOW. Mr. Speaker, I have been a Member of this body for three years, and during that time I have not uttered one partisan word on the floor of this House, and I am not going to to-day but am simply going to attempt in my humble way to appeal to the fairness of you all. I strongly believe in the two-party system; and, while I disagree at times with the views of you gentlemen sitting on the right-hand side of the aisle, yet I hold each of you individually in the highest esteem.

The control of the House does not hinge upon the vote about to be taken here in this contested-election case. Beginning with the death of our late lamented Speaker Longworth, the angel of death called enough Republican Members to their eternal home to turn a slight Republican majority into a Democratic majority, and as a result the Hon. JOHN N. GARNER was elected Speaker. I left a sick bed and traveled 700 miles in order to be here to vote for the Republican nominee, Hon. BERTRAND H. SNELL, and have been chided good-naturedly since by some of my Democratic friends as being very partisan. Let me say at this point that that was a proper time to show loyalty to your party, although I can assure you that I derived no personal pleasure in voting against my honored friend JOHN N. GARNER. Furthermore, before the election of a Speaker, a gentlemen's agreement was made to the effect that no matter what happened, after the Speaker was once elected, there would be no change during the entire Seventy-second Congress. This agreement is not binding legally, but it is morally, and I can simply say to my Democratic colleagues that, if by death or

resignation, the Republicans in this House were suddenly placed in the majority and any attempt was made to oust our present Speaker, I would vote for the Hon. JOHN N. GARNER until hell cracked.

Another situation confronts us to-day, and from my viewpoint there should be absolutely no partisan politics played. It simply involves the individual rights of a citizen of the United States who, on the face of the returns, was elected by approximately 1,100 votes, received his certificate of election, and has been sitting here with us from the opening day of Congress. He is entitled to every fair consideration from each individual Member of this House, be he Republican or Democrat. In my opinion—and I say it with all due respect to the five majority members of Elections Committee No. 2—Mr. Granata has not received this fair consideration from that committee. Their decision is based wholly on the report of a partisan notary public, selected by the contestant, Mr. Kunz. If you have taken time to read the report, you can come to no other conclusion than that it was a horrible travesty from start to finish.

Has the time come when a duly elected Member of the House of Representatives can be ousted from his seat by a report of a notary public? I hope not.

In closing, let me appeal to your justice, to your fairness, to your sense of right. Mr. Speaker, if Peter C. Granata is unseated here to-day, simply on the strength of the report of a partisan notary public, it will be so rotten that it will smell to heaven. [Applause.]

Mr. GIFFORD. Mr. Speaker, may I ask the chairman of the committee if he will not put on the next speaker?

Mr. KERR. As I understand, the contestant is entitled to the closing speech.

Mr. GIFFORD. The gentleman from Iowa [Mr. CAMPBELL] gave notice this morning he would offer a motion to recommit and asked unanimous consent to do that, which request was granted. It does seem to me his motion to recommit should immediately follow his remarks.

Mr. KERR. Is the gentleman from Iowa [Mr. CAMPBELL] the only one who is to speak on the gentleman's side?

Mr. GIFFORD. The gentleman from Iowa [Mr. CAMPBELL] would like to speak, but he would like to be the last speaker because he is going to offer a motion to recommit. Do I understand that the chairman of the committee refuses to put on the next speaker now?

Mr. KERR. The contestant is entitled to the opening and the closing, and we have but one more speech on this side.

The SPEAKER pro tempore. The Chair understands that the contestant is entitled to close the debate.

Mr. GIFFORD. Mr. Speaker, I therefore yield the remaining 12 minutes to the gentleman from Iowa [Mr. CAMPBELL].

Mr. CAMPBELL of Iowa. Mr. Speaker, I personally have taken a little different position from both those who signed the majority report and those who signed the minority report.

As the gentleman from North Carolina [Mr. KERR] has well said, the election of a Member of Congress is a vital matter in our political structure. It is a vital matter to pass upon the unseating of a man who has a place in the Congress. However, the committee well knows the position I have always taken in regard to these contests.

During the days of William McKinley, he was elected to this House by a majority of 11 votes. It was a Democratic House, and a subcommittee of the original committee was appointed to investigate the election returns, and in that election contest the chairman of the subcommittee, who was a Democrat, brought in a report seating McKinley. He brought that report out here on the floor and argued in behalf of the seating of McKinley. During the course of that debate a Democrat arose and said, "So far as I am concerned a Democrat is a Democrat, and I think all the Democrats ought to vote for a Democrat, and McKinley is a good fellow to get out of this House," and the Democrats unseated him.

Mr. Speaker, I do not believe that of the present Democrats of this House. I believe the present Democrats of this House are absolutely fair, and I believe they are going into this case just as far as they can and get all the evidence they can before they finally come to a conclusion.

I want you to pardon me if I tell you personally my position on this Elections Committee, and I want to talk to the Democrats as Democrats. I am not talking to the Republicans, I am talking to the Democrats.

When I was first selected or appointed a member of the Elections Committee, it was not solicited by me, and the first case we had was a contest from Texas, Mr. Wurzbach against Mr. McCloskey. I felt somewhat uneasy about that contest, for within myself I knew that if I found that McCloskey was elected I was going to vote for McCloskey. I went to the chairman of our committee and I told him my position in the matter. I said, "If this is a partisan matter, I have no business on the committee"; and he said, "You stay on the committee."

I want you Democrats to get this—and there are members of the committee sitting here who can vouch for what I say: During the course of that contest there was evidence of fraud sufficient for a majority of the Republicans on the committee to find in their own minds that Wurzbach was elected, and they wanted to pass a resolution for the unseating of Mr. McCloskey without going into the ballot boxes. The Democrats objected. I remember the position of the little fellow from South Carolina [Mr. HARE], and I thought he was right and I said, "It looks on the face of it that Mr. Wurzbach was elected, but at the same time I have pledged myself to go just as deep into this as possible, and this is a vital matter to our country, and I am going to vote with the Democrats." We took a vote on whether to look into the ballot boxes or not, and, against the objection of the Republicans, who brought their pressure on me, with another Republican on that committee, we voted to go into the ballot boxes and to go as far as we could to find out everything there was there; and I remember well when I went out of there, the gentleman from South Carolina patted me on the back and said, "I am glad we have got a fair and square man here from the Republican side."

Now, I want to say to the same gentlemen at this time—I want to say to the Democrats—I only ask you to be as fair in this contest here as I have been with you, and as long as I sit on the committee—I hope in the future I shall show it—as long as I sit on the committee I shall not know a Democrat and I shall not know a Republican. [Applause.]

Mr. HARE. Will the gentleman yield?

Mr. CAMPBELL of Iowa. I yield.

Mr. HARE. I want to corroborate what the gentleman from Iowa has said, and I want to say that at the beginning of the hearings I found myself very much in accord with his proposition in regard to the case he refers to and also in the case at bar. I, as one member of the committee, would have been very glad to have the ballots in this case counted; but the gentleman will understand, and the gentleman from Iowa knows, that when I questioned the attorneys they answered in response to an inquiry from me that the ballots under present conditions could not be relied upon; and then I felt that it would be unfair, both to the contestant and the contestee, not to take the word of the counsel representing both Mr. Granata and Mr. Kunz, as to the counting of the ballots.

Mr. CAMPBELL of Iowa. Now, Mr. Speaker, I like the position of the gentleman from South Carolina. He is fair. But I want to give you this thought as to the question of the integrity of the ballots: There is no evidence of the fact that they are not as well preserved now as they were at the time of the count. In other words, if these ballots were ruined, they were ruined when? They were ruined prior to the time they were counted. I do not care what the statements of the attorneys are in this case, I say to you gentlemen on this side and I say to you gentlemen over here, that if you want to go down to the bottom of this case the only thing you can do is to get at the ballot boxes.

Now, the record shows that the reason they called them "straight ballots" was because there was a cross in a different pencil mark than the one opposite Granata's name.

Those ballots are there now. There are a lot of ballots marked in front of Granata's name that they claim is different from the marks in the cross.

Mr. GAVAGAN. Will the gentleman inform us what became of the ballots after they were counted by the notary public?

Mr. CAMPBELL of Iowa. There is no evidence of that. They are supposed to go back into the vault. They are supposed to be taken care of in accordance with law; but, as I have said, why not give us a chance to look into those ballot boxes?

You say the contest was a fair contest. I will show you what kind of a contest it was. Why, do you know that the reporter that came there for Mr. Kunz, a court reporter, in the process of that examination that took place there, they even stopped Granata's commissioner from making objections. I want to read you something. The question came up in regard to these marks on the ballot, and the commissioner for Mr. Kunz would say, "The pencil mark is not right; it does not coincide with the other mark."

Granata would say it is all right, and then what happened? The reporter was instructed by the commissioner and Mr. Kunz not to take down the statements that were made by Granata; and I will show you here in the record exactly how it reads, and I will show you the part that Kunz took in this, which no Democrat here will approve of. Mr. Kunz must have been sitting up at the table. Here is the regular reporter sitting here, and here is the judge sitting over here, and here is Mr. Kunz. Mr. Euzzino tried to make some statement. He said, "Let the record show"—and then the commissioner for Kunz, that is, his notary public, said, "I instruct you, Mr. Reporter, to disregard any statements made by the commissioner for Mr. Granata." Not only that, but Mr. Kunz, sitting up there at the table, at his own election contest, and the reporter was supposed to come from the court, not from Kunz, said, "I have instructed our stenographher to take nothing put in here by them."

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. KERR. Mr. Speaker, I yield the gentleman one minute more in order to ask him a question. The gentleman will remember that Euzzino was elected by Granata as his commissioner.

Mr. CAMPBELL of Iowa. That is correct.

Mr. KERR. Why did not Euzzino, in his time, after Kunz had taken evidence, bring in some evidence for Granata?

Mr. CAMPBELL of Iowa. That is a fair question, but the gentleman well knows that he did not do it. He well knows that he was standing on the proposition that we, as Members here, as members of this committee, should be the ones who would pass on this matter, and I want to go a little further, and I will tell you that they took down stenographic reports on their side, and they brought them down here, but the Clerk only filed the original report.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. KERR. I yield the gentleman two minutes more.

Mr. CAMPBELL of Iowa. Just one more matter, and that is the question of erasures. In order to have straight ballots, I will show you from the record that Granata's men said, "Here is the ballot, and this shows there have been erasures here and Granata has been written in the ballot and erased." That was the claim by Granata's men, and it was claimed on the other side that that is not so, that it was just a blur. And you say to us that we are not to go into those ballots? I have sat on election contests time and again in the State legislature; and when it comes to a question of fraud, when it comes to substituting the name of Granata and erasures on these ballots, do not you believe it that we will not find it out, and that is the reason I come here before this body and say that we have not finished our job. It is a vital matter to the country and to every one of you people here, and I only ask the gentleman from South Carolina to be fair when he comes to vote to-day. They will say to you, "Oh, the integrity of the ballots," but do not let them get you on that.

Mr. HARE. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Iowa. Yes.

Mr. HARE. I merely rise to say to the gentleman that I shall be fair in my vote.

Mr. CAMPBELL of Iowa. I think the gentleman will be. They say that we have not the time. They said the same thing when I voted with the Democrats—the Republicans did. They said, "What is the use of getting those ballots? We are rushed here in the session, and the thing for us to do is to get our business finished up. We have the fraud and let us go." I say, "No; I am going to vote with Judge KERR and with Mr. HALE," and I voted with them, and I shall vote with them again, only when they are right. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. KERR. Mr. Speaker, I yield 45 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Speaker, it is a matter of very little concern as to who is seated here from an individual standpoint. From the standpoint of the integrity of the House and the standpoint of the national interest involved, it is a matter of considerable moment. When any man comes to this House, be he Republican or Democrat, he should come here with a credential that is spotless, with a credential that is not stained with fraud, with a credential against which no man can say aught. In this case it matters not to me whether this district is composed of Polish people, Italian or whatnot. I take it that it is composed of American citizens, and that American citizens have a right to representation in this House, that the will of the majority of the citizens in that district should prevail. The only question here is, What did happen, what is the will of the majority? It is not whether Mr. Kunz is a Democrat or whether Mr. Granata is a Republican. I say to you it matters not to me. It is true that I have not been here long, but I want you to believe me when I say to you that I do not look at this question from a partisan standpoint. Every contest, every trial in a court of justice, every contest that is waged in this House, should have only one end in view, and that end should be to determine the facts, and once the facts are determined then the House in its wisdom and in its patriotism can render a just judgment. That is all that anyone has a right to demand, it is all the contestant has a right to demand, and it is all the contestee can ask.

What are the facts in this case? We have the unofficial returns showing Mr. Granata elected by thirteen hundred and some-odd votes. Mr. Kunz filed a petition before the board of election commissioners alleging certain irregularities. Mind you, under the laws that election commission could not go behind the returns, could not go behind the tally sheet. They were convened, and they had before them certain judges and certain clerks. The result was that the majority was reduced to 1,171. Those election commissioners found that in one ward the election judges in making the returns had failed to certify 100 votes to Kunz. In other words, they had certified the Kunz vote as 94 when it should have been 194. That fraudulent act was shown.

It is admitted that the judges and clerks in another precinct made the return show Kunz as having only 12 votes when he should have had 62; and in another case the testimony showed another hundred votes failed to be given to Kunz, to whom they belonged. Upon that the election commissioners did everything that they could do; they did their duty. They could not go into the ballots; they could not examine them. The only thing that they could do was to correct the patent errors that appeared upon the face of the returns; and that was what they proceeded to do. That reduced the majority to 1,171. Then this contest was filed.

A great deal of argument has been made that there is no testimony here to warrant the opening of the ballot boxes. I want to say to you that fraud vitiates everything it touches; that the uncontradicted testimony and the uncontradicted record in this case are that there was fraud committed by the judges and the clerks.

That was revealed in the hearing before the election commissioners. Lawyers answer back and say that is not a part of this record. I answer back and say that the record was made by the contestee. On page 20 of the record, in his answer to the petition of contest he invoked that hearing before the election commissioners and made it a part of it, thus bringing into this record the testimony that was taken before the election board. Then what happened? On the 23d day of January a subpœna had been served—and that was the day for the beginning of the taking of testimony; and then it was that they were met with a restraining order holding these ballots intact and preventing anyone from interfering; that prevented anyone from opening the ballot boxes. Mind you, this order was not against the contestant, it was against the election commissioners and anyone else. They talk about time expiring! I say to you, Mr. Speaker, that beginning on page 23 of the record and continuing down to page 146 you will find 33 different appearances by the attorneys representing the contestant in this case striving to get action, striving to get testimony, and confronted at every turn by dilatory tactics and by orders, writs of prohibition, and writs of injunction issued by the courts. That is why the delay happened. And, finally, we find this happening: Judge Jarecki, who is the county judge in that county, set aside his order, released his order so as to permit the opening of those ballot boxes. Then what happened? We find the contestee going before Judge Brothers, a circuit judge, and obtaining a writ of prohibition. That procedure took place on September 2. The contestant went before Judge Brothers and in an ex parte proceeding and upon only two hours' notice to attorneys, Judge Brothers issued a writ of prohibition prohibiting anybody from touching those ballots, and then left on a vacation until the latter part of September.

The next day the matter came on before Judge Trude upon the petition of the contestant for the dissolution of that order, and I quote you now what Judge Trude said:

> Now, in this case, I seriously doubt that Judge Brothers, if you had had a chance to argue before him, I seriously doubt that he would have granted this writ. The result has been that it has tied up the election commissioners from proceeding with an ordinary proceeding. It is an unfortunate proceeding in my judgment that another judge should enter a writ of prohibition against the election commissioners preventing them doing what they by law are bound to do. Now, as to the right of Granata in this matter as indicated in my discussion with Mr. Libonati, his rights can be protected if Mr. Kunz has failed in any respect to do what Congress required him to do in respect to conditions precedent.
>
> Congress may act accordingly and take such action as in its judgment they see fit.

The judge then went ahead and set aside the order of Judge Brothers.

Then what happened? It looked as if the coast was clear for further action. On September 4, the next day, for some reason or other the contestee did not want the ballots opened; he did not want a recount for some reason or other, and on September 4, what do we find? We find him going before the United States district court in the city of Chicago, before Judge Barnes, and filing a petition for a writ of prohibition. That judge heard the case, and after hearing the arguments in full rendered the opinion which is in the record. In the course of that opinion Judge Barnes dismissed the writ of prohibition and said that under the law the contestant had a right to have those ballots examined, to have those ballots counted, and the result certified to the Congress for its action. That was the solemn opinion of Judge Barnes, of the district court in the city of Chicago. But what else happened?

Mr. BURTNESS. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. BURTNESS. With reference to the matter of the commissioner acting, has he any greater power than simply to take the testimony, certify it, and transmit it to Congress?

Mr. MILLER. I will get to that later.

Mr. BURTNESS. I am very anxious to know whether he has any judicial power.

Mr. MILLER. I will answer that. After the proceedings in the district court of the United States were dismissed, then they proceeded to have hearings before the two notary publics. And let me say this to you about these two notary publics: Under the statute of the United States the contestant has a right to select a notary public; the contestee then has a right to select a notary public and they act in conjunction. That is the statute. Then these two notary publics started in to have a count, and what do we find happened? That was on September 11. Kunz was there, Granata was there, and they were all represented by attorneys. They delayed the matter, through first one way and then another, until another petition could be filed before Judge Feinberg, one of the circuit judges. Then what happened? Several hours passed and another petition was taken up before Judge Normoyle, another circuit judge, and finally, when every avenue of escape from a recount had been tried, and when everything had been resorted to, then it was that they went into this hearing with this brazen statement that the whole thing is a matter over which you have no jurisdiction, the time has expired, and we simply object to proceeding any further at all. Talk to me about being fair.

Then we come on down to the recount. I want to call your attention to page 37 of this record. They talk to you about who conducted this recount. Let us see who conducted it. Chairman Maguire said:

> Immediately after the adjournment the board of election commissioners met with the attorney for the board.

Now, the attorney for the board was Governor Dunne, of Illinois, and, mind you, the first thing that happened when the subpœna duces tecum was issued and served upon this board to produce those ballots they asked for a legal opinion from Governor Dunne as to whether they should respect that subpœna, and he said:

> Yes; you have to obey that subpœna under the penalties contained in the statutes of the United States.

Chairman Maguire then said:

> On his advice, the board has agreed to go ahead and submit itself to the questions of the commissioner in regard to this contest and, in so far as the ballots or records are concerned, the board of election commissioners simply takes the stand that its records are to remain—

Listen to this, gentlemen—

> in their custody while any examination is being made.

Then Governor Dunne said:

> And not to be handled or touched.

Talk to me about this muscling around there; of these strong-arm methods. I want to say this to you, and the record bears me out, that the strong-arm methods that have entered into this case came from the watchers of the contestee, as I will show you later. Governor Dunne said, further:

> And not to be handled or touched by anybody else but the board.

Who was doing this counting? Oh, it is said that the notary public was doing it. The board of election commissioners had charge of this thing; and, as Governor Dunne announced at the very beginning, the ballots were to remain in their custody and not to be handled by anyone else.

Now, what else happened? The count started. Let us go to page 80 of the record. So much confusion has been created that Judge Jarecki found it necessary to intervene through his judicial powers and restore order. Here is what happened. Here is what Judge Jarecki, ex officio chairman of the election commissioners, said:

> Now, in view of the fact that Congress will not convene until December, you have ample time to get your matter out of the way and, in view of the fact I have this contest pending—

This was a contest, gentlemen, that was pending with respect to certain municipal judges. Let me stop here long enough to say that at this time there were pending in the city of Chicago two contests for the office of municipal judge and all the ballots in the entire Cook County had been enjoined under that contest, and that was the contest that Judge Jarecki is speaking about when he says that he had to take care of the other contestant. Then he says:

I do not want to list an order, because it will complicate matters on these contests and, in view of the fact that I am going to be able to dispose of it within a very short time now, I do not want to complicate it. If it had not been for the other work of this court—namely, the tax matters—we probably would have had this out of the way quicker.

Mr. LAVERY. I ask another question: If your honor releases the impounding order, so far as our case is concerned, as your honor suggested informally on the bench one day, it might be possible to put this district on as one unit in the municipal judges' contest.

Judge JARECKI. Yes.

Mr. LAVERY. Would that be a practical way?

Judge JARECKI. It would seem to me that would be just as good as any. If we come to that point, when the judicial contest is on, the McKinley versus McIntyre contest—

That was a judicial contest—

because that seems to be the only one, and I say that you are going to go ahead, then, such time as you find it convenient for you to be there, on that day I would say those precincts in which your district is located would go on the table at a certain time so that you could be present.

In other words, the ballots were impounded in the judicial election contest and as that contest proceeded, and when they reached a ward or a precinct in the eighth congressional district the ballots of the eighth congressional district were turned over and counted in this contest. Talk to me about the integrity of these ballots being destroyed, this is what happened.

It has been argued here by the gentleman from Illinois [Mr. CHIPERFIELD] in a very forceful argument, that there is no testimony here as to the integrity of the ballot being preserved up to the time this contest was instituted. I want to say this in reply, the gentleman spoke without any knowledge of the record.

I want to turn now to page 86 of the record and quote you what Mr. Tyrrell, the attorney for the contestee, said about the integrity of the ballots up to that time. This was at a time when he was appearing before Judge Brothers in an effort to have another writ of prohibition granted immediately before the recount started, and here is what Tyrrell said at that time, and mind you, Tyrrell is the attorney for the contestee:

So far as the contestants in the city for the eighth congressional district are concerned, this is between Peter C. Granata, the successful candidate, and Stanley Kunz, the defeated candidate. No harm can come from a continuance in any way.

At that time they were claiming that no harm could come and now they are claiming harm did come because they did not proceed within 40 days allowed under the statute.

No harm can come from a continuance in any way, because of the fact that if he has any rights they can be protected at the proper time, the time when the ballots will be recounted, and so he can not be hurt.

And listen to this on the integrity of the ballots that the gentleman from Illinois talked about so eloquently. Here is what he said:

We are keeping the integrity of the ballots preserved, and they will remain intact and in the hands of the committee appointed by Congress.

Mr. CROSSER. Who said that?

Mr. MILLER. Mr. Tyrrell, the attorney for Granata. Talked about blowing hot and cold——

Mr. GIFFORD. Will the gentleman yield there?

Mr. MILLER. Yes.

Mr. GIFFORD. May I suggest that the harm had already been done. They had waited six months and it would not do any harm to wait eight months because the harm had already been done.

Mr. MILLER. I agree with the gentleman that six months had expired, but who had caused that time to expire?

Mr. GRANATA. Will the gentleman yield?

Mr. MILLER. No.

What more could Kunz have done or any other contestant facing the conditions that he was facing there?

Mr. BOILEAU. The gentleman does not claim it was Mr. Granata's fault that there was delay there?

Mr. MILLER. Yes.

Mr. BOILEAU. Were not the ballots tied up in another contest?

Mr. MILLER. Yes; but the record further discloses the fact that the attorney representing Kunz and the attorney representing Granata made effort after effort to have the congressional ballots released, and mind you, gentlemen, this is an important point.

The congressional ballots were separate and distinct from the municipal ballots. In other words, the municipal ballots might have been enjoined, and the congressional ballots need not have been under the law. They were separate and distinct pieces of paper. The ballots for the municipal judges were separate from the congressional ballots.

Mr. SCHAFER. Will the gentleman yield?

Mr. MILLER. Not now. I will yield later. Now what else happened?

Now, I want to call your attention to page 247 of the record. When Judge Jarecki went back to the room where the examination was going on he there pointed out to them the procedure to be followed. He said in effect that whenever a box is opened—you have heard a great deal of talk about boxes coming in all unopened, with the covers torn off, and all that stuff—here is what happened. The ballot boxes were brought from the vault of the election commissioner into the room where the judicial contest was going on. The boxes were opened, and the ballots were taken out and laid on five tables. Who was doing that? The men employed by the Chicago election commissioners' office. Then what happened? If a box happened to be a box of the eighth congressional district it was carried over to another table, and men there took out the congressional ballots and proceeded to recount them. This was all in the same room, all at the same time, and the contestant and the contestee were there either in person or represented by attorneys or by watchers.

Mr. DOUGLASS of Massachusetts. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. DOUGLASS of Massachusetts. In order to clarify the situation, is there any truth in the statement by the gentleman from Illinois that the recount was conducted by paid agents of Mr. Kunz?

Mr. MILLER. The recount was conducted just as the law of Illinois says that it is to be conducted. The law says—I am not a resident of Illinois, I am not as familiar with the Illinois law as the distinguished gentleman from Illinois is—but the statute was enacted by the legislature of Illinois, and in effect it says that in all cases of contested elections they have the right to have the ballots opened and all errors in the count revised and corrected by the court, and that such ballots shall be opened in the presence of the officer having custody thereof. Now, the custody of the ballots is with the clerk.

Mr. DOUGLASS of Massachusetts. And the clerk represented the election board.

Mr. MILLER. Absolutely; he was the only representative that could have been there, unless the commissioners themselves had gone in and sat through the examination.

There was not a box opened in this case that the clerk of the election board in the city of Chicago was not present.

Mr. SCHAFER. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. SCHAFER. You have stated what the law of Illinois requires—does the law or the decisions in election contests indicate that a count can be made by a notary public selected by the contestant?

Mr. MILLER. In answer to the gentleman let me say that at the time this contest was going on, when the ballots were being counted before the tribunal, not the court but the election commissioner, Judge Jarecki, was in the same room; the congressional ballots were opened and examined before this same tribunal.

Mr. SCHAFER. If the law of Illinois and the court decisions of Illinois do not provide for the counting of an election contest by a notary public, then why cite the decisions of the Illinois courts in your argument?

Mr. MILLER. I did not cite them. The gentleman from Illinois [Mr. CHIPERFIELD] did, in an effort to show that the

integrity of the ballot box had been destroyed at the time they reached the hands of Mr. Rusch, who superintended the counting of them.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. MILLER. In a moment. If the integrity of the ballots in the congressional contest was impaired, it was likewise impaired in the McKinley-McIntire contest proceeding in the same room, and we have the anomalous situation of Mr. Tyrrell representing the contestee saying that those ballots are all right.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. CHINDBLOM. Does the gentleman mean to say that John J. Rusch, the clerk of the election commissioners, superintended this count? Did he superintend the recount in this congressional case?

Mr. MILLER. I mean to say that he was present; yes.

Mr. CHINDBLOM. But Judge Jarecki says that neither he nor any of his force had anything to do with it, and I have a personal telegram from another member of the board of commissioners to the same effect, and the gentleman knows that.

Mr. MILLER. I do not care about any telegram. I am talking to you about the record.

Mr. CHINDBLOM. And so am I; and the record shows that Judge Jarecki said that neither he nor any of his force had anything to do with it; that the recount was conducted by a notary public.

Mr. CAMPBELL of Iowa. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. CAMPBELL of Iowa. The gentleman is not questioning the integrity of the ballots as they came before the commissioners and were counted, is he?

Mr. MILLER. I am not.

Mr. CAMPBELL of Iowa. Has the gentleman any records to show from any place that those ballots are not in the same condition now that they were at the time they counted them?

Mr. MILLER. I have not.

Mr. CAMPBELL of Iowa. Then why object to this Elections Committee counting those ballots also? Then we would know it was a fair count, because I am sure if Judge KERR and Mr. HARE were to count along with us we would have a fair count.

Mr. MILLER. Oh, there is no use of taking two bites at one cherry. These ballots have been counted. You have heard much about the disorder that existed there. I call attention to page 449 of the record. Granata is now speaking, not the contestee—his brother. He said:

All watchers for Granata, don't let anybody take any count of any ballots until I am there; sit on the ballots. Let the record show another mysterious sealing of the ballot box; that this is one of the ballot boxes of the thirty-third ward, a heavily Democratic ward, which was ordered mysteriously sealed by Stanley H. Kunz after many irregularities were observed.

Commissioner HOFFMAN. And a watcher for Granata was present all the time?

Mr. GRANATA. The integrity of the ballots is thus destroyed.

Yes; the integrity of the ballots was destroyed, and why? Because they were counting them. That is why he was claiming that the integrity of the ballots was destroyed. Mr. Speaker, I like to see orderly procedure, and if I have appeared zealous in this matter, it is not because of any personal interest that I have in the matter. I have been here only since the beginning of this session.

The few people that I have personally met I am fond of, but I say this to you in all sincerity, not from a partisan standpoint; I appeal to you from the standpoint of good citizenship, from the standpoint of the integrity of this House. Much has been said about the things that occurred, about the failure on the part of the contestant to take testimony to show fraud. Let us see why that was not done. Turn to page 535 of the record and let me call your attention to just one thing. Martin J. Solominski, a witness, was testifying, and here is what happened. He was a Republican judge of election that was called in for the purpose of showing the conditions that existed. Here is what occurred:

What capacity were you acting in at the polls of this precinct at the election?

Answer. Republican judge.

Mr. ZAIDENBERG. Object.

Commissioner HOFFMAN. What were your duties as Republican judge, Mr. Solominski?

The WITNESS. As judge of election—pardon me for not answering further questions; I just want to question the legality of this and whether it was really compulsory for me to come down here to-day.

Mr. ZAIDENBERG. Let me state you are under no obligation to answer questions of any kind. If you feel you do not want to testify and want to see counsel, I will ask an opportunity for you to see counsel.

Who was Zaidenberg? He was a watcher for the contestee, and I repeat what he said:

Let me state you are under no obligation to answer questions of any kind. If you feel you do not want to testify and want to see counsel, I will ask an opportunity for you to see counsel.

That witness retired upon the assurance of John William Granata that he would get him an attorney. After another witness had been examined, and after consulting counsel, furnished by John William Granata, the brother of the contestee, the witness came back into the room professing deafness, that he could not hear the testimony, that he could not hear the questions propounded to him.

Now turn to page 544 of the record. I just want to show you something there.

Mr. GRANATA. You can not ask him anything, because I have to have a qualified ruling on my objections, and I won't take yours. The time has come where this thing——

Commissioner HOFFMAN. Who replaced the ballots into the box?

Mr. GRANATA (shouting). He can't hear. How is he going to answer?

Mr. ZAIDENBERG (whispering in the ear of this deaf witness, who had suddenly gone deaf after talking to counsel for Granata—whispering into his ear). You don't know.

Yes. I don't know! That old answer, "I don't know," is a very safe answer when the witness is crowded. And so it goes on down the record.

Commissioner HOFFMAN. Are you through?

Mr. GRANATA. I am not through.

Mr. ZAIDENBERG. Just started.

Mr. GRANATA. You are excused, Mr. Witness; you may go.

Commissioner HOFFMAN. Mr. Solominski, I have not excused you.

Mr. GRANATA. Why don't you hit him with a sledge hammer?

Who said that? Granata. John Williams, I believe, is his name; yes. "Why don't you hit him?"

That is not all that happened there.

Mr. GIFFORD. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. GIFFORD. That was an orderly recount you spoke about, was it not?

Mr. MILLER. Yes; it would have been an orderly recount if there had not been fraud in the matter and if these witnesses had not been told by Granata's counters or by Granata's representative that they did not have to answer, and they had not suddenly gone deaf.

In the meantime a lady who was a judge was called to the witness stand. This same proceeding was had, the same occurrence had, as shown from page 539 of the record down to page 550 of the record. I want to say this in all fairness that until the gentleman will point out wherein the vote in this case is wrong——

Mr. HARE. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. HARE. Something has been said with reference to the integrity of the ballot. Would the gentleman mind if I reread the question that was propounded the attorney for the contestee during the hearing?

Mr. MILLER. I would be glad if the gentleman did so.

Mr. HARE. This question was asked:

Suppose the committee did not see fit to adopt the recount; what would be your suggestion as to the propriety of the committee ordering a recount of the ballots?

Mr. Sanders, the attorney for the contestee, said:

I think the committee would have one question to determine before having a recount made under its direction, and that question is the integrity of the ballot.

I propounded this inquiry:

Do you think that the integrity of the ballot is the only question?

Mr. SANDERS. Yes; I do. It is set out in our brief, but that would be a question for the committee to determine.

I made the further inquiry—and I might say that I was anxious to know about the integrity of these ballots:

Mr. Sanders, do you think the integrity of the ballots was in question before the recount?

Mr. SANDERS. Yes; I believe that the integrity of the ballots was in question before the recount; and it is still in question.

Mr. MILLER. Mr. Speaker, this question, reduced to its last analysis, is this: When the judges and clerks admit that changes have been made in the returns, and when upon a recount being had upon that testimony, reflecting the fact that a man was elected by 1,288 votes, exactly 3 more than the straight Democratic vote——

[Here the gavel fell.]

The SPEAKER. All time has expired.

Mr. CAMPBELL of Iowa. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Iowa offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Resolved, That the contested-election case of Stanley H. Kunz *v.* Peter C. Granata be recommitted to the Committee on Elections No. 3, with instructions either to recount such part of the vote for Representative in the Seventy-second Congress from the eighth congressional district of Illinois as they shall deem fairly in dispute, or to permit the parties to this contest, under such rules as the committee may prescribe, to recount such vote, and to take any action in the premises, by way of resolution or resolutions, to be reported to the House or otherwise, as they may deem necessary and proper.

The SPEAKER. The question is on the motion to recommit.

Mr. CAMPBELL of Iowa. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays, 186, answered "present 4, not voting 64, as follows:

[Roll No. 45]

YEAS—178

Adkins	Dallinger	Hope	Parker, N. Y.
Allen	Davenport	Hopkins	Partridge
Amlie	De Priest	Horr	Peavey
Andresen	Doutrich	Houston, Del.	Person
Arentz	Dowell	Howard	Pittenger
Bachmann	Dyer	Hull, Morton D.	Pratt, Harcourt J.
Baldridge	Eaton, Colo.	James	Pratt, Ruth
Barbour	Eaton, N. J.	Jenkins	Ramseyer
Beck	Englebright	Johnson, S. Dak.	Ransley
Beedy	Erk	Johnson, Wash.	Reed, N. Y.
Bohn	Estep	Kading	Rich
Boileau	Evans, Calif.	Kahn	Robinson
Bolton	Finley	Kelly, Pa.	Rogers, Mass.
Bowman	Fish	Kendall	Schafer
Britten	Frear	Ketcham	Seger
Brumm	Free	Kinzer	Selberling
Buckbee	Fuller	Knutson	Selvig
Burtness	Garber	Kopp	Shott
Butler	Gibson	Kvale	Simmons
Cable	Gifford	LaGuardia	Sinclair
Campbell, Iowa	Gilbert	Lambertson	Smith, Idaho
Carter, Calif.	Gilchrist	Langford, Va.	Snow
Carter, Wyo.	Golder	Leavitt	Sparks
Cavicchia	Goodwin	Lehlbach	Stafford
Chase	Goss	Loofbourow	Stalker
Chavez	Guyer	Lovette	Strong, Kans.
Chindblom	Hadley	Luce	Summers, Wash.
Chiperfield	Hall, N. Dak.	McClintock, Ohio	Swanson
Christgau	Hancock, N. Y.	McGugin	Swick
Christopherson	Hardy	McLaughlin	Swing
Clague	Hartley	McLeod	Taber
Clancy	Haugen	Maas	Tarver
Clarke, N. Y.	Hawley	Manlove	Temple
Cole, Iowa	Hess	Mapes	Thatcher
Colton	Hoch	Michener	Thurston
Connolly	Hogg, Ind.	Millard	Tilson
Cooke	Hogg, W. Va.	Mouser	Timberlake
Cooper, Ohio	Holaday	Nelson, Me.	Tinkham
Crail	Hollister	Nelson, Wis.	Treadway
Crowther	Holmes	Niedringhaus	Underhill
Culkin	Hooper	Nolan	Wason
Watson	Whitley	Wolcott	Wyant
Weeks	Wigglesworth	Wolfenden	Yates
Welch, Calif.	Williamson	Wolverton	
White	Withrow	Woodruff	

NAYS—186

Allgood	Dickstein	Kemp	Pettengill
Almon	Dies	Kenpedy	Polk
Arnold	Disney	Kerr	Prall
Auf der Heide	Dominick	Kleberg	Ragon
Bankhead	Doxey	Kniffin	Rainey
Barton	Drewry	Lambeth	Ramspeck
Beam	Driver	Lanham	Rankin
Black	Elizey	Lankford, Ga.	Rayburn
Bland	Eslick	Lea	Reilly
Blanton	Evans, Mont.	Lewis	Rogers, N. H.
Bloom	Fernandez	Lichtenwalner	Romjue
Boehne	Fiesinger	Linthicum	Rudd
Boland	Fishburne	Lonergan	Sabath
Boylan	Fitzpatrick	Lozier	Sanders, Tex.
Brand, Ga.	Flannagan	Ludlow	Sandlin
Briggs	Fulbright	McClintic, Okla.	Schuetz
Browning	Fulmer	McCormack	Shallenberger
Brunner	Gambrill	McDuffie	Shannon
Buchanan	Garrett	McKeown	Sirovich
Bulwinkle	Gasque	McMillan	Smith, Va.
Burch	Gavagan	McReynolds	Smith, W. Va.
Busby	Glover	Major	Somers, N. Y.
Byrns	Goldsborough	Maloney	Spence
Canfield	Granfield	Mansfield	Steagall
Cannon	Green	May	Stevenson
Carden	Greenwood	Mead	Stewart
Carley	Gregory	Miller	Sullivan, N. Y.
Cartwright	Griffin	Milligan	Sumners, Tex.
Cary	Griswold	Mitchell	Sutphin
Celler	Hall, Miss.	Mobley	Swank
Clark, N. C.	Hancock, N. C.	Montague	Sweeney
Cochran, Mo.	Hare	Montet	Taylor, Colo.
Cole, Md.	Hart	Moore, Ky.	Thomason
Condon	Hastings	Morehead	Tierney
Connery	Hill, Ala.	Nelson, Mo.	Vinson, Ky.
Cooper, Tenn.	Hill, Wash.	Norton, Nebr.	Warren
Corning	Hornor	Norton, N. J.	Weaver
Cox	Huddleston	O'Connor	West
Cross	Jacobsen	Oliver, Ala.	Whittington
Crosser	Jeffers	Oliver, N. Y.	Williams, Mo.
Crowe	Johnson, Mo.	Overton	Williams, Tex.
Crump	Johnson, Okla.	Palmisano	Wilson
Cullen	Johnson, Tex.	Parker, Ga.	Wingo
Davis	Jones	Parks	Wright
Delaney	Karch	Parsons	Yon
DeRouen	Keller	Patman	
Dickinson	Kelly, Ill.	Patterson	

ANSWERED "PRESENT"—4

Coyle	French	Granata	Woodrum

NOT VOTING—64

Abernethy	Curry	Kurtz	Reid, Ill.
Aldrich	Darrow	Lamneck	Sanders, N. Y.
Andrew, Mass.	Dieterich	Larrabee	Schneider
Andrews, N. Y.	Doughton	Larsen	Shreve
Ayres	Douglas, Ariz.	Lindsay	Snell
Bacharach	Douglass, Mass.	McFadden	Stokes
Bacon	Drane	McSwain	Strong, Pa.
Beers	Foss	Magrady	Sullivan, Pa.
Brand, Ohio	Freeman	Martin, Mass.	Taylor, Tenn.
Burdick	Gillen	Martin, Oreg.	Tucker
Campbell, Pa.	Haines	Moore, Ohio	Turpin
Chapman	Hall, Ill.	Murphy	Underwood
Cochran, Pa.	Harlan	Owen	Vinson, Ga.
Collier	Hull, William E.	Perkins	Welsh, Pa.
Collins	Igoe	Pou	Wood, Ga.
Crisp	Johnson, Ill.	Purnell	Wood, Ind.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Darrow (for) with Mr. Wood of Georgia (against).
Mr. Aldrich (for) with Mr. Dougton (against).
Mr. Cochran of Pennsylvania (for) with Mr. McSwain (against).
Mr. Campbell of Pennsylvania (for) with Mr. Drane (against).
Mr. French (for) with Mr. Ayre (against).
Mr. Bacharach (for) with Mr. Crisp (against).
Mr. Purnell (for) with Mr. Gillen (against).
Mr. Andrews of Massachusetts (for) with Mr. Lindsay (against).
Mr. Martin of Massachusetts (for) with Mr. Douglass of Massachusetts (against).
Mr. Shreve (for) with Mr. Collier (against).
Mr. Johnson of Illinois (for) with Mr. Igoe (against).
Mr. Taylor of Tennessee (for) with Mr. Chapman (against).
Mr. Reid of Illinois (for) with Mr. Abernethy (against).
Mr. Hall of Illinois (for) with Mr. Tucker (against).
Mr. McFadden (for) with Mrs. Owen (against).
Mr. Coyle (for) with Mr. Vinson of Georgia (against).
Mr. William E. Hull (for) with Mr. Larrabee (against).
Mr. Andrews of New York (for) with Mr. Lamneck (against).
Mr. Stokes (for) with Mr. Haines (against).
Mr. Murphy (for) with Mr. Dieterich (against).
Mr. Magrady (for) with Mr. Harlan (against).
Mr. Snell (for) with Mr. Pou (against).
Mr. Foss (for) with Mr. Larsen (against).
Mr. Moore of Ohio (for) with Mr. Underwood (against).
Mr. Wood of Indiana (for) with Mr. Woodrum (against)
Mr. Curry (for) with Mr. Martin of Oregon (against).
Mr. Bacon (for) with Mr. Douglas of Arizona (against).

Mr. WOODRUM. Mr. Speaker, I have a general pair with the gentleman from Indiana [Mr. Woon]. He was ill this afternoon and desired to leave the Chamber. I desire to withdraw my vote of "nay" and answer "present." If the gentleman from Indiana were present, he would vote "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

Mr. GIFFORD. Mr. Speaker, I offer the following substitute for the resolution.

The SPEAKER. The gentleman from Massachusetts offers a substitute for the resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, That Peter C. Granata was elected a Representative to the Seventy-second Congress of the eighth congressional district of the State of Illinois.

The SPEAKER. The question is on agreeing to the substitute.

Mr. GIFFORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 170, nays 189, answered "present" 5, not voting 68, as follows:

[Roll No. 46]

YEAS—170

Adkins	Dowell	Kading	Schafer
Allen	Dyer	Kahn	Seger
Amlie	Eaton, Colo.	Kelly, Pa.	Seiberling
Andresen	Eaton, N. J.	Kendall	Selvig
Arentz	Englebright	Ketcham	Shott
Bachmann	Erk	Kinzer	Simmons
Baldrige	Estep	Knutson	Sinclair
Barbour	Evans, Calif.	Kopp	Smith, Idaho
Beck	Finley	Kvale	Snow
Beedy	Fish	LaGuardia	Sparks
Bohn	Frear	Lambertson	Stafford
Boileau	Free	Lankford, Va.	Stalker
Bolton	Garber	Leavitt	Strong, Kans.
Bowman	Gibson	Lehlbach	Summers, Wash.
Britten	Gifford	Loofbourow	Swanson
Brumm	Gilchrist	Lovette	Swick
Buckbee	Golder	Luce	Swing
Burtness	Goodwin	McClintock, Ohio	Taber
Butler	Goss	McGugin	Temple
Cable	Guyer	McLaughlin	Thatcher
Carter, Calif.	Hadley	McLeod	Thurston
Carter, Wyo.	Hall, N. Dak.	Maas	Tilson
Cavicchia	Hancock, N. Y.	Manlove	Timberlake
Chase	Hardy	Mapes	Tinkham
Chindblom	Hartley	Michener	Treadway
Chiperfield	Haugen	Millard	Underhill
Christgau	Hawley	Mouser	Wason
Christopherson	Hess	Nelson, Me.	Watson
Clague	Hoch	Nelson, Wis.	Weeks
Clancy	Hogg, W. Va.	Niedringhaus	Welch, Calif.
Clarke, N. Y.	Holaday	Nolan	White
Cole, Iowa	Hollister	Parker, N. Y.	Whitley
Colton	Holmes	Partridge	Wigglesworth
Connolly	Hooper	Person	Williamson
Cooke	Hope	Pittenger	Withrow
Cooper, Ohio	Hopkins	Pratt, Harcourt J.	Wolcott
Crail	Horr	Pratt, Ruth	Wolfenden
Crowther	Houston, Del.	Ramseyer	Wolverton
Culkin	Hull, Morton D.	Ransley	Woodruff
Dallinger	James	Reed, N. Y.	Wyant
Davenport	Jenkins	Rich	Yates
De Priest	Johnson, S. Dak.	Robinson	
Doutrich	Johnson, Wash.	Rogers, Mass.	

NAYS—189

Allgood	Cartwright	Elsey	Hart
Almon	Cary	Ellick	Hastings
Arnold	Celler	Evans, Mont.	Hill, Ala.
Auf der Heide	Chavez	Fernandez	Hill, Wash.
Bankhead	Clark, N. C.	Fiesinger	Hornor
Barton	Cochran, Mo.	Fishburne	Howard
Beam	Condon	Fitzpatrick	Huddleston
Black	Connery	Flannagan	Jacobsen
Bland	Cooper, Tenn.	Fulbright	Jeffers
Blanton	Corning	Fuller	Johnson, Mo.
Bloom	Cox	Fulmer	Johnson, Okla.
Boehne	Cross	Gambrill	Johnson, Tex.
Boland	Crosser	Garrett	Jones
Boylan	Crowe	Gasque	Kaech
Brand, Ga.	Crump	Gavagan	Keller
Briggs	Cullen	Gilbert	Kelly, Ill.
Browning	Davis	Glover	Kemp
Brunner	Delaney	Goldsborough	Kennedy
Buchanan	DeRouen	Granfield	Kerr
Bulwinkle	Dickinson	Green	Kleberg
Burch	Dickstein	Greenwood	Kniffin
Busby	Dies	Gregory	Lambeth
Byrns	Disney	Griffin	Lanham
Canfield	Dominick	Griswold	Lankford, Ga.
Cannon	Doxey	Hall, Miss.	Lea
Carden	Drewry	Hancock, N. C.	Lewis
Carley	Driver	Hare	Lichtenwalner
Linthicum	Moore, Ky.	Rayburn	Sutphin
Lonergan	Morehead	Reilly	Swank
Lozier	Nelson, Mo.	Rogers, N. H.	Sweeney
Ludlow	Norton, Nebr.	Romjue	Tarver
McClintic, Okla.	Norton, N. J.	Rudd	Taylor, Colo.
McCormack	O'Connor	Sabath	Thomason
McDuffie	Oliver, Ala.	Sanders, Tex.	Tierney
McKeown	Oliver, N. Y.	Sandlin	Vinson, Ky.
McMillan	Overton	Schuetz	Warren
McReynolds	Parker, Ga.	Shallenberger	Weaver
Major	Parks	Shannon	West
Maloney	Parsons	Sirovich	Whittington
Mansfield	Patman	Smith, Va.	Williams, Mo.
May	Patterson	Smith, W. Va.	Williams, Tex.
Mead	Pettengill	Somers, N. Y.	Wilson
Miller	Polk	Spence	Wingo
Milligan	Prall	Steagall	Wright
Mitchell	Ragon	Stevenson	Yon
Mobley	Rainey	Stewart	
Montague	Ramspeck	Sullivan, N. Y.	
Montet	Rankin	Sumners, Tex.	

ANSWERED "PRESENT"—5

Campbell, Iowa	French	Granata	Woodrum
Coyle			

NOT VOTING—68

Abernethy	Curry	Kurtz	Purnell
Aldrich	Darrow	Lamneck	Reid, Ill.
Andrew, Mass.	Dieterich	Larrabee	Sanders, N. Y.
Andrews, N. Y.	Doughton	Larsen	Schneider
Ayres	Douglas, Ariz.	Lindsay	Shreve
Bacharach	Douglass, Mass.	McFadden	Snell
Bacon	Drane	McSwain	Stokes
Beers	Foss	Magrady	Strong, Pa.
Brand, Ohio	Freeman	Martin, Mass.	Sullivan, Pa.
Burdick	Gillen	Martin, Oreg.	Taylor, Tenn.
Campbell, Pa.	Haines	Moore, Ohio	Tucker
Chapman	Hall, Ill.	Murphy	Turpin
Cochran, Pa.	Harlan	Owen	Underwood
Cole, Md.	Hogg, Ind.	Palmisano	Vinson, Ga.
Collier	Hull, William E.	Peavey	Welsh, Pa.
Collins	Igoe	Perkins	Wood, Ga.
Crisp	Johnson, Ill.	Pou	Wood, Ind.

So the substitute was rejected.

The Clerk announced the following additional pairs:

Mr. Darrow (for) with Mr. Wood of Georgia (against).
Mr. Aldrich (for) with Mr. Doughton (against).
Mr. Cochran of Pennsylvania (for) with Mr. McSwain (against).
Mr. Campbell of Pennsylvania (for) with Mr. Drane (against).
Mr. French (for) with Mr. Ayres (against).
Mr. Bacharach (for) with Mr. Crisp (against).
Mr. Purnell (for) with Mr. Gillen (against).
Mr. Andrew of Massachusetts (for) with Mr. Lindsay (against).
Mr. Martin of Masschusetts (for) with Mr. Douglass of Massachusetts (against).
Mr. Shreve (for) with Mr. Collier (against).
Mr. Johnson of Illinois (for) with Mr. Igoe (against).
Mr. Taylor of Tennessee (for) with Mr. Chapman (against).
Mr. Reid of Illinois (for) with Mr. Abernethy (against).
Mr. Hall of Illinois (for) with Mr. Tucker (against).
Mr. McFadden (for) with Mrs. Owen (against).
Mr. Coyle (for) with Mr. Vinson of Georgia (against).
Mr. William E. Hull (for) with Mr. Larabee (against).
Mr. Andrews of New York (for) with Mr. Lamneck (against).
Mr. Stokes (for) with Mr. Haines (against).
Mr. Murphy (for) with Mr. Dieterich (against).
Mr. Magrady (for) with Mr. Harlan (against).
Mr. Snell (for) with Mr. Pou (against).
Mr. Foss (for) with Mr. Larsen (against).
Mr. Moore of Ohio (for) with Mr. Underwood (against).
Mr. Wood of Indiana (for) with Mr. Woodrum (against).
Mr. Curry (for) with Mr. Martin of Oregon (against).
Mr. Bacon (for) with Mr. Douglas of Arizona (against).
Mr. Welsh of Pennsylvania (for) with Mr. Cole of Maryland (against).

Mr. WOODRUM. Mr. Speaker, I have a pair with the gentleman from Indiana, Mr. Woon. I desire to withdraw my vote of "no" and answer "present." The gentleman from Indiana, Mr. Woon, would have voted "aye" if present.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

Mr. ESTEP. Mr. Speaker, this resolution has two parts, and I would like to ask the Chair whether the resolution is to be voted on as a whole or whether it is to be divided.

The SPEAKER. Unless a demand is made for a division, the resolution will be voted on as a whole.

Mr. ESTEP. Mr. Speaker, I ask that the resolution be divided and that each part be voted on separately.

The SPEAKER. The Clerk will report the first part of the resolution.

The Clerk read as follows:

Resolved, That Peter C. Granata was not elected as Representative in the Seventy-second Congress from the eighth congressional district in the State of Illinois and is not entitled to the seat as such Representative; and—

Mr. BLANTON. Mr. Speaker, I make a point of order against the request that the reverse of this proposition has just been voted upon by a roll call of the House and the House determined that Mr. Granata was not elected and should not be seated.

The SPEAKER. Under the precedents of the House, a resolution of this kind can be divided, and the gentleman from Pennsylvania has asked for a division.

The question was taken; and on a division (demanded by Mr. ESTEP) there were—ayes 190, noes 168.

So, the resolution was agreed to.

The SPEAKER. The question is on the second part of the resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, That Stanley H. Kunz was elected a Representative in the Seventy-second Congress from the eighth congressional district in the State of Illinois and is entitled to his seat as such Representative.

The question was taken, and the resolution was agreed to.

On motion of Mr. KERR, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

SWEARING IN OF MEMBER

Mr. STANLEY H. KUNZ appeared in the well of the House and took the oath of office as prescribed by law.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BURDICK, for the balance of the week, on account of death in the family.

PHILIPPINE INDEPENDENCE

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks on the Philippine question.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LOZIER. Mr. Speaker, yesterday the House, by a vote to 306 to 47, passed H. R. 7233, granting independence to the inhabitants of the Philippine Islands. I am proud of my vote in favor of this measure, though I am sorry those opposed to the bill prevented its being considered under the regular rules of the House, with full and free debate, and opportunity for any Member to offer amendments, if he so desired. But the temper of the House was so pronounced, and the sentiment in favor of the bill so overwhelming, that it was quite evident it would pass under suspension of rules by a very decisive vote. While but little time was consumed in debate when the bill was put on its passage, the question has been thoroughly discussed both in and out of Congress for 30 years, and the action of the House was in harmony with the well-considered judgment of the American people, and was a fulfillment of our national covenants.

The claim that the Filipinos are not capable of self-government is an ancient sophistry, as old as the struggle of men for personal and political freedom. It has been invoked and worked overtime by the governing classes since the beginning of time in order to withhold from citizens and subjects a participation in the affairs of their own Government. No republic has ever been established that did not have to combat this fallacy.

For more than three centuries the Filipino has lived in the shadow of the sword and under the monstrous nightmare of unremitting oppression. Subjected to exploitation and maladministration which were less sympathetic than the fangs of a famished timber wolf, the Filipino, with our help, has lifted his feet from the miry clay and is ready to come into his own. What red-blooded, liberty-loving, self-respecting American will strangle his ambitions or stand between him and independence?

With seeming candor we repeatedly assured the world that we were actuated by no selfish motives or imperialistic designs in taking over the Philippines; that our stay there would be short; that we would generously grant complete independence to our Filipino wards and the opportunity of working out their own destiny and developing a civilization and culture suitable to their needs and in harmony with their environment. If we continue to ignore this solemn covenant, if we equivocate longer, if we hide our intentions to retain sovereignty over the Philippines under the specious plea that they are not yet capable of self-government, if we hypocritically assert that in denying them early independence we are protecting and promoting their own economic interests, we will thereby confess our insincerity, sacrifice duty on the sharp edge of expediency, and earn the condemnation not only of our own people but of all other nations. We must not stultify ourselves by failing to keep faith with this deserving, confiding, and generous people who, by the fortunes of war, were thrown into the lap of our Republic.

The longer we postpone the fulfillment of our pledge to grant independence to the Filipinos the more difficult it will be to keep that promise. The longer we procrastinate the more powerfull will be the influence in favor of never relinquishing our sovereignty over them. Delay stimulates opposition and lends encouragement to those who favor retaining the islands for all time. Every year dulls our appreciation of our obligation to grant independence, adds to American investments in the Philippines, and the propaganda becomes more widespread in favor of delaying and ultimately denying self-government to these 13,000,000 brown-skinned men and women.

Despots and those who believe in the divine right of a favored few to govern the many have ever boldly proclaimed the incapacity of the so-called common people for self-government. If royalty and the nobility could have enforced their will, there would not be at this time a single republic in the world or one nation in which the masses have a worth-while part in the enactment and administration of the laws under which they live. Free governments exist not by the will or tolerance of kings and princes but over their protest, and because thoughtful men in all civilized nations have long since discovered the fallacy of the claim that the masses are not capable of self-government.

Every departure from autocracy and every extension of popular government have been accomplished in spite of the opposition and over the vehement protest of royalty and nobility. When movements for the more general participation of the people in affairs of state became formidable, and when kings and princes realized that active resistance might jeopardize their thrones, they adopted a policy of delay and procrastination, and that is the policy of those who would have us retain sovereignty over the Philippines. They urge delay. They say we should wait 10, 20, or 50 years, but if we should take them at their word, at the end of any of these periods they would want a similar extension of time for the fulfillment of our pledge to grant independence to the Filipinos. For 30 years this school of political thought has preached the cynical doctrine of procrastination, postponement, and indefinite delay.

Our English ancestors, in their struggle for political rights, encountered this same age-old argument, that they were not sufficiently advanced to help, make, and administer their own laws. From the Norman conquest to this good day, practically every English king, whether Norman, Plantagenet, Lancastrian, Yorkist, Tudor, Stuart, Orange, or Hanoverian, has viewed with alarm and looked with disfavor on the growth of democratic sentiment, and whenever possible has questioned the capacity of his subjects for self-government. Every student of history well knows that the freedom of the English-speaking race was won at the point of the sword on sanguinary battlefields, over the protests of the ruling classes who never ceased to contend that a monarchy was the best form of government, and that the masses, however enlightened, educated, and cultured, were incapable of making laws under which they live.

If we follow the advice of the intelligentsia that is so vigorously opposing our early withdrawal from the Philippines, I imagine many generations will wax and wane before that group or their successors would concede the qualifications of the Filipino for self-government. Under their plan, no matter what progress the Filipinos may make in mastering the science of self-government, this cluster of experts will always be able to find some pretext for denying or delaying the

establishment of a Filipino republic. Their proposition means nothing but delay and, if possible, ultimate denial of independence. It would be about as definite and satisfactory as a turtle race from Cape Prince of Wales to Patagonia, via Hollywood, Tishomingo, Panama, Lake Titicaca, and Buenos Aires.

As a self-respecting nation, our dealings with other nations, and especially with a subject race, should always be gilded by the alchemy of sincerity and consistency. The character and reputation of a nation, like the character and reputation of an individual, depend on what is done rather than on what is intended. Good intentions count for but little unless and until they are translated into good deeds. A lofty purpose is fruitless when it finds no expression in action and accomplishment.

After an age-long carnival of Spanish usurpation and unabating oppression, the United States snatched the Philippines from the savage lordship of Spain. In paying Spain $20,000,000 for the relinquishment of her sovereignty we did not buy the souls, or even the bodies, of the native inhabitants. Before the treaty of Paris the Filipinos had the God-given right to oppose Spanish sovereignty and to seek absolute independence. This inherent right was not lost by the transfer of sovereignty from Spain to the United States. When we jockeyed and bargained with Spain over the spoils of war and the fruits of victory, we were not trying to extinguish the candle of liberty that the Filipinos had kept burning, though perhaps dimly, through centuries of oppression, and we acquired no right to suppress or limit their aspirations for independence. In view of our promises, the people of the Philippines have as strong a legal and moral right to claim independence now as when the Spanish flag floated over them. The fact that our rule has been more humane, benevolent, and helpful does not estop them from seeking to establish a Filipino republic or foreclose their rights to demand complete independence.

During the long, dreary ages of Spanish misgovernment the patient, plodding, and exploited Filipino, his neck bent low by the iron yoke of oppression, dreamed of a better day when out of the drab and gloomy skies of the Orient would break forth the sun of liberty with national life and racial inspiration in its beams.

An irrevocable decision by the American Government to permanently hold the Philippines will light a flash of frenzy in the Orient and transmute the affection of the Filipino for us into a hatred so intense that it will never be eradicated.

In attempting to hold the Philippines for all time or for an indefinite or long-extended period we are playing with fire and are in grave danger of being scarred by its fierce blaze.

Let us give the Filipino a chance to stand on his own feet, build his own republic, work out his own destiny, and rear a culture and civilization suitable to his needs and in harmony with his oriental environment, though, of course, it will be tremendously influenced by and follow along the lines of western civilization.

We can no more deprive the Filipino of God-given right of independence than we can escape the fury of a mountain lioness if we should attempt to carry off her cubs. To violate our promise to give the Philippines self-government will place a stain on our escutcheon that generations will not efface.

Who can fathom the subtle purposes of those who unremittingly oppose self-government for the Philippines? Why their passivity? Why do they not come out in the open and say frankly that they oppose the relinquishment of our sovereignty over the Philippines, now or at any time hereafter? Their policy of delay is inexplicable on any theory except that of permanent retention of the Philippines. Their failure to advance a specific and constructive Philippine policy, their unwillingness to "get down to brass tacks" and make a definite commitment, and their enigmatic attitude as to ultimate Filipino independence justify the conclusion that they are hostile to Philippine independence now or at any time in the future.

The twentieth century Filipinos have moved out of and away from the tracks in which their forefathers traveled for ages. They are forward-looking. They have imbibed the spirit and caught the vision of the Western world. Jason-like they have set out in quest of the golden fleece, with which to redeem their birthright of freedom, of which they have been despoiled for three centuries. They fain would drink the wine of liberty from the Holy Grail of self-government. Who will halt their steps, stay their hands, or silence their appeal?

In the heart of the Filipino there is a chamber and a shrine dedicated to the Goddess of Liberty. Shall our action render that chamber tenantless? By our edict shall no incense rise from that shrine? Shall we deliberately suppress the aspirations of 13,000,000 human beings for the same kind of liberty and self-government we enjoy? Shall the hunger of the Filipino for independence be left unsatisfied? Further delay in granting self-government to the Philippines is a denial of such self-government.

With a flawless faith in the American people, the Filipinos are standing on the mountain top of expectation, looking for the sun of freedom to rise on the horizon of their national life. God grant that their vision may not be obscured by low-hanging clouds of delay and disappointment, and that their inspiring anticipations may not sink in the somber shadows of a cheerless night!

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to extend my remarks on the Philippine question.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GIBSON. Mr. Speaker, our policy as to Philippine independence was settled several years ago. Every President since the islands came to us under the treaty of Paris has held out promises of ultimate independence to the Filipino people. President McKinley set forth our benevolent intentions and said:

> The Philippines are ours not to exploit but to develop, to civilize, to educate, to train in the science of self-government. This is the path of duty which we must follow or be recreant to a mighty trust committed to us.

In January, 1906, President Roosevelt said in his message to Congress:

> The Filipino people, through their officials, are therefore making real steps in the direction of self-government. I hope and believe that these steps mark the beginning of a course which will continue until the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

President Taft, while Secretary of War, in 1908, set forth his views in the following language:

> If the American Government can only remain in the islands long enough to educate the entire people, to give them a language which enables them to come into contact with modern civilization, and to extend to them from time to time additional political rights so that by the exercise of them they shall learn the use and responsibilities necessary to their proper exercise, independence can be granted with entire safety to the people.

In 1913 President Wilson, in his message to the Filipino people said:

> We regard ourselves as trustees acting not for the advantage of the United States but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence.

Later, President Coolidge, in a letter to the Speaker of the Philippine House of Representatives, said:

> It is not possible to believe that the American people would wish to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence.
>
> If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world, and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it.

Sixteen years ago we enacted a law, approved July 20, 1916, which definitely established our policy in declaring it to be the purpose of the American people to withdraw sovereignty of the Philippine Islands and recognize their independence as soon as a stable government could be established. In 1920 President Wilson, in his message to Congress, certified that the condition precedent had been complied with in the following language:

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf and have thus fulfilled the condition precedent set by the Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence they so honorably covet.

Having proceeded thus far our Government can not ignore the policy solemnly incorporated into law or violate its promises.

It is my personal belief that mistakes in policy were made when promises were held out and when Congress passed the act of July 29, 1916. But every Congress has recognized the force and effect of the law as it stands and no effort has been made to change it in any particular. However, I can not bring myself to the point where I can justify my country in failing to carry out a solemn pledge. Concerning this point former President Roosevelt stated in 1915:

Personally I think it is a fine, a high thing for a nation to have done such a deed (our work in the Philippines) with such a purpose. But we can not taint it with bad faith. If we act so that the natives understand us to have made a definite promise, then we should live up to that promise.

The only question open under our fixed policy is when and how independence will be made effective. The Senate bill giving independence in about 19 years is to be preferred to the House bill. I think a 30-year period for adjustment would be better.

Both the House and the Senate bills safeguard the immediate interests of this country. A constitution satisfactory to the President must be adopted. We retain control during the period of transition and economic adjustments; we retain naval, coal, and commercial bases, with rights to be fixed by treaty agreement. The debts of the Philippines, the Provinces, municipalities, and all instrumentalities must be taken care of and the United States released of any obligations whatsoever. The same rights and privileges must be granted to citizens of the United States as to the citizens of the Philippine Islands.

The Filipino people must vote as to acceptance of independence. It is my opinion that after due consideration of the economic benefits that accrue through connection with the United States and in view of the great danger of maintaining an independent existence in a section of the world surcharged with national ambitions, the Filipinos will decide not to sever their relations with this country.

At the time of the consideration of the Hare bill the temper of the House Members was such that a proposal to grant immediate independence would have passed by an overwhelming majority. Under these circumstances we did well to follow the course we did.

There is a question, however, in connection with this legislation that should not be overlooked, although its determination is for the judicial department rather than the legislative. We can not, however, refuse to pass legislation because of legal objections unless the justification is clear and unequivocal. The legal objection to this bill is not entirely clear or free from doubt. But let us look at the question and not leave the Congress in the position of having failed to give it any consideration.

In no other instance than that of the Philippines has Congress attempted to approve the alienation of territory to which our sovereignty has attached. There is a doubt if the Congress is empowered to alienate the sovereignty of the United States. That power in a republic is inherent in the people alone. Our Government, in form and substance, emanates from them. Its powers are granted by them. Unless the people have delegated the authority expressly or by implication, Congress has no power to do what is attempted by this measure.

Spain ceded the Philippines to the United States. The Supreme Court, speaking through Chief Justice Fuller, said:

The Philippines thereby ceased, in the language of the treaty, "to be Spanish." Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the United States over which civil government could be established. The result was the same, although there was no stipulation that the native inhabitants should be incorporated into the body politic, and none securing to them the right to choose their nationality. Their allegiance became due to the United States, and they became entitled to its protection.

The Philippines, like Porto Rico, became by virtue of the treaty ceded conquered territory or territory ceded by way of indemnity. * * * The Philippines were not simply occupied, but acquired, and, having been granted and delivered to the United States by their former master, were no longer under the sovereignty of any foreign nation.

The sovereignty of Spain over the Philippines and possessions under claim of title had existed for a long series of years prior to the war with the United States. The fact that there were insurrections against her, or that uncivilized tribes may have defied her will, do not affect the validity of her title. She granted the islands to the United States, and the grantee in accepting them took nothing less than the whole grant.

The Philippines became United States territory and our sovereignty attached.

Our sovereignty is in the people. Concerning this Chief Justice Jay said in the case of Chisholm *v.* Georgia (2 U. S. 419, 471):

Sovereignty is the right to govern; a nation or state sovereign is the person or persons in whom that resides; in Europe the sovereignty is generally ascribed to the prince; here it rests with the people; there the sovereign actually administers the government; here, never in a single instance; our governors are the agents of the people and at most stand in the same relation to their sovereign in which regents in Europe stand to their sovereigns. Their princes have personal powers, dignities, and preeminences; our rulers have none but official; nor do they partake in the sovereignty otherwise or in any other capacity than as private citizens.

To the same effect was the holding of the court in Yick Wo *v.* Hopkins (118 U. S. 356, 369).

Sovereignty itself is, of course, not subject to law, for it is the author and source of law; but in our system, while sovereign powers are delegated to the agencies of government, sovereignty itself remains with the people, by whom and for whom all government exists and acts.

If power to alienate territory of the United States exists in Congress, such authority must be found in the Constitution.

What is the rule in determining whether or not Congress is empowered under the Constitution to alienate any part of the United States where sovereignty is vested? Mr. Justice Story answers the question in his Commentaries on the Constitution.

Whenever, therefore, a question arises concerning the constitutionality of a particular power, the first question is whether the power be expressed in the Constitution; if it be, the question is decided. If it be not expressed, the next inquiry must be whether it is properly an incident to an express power and necessary to its execution; if it be, then it may be exercised by Congress. If not, Congress can not exercise it. (Quoted with approval in United States *v.* Harris, 106 U. S. 629, 641.)

Applying this test we find the power to alienate is not expressed in the Constitution. It is not an incident to any expressed grant; it can not be implied from any expressed power.

An attempt was made to incorporate such a power and this was rejected by the framers. Gov. Edmund Randolph, in discussing an amendment proposed to a Virginia convention, said:

There is no power in the Constitution to cede any part of the Territories of the United States.

This is the view taken by Thomas Jefferson when as Secretary of State he reported to President Washington on the subject of proposed negotiations between the United States and Spain as to the ascertainment of our right to navigate the lower part of the Mississippi as follows:

We have nothing else (than a relinquishment of certain claims on Spain) to give in exchange. For as to territory, we have neither the right nor the disposition to alienate an inch of what belongs to any member of our Union. Such a proposition, therefore, is totally inadmissible and not to be treated for a moment.

The only implication of power worthy of argument is found in paragraph 2, section 3, Article IV of the Constitution, which reads:

The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States, and nothing in this Constitution shall be construed as to prejudice any claims of the United States or any particular State.

It may be argued by some that by virtue of the word "dispose" in this section, Congress is authorized to alienate sovereignty, as well as ownership, over territory or other property belonging to the United States. Such view, however, is opposed to both the plain meaning of the section and to the interpretation given it by our Supreme Court.

Two seemingly plain interpretations have come from the court.

In United States v. Gratiot (14 Pet. (U. S.) 526, 537) Mr. Justice Thompson, after quoting from section 3, Article IV of the Constitution, said:

"The term 'territory,' as here used is merely descriptive of one kind of property, and is equivalent to the word 'lands.' And Congress has the same power over it as over any other property belonging to the United States; and this power is vested in Congress without limitation and has been considered the foundation upon which territorial governments rest."

Mr. Justice White in the case of Downes v. Bidwell (182 U. S. 244, 314), referring to the same subject, stated:

"I am not unmindful that there has been some contrariety of decision on the subject of the meaning of the clause empowering Congress to dispose of the Territories and other property of the United States, some adjudged cases treating that article as referring to property as such, and other deriving from it the general grant of power to govern Territories. In view, however, of the relations of the Territories to the Government of the United States at the time of the adoption of the Constitution, and the solemn pledge then existing that they should forever 'remain a part of the Confederacy of the United States of America,' I can not resist the belief that the theory that the disposing clause relates as well to a relinquishment or cession of sovereignty as to a mere transfer of rights of property is altogether erroneous."

It is, therefore, a fair question and worthy of serious consideration if Congress has any power to alienate our sovereignty over the Philippines. In the last analysis, it is a question for the courts and not for the Congress and no judicial interpretation can be forthcoming until after some measure granting independence is enacted.

FILING OF SUPPLEMENTARY REPORT

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to file a supplementary report on the bill H. R. 8765, which has been favorably reported.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. RAINEY. Mr. Speaker, it is very important to get the independent offices appropriation bill through this week, and I ask unanimous consent that Calendar Wednesday business may be dispensed with.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, and I do not object, is it the plan of the majority leader that in case we finish consideration of the bill by Friday we shall adjourn over?

Mr. RAINEY. We will, if we finish by Friday.

Mr. MICHENER. Mr. Speaker, reserving the right to object, what committee has the call to-morrow?

Mr. RAINEY. Indian Affairs.

Mr. MICHENER. Is that agreeable to the chairman of the committee?

Mr. HOWARD. Mr. Speaker, the request is not altogether agreeable, but in view of the fact that the organization seems to have more emergent business for to-morrow, and because of the forgiving nature of the members of my committee, I offer no objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MEETING AT 11 O'CLOCK TO-MORROW

Mr. JOHNSON of Washington. Mr. Speaker, how far along is the consideration of the independent offices bill? Has general debate been closed?

Mr. WOODRUM. We have had one afternoon of general debate.

Mr. Speaker, in order to insure passage of the bill by Friday, I ask unanimous consent that on Wednesday, Thursday, and Friday the House meet at 11 o'clock.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have no objection to the House meeting at 11 o'clock when there is general debate, but I do not think the House should be called into session at 11 o'clock when we are under the 5-minute rule.

Mr. WOODRUM. Then I amend the request, Mr. Speaker, and ask it for to-morrow. I would like to finish general debate to-morrow, if possible.

The SPEAKER. Is there objection to the request of the gentleman from Virginia to meet at 11 o'clock to-morrow?

There was no objection.

Mr. HOWARD. Mr. Speaker, I would like to have the gentleman understand that in yielding to putting away Calendar Wednesday to-morrow, I must not be understood as yielding for the following week.

The SPEAKER. The gentleman has about six weeks within which to get in on Calendar Wednesday.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 3836. An act to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.; and

S. J. Res. 47. Joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p. m.), in accordance with its previous order, the House adjourned until to-morrow, Wednesday, April 6, 1932, at 11 o'clock a. m.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, April 6, 1932, as reported to the floor leader by clerks of the several committees:

JUDICIARY—SUBCOMMITTEE NO. 2

(10 a. m.)

Relating to certain restrictions on the medical profession in prescribing medicinal liquor (H. R. 293; H. R. 5608; H. R. 5859; H. R. 8077; H. R. 10524; H. J. Res. 28; H. J. Res. 211).

INDIAN AFFAIRS

(10.30 a. m.)

H. R. 6684, known as "An act to determine heirs of deceased Indians, etc."

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SIROVICH: Committee on Patents. H. R. 10976. A bill to amend and consolidate the acts respecting copyright and to codify and amend common-law rights of authors in their writings; without amendment (Rept. No. 1008). Referred to the Committee of the Whole House on the state of the Union.

Mr. KERR: Committee on Elections No. 3. H. Res. 186. A resolution declaring Peter C. Granata not elected and Stanley H. Kunz elected as Representative from the eighth congressional district in the State of Illinois (Rept. No. 778). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. H. Res. 180. A resolution authorizing the payment of funeral expenses and compensation to Henrietta M. Williamson, widow of Milton C. Williamson, late an employee of the House (Rept. No. 1006). Ordered to be printed.

Mr. WARREN: Committee on Accounts. H. Res. 178. A resolution to pay Jessie McKinley, daughter of Henry C. McKinley, six months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said Henry C. McKinley (Rept. No. 1007). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HALL of Mississippi: A bill (H. R. 11113) to prohibit the importation of any article or merchandise from the Union of Soviet Socialist Republics; to the Committee on Ways and Means.

By Mr. CELLER (by request): A bill (H. R. 11114) to regulate interstate commerce by prohibiting the transportation therein of children of certain divorced persons; to the Committee on the Judiciary.

Also, a bill (H. R. 11115) to amend the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: A bill (H. R. 11116) relating to the making of loans to veterans upon their adjusted-service certificates; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. COCHRAN of Missouri: A bill (H. R. 11117) to provide for the immediate payment of World War adjusted-service certificates, and for other purposes; to the Committee on Ways and Means.

By Mr. STEAGALL: A bill (H. R. 11118) to amend section 5219 of the Revised Statutes of the United States (U. S. C., 1925, title 12, ch. 4, sec. 546); to the Committee on Banking and Currency.

By Mr. KLEBERG: A bill (H. R. 11119) to amend the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended; to the Committee on Agriculture.

By Mr. HAWLEY: A bill (H. R. 11120) to amend an act (chap. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. p. 1256); to the Committee on Indian Affairs.

By Mr. LaGUARDIA: Resolution (H. Res. 182) providing that the Attorney General be directed to transmit forthwith to the Committee on the Judiciary of the House of Representatives how many district judges have been assigned to hold court in the southern district of New York in the calendar years 1929, 1930, and 1931, and for other purposes; to the Committee on the Judiciary.

By Mr. GOLDER: Resolution (H. Res. 183) directing the Interstate Commerce Commission to make an investigation and report to the President of the United States regarding the relationships between the various political contractors, political combinations, and railroad officials; to the Committee on Interstate and Foreign Commerce.

By Mr. COCHRAN of Missouri: Resolution (H. Res. 184) providing for the consideration of H. R. 10794, a bill to consolidate and coordinate certain governmental activities affecting the civil service of the United States; to the Committee on Rules.

Also, resolution (H. Res. 185) providing for the consideration of H. R. 11011, a bill to establish a public works commission; to the Committee on Rules.

By Mr. BRAND of Georgia: Joint resolution (H. J. Res. 353) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas; to the Committee on Agriculture.

By Mr. LEWIS: Joint resolution (H. J. Res. 354) requesting the President of the United States to request by proclamation the people of the United States to join in observance on August 26 in every year of the adoption of the nineteenth amendment to the Federal Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 11121) granting an increase of pension to Clarence L. Wimer; to the Committee on Pensions.

Also, a bill (H. R. 11122) granting an increase of pension to Marian Beam; to the Committee on Invalid Pensions.

By Mr. BEAM: A bill (H. R. 11123) for the relief of Edmond F. Coyle; to the Committee on Naval Affairs.

By Mr. BOLAND: A bill (H. R. 11124) for the relief of James Gessler; to the Committee on Military Affairs.

By Mr. CARTWRIGHT: A bill (H. R. 11125) granting an increase of pension to Mary E. Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11126) granting a pension to Neeley Keller; to the Committee on Invalid Pensions.

By Mr. DAVILA: A bill (H. R. 11127) granting an increase of pension to Ana Rita Rexach; to the Committee on Pensions.

By Mr. FITZPATRICK: A bill (H. R. 11128) for the relief of Fred Ernest Gross; to the Committee on Naval Affairs.

Also, a bill (H. R. 11129) for the relief of William C. Green; to the Committee on Naval Affairs.

By Mr. FULLER: A bill (H. R. 11130) granting a pension to Martha J. Hopper; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 11131) granting a pension to Conrad F. Korthanke; to the Committee on Pensions.

By Mr. GUYER: A bill (H. R. 11132) granting an increase of pension to Hannah Byers; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 11133) granting a pension to Harold Bertrun Denison; to the Committee on Pensions.

Also, a bill (H. R. 11134) granting a pension to John R. Gamble; to the Committee on Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 11135) granting an increase of pension to Martha F. Robinson; to the Committee on Invalid Pensions.

By Mr. HOPE: A bill (H. R. 11136) granting an increase of pension to Mary T. Eagy; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Texas: A bill (H. R. 11137) for the relief of Willie A. Williams; to the Committee on Claims.

By Mr. KOPP: A bill (H. R. 11138) granting a pension to Lillie Watson; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 11139) authorizing Frederick W. VanDuyne, colonel in the United States Army, to accept the decoration of the Legion of Honor, tendered him by the Republic of France; to the Committee on Foreign Affairs.

By Mr. McKEOWN: A bill (H. R. 11140) granting an increase of pension to Sue Rains; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 11141) authorizing the President to order George H. McKee before a retiring board for a hearing of his case and upon the findings of such board to determine whether or not he be placed on the retired list with rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 11142) granting a pension to Martha Wead; to the Committee on Invalid Pensions.

By Mr. SHANNON: A bill (H. R. 11143) for the relief of Clara Fitzgerald; to the Committee on Claims.

By Mr. SUMMERS of Washington: A bill (H. R. 11144) granting a pension to Jennie Ledford McNeill; to the Committee on Invalid Pensions.

By Mr. SWANSON: A bill (H. R. 11145) granting an increase of pension to Mary J. Strait; to the Committee on Invalid Pensions.

By Mr. THOMASON: A bill (H. R. 11146) for the relief of Douglas C. Pyle; to the Committee on Naval Affairs.

By Mr. UNDERWOOD: A bill (H. R. 11147 granting an increase of pension to Amelia Shultz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11148 granting an increase of pension to Delilah Coffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11149) granting a pension to William E. McCormick; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Missouri: A bill (H. R. 11150) for the relief of G. C. Vandover; to the Committee on Claims.

By Mr. WILSON: A bill (H. R. 11151) granting a pension to Mary Lou Wallace Paul; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5472. By Mr. ANDREWS of New York: Resolution adopted by 73 members of the William McKinley Council, No. 125, urging support of House Joint Resolutions 216 and 277 and House bill 9597; to the Committee on Immigration and Naturalization.

5473. By Mr. ARNOLD: Petition of citizens of Mount Vernon, Ill., favoring an old age pension law; to the Committee on Labor.

5474. Also, petition of Brotherhood of Railway Carmen, Mount Carmel, Ill., urging passage of legislation regulating trucks and busses engaged in interstate commerce in competition with railroads, and providing legislation for certain regulation of waterway carriers; to the Committee on Interstate and Foreign Commerce.

5475. By Mr. BLANTON: Petition of Vernon D. Hart Post, No. 100, the American Legion, at Stamford, Tex., presented by M. B. Harris, adjutant, urging Congress to pass legislation requiring the immediate payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5476. By Mr. CABLE: Petition of citizens of Lima, Ohio, regarding taxation and regulation of interstate bus and truck transportation; to the Committee on Interstate and Foreign Commerce.

5477. By Mr. CAMPBELL of Iowa: Petition of 76 citizens and voters of Woodbury and Ida County, Iowa, protesting against House bill 8092, which provides for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

5478. By Mr. COCHRAN of Missouri: Memorial submitted by Vesta T. May, general secretary of the St. Louis School Patrons' Alliance, an association of the Fathers' Clubs and Mothers' Clubs and other associations of like character in 65 schools in St. Louis, Mo., praying for the enactment of the bill to give the Federal Government jurisdiction in kidnaping cases, introduced by Representative JOHN J. COCHRAN of Missouri; to the Committee on the Judiciary.

5479. By Mr. DICKINSON: Petition of 942 citizens of the State of Missouri, against the reduction of salaries of Government employees; to the Committee on Expenditures in the Executive Departments.

5480. By Mr. DRANE: Petition of citizens of Pinellas County, Fla., protesting against House bill 8092; to the Committee on the District of Columbia.

5481. Also, petition of citizens of Eustis, Fla., protesting against the resubmission of the eighteenth amendment; to the Committee on the Judiciary.

5482. By Mr. FOSS: Petition of employees of Iver Johnson Arms & Cycle Works, of Fitchburg, Mass., opposing passage of House bill 10604, levying a tax of 1 cent per shell on all loaded shot shells; to the Committee on Ways and Means.

5483. By Mr. FULLER: Petition of Fulton Patterson and 129 ex-service and business men of Yellville, Ark., praying for the full payment of the veterans' adjusted-service certificates; to the Committee on Ways and Means.

5484. By Mr. GILCHRIST: Petition of 26 honorably discharged soldiers of Dow City, Iowa, urging the passage of the adjusted compensation bill, H. R. 1; to the Committee on Ways and Means.

5485. Also, petition of 78 citizens of the eighth congressional district of Iowa, urging the passage of House bill 1, being the adjusted compensation bill; to the Committee on Ways and Means.

5486. By Mr. GLOVER: Petition of the farmers of Jefferson County; to the Committee on Agriculture.

5487. Also, petition of the farmers of Arkansas County; to the Committee on Agriculture.

5488. Also, petition of the farmers of Lincoln County; to the Committee on Agriculture.

5489. Also, petition of farmers of Cleveland County; to the Committee on Agriculture.

5490. Also, petition of the farmers of Lonoke County; to the Committee on Agriculture.

5491. Also, petition of the farmers of Hot Spring County; to the Committee on Agriculture.

5492. Also, petition of the farmers of Drew County; to the Committee on Agriculture.

5493. Also, petition of the farmers of Dallas County; to the Committee on Agriculture.

5494. Also, petition of the farmers of Garland County; to the Committee on Agriculture.

5495. Also, petition of the farmers of Cleveland County; to the Committee on Agriculture.

5496. By Mr. HARLAN: Petition of J. Elmer Baird and 52 other citizens of Dayton, Ohio, protesting against further increase in taxation, and asking a reduction in Government expenses; to the Committee on Ways and Means.

5497. By Mr. HOGG of West Virginia: Petition of Logan County Unit of Railway Employees and Taxpayers Association, opposing the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5498. Also, petition of the Pocahontas Operators' Association, opposing the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5499. Also, petition of Kiwanis Club of Logan, opposing the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5500. By Mr. JAMES: Telegram from Norman D. Starrett, mayor of the city of Hancock, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5501. Also, telegram from Joe Dragman, president of the St. Joseph's Society, Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5502. By Mr. JOHNSON of Washington: Petition of Yakima (Wash. Fruit Growers' Association, advocating a moderation of the present high-tariff policy so that foreign markets be restored for Pacific Northwest fruit products; to the Committee on Ways and Means.

5503. By Mr. KOPP: Petition of S. Hamill and about 150 other citizens and sportsmen of Keokuk, Iowa, protesting against the cent-a-shell tax as proposed in House bill 10604; to the Committee on Ways and Means.

5504. Also, petition of Mrs. R. B. Willey and many other residents of Burlington, Iowa, urging the support and maintenance of the prohibition law; to the Committee on the Judiciary.

5505. By Mr. LEHLBACH: Petition of citizens of sportsmen of the State of New Jersey, protesting against the cent-a-shell tax as proposed in House bill 10604; to the Committee on Ways and Means.

5506. By Mr. LICHTENWALNER: Petition of 60 citizens and sportsmen of the State of Pennsylvania, protesting against the cent-a-shell tax as proposed in House bill 10604; to the Committee on Ways and Means.

5507. By Mr. LINDSAY: Petition of Chamber of Commerce of El Paso, Tex., favoring the passage of House Joint Resolution 319; to the Committee on Ways and Means.

5508. Also, petition of the Merchants' Association of New York, opposing House bill 10241; to the Committee on Banking and Currency.

5509. By Mr. LONERGAN: Petition of Connecticut sportsmen on the cent-a-shell tax bill; to the Committee on Ways and Means.

5510. By Mr. LINTHICUM: Petition of Harry C. Knight, of Leonardtown, Md., urging passage of bills for bear and wildlife sanctuaries in southeastern Baranof Islands and Everglades of Florida, respectively; to the Committee on the Public Lands.

5511. Also, petition of Kensington Board of Trade, Kensington, Md., urging passage of House bill 5659; to the Committee on the Judiciary.

5512. Also, petition of Waldo Newcomer, of Baltimore, Md., urging passage of House bills 1967 and 8549; to the Committee on Immigration and Naturalization.

5513. Also, petition of Consolidated Engineering Co. (Inc.), Baltimore, Md., urging passage of Senate bill 3847; to the Committee on Labor.

5514. Also, petition of Rev. Benjamin B. Lovett, of Baltimore, Md., urging Federal aid for the unemployed; to the Committee on Ways and Means.

5515. Also, petition of Baltimore Association of Commerce, Baltimore, Md., opposing Senate Joint Resolution 120; to the Committee on Interstate and Foreign Commerce.

5516. Also, petition of Lloyd H. Eney, of Baltimore, Md., Oriole Lodge, No. 486, International Association of Machinists, Baltimore, Md., Baltimore branch, Railway Mail Association, Baltimore Md., opposing reduction in Federal employees' salaries; to the Committee on Ways and Means.

5517. Also, petition of O. M. Gibson, of Baltimore, Md., opposing additional appropriation to Farm Board; to the Committee on Banking and Currency.

5518. Also, petition of Carolina Bagging Co., of Henderson, N. C., opposing House bill 8559; to the Committee on Agriculture.

5519. Also, petition of Izaak Walton League of America, Baltimore, Md., urging support of Senate bill 263; to the Committee on Agriculture.

5520. Also, petition of the Seaboard Brass & Copper Co., Baltimore, Md., opposing House bill 408; to the Committee on Merchant Marine, Radio, and Fisheries.

5521. Also, petition of United States Veterans' Association and Elmer Lloyd, of Baltimore, Md., favoring passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5522. Also, petition of Dr. Cecil W. West and Laura E. Campen, of Baltimore, Md., opposing passage of House bill 1, soldiers' bonus bill; to the Committee on Ways and Means.

5523. Also, petition of the American Legion, the Maryland Guard Memorial Post, No. 35, American Legion, and Mrs. Samuel Hillman, of Baltimore, Md., favoring passage of pension bill for widows and orphans of World War veterans; to the Committee on Pensions.

5524. By Mr. LUDLOW: Petition of 40 members of the Disabled American Veterans of the World War, the American Legion, and the Veterans of Foreign Wars of Indianapolis, Ind., favoring immediate payment of the balance upon the face value of all adjusted-service certificates; to the Committee on Ways and Means.

5525. By Mr. McDUFFIE: Petition of citizens of the State of Alabama, protesting against the passage of House bill 10604; to the Committee on Ways and Means.

5526. By Mr. MEAD: Petition of New York State League of Savings and Loan Associations, urging enactment of Senate bill 2959 and House bill 7620; to the Committee on Banking and Currency.

5527. By Mr. MILLARD: Resolution unanimously passed by the Fancher Nicholl Post, No. 77, of the American Legion, Pleasantville, N. Y., disapproving of any payment at this time of public moneys to veterans (not disabled) on account of adjusted-compensation certificates; to the Committee on Ways and Means.

5528. Also, resolution of the executive committee of the New York State League of Savings and Loan Associations, expressing the approval of that organization of House bill 7620; to the Committee on Banking and Currency.

5529. By Mr. MILLER: Petition of Batesville Post of the American Legion of Batesville, Ark., urging payment of the balance of the adjusted-service certificates; to the Committee on Ways and Means.

5530. By Mr. PEAVEY: Petition of numerous citizens of the city of Spooner, Wis., and surrounding vicinity, protesting against the passage of Senate bill 1202, providing for Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

5531. By Mr. RUDD: Petition of the Merchants' Association of New York, opposing the passage of House bill 10241, to provide a guarantee fund for depositors in member banks of the Federal reserve system; to the Committee on Banking and Currency.

5532. Also, petition of Fred B. Peterson & Co., 99 Wall Street, New York City, favoring the passage of House bill 10604, providing for a tax of 1 cent per shell for shotgun shells; to the Committee on Ways and Means.

5533. Also, petition of Penn Brass & Bronze Works, Brooklyn, N. Y., favoring the passage of House bill 6187 and Senate bill 2956; to the Committee on Public Buildings and Grounds.

5534. Also, petition of John T. Harrison, 16 Liberty Street, New York City, opposing the passage of the cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5535. Also, petition of New York Automobile Club, opposing any special motor excise tax or tax on gasoline unless they are a part of a general sales-tax program; to the Committee on Ways and Means.

5536. Also, petition of New York Typographical Union, No. 6, opposing any salary reduction of the Federal employees; to the Committee on Expenditures in the Executive Departments.

5537. By Mr. SELVIG: Petition of 18 members of Barnesville (Minn.) Legion, urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5538. Also, petition of 19 members of Legion at Barnesville, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5539. Also, petition of 19 Legion members of Barnesville, Minn., urging cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5540. Also, petition of numerous citizens of Fertile, Minn., urging immediate cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5541. Also, petition of 19 veterans of Fertile, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5542. Also, petition of veterans of New York Mills, Minn., urging enactment of cash payment of bonus; to the Committee on Ways and Means.

5543. Also, petition of 19 members of Legion at Hallock, Minn., urging cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5544. Also, petition of 19 members of Legion at Hallock, Minn., urging enactment of cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5545. Also, petition of members of Legion at St. Vincent, Minn., urging enactment of cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5546. Also, petition of American Legion Post, No. 390, Stephen, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5547. Also, petition of members of American Legion of Stephen, Minn., favoring cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.



5548. Also, petition of 20 citizens of Detroit Lakes, Minn., favoring cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5549. Also, petition of members of Legion at Stephen, Minn., favoring cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5550. By Mr. SHOTT: Petition of citizens of Talcott, Summers County, W. Va., favoring support of the pension bill, H. R. 9891, known as the railroad employees' national pension bill; to the Committee on Interstate and Foreign Commerce.

5551. Also, petition of 20 citizens of McDowell County, W. Va., asking for the immediate payment at full face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

5552. By Mr. SMITH of West Virginia: Resolutions of Logan Coal Operators' Association, of Logan; the New River Coal Operators' Association, of Mount Hope; the Pocahontas Operators' Association, of Bluefield; and the Kiwanis Club, of Logan, all of the State of West Virginia, protesting against the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5553. By Mr. SHOTT: Petition of the directors of Logan County Chamber of Commerce, Logan, W. Va., opposing the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5554. Also, petition of George C. Donovan and other citizens of Princeton, Mercer County, W. Va., favoring the immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5555. By Mr. SMITH of West Virginia: Petitions of the Logan County Chamber of Commerce, and other citizens, of Logan, W. Va., protesting against the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5556. By Mr. SUMMERS of Washington: Resolution by the Talbot Improvement Club of Renton, Wash., R. W. Harris, president, and Ellen Jensen, secretary, indorsing the Summers farm to market post road bill, H. R. 137; to the Committee on Roads.

5557. By Mr. TARVER: Petition of a number of citizens of Atco, Ga., protesting against the cent-a-shell tax proposed in House bill 10604; to the Committee on Ways and Means.

5558. By Mr. THOMASON: Petition of residents of El Paso, Tex., urging favorable action by Congress on the proposal to pay in cash the balance due on adjusted-service certificates; to the Committee on Ways and Means.

5559. Also, petition of employees of the city water works of El Paso, Tex., urging cash payment of the balance due on adjusted-service certificates; to the Committee on Ways and Means.

5560. By Mr. WATSON: Petition of citizens and sportsmen of the State of Pennsylvania, opposing the cent-a-shell tax as proposed in House Resolution 10604; to the Committee on Ways and Means.

5561. By Mr. WELCH of California: Petition of citizens of California, protesting against the passage of House bill 10604; to the Committee on Ways and Means.

5562. By Mr. WEST: Petition signed by 131 residents of the State of Ohio, protesting against the cent-a-shell tax upon shotgun shells; to the Committee on Ways and Means.

5563. Also, petition of 24 letter carriers at Newark, Ohio, protesting against reduction in salaries of postal employees; to the Committee on Expenditures in the Executive Departments.

5564. By Mr. WHITTINGTON: Petition of the Rotary Club of Canton, Miss., asking for repeal of the recapture provisions of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

5565. Also, petition of Chamber of Commerce of Canton, Miss., favoring the repeal of the recapture provisions of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, APRIL 6, 1932

(Legislative day of Monday, April 4, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 3836. An act to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.; and

S. J. Res. 47. Joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Johnson	Robinson, Ark.
Austin	Dale	Jones	Schall
Bailey	Davis	Kean	Sheppard
Bankhead	Dickinson	Kendrick	Shipstead
Barbour	Dill	Keyes	Shortridge
Black	Fess	King	Smoot
Blaine	Fletcher	La Follette	Steiwer
Borah	Frazier	Lewis	Thomas, Idaho
Bratton	George	Logan	Thomas, Okla.
Brookhart	Glass	Long	Townsend
Broussard	Glenn	McGill	Trammell
Bulkley	Goldsborough	McKellar	Tydings
Bulow	Gore	McNary	Vandenberg
Byrnes	Hale	Morrison	Wagner
Capper	Harrison	Moses	Walcott
Caraway	Hastings	Neely	Walsh, Mass.
Carey	Hatfield	Norbeck	Walsh, Mont.
Connally	Hawes	Norris	Wheeler
Coolidge	Hayden	Nye	White
Copeland	Hebert	Oddie	
Costigan	Howell	Pittman	
Couzens	Hull	Reed	

Mr. FESS. The senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] are absent attending the funeral of the late Representative Vestal. The announcement may stand for the day.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is detained on account of illness. This announcement may stand for the day.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. GLASS. I wish to announce that my colleague the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. LOGAN. I wish to announce that the senior Senator from Kentucky [Mr. BARKLEY] is necessarily detained from the Senate on official business.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

LANDS IN LOUISIANA AND MISSISSIPPI

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, which was referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 4, 1932.

The PRESIDENT OF THE SENATE,
Washington, D. C.

MY DEAR MR. PRESIDENT: In compliance with Senate Resolution No. 126, of January 4, 1932, the further sale and patent of lands in Louisiana and Mississippi under the act approved April 11, 1928, was suspended for 90 days. That period has expired. During that time I have been advised by the Committee on Public Lands of the Senate that consideration of S. 1300, which would have repealed the act of April 11, 1928, has been indefinitely postponed. As I advised you on January 6, the only duty remaining for the department under the act of April 11, 1928, was the ministerial one of issuing patent, the matter having been adjudicated and final certificates issued.

In view of the foregoing facts, I beg to advise you that patent will issue in regular course of business.

Very truly yours,

RAY LYMAN WILBUR.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the scientific staff of the American Museum of Natural History of New York, New York City, favoring the passage of legislation establishing the Everglades National Park, in the State of Florida, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate resolutions adopted by the Association of Military Colleges and Schools of the United States, Washington, D. C., favoring the maintenance of the national defense, and particularly the making of necessary appropriations for the continuance of the Reserve Officers' Training Corps and the citizens' military training camps, etc., which were referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by the Dan Colello Association (Inc.), of Jersey City, N. J., protesting against proposed reductions in compensation of Federal employees earning less than $5,000 per annum, which was referred to the Committee on Civil Service.

He also laid before the Senate a resolution adopted by the Pittsburgh Coal Exchange, of Pittsburgh, Pa., protesting against the passage of House bill 8821 and Senate bill 3530, to amend the longshoremen's and harbor workers' compensation act, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the Pittsburgh Coal Exchange, of Pittsburgh, Pa., protesting against the passage of House bill 7012, to establish a department of national defense, to consolidate therein the Department of War and the Department of the Navy, and for other purposes, which was referred to the Committee on Military Affairs.

Mr. WALSH of Massachusetts presented a memorial of 19 citizens of the State of Massachusetts, remonstrating against the imposition of a "cent-a-shell" tax upon shotgun shells, which was referred to the Committee on Finance.

He also presented letters, in the nature of memorials, from 200 citizens of the State of Massachusetts, remonstrating against the imposition of a tax on sales of securities, which were referred to the Committee on Finance.

He also presented the memorial of 228 citizens, being employees of the Taunton Pearl Works, all of Taunton, Mass., remonstrating against the imposition of a tax upon jewelry, which was referred to the Committee on Finance

Mr. SHORTRIDGE presented petitions of members of the First Mennonite Church, of Upland, and sundry citizens of San Diego, all in the State of California, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented memorials and letters and telegrams, in the nature of memorials, from Harry Canfield, secretary Postmasters' Association of Bellflower; Lila Williams, New Zealand Insurance Co., of National City; Local No. 1463, National Federation of Post Office Clerks, of Pittsburg; Reveille Post, No. 216, American Legion, of Corona; Jewel City Branch, No. 1983, National Association of Letter Carriers, of Glendale; Gerold F. Barnitz, secretary Central Labor Council of Santa Barbara; E. J. Moffett Co., O. W. Sleffel, and the Platt Produce Co., of Los Angeles; the National Federation of Post Office Clerks, and John McCarthy, secretary San Francisco Post Office Clerks' Union, Local No. 2, of San Francisco; R. L. Barnwell, manager Acacia Mutual Life Association; H. A. Bruntsch, secretary Alameda County Employees' Association; A. Pollard, secretary National Association of Letter Carriers; and N. L. Eckles, secretary National Association of Postal Supervisors, of Oakland, all in the State of California, remonstrating against proposed reductions in compensation of postal workers and other Federal employees, which were referred to the Committee on Civil Service.

RESOLUTIONS OF ARGONNE FOREST POST, NO. 278, AMERICAN LEGION, OF BRANDON, MINN.

Mr. SCHALL. Mr. President, I present several resolutions unanimously adopted by Argonne Forest Post, No. 278, the American Legion, of Brandon, in my State, and I ask unanimous consent that they may be published in the RECORD and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolution by the Argonne Forest Post, No. 278

Whereas the so-called bonus bill was passed in 1930 allowing a veteran a loan of one-half the face value of service certificates;

Whereas these certificates are not payable in full before 1945; at that date the interest on the last half will make the certificate of practically no value;

Whereas the House and Senate, now in session, passed a bill providing $2,000,000,000 for the Reconstruction Finance Corporation to establish credit;

Whereas if that $2,000,000,000 would have been used to pay the soldiers' bonus in full it would have benefited not only the veterans but the country at large: Therefore be it

Resolved by the Argonne Forest Post, No. 278, of Brandon, Minn., That we go on record favoring immediate payment of the veterans' service certificates or bonus in full; be it further

Resolved, That a copy of this resolution be forwarded to Senator HENRIK SHIPSTEAD, Senator THOMAS SCHALL, and Congressman JOHN PAUL KVALE, and you are hereby requested to consider this resolution and take action from it.

Adopted at the regular meeting March 19, 1932, by unanimous vote.

JOHN KNUDSON, *Commander.*

Attest:

R. H. DAHL, *Adjutant.*

Resolution by the Argonne Forest Post, No. 278

Whereas at the present time, according to the veterans' act of 1924, as amended, the widows and children of veterans who die of a service-connected disability are entitled to support by the the Government through widows' pensions;

Whereas any widow or dependent of a veteran who dies from a disability not service connected is not entitled to any support by the Government through widows' pensions;

Whereas there is a bill pending before the House, known as H. R. 8578, or the Rankin bill, which, if passed, would allow orphans' or widows' pensions to dependents of a veteran regardless of whether he died of a service-connected disability or not: Therefore be it

Resolved by the Argonne Forest Post, No. 278, of Brandon, Minn., (a) That we go on record favoring the Rankin bill (H. R. 8578) whereby widows and orphans of veterans can receive material aid from our Government regardless of whether their death was due to service-connected disability or not.

(b) We also go on record against the so-called needs amendment or "pauper" clause or any clause which would give support to dependent parents, or any other dependents, excepting widows and children of veterans; be it further

Resolved, That a copy of this resolution be forwarded to Senator HENRIK SHIPSTEAD, Senator THOMAS SCHALL, and Congressman JOHN PAUL KVALE, and you are hereby requested to consider this resolution and take action from it.

Adopted at the regular meeting March 19, 1932, by unanimous vote.

JOHN KNUDSON, *Commander.*

Attest:

R. H. DAHL, *Adjutant.*

Resolution by the Argonne Forest Post, No. 278

Whereas at the present time any veteran who is entitled to hospitalization under the provision of section 202(10) of the veterans' act of 1924 as amended can only receive such medical aid and hospitalization at the nearest veterans' hospital at Government expense;

Whereas many of these veterans are in need of immediate medical aid and hospitalization or an emergency operation to save their lives;

Whereas under section 202(10) the Government will not reimburse a veteran for expenses incurred receiving medical aid or hospitalization by local physician or hospital,

(b) Unless his or her disability is service connected and then only if such medical care and hospitalization has been authorized by the Veterans' Bureau;

Whereas on account of the crowded condition at the veterans' hospitals many of these veterans can not be given immediate hospitalization, therefore having to receive medical aid and hospitalization elsewhere at their own expense: Therefore be it

Resolved by the Argonne Forest Post, No. 278, of Brandon, Minn., That we go on record favoring a policy of hospitalization whereby veterans can receive emergency hospitalization and medical care at any hospital in his county or State at Government expense, regardless of whether his or her disability is service connected or not.

(b) And also we are in favor of that any veteran who is in need of immediate hospitalization and medical care but can not be classed as an emergency case and can not enter the veterans' hospital at once on account of crowded conditions can receive such medical aid and hospitalization at his local hospital and physician at Government expense; be it further

Resolved, That a copy of this resolution be forwarded to Senator HENRIK SHIPSTEAD, Senator THOMAS SCHALL, and Congressman JOHN PAUL KVALE, and you hereby are requested to consider this resolution and take action to put such a policy in force.

Adopted at the regular meeting March 19, 1932, by unanimous vote.

JOHN KNUDSON, *Commander.*

Attest:

R. H. DAHL, *Adjutant.*

IMPORT TAX ON COPPER

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD and referred to the Committee on Finance a statement made on March 16, 1932, before the Ways and Means Committee of the House of Representatives, by Hon. LOUIS W. DOUGLAS, Member of Congress from the State of Arizona, on the subject of an import tax on copper.

There being no objection, the statement was referred to the Committee on Finance and ordered printed in the RECORD, as follows:

STATEMENT MADE BEFORE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES BY HON. L. W. DOUGLAS, MEMBER OF CONGRESS FROM ARIZONA, ON MARCH 16, 1932

AN IMPORT TAX ON COPPER

(Time limitation, 15 minutes)

Mr. DOUGLAS. Mr. Chairman, I am appearing to-day in behalf of 14 States, 5 of which produce copper in substantial amounts, 1 of which—Arizona—produces approximately 45 per cent of the copper production of the United States, while the remainder produce copper in lesser amounts.

I. The Emergency

I am here pleading not only for these States but also for more than 100,000 American workmen and their wives and their children. I am here pleading for previously prosperous, modern communities whose sole chance for existence lies in the operation of copper mines and smelters. I am here pleading for the small merchant, small theater owner, small garage owner, who has invested his savings of a lifetime in these communities. For them all an emergency of the first magnitude exists.

Because, first, many of the American copper mines on which such communities and thousands of American workmen are dependent have been compelled to discontinue operations.

Secondly, because the remainder of the American mines are operating at a very limited capacity and a tremendous financial loss in a heroic effort to relieve unemployment.

Thirdly, because more than 27,000 families are destitute, while for the remainder wages have been reduced to the starvation level, with only two or three days of employment per week remaining for each man.

Fourthly, because complete and permanent shutdown of most of the American mines has become an immediate certainty unless the Congress grants relief.

I can not too emphatically impress upon you the effects of such a shutdown. Large, modern, prosperous communities, with all of the conveniences of modern life, which rest solely upon the copper-mining industry—and there are many of them—will become desolated. Investments made in them by thousands of small merchants will become permanently lost beyond the remotest hope of recovery. Homes in which American miners have invested their savings will become deserted. In short, poverty will literally stalk the streets of impoverished cities which are becoming and will become but distorted reflections of a vanished prosperity.

But more than this, Mr. Chairman, counties and States now financially embarrassed will be rendered bankrupt. Even now, by reason of the general belief among financial circles that the American copper industry can not survive against its foreign competitors, the State of Arizona, which derives 56 per cent of its taxes directly and indirectly from the copper-mining industry, can not even sell its tax-anticipation bonds, nor can those holding county, municipal, or road-district bonds find any market for their securities. Mr. Chairman, the picture which I here partially paint is not a creation of my imagination. On the contrary, it is a statement of an actual condition now partially present and shortly to be completely realized. This is the emergency.

II. The cause—foreign competition

You may reasonably question whether it is not due to general depressed conditions of industry rather than to any other factor. My answer is that even though general business conditions were flourishing, the copper communities, copper States, and American copper miners would to-day be confronted with the same emergency. I feel confident that of this you will be convinced.

1. HIGH-GRADE GREAT RESERVES OF FOREIGN ORE

The condition which I have heretofore described has been caused by decline in the price of copper from a normal average of from 13 to 15 cents per pound to 6 cents per pound. While this decline has in small measure been due to the depressed industrial condition of the world, nevertheless in large measure it has been caused by the development of amazingly large high-grade copper deposits in foreign countries, against the production from which the American producers can not successfully compete, because, in the first place, the grade—and by that I mean the copper content of the foreign deposits—is from two to four times the grade or copper content of American deposits, while in many instances, in addition to the higher copper content, foreign deposits contain sufficient precious metals to more than pay for the cost of producing the copper.

Permit me here to recite the following tonnages of reserves in foreign countries as compared with those within the United States: In Africa there have been developed over 634,000,000 tons containing 88⅛ pounds of copper to the ton. In South America there have been developed over 1,000,000,000 tons containing more than 41 pounds of copper to the ton. In Canada there have been developed more than 252,000,000 tons containing 41 pounds of copper to the ton, and of the tonnage developed in Canada that in the newly discovered and now fully equipped Frood mine contains 88 pounds of copper, 44 pounds of nickel, and $4 in gold, silver, and platinum.

As against this tremendous tonnage of high-grade ore developed in foreign countries, the United States has large known reserves of copper ore sufficient to meet our requirements for many years, but containing only 23 pounds of copper to the ton.

The above tonnages and grade of ore prove beyond argument that even if the cost per ton of mining and concentrating ores within the United States were exactly the same as the foreign costs, nevertheless, by reason of the very substantial higher value per ton of foreign ore, the cost of mining and concentrating a pound of copper within the United States is at least twice as great as the cost abroad.

2. CHEAP FOREIGN LABOR

The second reason, Mr. Chairman, adduced to prove that the American producer can not compete against his foreign competitor is that while labor costs in the United States are predicated upon our traditionally high standard of living, those in Africa, where now more than 485,000 tons per annum of copper can be produced, are predicated upon little more than the cost of slave labor. In the United States the normal wage scale ranges from $3.50 to $10 a day, while in Africa the average cash rate is but 5 to a maximum of 75 cents a day, plus about 10 cents a day for subsistence. (Here pictures of typical African laborers and typical American laborers were shown.)

3. LOW FOREIGN TAX BURDEN

The third reason, Mr. Chairman, which demonstrates that the American producer can not compete with his foreign competitor is that while within the United States modern communities have been erected; streets have been paved; fine, well-constructed, permanent schoolhouses have been built; all of the activities of modern political entities are enjoyed—and the tax burden necessary to support these facilities is substantial—in the frontier countries of the world; the Belgian Congo, Rhodesia, and South America; there are enjoyed but few of the developments of modern civilization, and the tax burden incident thereto is but relatively light. (Here photographs were shown contrasting native huts with American mining towns.)

These three factors, Mr. Chairman, together with governmental encouragement and assistance in many foreign countries to the copper mines, and the decline in foreign currencies, make the difference in average cost between the American and foreign producer over 5 cents a pound. It would require a tariff of not less than 9 cents a pound to guarantee possession of the entire American market to the American producer.

4. OVERWHELMING FOREIGN PRODUCTION

But this great difference in cost would not be so serious were it not that foreign production has increased at such an amazingly rapid rate that it has been since 1929, and is now, in excess of foreign demand, and by the end of this year will be more than 1,200,000,000 pounds annually greater than the amount of copper consumed in the foreign market when the consumption there was at its maximum. Since this great foreign excess over foreign consumption can find but one outlet—the United States—it is now finding, and with each successive month will find in substantially greater amounts, its market in this country.

It follows, therefore, logically and factually that the United States now has no foreign market for its copper, has become a net importer of the metal, and would now, even were business conditions prosperous, be confronted with practical extinction of its copper-mining industry. It is this relentless pressure and the prospect of an even greater overwhelming pressure of low-cost foreign copper which has demoralized and is annihilating the copper industry in the United States, is bringing poverty and suffer-

ing to thousands of American families, is converting prosperous modern communities into desolated ones, is developing hysteria almost to the extent of open rebellion, and is bankrupting municipalities, counties, and at least one great State.

III. The remedy—an import tax for revenue, protection, and national defense

Mr. Chairman, the emergency is uncontroverted. Many may ignore it for selfish reasons, but no one can deny it. You, the members of this committee, and the Congress have within your hands the power to avert disaster, to grant the remedy, to relieve unemployment, to save Commonwealths, and to protect the savings of a lifetime. The remedy does not impose a burden on the Treasury of the United States. On the contrary, it will provide substantial revenue. The remedy, Mr. Chairman, and the only conceivable immediate remedy, is an import tax on copper.

It has been stated that an import tax of 5 cents a pound would constitute an embargo. For a time I, too, was of this opinion, but the facts and figures clearly demonstrate that there is not a scintilla of evidence to support such a statement.

The present difference in average cost of production between the American and the foreign producer is over 5 cents per pound. The United States Tariff Commission, in its report dated November 30, 1931 (S. Doc. No. 28, 72d Cong., 1st sess.), shows a substantial difference in cost of production for the year 1928 and prophesies the conditions which have since increased the difference in average cost to the present figure.

More than 1,600,000,000 pounds of foreign copper can pay an import tax of 5 cents a pound and still successfully compete with more than 70 per cent of the copper originating within the United States. While it is, of course, impossible under the chaotic conditions existing in the copper industry to state with exactness the precise amount of foreign copper which will enter the United States paying this import tax, nevertheless of this 1,600,000,000 pounds of foreign copper, as nearly as it can be honestly estimated, approximately 200,000,000 to 300,000,000 pounds will, by reason of its low cost and the irresistible pressure of excess foreign production, seek a market within the United States, a 5-cent import tax notwithstanding.

International Nickel Co. in Canada holds a monopoly of the nickel production of the world. It produces a very substantial tonnage of copper as a by-product, and the cost of this copper is more than paid for by the value of the nickel, gold, silver, and platinum produced concurrently with it. This copper will be produced regardless of the market price, and nothing short of an absolute embargo can prevent its importation into the United States. Its productive capacity from one mine alone is 109,000 tons of copper, or 218,000,000 pounds a year. It can reasonably be expected that this production will seek an outlet in the United States regardless of the proposed tax. Not only has the International Nickel Co. an advantage in that its copper is more than paid for by its nickel and its gold, silver, and platinum, but also it has a freight-rate advantage to almost every great consuming center within the United States. [Here railroad rate chart proving this contention was shown.]

The Noranda Copper Co. in Canada, with a capacity of 38,000 tons annually, can more than pay for its copper through the sale of precious metals contained as an integral part of its copper ores, and enjoys the same freight rate advantage as the International Nickel Co.

In addition to the tonnages from these two mines, that owned by the International Nickel and that owned by the Noranda Copper Co., the tremendous pressure of excess foreign production far greater than foreign consumptive ability must inevitably press its copper into the American market.

Therefore, Mr. Chairman, the conclusion is inevitable that a 5-cent import tax will not be an embargo, and that in all reasonable expectancy between 100,000 and 150,000 tons, or 200,000,000 and 300,000,000 pounds of foreign copper will be imported into the United States. The actual importations may be far greater. The effect, therefore, of an import tax on copper will be two-fold:

First, it will provide a revenue of from $10,000,000 to $15,000,000 annually, and, secondly, it will permit a portion of the American industry to avoid extinction; and as an incident to its survival it will relieve thousands of unemployed American workmen, bring some modicum of cheer into thousands of American homes, prevent the bankruptcy of counties, municipalities, and States, and will preserve a natural resource—copper—absolutely essential to the national defense of the United States.

In addition to the direct revenue which may reasonably be expected, this tax will indirectly create a substantial revenue through permitting corporate earnings now not possible. In 1928, when copper was selling at its normal level, the income tax paid by the copper-mining companies into the Treasury of the United States was several millions of dollars, while the taxes paid to the State of Arizona alone constituted $10,000,000.

Mr. Chairman, I have here the language of an amendment to the revenue act. It has been carefully considered. It is designed to impose an import tax of 5 cents a pound on the raw material, a 5-cent additional import tax on the copper contained in the fabricated article (in this connection, if there be no additional tax on the fabricated article foreign copper will avoid the tax imposed on raw material through fabrication abroad and importation under a low protective duty, and the result will be the same—extinction of the American copper-mining industry and little revenue). It is designed to impose a 5-cent tax on scrap copper and scrap-alloy materials, and finally it is designed to exempt copper lost in metallurgical processes and copper imported in ores absolutely essential to efficient smelting operations conducted by several of the American smelting companies, at least two of which operate in New Jersey.

CONCLUSION

Mr. Chairman, I urge you with all the sincerity and earnestness at my command to grant the remedy required to relieve unemployment, to permit States and counties and municipalities to at least enjoy a fighting chance to exist. Should you fail to grant relief at this session of Congress, the copper-mining industry and the great copper-producing States are doomed to extinction. The mines are faced with immediate shutdown, not a shutdown for a few months or even a year, but, as has been demonstrated herein, a shutdown of many years—a shutdown of permanency. For a copper mine, unlike most industries, can not be closed for any period of time and subsequently be reopened without an expenditure of millions of dollars, an expenditure almost as great as that required to develop the property in the first instance.

I am not making an empty statement nor am I exaggerating in any sense the crisis when I say that delay will be fatal.

The emergency I have described, the cause I have demonstrated, the remedy I have prescribed. You are now considering an emergency revenue bill. I plead with you as earnestly and as sincerely and as honestly as it is possible for me to plead that you, in this emergency measure which you are considering, provide the remedy to relieve the emergency which I have described.

WAGES OF LABORERS AND MECHANICS EMPLOYED ON PUBLIC BUILDINGS

Mr. COPELAND. Mr. President, in the absence of the Senator from Rhode Island [Mr. METCALF], who is ill, I report back, with amendments, from the Committee on Education and Labor, the bill (S. 3847) to amend the act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings, and I submit a report (No. 509) thereon.

The VICE PRESIDENT. The report will be received and placed on the calendar.

REPORTS OF THE COMMERCE COMMITTEE

Mr. VANDENBERG, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 9143. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak. (Rept. No. 510);

H. R. 9301. An act to extend the times for commencing and completing the construction of a bridge across the Black River at or near Pocahontas, Ark. (Rept. No. 511);

H. R. 10088. An act to revive and reenact the act entitled "An act authorizing the South Carolina and the Georgia Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.," approved May 26, 1928 (Rept. No. 512); and

H. R. 10159. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr. (Rept. No. 513).

PRINTING OF ADDITIONAL COPIES OF THE TAX BILL

Mr. MOSES. Mr. President, from the Committee on Printing I report a resolution and ask unanimous consent for its present consideration.

Mr. ROBINSON of Arkansas. What does the resolution provide?

Mr. MOSES. For the printing of 1,000 extra copies of the revenue bill. The document room has exhausted its supply.

Mr. ROBINSON of Arkansas. I have no objection.

There being no objection, the resolution (S. Res. 195) was read, considered, and agreed to, as follows:

Resolved, That 1,000 additional copies of the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, as passed by the House of Representatives and referred to the Committee on Finance, be printed for the use of the Senate Document Room.

EXECUTIVE REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 4324) granting a pension to Fred Tate; and

A bill (S. 4325) granting an increase of pension to Emma E. Reddehose; to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 4326) for the relief of R. S. Howard Co. (Inc.); to the Committee on Claims.

By Mr. BLACK:

A bill (S. 4327) for the relief of Lizzie Pittman; to the Committee on Claims.

A bill (S. 4328) for the relief of W. L. Horn; to the Committee on Military Affairs.

A bill (S. 4329) for the relief of Daniel Henry O'Neal; to the Committee on Naval Affairs.

By Mr. CAREY:

A bill (S. 4330) to grant an honorable discharge to Walter Joseph Shikany; to the Committee on Naval Affairs.

By Mr. CAPPER:

A joint resolution (S. J. Res. 140) providing that it shall be unlawful, unless otherwise provided by act of Congress or by proclamation of the President, to export to any country violating the terms of the pact of Paris, arms, munitions, implements of war, or other articles for use in war, or make any such trade or financial arrangements with the violating country or its nationals as in the judgment of the President may be used to strengthen or maintain the violation; to the Committee on Foreign Relations.

PROPOSED TARIFF DUTY ON COPPER

Mr. HAYDEN. Mr. President, the junior Senator from Montana [Mr. WHEELER] and the Senator from Michigan [Mr. VANDENBERG] joined with me on February 5, 1931, in securing the adoption of a resolution by the Senate directing an investigation by the United States Tariff Commission on the foreign and domestic costs of copper. The same Senators now join with me in offering an amendment to the revenue bill providing for a tariff of 5 cents a pound on all forms of copper. I ask that the amendment may be printed in the CONGRESSIONAL RECORD and referred to the Committee on Finance.

There being no objection, the amendment was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. HAYDEN, Mr. WHEELER, and Mr. VANDENBERG to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, viz:

On page 233, after line 2, insert, as a new subsection, the following:

"(6) Refined and unrefined copper, copper ore, and other copper-bearing materials, copper alloys, manufactures of copper, and manufactures of copper alloy, all the foregoing in any form provided for in paragraphs 316, 380, 381, 387, 1620, 1634, 1657, 1658, or 1659 of the tariff act of 1930, imported into the United States, 5 cents per pound on the copper contained therein: *Provided*, That such tax shall not be assessed upon copper in copper-bearing materials which is not actually recovered nor upon an aggregate annual maximum of 15,000 tons of copper contained in copper-bearing materials commercially used for fluxing purposes only; all manufactured articles or parts of manufactured articles, finished or unfinished, dutiable under the tariff act of 1930 but not included within the provisions of paragraphs 316, 380, 381, or 387, in which copper is the component material of chief value, imported into the United States, 5 cents per pound on total weight. The tax on the materials and articles described in this paragraph shall apply only with respect to the importation of such materials and articles."

And, on page 231, line 8, after (c) (4), insert the words "or subsection (c) (6)."

Mr. VANDENBERG. Mr. President, I received on yesterday a significant letter from the chairman of the Michigan State Tax Commission, praying for copper relief on a basis of broad public policy which it is impossible to ignore. It is pointed out by this taxing authority, first, that taxable values in the Michigan copper country have had to be summarily reduced to meet the existing emergency; second, that since these copper counties have only this one industry, the closing of the mines brings these units of government to a point of virtual bankruptcy; third, that the last of the mines must close in May, and that it is doubtful whether many of them ever can reopen. The Michigan Tax Commission points out that this threatens not only practically all of the local tax resources in a large and important area but also dries up an important source of State tax revenue. Of course, it also dries up Federal revenue.

It is our sustained belief that this situation may be saved by the duty on copper which has been proposed by the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. WHEELER], and myself jointly in the form of an amendment to the pending revenue bill. This amendment is not a stab in the dark. It is supported by an exhaustive report from the United States Tariff Commission upon order of the Senate. Its form and its compensatory adjustments all have the approval of Tariff Commission experts. It is justified as a revenue measure, first, because it is calculated to produce a minimum of $10,000,000 annually for the Federal Treasury; second, because it will restore to tax productivity for Federal, State, and local purposes this great domestic industry which heretofore has been a major tax source not only in Michigan but also in several other similarly harassed States of the Union.

I ask that the letter be printed in the RECORD and referred to the Finance Committee.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

MICHIGAN STATE TAX COMMISSION,
Lansing, April 4, 1932.

Senator ARTHUR H. VANDENBERG,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: Our commission is right in the midst of the annual determination of assessments on mining properties for State and local taxes, and we have this morning been considering the situation with reference to the copper properties in the upper peninsula.

In connection with our investigation we have found that conditions in the copper country are very deplorable. Only one or two of the mines are still operating, and these mines are merely working the men one or two days a week in order to give them enough money to barely support themselves and their families. It is common knowledge that these mines will probably close also along about the 1st of May; and this commission has found it necessary to make very drastic cuts in the taxable value, not only because of the absolute shrinkage of mine values but also because some of the companies have not been able to pay their last year's taxes up to date.

In the past the copper district has been on the tax rolls for substantial amounts and has contributed large amounts in the way of taxes, both to the State and to the local subdivisions; and inasmuch as these copper counties have only this one industry to depend upon, the closing of the mines brings them to a point of virtual bankruptcy.

We understand that an effort is being made to bring about the enactment of something in the nature of tariff legislation at this session of Congress. If you can consistently do so, we believe that any action which may be expected to help out the situation in the copper industry will be of direct benefit, not only to the particular counties in the Upper Peninsula in which the mines are located but also to the State as a whole. From the information we have at hand, such legislation should be taken care of as speedily as possible because our mine appraiser feels that some of the mines that closed down will probably remain closed permanently.

We feel that our interest in this matter is entirely proper inasmuch as the closing up of this particular industry means the drying up of a fairly important source of State taxation, and we hope that you will find it possible to lend your assistance to any relief legislation that may be deemed proper by you.

Very truly yours,

EDWIN P. SAUNDERS,
Chairman State Tax Commission.

ARMY DAY PARADE

The VICE PRESIDENT. The Senator from Mississippi is entitled to the floor.

Mr. REED. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield.

Mr. REED. I send to the desk a letter from Edwin S. Bettelheim, jr., adjutant general of the Military Order of the World War, and ask that it may be read by the clerk at this time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Chief Clerk read as follows:

MILITARY ORDER OF THE WORLD WAR,
Washington, D. C., April 5, 1932.

Hon. DAVID A. REED,
Senate Office Building, Washington, D. C.

DEAR SENATOR REED: To-morrow, April 6, 1932, is Army Day, the fifteenth anniversary of America's entrance into the World War.

Army Day, which was inaugurated five years ago by the Military Order of the World War and ever since sponsored by them, is being celebrated by parades, drills, luncheons, and banquets in practically every city and town in the United States. The governors of a vast majority of the several States of the Union have followed the lead of our President in issuing proclamations and statements for the display of the flag and public patriotic demonstrations in commemoration of that day.

I am taking the liberty of inclosing a photographic copy of President Hoover's indorsement of Army Day, which I hope you will read in connection with the facts in this letter to your colleagues in the Senate.

The Military Order of the World War, with the support of the George Washington Bicentennial Commission, is staging a parade made up of Regular troops, National Guard troops, Reserve Corps troops, high-school cadets, and veteran and patriotic organizations which will cross the Capitol Plaza at 2 p. m. sharp, and a very cordial invitation and wish is extended through you, to your colleagues in the Senate that they will review this parade as it passes the east front.

Very cordially yours,

EDWIN S. BETTELHEIM, Jr.,
Adjutant General.

THE WHITE HOUSE,
Washington, February 15, 1932.

Brig. Gen. JOHN R. DELAFIELD,
Commander in Chief Military Order of the World War,
Washington, D. C.

DEAR GENERAL DELAFIELD: Army Day gives the Nation an opportunity to express grateful appreciation to those who exposed their lives to the dangers of the battlefield and those who fell in defense of our national ideals. I wish to join in this expression and to commend the great citizen components of our military forces for their patriotic services.

Yours faithfully,

HERBERT HOOVER.

The VICE PRESIDENT. The letters just read will lie on the table.

Mr. REED. Mr. President, with the permission of the Senator from Mississippi, if I may have the attention of the Senator from Oregon [Mr. MCNARY], I suggest that at 2 o'clock, when the Army Day parade is passing the front of the Capitol, it would be appropriate for the Senate to take a recess briefly so that Senators may review it as it passes by.

Mr. MCNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oregon?

Mr. HARRISON. I yield.

Mr. MCNARY. I thank the Senator from Pennsylvania for the suggestion. It is my intention to speak to the leader on the Democratic side, the Senator from Arkansas [Mr. ROBINSON]; and, if it is agreeable to him, I shall make the request at 2 o'clock for a recess of, say, 30 minutes.

Mr. NORRIS. Mr. President, I take it that any motion of that kind will be debatable, and I want to give notice that, when it shall be made, I want to be heard briefly on it.

The VICE PRESIDENT. The Chair will state that a motion to take a recess is not debatable.

Mr. HARRISON. That question is not before the Senate now.

Mr. NORRIS. No; but if it is going to come before us in a form that is not debatable, I shall seek an opportunity before the motion comes up to debate it.

ECONOMY IN GOVERNMENT EXPENDITURES

Mr. HARRISON. Mr. President, if in times like these there is one question in which there should be no partisanship or political considerations it is the question of economy in governmental expenditures. As we approach day by day nearer to the presidential campaign, we are receiving some expressions from the President of the United States, either to Congress or to the press of the country, setting forth his position in favor of economy. It is because of the message which he sent to Congress day before yesterday and his fulminations to the press at the White House in a statement yesterday that I am provoked into this discussion this morning.

Mr. President, there is no reason why the country should be misled about this proposition; there is no reason for any confusion with reference to an economy program. I think we all pretty well understand the President's position with reference to retrenchment, and the country ought to understand, as the President ought to understand, what the idea of the Congress is and its program.

When we met here in December, with a tremendous deficit confronting the Treasury, the most important task laid before us was that of trying to balance the Budget. At that time we heard very little from the other end of Pennsylvania Avenue touching retrenchment. The President sent to Congress a message, largely in general terms, laying stress upon taxes and suggesting that we ought to cut down expenditures where possible; but his words did not have that snapper to the whip that Presidents usually employ and which the present Executive has employed at times in trying to make an impression, in trying to get results so far as retrenchment is concerned.

The idea was to balance the Budget through increased taxes. The President did not stress the question of reorganizing the departments and bureaus of the Government, of coordinating the agencies, although he did make a suggestion in his message on that subject. However, the more we studied the difficult task that confronted us with reference to balancing the Budget, in the light of the tremendous protests that came from every hand and every part of this country, from this interest and that interest, against this tax and that tax, we appreciated more than we had done theretofore that one of the best ways to avoid trouble for ourselves and to carry some relief to the people and remove some threatened taxes that were necessary to be imposed was to cut expenditures to the bone; to effect economies wherever it was possible to do it.

I, among others, was strong in that belief, because I thought then—and I am more firmly set in that opinion now—that if we could cut the appropriations $300,000,000 we would divorce ourselves from much of the complication that is confronting us with reference to taxes. Therefore, so far as the Democrats were concerned, in the first meeting of the policy committee we adopted a resolution not in a spirit of partisanship, not in a spirit of trying to get some glory from it, but in the spirit of extending a helping hand to the Executive and to the Republican organization in the House and in the Senate. We went on record as saying that we stood here ready to effect economies in Government expenditures.

Personally, I believed that we ought to have written into the resolution that we were going to cut the appropriations $300,000,000. A number of my own party colleagues did not believe that it was wise to fix a definite amount, however, so we adopted a compromise resolution saying that we were going to cut to the very bone without affecting the efficiency of the Government.

That was one policy that we adopted, and it was the first. Then, on the floor of the Senate some of us made speeches along the same line. In my humble capacity, I offered a resolution saying that it was the sense of the Senate that we should cut appropriations to the extent of $300,000,000; and, without any partisan consideration, without any division along party lines, we adopted that resolution in the early stages of the Congress, striking out, of course, the $300,000,000, but giving assurance to the country that we were going to economize to the limit. There were hardly any votes against the resolution. Republicans voted for it and Democrats voted for it.

So there has been created in this country now a sentiment for rigid economy and stringent retrenchment in Government expenditures. The President did not catch that idea until the last few days. The President's attitude with reference to this matter is the same attitude that has characterized him during the three years he has been President of the United States; that is, if he gets the idea he delays too long, he procrastinates, and waits until the horse is out

of the stable before he locks the door. But he knows now that the sentiment of this country has been aroused with reference to retrenchment, so now it is a daily occurrence that the President either sends a message to the Congress or calls in the newspaper boys and expresses to the country his sentiments in favor of economy.

Why, yesterday, in this statement, he was not modest in the use of the pronoun "I"—not at all. He cited here in one of his statements that "seven years ago I recommended," "five years ago I recommended," "three years ago I recommended," "two years ago I recommended," "five months ago I recommended," "four months ago I recommended," "six weeks ago I recommended authorizations to the Executive to make a wholesale reorganization of the departments," and so forth—trying to create the impression that for three years he has been here, knocking at the doors of the Congress and pleading with them to do something with reference to the reorganization of the departments of the Government.

When the President of the United States is enthusiastic for a proposition, when he is sold on an idea and wants legislation passed, we know the manner and the methods he employs.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. HARRISON. I yield to the Senator.

Mr. NORRIS. Can the Senator state whether the expense of this great national Army parade in celebration of our going into the war is part of the retrenchment program of economy?

Mr. HARRISON. I do not know.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. HARRISON. I do not want to be diverted from the issue.

Mr. REED. I shall not divert the Senator in the least.

Mr. HARRISON. I yield to the Senator.

Mr. REED. I only wanted to ask the Senator whether he thinks this parade will cost the National Government anything at all.

Mr. HARRISON. I do not know.

Mr. REED. I am told that it will not.

Mr. HARRISON. I do not know; but we know the methods that the President employs when he wants legislation to pass here. We have seen it through this Congress.

Why, some of us received telegrams this summer asking us to come to Washington, to fly to Washington, to breakfast with him here in Washington, in order that we might pass certain legislation that he was sold on; that he thought was necessary. We have seen him draw here influential leaders from all over the country, high in business affairs and finance, and bring every kind of influence to bear upon Members of Congress in order to get them to do something, in order to pass some legislation.

I remember, before the Christmas holidays, how men high in the financial circles of New York came to certain Members of the Senate and Members of the House and called them into conference with those who are spokesmen of this administration, high in the financial councils of the administration, and pleaded with us not to adjourn over the holidays until the Reconstruction Finance Corporation bill was passed; that it was necessary for the salvation of the country and to restore the confidence of the people. We know how the President cracks the whip and employs these delightful breakfasts and other means in order to sell his idea to us and get us to pass legislation.

Has he called anybody into conference with reference to reorganization of the departments of the Government? Has he ever called into conference a Democratic leader or a Republican leader with reference to effecting some retrenchment in Government expenditures? Has he ever lifted his voice or spoken in that soft, sweet, melodious way of his into the ear of my friend from Utah [Mr. SMOOT]—who was chairman of the joint reorganization committee some years ago, and who brought out a reorganization bill—and said to him, "We must cut expenditures. We must effect economies. We have seen the expenditures of these departments mounting higher year by year, and it must be stopped. One of the major ways for us to stop it is for us to reorganize some of the departments and effect some coordination in some of the bureaus. I plead with you, Senator, as chairman of the Finance Committee, to put through that legislation." Has the President done that, and has he called in his leaders over in the House and asked them to bring in a rule and to whip it through the House of Representatives?

No; it will not be asserted that that has been done. The President has kept mum, and he has kept quiet, except in generalities, writing a message to the Congress at the beginning of each session, in which he has said, "Well, we ought to effect some of this reorganization."

On one occasion the President suggested that we ought to create a public works department to take care of public works. That bill is now on the calendar of the House of Representatives and will be passed in a few days. He suggested, as was suggested by the committee on reorganization some time ago, a coordination of the veterans' relief services and agencies. We passed that legislation. It was suggested some time back that the Patent Office ought to be taken out of the Interior Department and put over into the Department of Commerce, and that some other few agencies should be transferred in the same way, and we effected that. The legislation has been passed. But one reading the papers in the last few days, and reading these messages that the President sent to Congress, and these statements to the press, would think that in restoring confidence to the people everything now depends on giving the President blanket authority to reorganize the departments of the Government; and so, Mr. President, that is why I speak at this time.

Now let me give a little history of this joint committee on reorganization. It was in 1920 that the act was passed creating a joint committee of the House and Senate to study all the departments of the Government. I speak of it because I happened to be honored at that time by the Democratic leader with selection as the Democrat who went on that committee. The Senator from Utah, Mr. SMOOT, and the former Senator from New York, Mr. Wadsworth, were on the committee from the Senate. Three very distinguished men from the House of Representatives were on that committee. We worked for weeks; we worked for months; we worked for over a year in studying the various functions of the departments, trying to develop ideas that might effect some savings through coordination in these departments and agencies of the Government.

At first the President had no representative on that joint committee. It was not suggested. Then Mr. Harding was inaugurated President, and in his first message he said that there ought to be a complete reorganization of the departments of the Government. He pressed the point in his remarks. I am glad to give him credit for it. I speak in praise of him for what he has done, and when I speak in praise of the lamented President I say that mine is the first voice that has been lifted in praise of President Harding on the floor of the Senate of the United States since his tragic death. But he pressed this proposal, and he said, "In order to effect it, let me appoint a member of that committee so that the executive departments will have a representative." We did not hesitate. We brought in here and passed immediately an amendment to the law, and gave to the President the power to appoint a personal representative, and we even made that representative chairman of the joint committee on reorganization.

Does President Hoover act as President Harding did? No. President Harding submitted to that committee a plan, a very fine plan. He studied it out. He had his representatives study it out. The joint committee studied it out, and President Harding had the courage to submit it to us in detail, specifying and particularizing wherein he wanted to coordinate, and asked to have the legislation passed.

Has Mr. Hoover ever done that? Except in the matter of public works and veterans' relief, one of which proposals is now on the calendar of the House to be passed, and the

other now the law, has he ever submitted any particular plan that he is talking about?

Why, in his message the other day the President said:

> Such a sum can only be obtained * * * by a definite national legislative program of economy—

Referring to a proposed reduction of $200,000,000: Every time we suggest a definite amount to cut the expenditures in order to effect a saving we receive no words of encouragement from the White House. We receive no word of commendation from the Treasury Department. When we say we are going to cut the appropriations $200,000,000, as the Speaker of the House of Representatives stated, as the Ways and Means Committee resolved in balancing the Budget—they said that the item of $200,000,000 in retrenchment of expenditures by the Federal Government should be incorporated in the matter of balancing the Budget—no sooner was it said, and read by the President or by the Secretary of the Treasury, than we get a lambasting from them, a cryptic criticism, a veiled criticism, if you please. "It can not be done," they say.

Mr. Mills, who speaks on financial matters for the President, immediately comes out and says that the House can not cut $200,000,000 from the expenditures, and that it is not fair in balancing the Budget to write into it the item of $200,000,000 that is to be economized and saved from Government appropriations. He reduces the amount to $125,000,000 and says, "That is all you can do." Instead of upholding our hands and commending the effort we are making, and saying, "Yes; it can be done; and we are going to back you up in doing it, and we are going to say to the heads of the bureaus that this cut has to be made in order to balance the Budget," he comes forward and criticizes the action of the House in a way, because he says, "The Budget has not been balanced. They have put in an item of $200,000,000 saving when they could save only $125,000,000"; and the other day, in another statement by Mr. Mills, speaking for the White House, he reduced his item of $125,000,000 to $100,000,000. All that can be saved, he says now, is $100,000,000 in balancing the Budget. In other words, they know more up there about the plans and wishes and desires of Congress than congressional leadership and the men who are directing the Appropriations Committees in the Congress of the United States.

So in his message the other day the President, in talking about this proposed reduction of $200,000,000, said:

> Such a sum can only be obtained, however, by a definite national legislative program of economy which will authorize the consolidation of governmental bureaus and independent establishments.

He talks so much now about his recommendation seven years ago, his recommendation five years ago, what he recommended six months ago, and what he recommended six weeks ago, that I am reminded of the old woman in Abie's Irish Rose, who throughout was telling them on every occasion about her "operation." He takes every opportunity to try to seek to impress the American people with the fact that he has been standing for economy, has been recommending these things all the time. Yet he has not been offering any cooperation and assistance.

In this message he said:

> And beyond this, which will permit the removal of long-established methods which lead to waste.

Why does he not take the Committee on Appropriations into his confidence? Why does he not take into his confidence these committees over in the House which are working on reorganization plans? Why does he not take the American people and the whole Congress into consideration and tell them specifically and particularly what he means?

> Which will permit the removal of long-established methods which lead to waste.

If he has the knowledge, and evidently he has when he sends that message to Congress, why does he not tell us and specify and particularize what he means by that particular suggestion?

He says further:

> The elimination of the less-necessary functions.

What are the less-necessary functions? What is it he is talking about? Why does he speak in general terms? Why does he not specify and tell us what these necessary functions are, so that we can pass legislation here if it is necessary in order to effect economies?

He says further:

> And the suspension of activities and commitments of the Government not essential to the public interest in these times.

Still he speaks in general terms. Why does he not tell the Congress and tell the committees in charge of these affairs how it is we can pass legislation to suspend activities and repeal commitments of the Government which are not essential to the public interest in these times? He is talking economy in general terms as the campaign approaches without specifying and offering suggestions.

Yesterday the distinguished chairman of the Committee on Appropriations of the Senate, the Senator from Washington [Mr. JONES], representing the President, I presume, to carry out the suggestions in the message offered a joint resolution for the creation of a joint committee to consist of Members of the House and the Senate and a representative of the President, that they may work out this coordination and this consolidation and this elimination plan which will effect some economies.

Why did he wait until the eleventh hour? Why has not the President made the suggestion during these three years he has been President of the United States? Why has he waited so long, unless it be that he is following his usual characteristic of waiting and delaying and deferring until he can find out what the sentiment of the American people is, then to get on the band wagon and ride along? That is what is back of what he is doing by giving out these daily expressions and messages to the Congress. He has caught the wind, he knows what the people are thinking about, and he knows that these hundreds of thousands of people whose homes are being sold for taxes—who will have to carry a load heavier by more than a billion dollars when we pass the tax bill now before Congress—want some relief, and the best way for them to get relief is for the Government to stop this wild orgy of extravagant expenditures and cut, and cut to the bone. Yes; he has an apology to make to the American people.

Mr. DILL. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. DILL. If the President of the United States is so anxious to have expenditures cut, does not the Senator believe that the best way he could bring that about would be to call his Cabinet together, tell them that he wanted the appropriations cut, and ask them to make recommendations as to the cuts?

Mr. HARRISON. The Senator is absolutely right, and I was intending to get to that in a moment.

In a few remarks I made at the beginning of this session, right after the Budget estimate was presented to the Congress, I appealed to the President to call in the heads of his departments, and to make them do the cutting, to carry the idea to them. I know how difficult it is for us here, when a bill gets to Congress, to make the cuts. I know the difficulty which confronts the Appropriations Committees of the House and of the Senate when they take these thousands of items in appropriation bills, which are being championed and sponsored by the heads of the departments which are to spend the money, and cut them down, and slice them, and eliminate them. It is an almost impossible task. So we adopted the only other course which could be adopted; after some of the bills had been passed, we sent them back to the Committee on Appropriations and told them to cut the appropriations 10 per cent.

We have done all we could; but how much better it would have been if in the beginning, as the country was just becoming aroused to economy, although the President knew first-hand before the country did of the growing deficit, and

the necessity for Congress to increase taxes, the President had come forward then—and that would have been the proper way—and had said to the Secretary of the Interior, "You have to cut your estimates still further. If you say to me you can not do it, that you have cut down to the bone, then I say to you, Mr. Wilbur, I will get some other man who can do it."

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. BRATTON. After the Committee on Appropriations of the body at the other end of the Capitol and the body itself had cut, had curtailed, had reduced substantially and the bills came to the Senate and were referred to the Committee on Appropriations of the Senate, without exception, I think, the departments protested cuts and urged increases at every step of the way. The committee was obliged to go forward in the face of stubborn resistance by the departments and by the bureaus of the departments. Instead of encouraging retrenchment, they opposed it actively; they resisted it in every way possible.

Mr. HARRISON. I thank the Senator for his contribution. So I say I appreciate the difficulty which confronts the Committee on Appropriations when all these estimates are presented here, the difficulty of cutting them, because it takes a lot of hearings, it takes a lot of time. The men who ought to know more about the departments and where the cuts can be made without affecting the efficiency of the organizations are the Cabinet members who direct the particular departments. And so, the President, when he saw this thing coming, or if he comprehended it coming, should have called in the Secretary of Commerce and said to him, "That $54,000,000 you asked for is too much. You say you have cut it some. You will have to cut it some more." And if Mr. Klein or Mr. Lamont said, "It can not be done, we just can not do it, we have cut it to the bone," if the President had real courage, and his Cabinet members said that, he would say, "You send in your resignation. I will get somebody who will do it."

That applies to every Cabinet member. A man who runs a hotel here in this city, or runs any big business, has chiefs and aids around him. What does he do? He makes a budget at the beginning of the year; he knows what expenditures will have to be made; he knows the probable receipts; and he knows he has to cut his cloth accordingly. If the man who directs the dining room or the café tells him, "I can not cut any more," that man is going to say, "I will get a man who can do it," and they do it; and it is good business sense to do it. But, as the distinguished Senator from New Mexico says, not only have these Cabinet heads, even after we have directed the Committee on Appropriations to cut the total 10 per cent, objected but they have come before the committee and they write their letters to the committee, and they say it is impossible to do it.

I call on the Senator from Utah [Mr. SMOOT], who is an influential member of the Committee on Appropriations, or any others of the distinguished Senators on the other side of the aisle who are members of the Committee on Appropriations, to controvert me when I say that since we adopted the instruction to the Committee on Appropriations to cut, they have not had a single letter from a single Cabinet member which indicated cooperation to the extent of making the cuts; that every letter the committee has had, and every expression they have had from those Cabinet members, has been to the effect that it was impossible to make a 10 per cent cut, that they did not know where it could be done.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. SMOOT. It is only just to say that after the vote was taken here directing the Committee on Appropriations to make reductions of 10 per cent, I asked Secretary Wilbur to suggest amendments embodying 10 per cent reductions in the appropriation bill for the Interior Department, and he sent a letter suggesting those reductions.

Mr. HARRISON. Who did that?

Mr. SMOOT. Secretary Wilbur.

Mr. HARRISON. I have not the letters in my possession, but no doubt the chairman of the Committee on Appropriations of the Senate has; I have not seen them, but I have it on reliable authority that every one of the Cabinet members has written a letter stating that it was impossible to comply with the instructions of the Senate with reference to those reductions, and I ask unanimous consent to have those letters put into the Record following my remarks, and we will let them speak for themselves.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. I am speaking only of the Interior Department appropriation bill, and I will say this to be the Senator, that the Secretary did answer my letter, and did say that the cuts as suggested by him would be the best way, in his opinion, to take the 10 per cent off.

Mr. HARRISON. And he made the cuts?

Mr. SMOOT. He suggested the cuts. I will say to the Senator, however, that only a few of the suggestions were acted upon by the committee. Yet the subcommittee in charge of that bill, as instructed by the Senate, reduced the appropriation bill as it passed the House 10 per cent, and the full committee is to meet at 4 o'clock to-day to act on the recommendations of the subcommittee. I will say that in the 10 per cent reductions there are some of the recommendations made by the Secretary, but not the majority of them, by any means.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. HARRISON. Just before I yield to the Senator from New Mexico, may I say that Secretary Wilbur is put in a very embarrassing position, because at first he stated that it was impossible to effect cuts without affecting the efficiency of the Government, and when the Senate—not President Hoover, with his blasts of economy—instructed him and directed him that he must cut the appropriations 10 per cent, then, as the Senator from Utah says, he makes the cuts. I am glad to know that.

Now I yield to the Senator from New Mexico.

Mr. BRATTON. It should be said in that connection, however, that the recommendations made by the Secretary of the Interior in response to the firm request of the chairman of the committee were not adopted by the committee. I think less than 5 per cent of his recommendations were adopted by the committee. It was felt by a majority of the committee that the program suggested by the Secretary was unfeasible and untenable, and that the cuts should be made elsewhere. The subcommittee has done that in about 95 per cent of the instances.

Mr. HARRISON. I want the RECORD to show these letters from the heads of the departments, these Cabinet members, in regard to these 10 per cent reductions, to see what they say.

Mr. SMOOT. Mr. President, I will say to the Senator that I have already given instructions that the letter of recommendation written by Secretary Wilbur be printed, and I suppose we will have it up by 4 o'clock to-day.

Mr. HARRISON. Have what up, the bill?

Mr. SMOOT. No; I mean the printed recommendations.

Mr. HARRISON. I am talking about the letters which came to the Committee on Appropriations of the Senate in the beginning. I want the correspondence. After we instructed the committee to cut 10 per cent, it is my impression—and I gather it from pretty reliable sources—that the Cabinet members protested and said they did not know how it could be done, and only on the insistence of the committee, and after many days of coaxing, was the Senate committee able to get some expression out of them to the effect that we might effect some of the changes.

Mr. SMOOT. I know the Senator wants to be perfectly fair.

Mr. HARRISON. Certainly.

Mr. SMOOT. I think that after I asked the Secretary of the Interior to submit his recommendations as to where the 10 per cent reductions could take place, it was only a couple of days before I had an answer. There was not any delay at all on the part of the Secretary.

Mr. HARRISON. The Senator from Texas [Mr. CONNALLY] has just shown me a protest from Secretary Wilbur made back in February about certain cuts which had been proposed. He even got into the papers about it, and said everything was going wrong if the Congress reduced the estimates that had been made. That is the way it has been with practically all of the Cabinet members. They have their meetings at the White House—at least I suppose they still do. I imagine there remains enough harmony among the Cabinet members and between them and the President for them still to sit around that big mahogany table up there and express their views on the situation.

The President has not shown that degree of cooperation through his Cabinet members in this economy and retrenchment program that he should have shown. If the Senator from Utah would speak his own heart, he would say that himself, because he is a real economist. If the Senator from Utah were President of the United States in circumstances like these I know what he would do. He would cut to the bone. He would slash. He would make the present President look like a piker in comparison with the wonderful efforts he would make along lines of economy. The Senator from Utah could do it, and he will not deny it.

Mr. SMOOT. I do not know why the Senator said that. There is no necessity for me to deny it.

Mr. HARRISON. Yes; he would carry on his program of economy and I would have been here to compliment and praise the Senator from Utah in such circumstances, because I know how he works. I can tell when he wants something. He hardly leaves a trail behind. It is sometimes difficult to discover the trail, but knowing him so well I can detect it. He goes after things and he gets them. Why, it is said that in the coming November the railroads are going to have one prosperous month when all of the Government employees from Utah start home to vote the Republican ticket. [Laughter.]

Mr. SMOOT. Of course, if the Senator's argument on the question before the Senate has not any more foundation than the last statement he made, it is a perfect waste of the time of the Senate for him to proceed.

Mr. HARRISON. I am complimenting the Senator. I have great faith in the Senator from Utah. If the Senator from Utah were President to-day, he would not have acted as Mr. Hoover has on this reorganization matter. He would have been here during the last three years pleading with the leadership of his party and citing them to the fact that Mr. Harding submitted specific recommendations for coordination and consolidation of governmental agencies, and he would have worked out a plan through the Congress of the United States in the interest of economy. But no one has done that.

I suppose President Hoover has not forgotten about the work of our joint committee. I remember he came before our committee. In those days he did not believe the Shipping Board should be taken over by the Department of Commerce. In his presentation of the matter at the hearings at that time before the committee he did say that the Emergency Fleet Corporation should be taken over by the Department of Commerce and that there should be another Assistant Secretary of Commerce named, but he did not want to have the Shipping Board taken over. I notice now he has withheld the appointment of one of the members of the Shipping Board presumably because the board might be abolished or its activities might be transferred to some other department of the Government.

Mr. SMOOT. I think the Senator will admit that Mr. Hoover, while he was Secretary of Commerce, did have a great interest in the departments of the Government. Not only that, but when he appeared before our committee I think Secretary Hoover, as he was at that time, made as sensible suggestions for the consolidation of the departments of our Government as anyone that appeared before us.

Mr. HARRISON. I go further than the Senator. Mr. Hoover, as Secretary of Commerce, did two things. I think he went further and was better before the joint committee than any other Cabinet member. I think he made some very good suggestions. We adopted his suggestions and put them in a bill, but we never heard of them any more. He just stopped.

Mr. SMOOT. The Senate of the United States stopped it.

Mr. HARRISON. The Senator from Utah and his party colleagues, by a big majority vote in the Senate of the United States, controlled the situation. The Senator from Utah is and has been a powerful and influential Member of this body. Over in the House of Representatives at that time the Republican Party controlled by anywhere from 60 to 150 Members. The Republican Party had a machine at work over there that could have passed the reorganization bill in a very few moments, and yet the Senator from Utah was not enthusiastic about it and the leadership in the House was not enthusiastic about it, and this and that session of Congress passed and nothing was done. Mr. Hoover got out of the Department of Commerce and became President of the United States, and we heard nothing else about it. He never did employ his influence to try to put it through the House where the Senator's party controlled, and at a time when the Senator's party controlled both branches of Congress. Is not that true?

Mr. SMOOT. If the Senate of the United States in 1925, when the vote was taken, had passed the reorganization bill as submitted to the Senate by the special committee—and the Senator from Mississippi was a member of that committee—I have not any doubt the House would have acted.

Mr. HARRISON. Why, of course.

Mr. SMOOT. When the Senate voted against it and turned down the proposition, does the Senator think the House of Representatives ought to have taken action on it thereafter?

Mr. HARRISON. Of course, they should have taken action. Why were we spending all those months of time and making those expenditures on behalf of the Government in taking all that testimony? I thought we were going to pass the bill.

Mr. SMOOT. So did I.

Mr. HARRISON. The Senator from Utah, I think, was a member of the program committee on the other side of the Chamber at that time. He has been a member of nearly every committee in the Senate during all the time I have known him. He did not put that measure on the program. I have on my desk here this morning a program indicating the bills that are to be taken up for consideration. I do not see anything on the program now providing for the consideration of any reorganization measure. During all these seven or eight years I do not remember if the Senator has at any time been a member of the committee, but I doubt if he has never spoken to the chairman of the program committee about it or used his influence to have the bill put upon the program.

Mr. SMOOT. I have never been on the committee. The vote against the bill at the time was such that I gave up all hopes of trying to reorganize the departments of our Government. I know of the work we did and the time that was spent in preparing the measure and bringing it into the Senate of the United States, and I know that we only had 25 votes for it. Not only that, may I say to the Senator from Mississippi, but he knows as well as I know that if we undertook to reorganize the departments of all the Government we would have all the employees of the Government, wherever they thought they were affected, bombarding Senators and protesting against reorganization, and back of the whole thing would be the fact that they were going to lose their positions through the reorganization if it should take place.

Mr. HARRISON. The Senator has no doubt, has he, that if Mr. Hoover, as Secretary of Commerce, with the influence of President Harding or President Coolidge back of him, and with his influence as President now himself, had brought his power and influence to bear, enough votes could have been secured to pass the bill? But he did not help any. He was waiting until the sentiment of the country came to the point of demanding economy and retrenchment, and then he puts forth blasts every day or two about it. Is not that true?

Mr. SMOOT. No; it is not. I know that President Harding was as deeply interested as anybody was in the reorganization of the departments of the Government.

Mr. HARRISON. He certainly was.

Mr. SMOOT. He was as deeply interested as anybody could be. I know that he appealed to Senators at the time. I know that he asked Senators, many and many of them, to vote for it, but when the bill came to a vote most of the Senators voted against it.

Mr. HARRISON. Does not the Senator believe if President Hoover, during the three years he has been in office, had shown the same zeal and possessed the same enthusiasm for reorganization that President Harding did, that we would have gotten somewhere with reorganization?

Mr. SMOOT. I doubt it, unless we had more confidence in President Hoover than the Senator from Mississippi seems to have.

Mr. HARRISON. The Senator will at least admit that President Hoover has not shown much zeal and enthusiasm about the matter?

Mr. SMOOT. President Hoover knows exactly what took place when we tried to get the reorganization bill through the Senate before. He knows the work that was put upon the program of reorganization at that time. I believe with all my soul that if the reorganization had taken place at the time we had the bill before the Senate and the House had acted upon it and it had become a law, there would have been hundreds of millions of dollars saved to the Government between that time and to-day.

Mr. HARRISON. But the Senator knows, and he will admit it now, that the great trouble we had in carrying out President Harding's idea—and we did not carry it out fully even in the bill, I may say——

Mr. SMOOT. That is true.

Mr. HARRISON. The greatest difficulty we had with it was because of the protests from the President's own Cabinet members. It was suggested in the original program that we ought to have a department of national defense, consolidating the War Department and the Navy Department. Both the Secretary of the Navy and the Secretary of War came before our committee and violently opposed it. Mr. Weeks, who was Secretary of War at the time, said they had discussed it in the Cabinet and it was agreed that it should not go through. Is not that true?

Mr. SMOOT. I want to invite the Senator's attention to the fact that our own committee was not agreed on it. When we took it up in committee the committee was against it. The Senator knows that former Senator Wadsworth, of New York, was a member of the committee, and when the vote was taken on that very question the committee itself voted by a large majority against it.

Mr. HARRISON. But they were largely influenced in doing so because the Cabinet was against it.

Mr. SMOOT. I am not going to make that supposition. I know they voted against it.

Mr. HARRISON. I said that President Hoover as Secretary of Commerce had done two things. He was very nice before the committee and made some very good suggestions, which we incorporated, in the main, in the bill. But, may I say to the Senator from Utah, as Congressman WOOD once said, he proved as Secretary of Commerce that he was the most expensive luxury ever foisted on the American people. He increased expenditures for his department more rapidly and enlarged it in more ways to spend money than any other Cabinet member was able to do in any other department.

Mr. SMOOT. I think that is true, but, on the other hand, I want to say to the Senator that we got more results in our foreign trade and foreign commerce through the activities of the Department of Commerce than through all the other departments of the Government combined.

Mr. HARRISON. Mr. President, that is the most laughable statement I have ever heard the Senator make.

Mr. SMOOT. It is true just the same.

Mr. HARRISON. That in times like these, when our exports have gone down and down and down until now we have hardly a balance of trade——

Mr. SMOOT rose.

Mr. HARRISON. Wait a minute! We have not any export trade any more. Practically speaking, the Senator can not convince anybody on that proposition, and yet the Senator said the Department of Commerce has accomplished wonders in bringing about an enlargement of our foreign trade and commerce.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. HARRISON. I yield.

Mr. LONG. I think the Senator from Mississippi misunderstood the Senator from Utah. He said that if the Department of Commerce was given more appropriations, in a few more years there would be no export trade at all.

Mr. HARRISON. Perhaps that is true. Let me read something to the Senator from Utah. I want to give the Senator this information. Here in the Chicago Daily Tribune of March 29, 1932, is a dispatch from South Bend, Ind., urging the abolishment of the Commerce Department. That is Mr. Hoover's former department. He was at one time Secretary of Commerce, as the Senator from Utah well remembers. That is the department which the Senator from Utah says has done so much for our export trade, and which has brought on all this prosperity. [Laughter.] I read:

The South Bend Chamber of Commerce—

That organization is composed of leading business people. South Bend is a good town. I am sorry my friend the senior Senator from Indiana [Mr. WATSON] is not here.

The South Bend Chamber of Commerce voted to-day to petition President Hoover and the Indiana delegation in Congress to abolish the United States Department of Commerce.

[Laughter.]

Some of those at the meeting no doubt were Republicans, although there are not many of them left. [Laughter.]

There were 150 business men at the meeting. Mr. Erskine—

He is president of the Studebaker Corporation—

asked anyone who had received any service from the Department of Commerce to raise his hand. One hand was raised.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Illinois.

Mr. GLENN. I presume that it was the hand of Mr. Erskine himself, because shortly before that in one day he had written 120 different letters to the Department of Commerce asking for information concerning trade activities as affecting the Studebaker company in some 40 different countries. Yet he complains of the result accomplished by the department.

Mr. HARRISON. According to the statement of the senior Senator from Illinois, then, there was not anyone who wanted the activities of the Department of Commerce continued or who had received any help from the department, because, as I understood the Senator, he said Mr. Erskine was the one who raised his hand.

Mr. GLENN. I said I presumed he did, because Mr. Erskine was the one who was writing the letters to the department asking for its service.

I am not thoroughly in agreement with all they have done myself, and, of course, the Senator is not in accord with anything they have done, but certainly a man who writes 120 letters to the departments asking for service is not in a very good position to complain about its activities.

Mr. HARRISON. Mr. President, the Senator perhaps did not hear that there were 150 business men at the South Bend meeting and only one of them raised his hand when the question was asked how many had received any service from the Department of Commerce. So it appears that 149 members of the South Bend Chamber of Commerce had received no service from that department.

Mr. LEWIS. Mr. President, I should like to ask what was the particular game being played in this instance where the hand was raised? [Laughter.]

Mr. HARRISON. Mr. President, the Senator from Utah a few moments ago called attention to the fine cooperative spirit evidenced by the Secretary of the Interior in reducing appropriations. Some one has shown me a letter which Secretary Wilbur wrote to the Senator and others from public lands and other States. I notice one statement in that letter, a copy of which I presume the Senator from Utah remembers. The Secretary says:

Since some of the proposed decreases will affect your State, I am sending you a copy for your information.

[Laughter.]

That shows Mr. Wilbur's spirit of cooperation.

Mr. President, the President ought not, just because the campaign is approaching, stoop to such petty politics as he is trying to play in the case of this economy program. It is too important to the American people, retrenchment is too necessary, economy is too essential, and we ought to divest ourselves of every feeling of political consideration and try to cooperate at this time in order not only to effect a saving of $200,000,000 in expenditures, but a greater saving if need be. The President has not done that; he is just playing with the matter.

Let me now refer to the Budget law. The President either has ignored the law deliberately or does not know what is in the law which was passed by Congress creating the Budget Bureau. I read from the law, as follows:

SEC. 201. The President shall transmit to Congress on the first day of each regular session the Budget, which shall set forth in summary and in detail—

(a) Estimates of the expenditures and appropriations necessary, in his judgment, for the support of the Government for the ensuing fiscal year.

Why did he not recommend greater reductions in the estimates submitted under the Budget law. He says he cut the appropriations under those of last year by three hundred and some odd million dollars; but, as the Senator from Tennessee pointed out yesterday, that is merely a transformation of figures more than anything else. Not only that, but the Appropriations Committee of the House, as the facts reveal and can not be denied, cut the appropriations in the bills already passed below the estimates by practically $118,000,000—I believe that is the figure—and yet Mr. Mills, as the spokesman of the President—and the President did likewise in his statement yesterday—finds fault with that action and tries to point out that the reductions have been made in items which in large part will have to be taken care of by deficiency appropriations next year. He is so afraid that the Congress will get some credit for actually reducing appropriations that he seeks to point out, in order that the American people may think that he was on the job all the time and had cut expenditures to the bone, that it would be necessary to provide deficiency appropriations.

I am not a member of the Appropriations Committee, but I have talked with the distinguished chairman of the Appropriations Committee of the House, and he tells me that the reductions in appropriations made by that body are actual reductions, and will not entail deficiency appropriations next year. The only deficiencies we will probably have are those which may arise in the Treasury Department for tax refunds. In bills now pending the Secretary of the Treasury does not ask for specific appropriations to pay tax refunds; he only asks for a general provision to apply to the payment of refunds those amounts that were not expended; and so very likely the department will come here with a request for deficiency appropriations in December. Perhaps that is the reason why Mr. Mills opposes the suggestion and disagrees with the plans to cut expenditures $200,000,000, and says they can only be cut $100,000,000. He may take that position because of the knowledge that he is going to have to ask for a deficiency in order to pay tax refunds in December.

If the President wants to create a better psychological situation in this country, why does he "flyspeck" everything that is said with reference to balancing the Budget and give out statements causing the people to lose confidence in the effort actually to cut appropriations and to balance the Budget?

There is another provision in the Budget law to which I wish to refer. Why did not the President follow it? He appears to be so anxious for a commission on which he may have two representatives selected by him to coordinate and cooperate and consolidate some departments that he can not do anything unless that is done; he will not be able to effect any retrenchment or any economies unless he is given authority to appoint a commission with two representatives of his own on it. What is keeping the President from specifying and particularizing and sending information as to the waste which he says should be eliminated and the retrenchments which he says ought to be brought about, without the necessity of appointing a commission? He has made no suggestion and apparently is not on the road to recommending the enactment of any law to-day so far as coordinating the departments is concerned.

Listen to this provision of the Budget law:

The bureau, when directed by the President—

"When directed by the President"—

shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made in (1) the existing organization, activities, and methods of business of such departments or establishments, (2) the appropriations therefor, (3) the assignment of particular activities to particular services, or (4) the regrouping of services.

That was one of the objects of the organization of the Budget Bureau—to make such studies, and to report to the President where economies could be effected under a regrouping and eliminating process. Then the law further provides:

The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports or any part thereof with his recommendations on the matters covered thereby.

There being such a provision in the Budget law, why is the spirit of the law not being carried out, and why is there not transmitted to the Congress of the United States the particular suggestions? The law says he may take such action; it does not say that he shall do so; but what is it that is so secret about this matter that should restrain him, in these times of stress and overtaxation, from transmitting his suggestions, after study by the Bureau of the Budget, to the Congress of the United States?

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Arkansas?

Mr. HARRISON. I yield.

Mr. ROBINSON of Arkansas. It is perfectly apparent from the provision the Senator has just read that the Budget authorities and the President have complete power to suggest changes in the law essential for economy. The proposal now, however, is to supersede the Budget, admitting the ineffectiveness of the arrangement that has been so often boasted of, with a mixed commission, whose work necessarily will require a review of the studies made by the Budget Bureau for probably many months, carrying the propositions over until after the next national election. What we need is action, prompt action; we need it now, and there is ample authority in the law to do anything that should be done if the President and the Budget Bureau will exercise the authority that is reposed in them by the Budget law.

Mr. HARRISON. Mr. President, the Senator from Arkansas is eminently correct. No other construction can be put on the Budget law, and to create a commission at this time is merely to delay doing what should be done now.

I have heard much talk to the effect that we want to get away from here by the time the presidential-nominating conventions meet, but it will be an absolute impossibility if we are going to go through all that. A committee has

already been constituted in the House that is trying to do this very thing. Why does the President not send the two men he wants on a commission down there to sit with them? The chairman of that committee has told me they have invited him to do so; that they have invited them to come down, and they have requested the President to make any suggestion he desires. Why does he not particularize and give his friends an opportunity to state his wishes? The President is just drunk on the proposition of creating more commissions and more commissions.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. HARRISON. I yield.

Mr. WALSH of Massachusetts. I inquire of the Senator, is not the President the head of the executive departments, and does he not appoint all the heads of the executive departments and the bureaus which expend the public money?

Mr. HARRISON. The Senator, of course, is correct.

Mr. WALSH of Massachusetts. In view of that fact, and being in touch and cooperation with them constantly, who in the Government is in a better position to make constructive suggestions as to how to eliminate waste and do away with unnecessary bureaus than is the President?

Mr. HARRISON. Of course, the President sits with his Cabinet all the time. They know the conditions and they ought to give us the advantage of their suggestions, if they have any, and ought to send them here, and within a very few days, I dare say, we could enact them into law.

Mr. BROOKHART and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I yield to the Senator from Iowa, who rose first.

Mr. BROOKHART. Mr. President, I should like to ask the Senator how much this economy amounts to? What is going to be the total sum saved after we get through with it? If it should be put through, as it ought to be, how much would be saved in governmental expenditures?

Mr. HARRISON. I should like to see a good deal saved. I might want to go further than others. As the Senator will recall, I tried to provide in a resolution that we should save at least $300,000,000.

Mr. BROOKHART. Three hundred million dollars?

Mr. HARRISON. But the estimate, may I say to the Senator, of the savings effected in bills which have passed the House is about $200,000,000, although Mr. Mills says there will not be saved over a hundred million dollars by them.

Mr. BROOKHART. Let me call the Senator's attention to the fact that a saving of $300,000,000 would amount to about $2.10 apiece for the American people, would it not?

Mr. HARRISON. I have not figured it out; it might be only that amount, but every little bit helps.

Mr. BROOKHART. Among all of them that is what it would amount to; but there are only about two and a half million people who pay income taxes into the Federal Treasury at all. That is about right; is it not?

Mr. HARRISON. I have not figured it out; I assume the Senator has.

Mr. BROOKHART. If the number be two and a half million, and the estimated saving be three hundred million, that would be something over $100 apiece the two and a half million pay would save, would it not? But most of those only pay a nominal sum, and less than a million people actually pay a substantial sum into the United States Treasury, so that the saving, if all this economy were brought about, would be about $300 for each of the million big income-tax payers in the United States. Is not that about right?

Mr. HARRISON. Of course, if the Senator wants to take that line of thought, it is all right.

Mr. BROOKHART. Is not that a fact? I want the facts. That is all I want.

Mr. HARRISON. I have an idea that we ought to cut these expenses no matter whom it helps; that Government expenditures ought to be cut to the bone; and I dare say that the people in Iowa who are being pressed to-day, and who are crying out to their county governments and to their city governments and to their State governments, are also crying to the Federal Government to retrench public expenditures.

Mr. BROOKHART. That is why I am asking these questions. I want them to know what they will amount to.

Mr. HARRISON. I should like to see us cut the expenditures by quite a large sum.

Mr. BROOKHART. Let me ask the Senator another question. I read in the Evening Star yesterday evening an Associated Press dispatch to the effect that 39,699 farms and 12 per cent of city lands were put on the block at sheriff's sale in the State of Mississippi yesterday or day before. Is that correct?

Mr. HARRISON. I do not know the exact amount.

Mr. BROOKHART. Something of that kind——

Mr. HARRISON. Let me answer the Senator. When the Senator asks me a question, I hope he will let me answer him.

Mr. BROOKHART. Yes, indeed.

Mr. HARRISON. I do not know whether the exact figures stated by the Senator are correct or not. I presume that the correspondent who sent the dispatch knew the facts. In my State on a certain day we sell the lands in the State of Mississippi that are delinquent in the payment of taxes. May I say to the Senator that, although this depression has hit us just the same as it has hit Iowa, the same as it has hit all the agricultural States in the whole country, I do not think my State is in any worse shape than other States that are in the agricultural list or generally in the United States.

Mr. BROOKHART. Then does not the Senator think we had better be spending our time here trying to do something for the relief of all these States—and I concede that they are all in about the same condition as Mississippi—rather than trying to save about $300 apiece for a million big income-tax payers in the United States?

Mr. HARRISON. If the Senator has that idea, he ought to expend $300,000,000 more if he thinks it will help the people.

Mr. BROOKHART. Let me ask the Senator whether he did not vote for the bill creating the Reconstruction Finance Corporation?

Mr. HARRISON. I did.

Mr. BROOKHART. Did not that increase the Federal appropriations at once by $500,000,000—a good deal more than the Senator is talking about saving now?

Mr. HARRISON. Yes.

Mr. BROOKHART. And that was mainly for the benefit of the railroads and the banks, was it not?

Mr. HARRISON. The Senator voted for it——

Mr. BROOKHART. No; I voted against it.

Mr. HARRISON. I know; the Senator votes against everything, generally speaking. I voted for it because I thought it would restore confidence in this country, and that it would help the general situation, and that the reaction would help the poor unfortunate people down there who are losing their homes as well as the poor unfortunates in the Senator's own State.

Mr. BROOKHART. Let me ask the Senator if he will join me now in voting a billion dollars more out of the Treasury directly to help these people, so that we will know it will not depend on a reaction, or some theory about it?

Mr. HARRISON. No; the Senator from Mississippi is not going to vote for the appropriation of a billion dollars at this time on a proposition like that. I hope that is plain to the Senator.

Mr. McKELLAR. Mr. President——

Mr. BROOKHART. The Senator did vote for the $2,000,000,000 for the banks and the railroads.

Mr. HARRISON. Oh, yes; the Senator voted for it, and he hopes the Government will not lose a nickel of it, and he hopes very much it will help to restore business in this country. In my State, may I say to the Senator—I do not know whether it was true in Iowa or not—we have had a tremendous lot of bank failures. People can not get any credit. If the Reconstruction Finance Corporation will encourage business and expand credits so that the people can get some credit, and stop banks from failing, and save the depositors some money, I think my vote was very well placed.

Mr. BROOKHART. Let me ask the Senator another question. The reason why your banks failed, and the reason why the people have no credit, is because farm prices were so low that a farmer could not pay his debts; was it not?

Mr. HARRISON. That is true. The Senator and I agree on one thing.

Mr. BROOKHART. Since then the Reconstruction Finance Corporation has come along, and farm prices are still lower.

Mr. HARRISON. Yes. I wish they were up.

Mr. BROOKHART. But they did not come up, although we took $500,000,000 out of the Treasury to get this reaction, this psychology that the Senator talks about.

Mr. HARRISON. Yes. I may be wrong in it. I have been wrong in a lot of votes I have cast, and I shall be wrong in a lot of votes I am going to cast; but when I vote, I do so conscientiously, in the hope that my action will help the general welfare of the country and the American people.

Mr. BROOKHART. What I should like to do is to get the Senator right, and get that fine ability of his fighting not to reduce taxes for a million big income-tax payers, but to help out the 100,000,000 people who are in distress.

Mr. HARRISON. The Senator will never get me to the point of thinking that we are going to help the people in Iowa and Mississippi by increasing by three hundred or five hundred million dollars the enormous expenditures of the Federal Government to-day of more than $4,000,000,000.

Mr. BROOKHART. Does the Senator know what the national income was last year in the whole United States?

Mr. HARRISON. The revenues to the Government?

Mr. BROOKHART. No; the national income that our people produced.

Mr. HARRISON. No. I do not carry figures in my head as the Senator from Iowa does, and I have never investigated to ascertain whether the Senator's figures are correct or not.

Mr. BROOKHART. I will tell the Senator, then. Before the Banking and Currency Committee the other day the expert of the National Industrial Conference Board said that it was $60,000,000,000. That is about $2,500 for every family in the United States; so that we had enough income in 1931 that we needed to have no depression, if it had been properly distributed.

Mr. McKELLAR. Mr. President——

Mr. HARRISON. Now, I yield to the Senator from Tennessee.

Mr. McKELLAR. I should like to ask the Senator from Mississippi a question. If we are to have a conference, if we are to have a reduction of the expenditures of the Government, it must be done this very year, and very shortly in the present year. Is it not true that the only effect of the proposal of the President to form a commission for the purpose of consolidating the bureaus generally is to postpone immediate economy to some future date? Is not that true?

Mr. HARRISON. I am afraid that is what would happen.

Mr. McKELLAR. I want to say to the Senator that if the President really wanted economy this year, all he would have had to do would be to recommend those economies to the Congress, and let the Committees on Appropriations reduce the appropriations now; and it can be done if the President will act promptly. Why? Because only one appropriation bill has reached the conference stage. All the other bills are now being considered by the committees. The President could, by one word, ask to have the agricultural appropriation bill restored to the two bodies, and the same course could be taken in that bill that can be taken in all the other bills.

If the President would take that course straight out, and in a direct fashion and in a manly way demand that of the Congress, he would get a reduction of at least $500,000,000 at the present session of Congress.

Mr. HARRISON. I agree with the Senator that the President ought to send his suggestions down here; that he ought to particularize.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Louisiana?

Mr. HARRISON. I do.

Mr. LONG. I just wanted to attract the attention of the Senator from Tennessee. I have followed the Senator from Tennessee in all these moves to reduce Government expenses and these appropriations for the Government departments, but I hope the Senator from Tennessee—who, I think, is leading this proposition to reduce Government expenses in some respects very wisely—has not entirely lost sight of what was suggested by the Senator from Iowa. The Department of Commerce, as we all know, is spending large sums in excess of what is required. I was hoping that in the reduction of unnecessary Government expenses in these departments we were going to make it all the more possible for the United States Government, out of its revenues to be acquired and which it now receives, to relieve some of the distress prevailing in this country.

If we are going to content ourselves with merely cutting down three or four or five hundred thousand dollars in appropriations for no purpose whatever except, of course, to save $100 or $200 apiece to a million income-tax payers in the United States, without coupling with it substantial relief to the masses of this country, the little reduction we make is not going to mean very much to the 120,000,000 American people.

Mr. HARRISON. Mr. President, the President himself has not been one of the economy men to any extent in the administration of affairs. I notice that the White House expenses, for instance, when Mr. Harding was President, in the fiscal year 1922, were $206,000. In 1923 the appropriation amounted to $349,000. In 1924, under Mr. Coolidge, it was $411,000. In 1926, under Mr. Coolidge, it was $483,000. In 1932, under Mr. Hoover, it was $532,000. These other Presidents, who had an eye somewhat toward economy, were perfectly able to get along with one secretary, I think. Of course, in these late years a secretary is supposed to have an automobile. Mr. Hoover has four secretaries. He even has a political secretary, one who has the entrée up here, to get Senators to vote for his measures, and so forth. I imagine that each of these secretaries carries out the policy of having an automobile.

In the estimate for the White House this year there is some reduction, but in personnel there is no reduction. There is one item here for grounds and gardens and flowerpots and things like that where they make a small reduction. They are not going to take quite as much this year for the White House hothouses and the beautification of the grounds. There is an item of $40,000 which goes to the White House fund to detect frauds in protection of the naval oil reserves that the President does not ask for this year. I congratulate the Republican Party on having gotten to the place where they think they are free from any more naval oil reserve scandals; so the $40,000 for that purpose is eliminated from this bill. That item was of necessity placed in the bill some years ago.

Mr. President, we all ought to pull together on this economy and retrenchment business in the interest of all the people of this country. We ought to stop the shooting backward and forward from the White House down here of these messages and speaking every day of what the President himself has done. We know pretty well what he has done. If he will send down the recommendations which no doubt he has from the Director of the Budget, and cooper-

ate with the committee over in the House that is trying to effect some coordination and consolidation in order to effect economies, we will get along here and we will effect some savings.

For my part I expect to vote for reduced appropriations clear down the line. I would almost abrogate the power of Congress to make specific appropriations at this particular time, because I think the country needs it. I would vote—and when I did I would hate to do it; I would feel like apologizing to myself—but I would vote now, for one year or two years, lump-sum appropriations to each of the departments of this Government and give them carte blanche authority and cut all red tape in order that we might effect some retrenchment in Government expenditures. I would be willing to say to the Department of Commerce, "You estimate that you will require $54,000,000," say; I have forgotten the exact amount, something like that. I would give to them if it was necessary in order to effect economy a lump-sum appropriation of $40,000,000 or $45,000,000 and say, "You are going to be charged with running the department on this amount. We are going to cut red tape. You will have to make a report to Congress one year from now of every expenditure you have made; but we expect you to run your department on this amount, and we give you authority to effect whatever coordination you want and report it to Congress." I would do that with every department. I should hate to see that time come, but I would do it if necessary.

I want to see retrenchment. I want to see economies. I have heard the suggestion made, I think by the Senator from Tennessee [Mr. McKELLAR] or some one else, that we ought to write into every one of these appropriation bills a stipulation that by the 1st of August each of the heads of the departments shall cover back into the miscellaneous fund of the Government 10 per cent of the total appropriation, and make them cut it another 10 per cent, if necessary; then let them work out to the amount of 10 per cent, at least, such efficiencies and such coordination as they desired.

I think that when we do these things we are serving the country and the American people at this particular time.

That is all I want to say.

EXHIBIT A

THE SECRETARY OF THE INTERIOR,
Washington, March 19, 1932.

Hon. REED SMOOT,
United States Senate.

DEAR SENATOR SMOOT: In pursuance of your request that we present to the Committee on Appropriations those items in the Interior Department appropriation bill which can be deleted with the least damage to the functioning of the Interior Department, I am attaching a summary totaling $5,043,143.

Every one of these items is important in itself and important from the standpoint of the national service of the department, but since we are asked to meet conditions beyond our control, we request that they be met in exact accordance with these proposals, and that if any substitutions are made it be done only after consultation with me.

Very sincerely yours,

RAY LYMAN WILBUR.

Proposed reduction of 10 per cent in Interior appropriation bill

SECRETARY'S OFFICE	
Board of Indian Commissioners (p. 6, lines 1–5)	$14,100
GENERAL LAND OFFICE	
Registers (p. 8, lines 11, 12)	[1] 76,400
Contingent expenses of land offices (p. 8, lines 13–25)	[1] 169,000
BUREAU OF INDIAN AFFAIRS	
Pay of Indian police (p. 11, line 11)	3,000
Indian agency buildings:	
Repairs (p. 11, line 19)	10,000
Physical improvements (p. 11, line 21)	20,000
Purchase of lands, Choctaw Indians, Mississippi (p. 11 lines 7–13)	6,500
Administration of Indian forests (p. 18, line 12)	25,000
Expenses, sale of timber, reimbursable (p. 18, line 21)	15,000
Obtaining employment for Indians (p. 20, line 6)	10,000
Industry among Indians, reimbursable (p. 20, line 19)	25,000
Eradication of scabies among Indian-owned sheep (p. 23, line 17)	10,000
Beginning Michaud Division, etc., Fort Hall project, Idaho (p. 28, lines 10–18)	332,500
Irrigation systems, Flathead Reservation, Mont.:	
Power distribution system (p. 29, lines 23, 24)	$55,000
Pumping plant (p. 30, lines 1, 2)	100,000
Enlargement Tabor Feed Canal (p. 29, line 24; p. 30, line 1)	22,000
Surveys, etc., Duck Valley Reservation, Nev. (p. 31, lines 14–19)	15,000
Indian school buildings, repairs (p. 37, line 24)	15,000
Tongue River, Mont. (p. 38, lines 11–13) change text to provide for remodeling and repairing school building, reduced to $10,000	40,000
Flood control, Leupp School and Agency (p. 38, line 20)	30,000
Indian school, Phoenix, Ariz., streets and sidewalks (p. 39, lines 13, 14)	12,000
Indian school, Mount Pleasant, Mich. (p. 40, lines 22–25; p. 41, lines 1–5)	187,125
Indian school, Santa Fe, N. Mex. (p. 41, lines 1, 2)	10,000
Indian school, Bismarck, N. Dak. (p. 42, lines 12–15)	52,125
Indian school, Fort Totten, N. Dak. (p. 42, lines 16–19)	108,325
Indian school, Tahlequah, Okla., boys' dormitory (p. 43, lines 16, 17)	80,000
Indian school, Euchee, Okla. (p. 44, lines 1–3)	46,775
Indian school, Pierre, S. Dak. (shop building, p. 45, lines 4, 5)	15,000
Indian school, Rapid City, S. Dak. (p. 45, lines 6–11)	125,000
Indian school, Hayward, Wis. (p. 45, lines 12–14)	70,950
Kayenta Sanatorium and cottage (p. 49, lines 5, 7)	50,000
Fort Lapwai Sanatorium, quarters (p. 50, lines 1, 2)	18,000
Laguna Sanatorium (p. 50, line 18)	30,000
Choctaw Chickasaw Hospital, water supply (p. 51, lines 5–7)	30,000
Expenses of clinical surveys (p. 52, lines 13–22, continue the unexpended balance)	50,000
Roads, Indian reservations (p. 61, line 17)	100,000
BUREAU OF RECLAMATION	
Yuma project, Arizona-California (p. 68, lines 13–18)	80,000
Orland project, California (p. 68, lines 19–20)	39,000
Boise project, Idaho (p. 68, lines 21–23)	40,000
Minidoka project, Idaho (p. 68, lines 24–25, and p. 69, lines 1–8)	165,000
Bitter Root project, Montana (p. 69, lines 9–14)	100,000
Milk River project, Montana (p. 69, lines 15–20)	31,000
Carlsbad project, New Mexico (p. 70, lines 1–5)	30,000
Klamath project, Oregon-California, continuation of construction (p. 70, lines 24–25, p. 71, lines 1–9)	75,000
NATIONAL PARK SERVICE	
Construction, etc., roads and trails (p. 98, line 5)	2,000,000
Alaska Railroad (p. 103, line 19)	125,000
Columbia Institution for the Deaf, salaries and general expenses (p. 109, lines 7–10)	78,843
Howard University:	
Heat, light, and power system (p. 109, lines 22–24)	300,000
Construction of library building (p. 110, lines 1–3)	100,000
Total	[2] 5,093,143

[1] Add $50,000 salaries, General Land Office.

Proposal regarding closing land offices affects all the offices in the United States, as follows:

Arizona: Phoenix.
Arkansas: Little Rock.
California: Los Angeles and Sacramento.
Colorado: Denver and Pueblo.
Florida: Gainesville.
Idaho: Blackfoot and Coeur d'Alene.
Minnesota: Cass Lake.
Montana: Billings and Great Falls.
Nebraska: Alliance.
Nevada: Carson City.
New Mexico: Las Cruces and Santa Fe.
North Dakota: Bismarck.
Oregon: Lakeview, Roseburg, and The Dalles.
South Dakota: Pierre.
Utah: Salt Lake City.
Washington: Spokane.
Wyoming: Buffalo, Cheyenne, and Evanston.

A balance of $3,600 for registers and $6,000 for contingent expenses of the three land offices in Alaska should be retained for the operation of the three land offices in Alaska.

EXHIBIT B

DEPARTMENT OF STATE,
Washington, March 31, 1932.

The Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate.

MY DEAR SENATOR: I have your letter of March 23, 1932, stating that the bill making appropriations for the Department of State has been recommitted to the Senate Committee on Appropriations, with instructions to reduce by 10 per cent the aggregate of the appropriations contained in the bill as it passed the House of Representatives. You state that the reduction called for from this department is $1,519,214.83, and you are good enough to ask my advice as to where this reduction can most wisely be made.

[2] Deduct increase General Land Office salaries, Washington, $50,000, to meet net reduction of 10 per cent ($5,043,143).

I thank you for your consideration. As I had occasion to write you on the 25th of February, I fully appreciate the necessity of reducing appropriations under present conditions as far as may be done without injury to the public interest. In submitting its budget for 1933, this department had already reduced its estimates by nearly $1,000,000 below the amounts which those in immediate charge of its several activities had recommended as necessary. In collaboration with the Bureau of the Budget a further reduction of over a million dollars was made. The House of Representatives made a still further reduction of $1,490,923.50. The Senate now proposes another reduction of $1,519,214.83, which, if adopted, would reduce the appropriations for this department below the Budget estimates by $3,010,138.19, or 18 per cent.

The discussion in the Senate before the vote was taken to direct the proposed reduction in the appropriations for this department showed no appreciation of the seriousness of the questions involved in our foreign relations at the present time or of the magnitude of the task of dealing with them. Moreover, some of the remarks seemed to imply that the increased cost of carrying on our foreign relations has arisen from activities initiated by the department itself. The responsibilities of this department are not of its own creation. On the contrary, they arise out of the disturbed political and economic conditions in the world. Except during the Great War those conditions are more serious now than they have been at any time in recent years. During the past three years there have been not less than 13 successful revolutions in Latin American countries, resulting in changes in government, and 21 attempted revolutions. There have been changes and attempts to bring about changes in Europe. In the Far East there have been for some time past conditions of grave disturbance, namely, banditry, labor unrest, disruption of transportation facilities, and destruction of human life and property. In all of these countries are American citizens and American property of one kind or another. Every governmental upheaval creates new questions between the United States and the foreign government concerned. Situations arise which seriously affect the rights of our citizens, the protection of their property, and even their lives. Americans having business or property in certain foreign countries are faced with complicated problems arising out of the economic depression, such as the imposition of new taxes, restraints upon transfer of their funds to the United States, and many other difficulties. Furthermore, throughout these situations there are principles of great potential importance to our people that must be carefully safeguarded.

The responsibility for affording such protection as may properly be given to Americans and their interests in these unsettled conditions rests upon the Executive, and they can be discharged only if this department and the Foreign Service are maintained on a basis of adequate strength. However great the necessity may be to economize in public expenditure—and I am heartily in sympathy with the efforts being made by the President and Congress to that end—it seems to me indefensible to carry those economies so far that they impair the necessary strength and efficiency of this department at a time when, as is well known, the world is in an abnormal condition and the task of protecting the interests of our people abroad calls for a maximum of effort.

It must be remembered that the Department of State is one of the most difficult in which to make retrenchment for the following reasons:

1. Its appropriation is the smallest made for any executive department except one.

2. It will be engaged in no construction work in 1933 which can temporarily be suspended.

3. Almost all of its appropriation is expended for salaries at home and abroad and the necessary support of its agents in all parts of the world.

In some departments of the Government it might be feasible to make a saving of 10 per cent through the temporary suspension of construction work or some similar activity. There are no such activities in the Department of State provided for in the bill. Of the total appropriation of $15,199,148.33 carried in the bill as it passed the House, $9,409,773 is for salaries in the department and the Foreign Service, $1,034,276.12 is for expenditures required by treaties and acts of Congress, and over $900,000 is required for the annual cost of rentals of diplomatic and consular offices under existing leases, leaving only $3,848,099.21 for other expenses, which latter sum is more than reimbursed to the Government from approximately $4,000,000 in consular and passport fees paid into the Treasury.

Rather than to attempt to bring about the desired economies by general reductions in the appropriations which would impair the efficiency and morale of the entire departmental and Foreign Service organization and make effective work more difficult, the interests of the Government would, in my opinion, suffer less by temporarily closing some 12 embassies and legations and 15 consulates in certain countries and places where that can be done without irretrievable damage to American interests, dispensing with the services of the ambassadors, ministers, and consuls there and placing the care of our interests in such countries with our representatives in near-by countries. Some 100 or more American clerks might be dispensed with and their places filled by foreign clerks at lower salaries.

In order that these and other savings, to the amount indicated in your letter, may be made, it is essential that the several appropriations be converted into a single fund so as to permit the utmost flexibility of expenditure. To this end I would suggest that the following proviso be added at the end of that part of the bill relating to the Department of State:

"The aggregate sum appropriated under the foregoing heads shall be available to the Secretary of State as a lump sum for expenditure in such manner as he may deem proper for all or any of the purposes specified in the several appropriation items as well as for expenditures in connection with the discontinuance of embassies, legations, and consular offices, and providing otherwise for the discharge of their functions without, however, increasing any salary fixed by law."

If the economies indicated in your letter are imperative, it is believed that this proviso, by virtually converting the several appropriations into a lump sum, would enable that sum to be so administered as to bring about the required reduction in expenditures without unduly impairing that part of our Foreign Service which is most vital to our Government at this time, lessening the hardship resulting from discontinuance of offices and making possible the giving of due notices in connection with termination of existing contracts.

As you are aware, the United States is obligated by treaty to participate in the Pan American and radio conferences, for the expenses of which appropriations are carried in the bill. Notwithstanding the importance to American interests of our participation in those conferences, it is my judgment that as between participating in these conferences at the cost of $170,000 and making a reduction of that amount in the appropriations for the Foreign Service, this Government should decline to participate in those conferences and the amount proposed to be appropriated for that participation should be applied against the required reductions in the bill.

The Congress has authorized an appropriation of $50,000 as a contribution to the expenses of entertaining the French Veterans of the World War at a meeting to which they have been invited by the American Legion, and that amount is carried in the bill under discussion. If the making of that appropriation involves the sacrifice of a like amount necessary to maintain the essential machinery for carrying on our foreign relations, I can see no justification for making it, and would, therefore, suggest that if the appropriations for this department are to be reduced as proposed this appropriation be omitted as part of the reduction which the Senate desires to make.

The foregoing conveys as clearly as I can express it how the economies desired by the Senate can be made in this department and the consequences of making them.

Very sincerely yours, HENRY L. STIMSON.

EXHIBIT C

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., March 26, 1932.

HON. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate.

DEAR SENATOR: I have your letter of March 23, 1932, advising that House bill No. 9349, making appropriations for the Departments of State, Justice, Commerce, and Labor for the fiscal year ending June 30, 1933, and for other purposes, has been recommitted to the Senate Committee on Appropriations with instructions to reduce by 10 per cent the aggregate of the appropriations contained therein as passed by the House of Representatives.

This subject has had my most careful personal consideration, both before and after the receipt of your letter. Every item of the appropriation bill affecting this department has been studied in detail.

The amount which the Senate by its action of March 22 has requested be cut from the bill is $5,074,177.50. In the total appropriation is included the aggregate item of approximately $2,658,000 for the salaries of Federal judges. These salaries can not be reduced by either legislative or administrative action during the tenure of the respective several incumbents. To effect the requested reduction a saving in excess of 10 per cent of the remainder of the appropriation must be accomplished.

These three means of decreasing expenditures collectively will achieve the desired result:

(1) Ten per cent reduction in salaries.

(2) Substantial reduction in personnel.

(3) Decreasing the amount available for the support and maintenance of prisoners.

(1) A horizontal reduction of 10 per cent in all departmental salaries by congressional action will save approximately $2,500,000, inasmuch as about $25,000,000 of the department appropriation is for personal services, exclusive of judicial salaries.

Under the classification act salaries in the departmental service are subject to reduction by administrative action only to a very limited extent; that is, when justified by efficiency ratings. In the field service salaries may be reduced by administrative action, but only to the minimum of the grade to which the position has been allocated. I can not, therefore, accurately estimate the amount to be saved by salary reductions through administrative action.

A reduction of 10 per cent of all salaries:

$1,440 and over will save	$2,421,936
$1,920 and over will save	1,649,666
$3,000 and over will save	860,100
$4,000 and over will save	459,240

Even in these times I do not feel that the salaries in this department are more than fair. The great majority of our employees are in the low-salary brackets. I trust that it will not be deemed advisable to reduce salaries in the Department of Justice.



(2) The Department of Justice is peculiarly a division of the Government wherein activities are closely interrelated and dependent upon each other. One of its principal functions, as you know, is that of enforcing the Federal laws. The Bureau of Investigation, through its agents, investigates and brings forward for prosecution all violations of the Federal statutes, excepting those specially assigned by law to some other department of the Government, such as narcotic violations, counterfeiting, etc.

The entire burden of investigating and prosecuting violations of the statutes growing out of the eighteenth amendment to the Constitution is on this department. The volume of cases presented by these two agencies largely determines the amount of work to be done by the United States marshals and the district attorneys. The activity of these latter offices, in turn, very substantially affects the volume of business in the courts. The number and importance of the matters presented for judicial action determine the cost of administering the courts, including fees of jurors and witnesses, clerical service, etc. The functioning of these enforcing agencies and the result of prosecutions in the courts determine the number of Federal prisoners which must be cared for in the various Federal prisons and other institutions throughout the country.

If the so-called police activities of the department are more active, there is more business, and, consequently, more expense in the several successive divisions of the law enforcing agencies mentioned. If, on the other hand, the police activities are less, there is a correspondingly smaller volume of business, and these other divisions can be operated at less expense.

It is logical, therefore, to assert that one way in which the department may reduce expenses, in part at least, to the point indicated as desired by the Senate is to curtail the activities of these two important bureaus. The only way in which this curtailment can be accomplished is to reduce the personnel in these two bureaus, which reduction in turn will result in a proportionate reduction in the personnel of the offices of district attorneys, marshals, court attachés, prison administration, and at the seat of government. In my opinion, the result will be that if the appropriation for this department is to be reduced as requested, there must be something in the nature of a moratorium in law enforcement.

At the present time, for example, there are 1,015 cases in the Bureau of Investigation unassigned for investigation because of insufficient personnel. The amount appropriated for this bureau in H. R. 9349 is so much less than the amount available for the current fiscal year that on July 1 it will be necessary to separate 49 agents from the service. This reduction will diminish the man power of the bureau close to the point where the public interest may be prejudiced. I need not comment as to the inadvisability of a further cut in this direction.

As Attorney General, it is my duty to enforce all Federal laws to the fullest extent possible consistent with the facilities provided by Congress, and I can not take the responsibility of advising Congress that there should be any diminution in the existing efforts of the department to see to it that those who violate the Federal statutes are dealt with according to law.

During recent years Congress has enacted legislation which has added greatly to the tasks of the department without a corresponding increase in personnel. Such matters as war-risk insurance, the public building expansion program, increased litigation in the Court of Claims, including provision for the institution of suits by Indians against the United States involving large sums, Mississippi flood-control legislation, and like enactments have contributed to make the present personnel of the department less than adequate. Curtailment in these lines of activity to some extent will be necessary, should a general reduction in personnel be called for.

Civil cases are of two kinds, i. e., those in which the Government is resisting claims against it, and those in which it is seeking to recover sums due the United States. As long as the courts are open and Congress consents that the United States be sued, we can not relax our efforts in defense of claims, as the Treasury would suffer. If we diminish our efforts in civil suits by the United States as plaintiff, we merely reduce the sums recovered and paid into the Treasury.

(3) Further savings in money can be accomplished by reducing the amount available for the support and maintenance of Federal prisoners. In our Federal institutions the average cost for food for an inmate by the utmost economy has been reduced to an average of from 25 to 30 cents per day, but I can not take the responsibility of forecasting what the results might be should further economies in this direction be attempted. Prisoners will not starve if the quantity and quality of their food is further reduced, but I strongly urge against any such action.

In conclusion, may I state that it has been my definite and progressive purpose to carry out the work committed to this department with the utmost economy consistent with efficient service. Naturally, during the present fiscal year efforts in this direction have been most vigorously pursued. The subcommittee of the House Appropriations Committee, during the hearings on the current bill, requested and received from the department every possible suggestion as to economies and feasible reductions in our appropriation below the figures transmitted to Congress by the Bureau of the Budget.

As a result, the estimate submitted to Congress by the Budget was reduced by the House from $53,900,364 to $50,751,275, being the amount included in H. R. 9349.

I assure you of my strong conviction that the requested reduction in the appropriation as allowed by the House will have a severely detrimental effect upon the efforts of this department to fulfill its responsibilities.

Respectfully,

WILLIAM D. MITCHELL,
Attorney General.

EXHIBIT D

THE SECRETARY OF COMMERCE,
Washington, March 30, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: In response to your request of the 23d for a statement showing the items and the reductions necessary to enable your committee to comply with the instructions of the Senate for a 10 per cent reduction, in the aggregate, of the appropriations for 1933 for this department contained in the bill as passed by the House of Representatives, there is attached a tabulation embodying the desired information. The page and line numbers have reference to the bill as it passed the House.

Our appropriations for the current year amount to $54,422,230; the bill for 1933 as reported to the House carried $44,129,857—but several items under the Bureau of Mines were reduced by amendments on the floor of the House amounting to $194,615, so that bill when received in the Senate appropriated only $43,935,242. This was a reduction of $10,486,988, or over 19 per cent, from this year's appropriations. We not only believed that every item and every amount was justified but felt that the work devolving upon certain offices would be so seriously interfered with and retarded under the House grant, I would be derelict in the discharge of my duties if an appeal were not made to the Senate Appropriations Committee to increase some items within limitations of the Budget estimates, notwithstanding our hearty and sincere sympathy with the program of curtailing expenditures to the minimum.

Following the action of the Senate in directing a 10 per cent cut in the items, I called the heads of all the bureaus into conference. We considered exempting certain offices and applying a greater percentage to others to compensate therefor, but had to discard such a plan as impractical. About 45 per cent of our total funds are devoted to the Lighthouse Service and aeronautics branch, and if they were excused on the ground of rendering services which could not be curtailed it would require a cut of 19 per cent in the other offices, and every one of them is performing functions which could not be further reduced. As a consequence, it would have been necessary to eliminate entirely whole divisions and units.

The only feasible plan that could be developed was to require each bureau to consider reducing its funds 10 per cent, applying it to the items which would result in the least embarrassment to their work. The responses of the bureaus are attached for the information of your committee. They indicate where the reductions could best be made, but at the same time set forth the adverse effect. Also, these memorandums show clearly the impracticability of exempting certain bureaus and making correspondingly greater reductions in others.

The other officials of the department, as well as myself, fully appreciate the necessity for the strictest economy; and, if the proposed reduction should prevail, everyone will do his best to get along with the funds appropriated. However, since the estimates as submitted to Congress represent our best judgment, as well as that of the Appropriations Committees, as to the requirements for the efficient administration of the functions devolving upon us as prescribed by Congress, I feel obliged to take the position of not assuming any responsibility for the results of the effect of the proposed additional cut of 10 per cent on the operations of the bureaus of this department.

May I again call to your attention the items for the Bureau of Mines which were reduced during the consideration of the bill on the floor of the House. The Representative who introduced the amendments wrote you that some "were hastily arrived at and without supporting evidence." To cause that bureau to suffer an additional 10 per cent cut would be disastrous to its work of vital importance.

I must also call your attention to the Patent Office situation: Two years ago this office was approximately a year behind with its work. Congress appropriated funds for 160 additional employees. These men are now just getting into their stride and have been catching up at the rate of about 4,000 patents per month. Even at this rate, it will be more than another year before the work can be brought up to a proper standard. It seems to me an extravagance—and not an economy—to make a reduction in this office which is 95 per cent self-supporting. In fact, the probabilities are that for next year the office would have returned to the Treasury fully $5,000,000. Certainly there is no sound argument for crippling the Patent Office again at this time and bringing down upon the department a volume of criticism and dissatisfaction from the patent attorneys and bar associations throughout the country.

The Lighthouse Bureau maintains, operates, and keeps in repair, night and day, 365 days in the year, 20,000 aids to navigation, such as lighthouses, lightships, buoys, radio beacons, etc., without which a ship can not safely approach any port or navigate any of our lakes or rivers. Many of the buoys weigh from 8 to 12

tons. The tenders which handle them are especially constructed with heavy derricks and require a considerable crew. It is no easy job to approach one of these buoys in rough weather in a small boat, attach handling gear and lift them with their heavy chains and anchors to the deck of the tender. It requires skill and experience. These services must be kept up.

In short, I see no economy in discharging at this time hundreds of efficient and experienced employees and destroying organizations of the bureaus of this department, and at the same time appropriating hundreds of millions to provide employment on projects, few of which are as important as the services to orderly government that will be destroyed to save amounts insignificant in proportion.

Very sincerely yours,

R. P. LAMONT,
Secretary of Commerce.

Department of Commerce

	Reduction	
Office of the Secretary:		
Contingent expenses, Department of Commerce, page 57, line 10, change $303,200 to $238,266	$64,934	
Printing and binding, page 58, line 4, change $708,750 to $637,875	70,875	
Total, office of the Secretary		$135,809
Federal Employment Stabilization Board, salaries and expenses, page 58, line 20, change $90,000 to $81,000		9,000
Radio division, wireless communication laws, page 59, line 18, change $590,000 to $531,000		59,000
Aeronautics Branch:		
Aircraft in commerce, page 60, line 18, change $1,301,160 to $1,171,044	$130,116	
Air-navigation facilities, page 61, line 10, change $7,553,500 to $6,798,150	755,350	
Total, Aeronautics Branch		885,466
Bureau of Foreign and Domestic Commerce:		
Promoting commerce, Europe, page 62, line 22, change $828,000 to $768,000	60,000	
Promoting commerce, Latin America, page 62, line 25, change $476,000 to $431,000	45,000	
Promoting commerce, Far East, page 63, line 3, change $408,000 to $367,000	41,000	
District and cooperative service, page 63, line 20, change $664,000 to $462,000	202,000	
Export industries, page 65, line 4, change $915,000 to $886,000	29,000	
Domestic commerce and raw materials investigations, page 65, line 20, change $446,531 to $351,531	95,000	
Quarters allowance, foreign commerce officers, page 68, line 23, change $200,000 to $185,000	15,000	
Total, Bureau of Foreign and Domestic Commerce, page 69, line 17, change $4,869,531 to $4,382,531 and $2,052,120 to $1,932,120		487,000
Bureau of the Census, salaries and expenses, page 70, line 15, change $1,041,250 to $937,125		104,125
Steamboat Inspection Service:		
Salaries, page 71, line 8, change $39,900 to $35,910	$3,990	
Steamboat inspectors, page 71, line 19, change $926,250 to $833,625	92,625	
Clerk hire, page 71, line 23, change $176,890 to $159,201	17,689	
Contingent expenses, page 72, line 9, change $137,750 to $123,975	13,775	
Total Steamboat Inspection Service		128,079
Bureau of Navigation:		
Admeasurement of vessels, page 72, line 17, change $5,600 to $4,600	1,000	
Enforcement of navigation laws, page 72, line 25, change $119,000 to $103,000	16,000	
Preventing overcrowding of passenger vessels, page 73, line 7, change $18,840 to $17,340	1,500	
Shipping commissioners, page 73, line 9, change $48,000 to $38,100	9,900	
Clerk hire, page 73, line 12, change $106,505 to $99,135	7,370	
Contingent expenses, page 73, line 15, change $12,000 to $11,100	900	
Road lines on American vessels, page 74, line 4, change $23,440 to $19,440	4,000	
Total Bureau of Navigation		40,670
Bureau of Standards:		
Salaries, page 74, line 9, change $710,000 to $645,000	65,000	
Equipment, page 74, line 18, change $88,000 to $83,000	5,000	
Improvement and care of grounds, page 75, line 12, change $17,400 to $15,900	1,500	
Testing structural materials, page 75, line 16, change $318,200 to $270,940	47,260	
Bureau of Standards—Continued.	Reduction	
Testing machines, page 76, line 6, change $51,700 to $46,700	$5,000	
Investigating fire-resisting properties, page 76, line 12, change $32,320 to $29,320	3,000	
Investigation of public-utility standards, page 76, line 20, change $101,570 to $91,570	10,000	
Testing miscellaneous materials, page 77, line 2, change $46,160 to $42,160	4,000	
Radio research, page 77, line 6, change $82,280 to $74,280	8,000	
Color standardization, page 77, line 13, change $15,180 to $14,180	1,000	
Investigation of clay products, page 77, line 19, change $45,160 to $40,160	5,000	
Standardizing mechanical appliances, page 78, line 9, change $48,020 to $43,020	5,000	
Investigation of optical glass, page 78, line 13, change $25,180 to $22,180	3,000	
Investigation of textiles, page 78, line 18, change $57,100 to $51,100	6,000	
Sugar standardization, page 79, line 5, change $82,520 to $75,000	7,520	
Gage standardization, page 79, line 14, change $46,700 to $40,000	6,700	
Testing railroad-track and mine scales, page 80, line 4, change $58,060 to $50,000	8,060	
High-temperature investigations, page 80, line 11, change $10,080 to $10,000	80	
Metallurgical research, page 80, line 23, change $56,640 to $50,640	6,000	
Sound investigation, page 81, line 2, change $11,140 to $11,000	140	
Industrial research, page 81, line 8, change $232,860 to $211,860	21,000	
Standardization of equipment, page 81, line 18, change $229,525 to $200,000	29,525	
Standard materials, page 81, line 23, change $10,540 to $10,000	540	
Investigation of radioactive substances and X rays, page 82, line 11, change $29,320 to $26,320	3,000	
Utilization of waste products, page 82, line 17, change $47,900 to $44,000	3,900	
Investigation of automotive engines, page 83, line 4, change $47,760 to $45,000	2,760	
Investigation of dental materials, page 83, line 11, change $9,940 to $9,900	40	
Hydraulic laboratory research, page 83, line 19, change $51,000 to $46,000	5,000	
Total, Bureau of Standards, page 84, line 20, change $2,630,255 to $2,367,230, and page 84, line 21, change $2,196,664 to $1,986,664		$263,025
Bureau of Lighthouses:		
General expenses, page 87, line 17, change $4,550,000 to $4,134,322	$415,678	
Keepers of lighthouses, page 87, line 21, change $2,105,280 to $2,012,280	93,000	
Lighthouse vessels, page 87, line 24, change $2,490,000 to $2,370,000	120,000	
Public works, page 88, line 14, strike out the entire amount $449,708	449,708	
Total, Bureau of Lighthouses		1,078,386
Coast and Geodetic Survey:		
Party expenses, Atlantic coast, page 89, line 15, change $200,000 to $165,000	35,000	
Party expenses, Pacific coast, page 89, line 21, change $273,000 to $233,000	40,000	
Federal, boundary, and State surveys, page 91, line 10, change $271,000 to $196,000	75,000	
Pay, employees on vessels, page 92, line 17, change $675,000 to $538,760	136,240	
Total, Coast and Geodetic Survey		286,240
Bureau of Fisheries:		
Propagation of food fishes, page 95, line 8, change $986,730 to $888,110	98,620	
Maintenance of vessels, page 95, line 19, change $316,920 to $243,380	73,540	
Inquiry respecting food fishes, page 96, line 16, change $281,340 to $252,140	29,200	
Fishery industries, page 97, line 3, change $106,790 to $95,790	11,000	
Alaska, general service, page 98, line 5, change $412,300 to $390,800	21,500	
Total Bureau of Fisheries		233,860
Patent Office, salaries, page 99, line 22, change $3,465,000 to $2,967,830		497,170
Bureau of Mines:		
Salaries and general expenses—		
Page 101, line 22, change $80,350 to $72,315	$8,035	
Page 101, line 23, change $72,945 to $67,945.		

Bureau of Standards—Continued.		
Investigating mine accidents, page 102, line 15, change $435,325 to $391,792	$43,533	
Mining investigation in Alaska, page 103, line 2, change $10,885 to $9,797	1,088	
Operating mine-rescue cars and stations, page 103, line 24, change $340,355 to $306,319	34,036	
Testing fuel, page 104, line 15, change $136,000 to $122,400	13,600	
Mineral-mining investigations, page 105, line 7, change $125,000 to $112,500	12,500	
Oil and gas investigations, page 106, line 1, change $146,215 to $131,594	14,621	
Mining experiment stations, page 106, line 13, change $220,000 to $198,000	22,000	
Buildings and grounds, Pittsburgh, Pa., page 106, line 23, change $78,185 to $70,366	7,819	
Helium investigations, page 109, line 23, change $61,020 to $54,918	6,102	
Economics of mineral industries—		
Page 112, line 5, change $225,000 to $202,500	22,500	
Page 112, line 6, change $221,000 to $200,000.		
Total Bureau of Mines, page 118, line 25, change $1,858,335 to $1,672,501		$185,834
Total Department of Commerce		4,393,668
House bill		43,935,242
10 per cent reduction		4,393,668
		39,541,574

DEPARTMENT OF COMMERCE,
OFFICE OF THE CHIEF CLERK,
Washington, March 26, 1932.

Memorandum for the Secretary.

With reference to the 10 per cent reduction in our estimates by the Senate:

As passed by the House, the bill carried the following items for the office of the Secretary:

Salaries	$346,142
Contingent expenses	303,200
Printing and binding	708,750
Total	1,358,092
10 per cent reduction	135,809

Inasmuch as our estimate for salaries is $26,038 less than our contemplated pay roll for 1933, no further reduction in that item is recommended. As a matter of fact, it is not seen how dismissals can be avoided, even with the amount allowed by the House bill. Certainly with that amount our essential work will be seriously retarded and the service we are required to render the bureaus will be greatly impaired. We could not function fairly satisfactorily with the amount now carried in the bill even if the funds for the rest of the department are reduced by the proposed 10 per cent, as most of the cuts by the bureaus will be in field funds.

Predicated upon the assumption that all bureau appropriations will be reduced and that this will be reflected in our contingent expenditures and printing, it is recommended that the contingent fund be reduced by $64,934 and printing and binding by $70,875, a total of $135,809, or 10 per cent of the appropriation as carried in the House bill.

The reduction in the contingent fund will curtail expenditures for all articles and services in common use and, while the available appropriation will be far less than our estimated needs, every effort will be made to keep within the amount allowed.

It is considered good business to replace worn-out equipment rather than make frequent expenditures for repairs, but in order to keep within the appropriation replacements will be necessarily deferred, although there is ultimately additional expense rather than economy in such procedure as a general practice.

A reduction of 10 per cent of the amount for printing and binding for this department, in addition to the cut already made by the House, will permit the continued issuance of publications specifically provided for by law, but will leave only a distressingly small balance to care for the printing of results of many important investigations and surveys, ranging from scientific and technical studies to dollar and cents trade reports. The issuance of this type of literature will be brought almost to a standstill until additional printing funds become available.

E. W. LIBBEY, *Chief Clerk.*

FEDERAL EMPLOYMENT STABILIZATION BOARD,
Washington, March 25, 1932.

Hon. R. P. LAMONT,
Secretary of Commerce, Washington, D. C.

MY DEAR MR. SECRETARY: You have requested the Federal Employment Stabilization Board to indicate wherein a 10 per cent reduction (amounting to $9,000) could be made, as proposed by the Senate action of a few days ago.

Economy in the construction of public works and relief to unemployment in times of distress are the sound principles upon which the stabilization act of 1931 were based. Coincident with the enactment of the legislation creating the board the Nation found itself confronted with these same two major problems—economy and unemployment. It would seem unfortunate to handicap a new creative agency engaged in this public service and thus retard the progress which should contribute in a large measure to remedying one of the existing evils so seriously affecting our economic life.

The board began its work by devoting almost all of its time to the 6-year planning phase of the law as it relates to Federal construction. This feature has progressed sufficiently to demonstrate the usefulness of the legislation and prove without doubt that planning of public works is feasible, practical, and of great value.

The board is not unmindful of its obligation to cooperate with States, counties, and cities in furthering this constructive program. Quite naturally we desired to establish sound methods and satisfy ourselves as to opportunities and difficulties before approaching these political subdivisions. State, city, and county construction approximates ten times that of the Federal Government, and the encouragement and development of their advance planning of public improvements should be vigorously pursued. We are now ready to carry out this important phase of our work.

This necessitates personnel, traveling expense, and distribution of material, which the contemplated reduction in the budget will very seriously handicap. I say this with considerable feeling, and I am positive that the inauguration of better State and municipal planning provides the most intelligent method of relieving unemployment distress in the future.

Naturally, we will cooperate with you to the fullest extent in case a reduction must be made, but we are hopeful that our work, intended for such an emergency as we are now witnessing, will not be curtailed.

Very truly yours,

D. H. SAWYER, *Director.*

DEPARTMENT OF COMMERCE, RADIO DIVISION,
Washington, March 26, 1932.

Memorandum for Mr. Lamont.

At the Secretary's conference Wednesday of this week the different bureaus and divisions of the department were requested to furnish a statement showing the effect of a 10 per cent reduction in appropriation which is under consideration in the Senate.

The original estimate submitted to the department by the Radio Division for the fiscal year 1933 was $680,000. The department reduced this estimate to $646,700, which is the amount appropriated for the present fiscal year. The reduction made by the Bureau of the Budget and including the 5 per cent requested by the President resulted in the amount being submitted to the Appropriations Committee of the House in the sum of $598,500. The House reduced the estimate to $590,000. Ten per cent of this amount would be $59,000.

To effect a $59,000 reduction it will be necessary to abolish 23 positions, and this would result in closing our field offices at Dallas, Tex.; Kansas City, Mo.; St. Paul, Minn.; and Denver, Colo. The total amount saved by abolishing these positions and closing these offices would be $46,200. The balance, $12,800, would have to be effected by a reduction in the items of instruments, rent, supplies, and travel.

In effecting the above economy it will throw a greater burden on the other offices which are already undermanned, as shown by these offices reporting 13,120 hours, 30 minutes of overtime during the present fiscal year. It will not be possible to give as prompt attention to the examination of operators, investigation of complaints, and the performance of other regular duties.

It should be borne in mind that much of the time of the radio-inspection force is devoted to the inspection of radio installations on ships, which is a life-saving service and can not be neglected. Another important duty is that of examining and licensing radio operators. All licensed stations are required by law to have licensed operators. This includes the stations on ships.

There are a great many radio stations operating without licenses or in many ways violating the laws and regulations. The division is called upon daily by the Federal Radio Commission to make investigations of violations of the law and regulations. Naturally it will be impossible to give as prompt attention to matters of this kind with a further reduced appropriation and some of the demands made upon the division for service may not be met.

W. D. TERRELL, *Director of Radio.*

DEPARTMENT OF COMMERCE,
OFFICE OF THE ASSISTANT SECRETARY FOR AERONAUTICS,
Washington, March 28, 1932.

To: Mr. Lamont.
From: Colonel Young.

You have requested information as to the effect on the work of the Aeronautics Branch were a 10 per cent reduction to be applied to the 1933 appropriations as passed by the House. As the Aeronautics Branch operates under two appropriations, "Aircraft in commerce" and "Air navigation facilities," these appropriations are considered separately.

AIRCRAFT IN COMMERCE

As passed by the House, the 1933 supply bill provides $1,301,160 for the appropriation "Aircraft in commerce." Before the estimates for this appropriation were submitted to the Congress a

reduction of $68,500 was made following the review of the estimates by the Bureau of the Budget, in compliance with instructions from the President. It was planned to absorb this reduction by decreases in the allowances for traveling purposes and by the application of strictest economy measures. Should this appropriation be subjected to a further reduction of 10 per cent, or a total of approximately $130,000, it would necessitate decreasing personnel to an extent that would seriously jeopardize the safety of civil and commercial aircraft operations.

A reduction of $130,000 would necessitate the dismissal of some 40 employees. This would mean a serious curtailment in the examination and licensing of pilots, mechanics, and other airmen as to their fitness for the type of licenses involved and in the inspection and licensing of aircraft as to airworthiness. It would also mean a corresponding reduction in the air line inspection service, which involves the thorough inspection of every phase of scheduled interstate air passenger operations. Furthermore, such action would be very costly to the aircraft industry due to delays in getting their airmen and aircraft properly licensed, as this procedure is mandatory under the air commerce act.

The present personnel of the Aeronautics Branch is barely sufficient to keep this work in a current condition and there is no indication that there will be any decrease in the volume of work to be handled. In fact, the demands upon the department are showing a steady increase, particularly in connection with air transport operations. Any cut in personnel or reduction of activities in connection with inspection of aircraft, airmen, and airlines would have a disastrous effect upon the department's effort to assist in developing safe air transportation.

AIR NAVIGATION FACILITIES

The 1933 estimates for the appropriation "Air navigation facilities" contain no items for new construction; hence, any reduction means a curtailment in the operation and maintenance of the aids to air navigation comprising the Federal airways system.

Subsequent to the review of the 1933 estimates by the Bureau of the Budget and prior to their submission to the Congress, a reduction of 5 per cent was made by direction of the President. The Aeronautics Branch was confronted with the necessity of effecting certain curtailments. The House reduced the estimate by $75,000, leaving a balance of $7,553,500. To meet this reduction it will be necessary to eliminate a number of airways caretakers and other personnel and to curtail such maintenance operations as the mowing of intermediate landing fields, the clearing of snowdrifts from these fields, and the painting of airways structures, etc.

The application of a further reduction of 10 per cent, or approximately $755,000, would necessitate suspension of the operation of 3,000 miles of airways lighting, 1,300 miles of teletype weather-reporting circuits, 8 radio-communication stations, and 14 radio range beacons. This would involve the net dismission of some 286 employees, mainly radio operators and airways keepers.

In this connection it should be borne in mind that in closing down these airways facilities there are certain continuing fixed charges to be paid. These charges include such items as rental of sites, minimum power charges, and watchman service for the protection of the one and one-half million dollars' worth of Government property involved.

CLARENCE M. YOUNG,
Assistant Secretary of Commerce.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, March 26, 1932.

To: The Secretary.
From: Mr. Feiker.
Subject: Ten per cent slash in bureau's appropriations.

The amount included for the Bureau of Foreign and Domestic Commerce in the appropriation bill as it passed the House of Representatives totals $4,869,531. Ten per cent of this amount is $487,000. If it is necessary to cut the bureau's appropriations by that amount, the following table indicates where such cuts can be made with the least disastrous results:

Appropriation item	Amount cut	Cut in number of offices	Cut in number of divisions	Personnel cut— In field	Personnel cut— In District of Columbia	Cut in number of services
P. C. Europe	$60,000	6	.....	24	3	232,200
P. C. Latin America	45,000	3	.....	17	5	199,452
P. C. Far East	41,000	3	.....	15	6	72,345
District offices	202,000	18	.....	79	.....	1,031,187
Export industries	29,000	.....	2	.....	10	67,580
Domestic commerce	95,000	.....	.....	.....	43	172,774
Quarters allowance	15,000	.....	.....	.....	.....	.....
Total	487,000	30	2	135	67	1,775,538

If this cut of $487,000 is allowed to stand, it will work a hardship on the bureau and will result in the serious curtailment of our activities. It will result in the dismissal of 202 employees—135 in the field and 67 in Washington, D. C. It will be necessary to close 18 district offices in this country and 12 foreign offices. At least two commodity divisions will have to be eliminated, and a large part of the bureau's domestic commerce activities will have to be suspended. It will mean a cut of 1,775,538 in the number of services which the bureau is rendering to exporters and merchants.

PROMOTING COMMERCE IN EUROPE AND OTHER AREAS

There is a proposed cut of $60,000 in this appropriation. This will mean the closing of offices at Barcelona, Spain; Bucharest, Rumania; Lisbon, Portugal; Toronto, Vancouver, and Winnipeg, Canada.

It will mean the dismissal of 24 employees in the Foreign Service of the bureau and 3 employees in the Washington organization. It will necessitate a cut of 232,200 in the number of services which the bureau renders under this particular appropriation.

To close some of our foreign offices at this time would be a short-sighted policy and would be especially unfortunate at this particular time. There are many American firms which have abolished their foreign offices and who are looking to the Department of Commerce for advice and information which were formerly furnished them through their own branch offices. If foreign offices are closed, British, French, German, and Italian firms would be greatly encouraged by this retreat of American effort in maintaining its foreign commercial position and would lose no time in impressing upon local business men that Americans are only interested in finding markets for surplus stock.

PROMOTING COMMERCE, LATIN AMERICA

A cut of $45,000 in this particular appropriation will result in the closing of the following offices:

Sao Paulo, Brazil; Panama City, Panama; and San Juan, Porto Rico.

By closing these three offices it will be necessary to dismiss 17 employees now in the Foreign Service in these three offices. In addition, it will be necessary to dismiss five employees in the Washington organization.

The three offices named perform 199,452 services each year for American business, and the closing of these offices will result in the discontinuance of these services when a greater demand is being made upon the Bureau of Foreign and Domestic Commerce and its Foreign Service for information and advice.

PROMOTING COMMERCE IN THE FAR EAST

The proposed cut under this fund is $41,000, which is about 10 per cent of the present appropriation available for this purpose. In order to make this cut it will be necessary for the bureau to close the following offices:

Bombay, India; Hong Kong, China; and Melbourne, Australia.

The three offices mentioned at the present time employ 15 persons, and it will be necessary to dispense with the services of these employees. In addition, it will be necessary to make a like cut in the personnel employed in Washington; and it is estimated that six employees in the Washington organization will have to be dismissed.

With the elimination of these three offices the bureau will be obliged to curtail its services on trade with the Far East, and at present the three offices concerned render 72,345 services. With curtailed activities it will be impossible for the bureau to perform these services.

DISTRICT AND COOPERATIVE OFFICES

Inasmuch as there has been some sentiment in Congress for the curtailment of the number of district offices in the United States, the bureau has cut this appropriation $202,000, or about 30 per cent. This was not done with the idea that the district offices are unnecessary. Quite the contrary is true, as is attested by the many unsolicited testimonials which are on file concerning the work of the district offices. Further, some 2,000 firms out of 25,000 served by the district offices reported a total of over $57,000,000 in new business secured during the past fiscal year largely as a result of the services performed by these offices.

With a cut as large as $202,000, it will be necessary for the bureau to close the following district offices:

Buffalo, N. Y.; Charleston, S. C.; Charlotte, N. C.; Dallas, Tex.; Des Moines, Iowa; El Paso, Tex.; Galveston, Tex.; Indianapolis, Ind.; Kansas City, Mo.; Los Angeles, Calif.; Louisville, Ky.; Memphis, Tenn.; Milwaukee, Wis.; Mobile, Ala.; Norfolk, Va.; Pittsburgh, Pa.; Salt Lake City, Utah; and Wilmington, Del.

With the closing of these 18 service stations throughout the country it will be necessary for the bureau to dispense with the services of 79 employees ranging in salaries from $600 to $6,000 per annum.

By closing these offices it will be necessary for the bureau to eliminate 1,031,187 services which these 18 offices have been rendering for business men. This will mean that a number of these requests will be forwarded to Washington for attention, but it will not be possible for the bureau with its curtailed activities to handle all of these.

EXPORT INDUSTRIES

Twenty-nine thousand dollars is eliminated from this appropriation, which will mean the dismissal of 10 employees—two divisions. This appropriation supports the bureau's commodity divisions (foodstuffs, textiles, tobacco, lumber, etc.) in Washington and the commodity trade commissioners abroad. These units, staffed with men drawn from the trades and backed by advisory committees from industry, are the heart of the bureau's trade-promotive services.

Due to increased interest in disposal of surplus goods abroad, to enforced curtailment of the foreign staff of export corporations, and to the difficult commodity situations developing in both for-

eign and domestic trade, the demand upon commodity divisions has increased greatly in the last two years. Services rendered increased during the last fiscal year 10 per cent over the preceding year. One division, during the first six weeks of 1932, received 76 per cent more letters asking for data than during the same period in 1931.

Despite the increased demand for services, it will be necessary for the bureau to curtail the services it renders to the extent of 67,580 if this cut stands.

The commodity divisions are so organized that it would be disastrous to disrupt the personnel of all of the divisions by taking out employees here and there, and for that reason it would be advisable to do away with the two whole divisions.

DOMESTIC COMMERCE AND RAW MATERIALS INVESTIGATIONS

There is proposed a cut of $95,000 in this appropriation in addition to the $71,689 decrease over the present funds as the bill passed the House.

The reduction of $95,000 will mean the dismissal of 43 individuals employed in Washington, D. C., inasmuch as the previous cut of $71,689 will be absorbed in a drastic reduction of expenses under this fund.

This reduction in the bureau's appropriation for domestic commerce activities will seriously affect the services which the bureau is called upon to render. The reduction of $95,000 will mean the curtailment of 172,774 services to merchants. About $10,000,000,000 is the estimated waste in distributing the Nation's merchandise—$385 per family per annum. Any savings through distribution methods means lower prices to consumers or profits instead of losses for manufacturers and merchants. In either case more taxes for the Government.

It is important, particularly at this time, that business men be provided with fact-finding surveys to find solutions for complicated distribution problems of nationally organized trades, and with the reduction proposed this type of service would be seriously crippled.

QUARTERS ALLOWANCE

If the 12 foreign offices are eliminated, this will reduce the amount needed for quarters allowances for the employees now serving in those offices abroad. Fifteen thousand dollars has therefore been cut from this item, as this is the amount which the employees in those offices are now receiving.

FREDERICK M. FEIKER, *Director.*

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, March 29, 1932.

Memorandum for the Secretary.

REDUCTION OF 10 PER CENT IN BUDGET FOR 1933

The appropriation for the fiscal year 1933, as it passed the House, was $1,041,250. In submitting the original estimate to the Bureau of the Budget this office cut the figures as much as it was thought possible and at the same time properly handle the work of the bureau. The estimate as originally made was $1,255,430. This was reduced $80,430 by the Bureau of the Budget and a further cut of 5 per cent, or $58,750, was made by direction of the Secretary of Commerce.

In order to make the two cuts referred to, totaling $139,180, or 11.1 per cent, it was necessary to reduce the estimates for clerk hire in Washington by the sum of $49,180, which makes it necessary to do away with all of the temporary clerks and retain only the regular permanent civil-service employees. This reduces the force of the Bureau of the Census for the year following the decennial census to a number from 40 to 80 less than has been employed in the bureau for several years preceding the census period. It is also necessary to make a reduction of $90,000 in the amount estimated for field work in connection with the collection of statistics of wealth, debt, and taxation and of electrical industries, which are decennial inquiries authorized by Congress. The Appropriations Committee of the House of Representatives made a further reduction of $75,000. In order to meet this cut, the reduction will be made in the field work of the bureau. This is a total reduction of $165,000 from the original estimate for field work.

The appropriation for the fiscal year 1933, as passed by the House, consists of $751,150 for office work in Washington and $280,000 to be expended for field work and $10,100 for other expenses (telegraph, telephone, etc.), a total of $1,041,250. If an additional reduction of 10 per cent is necessary, it would mean a further cut of $104,125, or a total cut of 19.4 per cent from the original estimate.

If any reduction is made in the amount estimated for office work, it will require the dismissal of some of the regular permanent civil-service employees of the bureau.

The original estimate submitted to Congress for the field work of the bureau was as follows:

Transcripts of birth and death records	$60,000
Transcripts of marriage and divorce records	20,000
Collection of statistics of cotton	125,000
Statistics of States and cities	15,000
Statistics of wealth, debt, and taxation	100,000
Statistics of electrical industries	40,000
Subsistence and travel	85,000
Total	445,000

This sum has been reduced to $280,000 on account of the three cuts referred to—that made by the Bureau of the Budget, that by the order of the Secretary of Commerce, and that made by the House Committee on Appropriations. A further reduction of $104,125 will leave but $175,875 to pay for all of the field work of the bureau, a sum less than the amount originally estimated as necessary for the collection of the statistics of cotton and of births and deaths.

The Director of the Census is collecting by mail all of the statistics which it has been found possible to collect in this manner. The remaining statistics are collected either by a few employees detailed from the Washington office or by local temporary employees; their number and expense incident to their employment are determined by conditions attending the canvass. If the bureau is obliged to make the reduction as suggested it will be necessary for the director to omit entirely the collection of statistics of some of the inquiries authorized by law and to reduce the amount of detail required to be collected in others. Such action will necessitate the director using considerable latitude in making the reduction in expenses and determining what statistics are to be collected in order to avoid the criticism and hardship attending the discharge of his regular employees.

The following are some of the alternatives from which the director would have to decide in case such a reduction is necessary:

(1) It is estimated that the collection of data in regard to the quantity of cotton ginned will cost $100,000. This work is done by local special agents employed in each cotton-producing county. These agents are paid a certain amount for each report collected. If the work is stopped, there will be no final report of the quantity of cotton ginned from the crop of 1932.

(2) The decennial census of wealth, public debt, and taxation shows the amount of money derived from taxes in the Federal, State, city, county, township, and other forms of government. They are the only embracive statistics on this subject that are available. It is estimated that the work for the year will cost $100,000. It includes the annual statistics of real-estate values, taxes, and expenditures of the governments of States and minor civil divisions. The work on this branch could be stopped at once, but there will be no Federal statistics on this subject, to which great importance is attached at this time.

(3) The collection of current statistics concerning production, stocks, and consumption of key commodities, financial statistics of States, and annual statistics of marriage and divorce will cost about $85,000 during the year. This work is not authorized by specific legislation, but is carried on under orders of the Secretary given in conformity with section 8 of the organic law of the department. This work could be discontinued and the clerks discharged, but there would be no current statistics to which great importance is attached during this period of industrial and business depression, nor would there be any statistics of marriage and divorce. At this time great importance is attached to the number of marriages and divorces in the different States in connection with the decrease in the birth and death rates.

(4) The collection of statistics concerning electrical industries, including telephones and telegraphs, will cost about $50,000 during the year. This is the quinquennial census of electrical industries. These censuses show the development of industries involved, and include such important factors as the increase or decrease in electrical plants located throughout the country. They show the extent to which electricity is being used in agriculture and other pursuits. It has been made at 5-year periods since 1902, and traces the development of this important branch of industry during its entire commercial life. Its discontinuance at this time would be very detrimental.

(5) Vital statistics—that is, the number of births and deaths—are collected annually. They are compiled from copies of the certificates secured by the registrars in the different States. The registrars are paid 3 cents for each copy. During the year the field work will cost $60,000. The work can be discontinued, but I imagine that the department will be seriously criticized if such action is taken. The census data on this subject are the only source of information from which the birth and death rates can be computed. They show the prevalence of certain diseases in certain cities and sections of the country, and I imagine that this work should not be discontinued under any conditions.

W. M. STEUART, *Director.*

DEPARTMENT OF COMMERCE,
STEAMBOAT INSPECTION SERVICE,
Washington, March 28, 1932.

Memorandum for Mr. Lamont.

In re: Ten per cent reduction of the appropriations of this service for the fiscal year 1933.

In this connection you are informed that I submit the following data:

As I understand it, this 10 per cent decrease, if accomplished, is to be by other than reduction in salaries.

In so far as the appropriations of this service are concerned as they now appear in the bill before Congress, they are as follows:

Salaries, office of the Supervising Inspector General	$39,900
Salaries, Steamboat Inspection Service	926,250
Clerk hire, Steamboat Inspection Service	176,890
Contingent expenses, Steamboat Inspection Service	137,750

The aggregate reduction of 10 per cent would amount to $128,079. As this reduction can not be made from any or all of the appropriations above referred to, for the purpose of this mem-

orandum the 10 per cent reduction may as well be taken from each appropriation, and the amounts are set forth below:

Salaries, office of the Supervising Inspector General	$3,990
Salaries, Steamboat Inspection Service	92,625
Clerk hire, Steamboat Inspection Service	17,689
Contingent expenses, Steamboat Inspection Service	13,775

So far as the appropriation, "Salaries, office of the Supervising Inspector General," is concerned, it will be necessary to have the full appropriation in order that the present organization of the bureau may be maintained for an efficient administration of the work of the service. It will be recalled, so far as the clerical help is concerned, that the bureau has already failed to fill three clerkships, and in a force the size of ours in the central office this is quite a handicap. We could not perform the work with a less number.

So far as the appropriation—salaries, Steamboat Inspection Service—is concerned, you will recall that it has been repeatedly pointed out that, even with the appropriation covered by the bill, unless resignations and deaths occur between now and July 1, it will be necessary for the bureau to recommend the discontinuance of 10 assistant inspectors—now reduced to 8—in order not to create a deficiency for the fiscal year ending June 30, 1933. To effect a further reduction of 10 per cent in this appropriation would mean that 32 assistant inspectors, in addition to the 8 above referred to, making a total of 40, would have to be let out on July 1.

It is further to be pointed out that up to the present time the service has 9 assistant inspectorships unfilled, which would bring the number of positions dropped up to 49, and this from a group of employees who are so vitally engaged in securing safety to life, for these are the men who actually go on board ships and inspect the hulls, boilers, and appurtenances, life-saving equipment, and every other thing necessary to insure that the vessel with her entire equipment is seaworthy and in a suitable condition for the purpose intended. It is these men who must assist in the examination of officers and seamen to determine that they are efficient for the work upon which they are to be engaged. It may be argued that on account of the depression in shipping the work of these employees has fallen off; but that fact can not be substantiated because, while it is true that there was for the last fiscal year a fewer number of annual inspections, yet it is also true that the reinspections increased over 1,000, and these are the inspections made without notice throughout the year to determine that conditions are being maintained as found and required at the annual inspections. I could not assume the responsibility with which I am charged under the law if a further reduction is made.

With reference to the appropriation—clerk hire, Steamboat Inspection Service—it will also be recalled that it has been pointed out that the amount in the bill for 1933 is $5,624 short in taking care of the present clerical personnel of the service in the field. Unless resignations and deaths occur between now and July 1, to take care of this amount, it will be necessary to discontinue the services of four $1,500 clerks on July 1 to avoid a deficiency in the appropriation, as it is covered in the bill. To decrease this appropriation by a further 10 per cent, it will be necessary to lay off 12 additional clerks, making a total of 16, on July 1. Where could we lay off 4 clerks in the service and still keep the work going, and where could we lay off 12 more and keep moving at all, for it will be recalled that in the field service we have 47 boards of local inspectors, many of which have but one clerk. Where, at the other ports, we have more than one clerk every one is needed to efficiently carry on the work, for it is to be remembered that these clerks are not engaged primarily in the regular office routine of doing the clerical work of the service, but they are engaged in reporting proceedings of investigations of accidents and trials of licensed officers, and these proceedings must be transcribed promptly and properly, as they are frequently called for by the courts in admiralty cases, and it is no excuse to say that we do not have them ready, as they must be produced. Could we take away those clerks where there is only one at a port and continue the work by having the inspectors do it, and if so, where would they have the time? Certainly under the most grave financial situation the department does not wish to bring about this condition. The present force is necessary for the efficient administration of this most important service.

So far as the contingent expenses are concerned, that amount has been cut to the limit as the bureau has found from a survey that has been made for the expenditures for the fiscal year 1932, the year in which we are now working, that the expenses will take up practically the entire amount that has been covered in the bill for 1933, namely, $137,750. The fiscal year 1932 will certainly be representative of 1933 so far as the amount of shipping is concerned, and should, therefore, be a guide for us in reducing the expenditures for 1933. So far as I can estimate the figures for 1933, there should be no reduction beyond that which has already been made and which is covered in the bill now under consideration.

This appropriation provides our transportation in connection with inspections, our rental of office quarters where necessary outside of Federal buildings, telephone and telegraph service, equipment, etc. We have always allotted our contingent appropriation as sparingly as possible; we have kept our force constantly on its guard with reference to grouping inspections so as to economize as much as possible; and even with all of this we must needs spend money to carry on our work. If a further reduction is made a deficiency will occur and I can not see the wisdom of cutting down now and taking back next year. I must urge against a reduction.

Finally, so far as the appropriations of this service are concerned, it is believed by the bureau that they have been cut as far as they can be to enable the service to efficiently carry on the work for which it is responsible in obtaining safety to life and property at sea. As previously stated, I can not assume the responsibility for the efficient operation of the service with further reduction in the appropriations for 1933.

D. N. HOOVER,
Supervising Inspector General.

DEPARTMENT OF COMMERCE,
BUREAU OF NAVIGATION,
Washington, March 29, 1932.

SECRETARY OF COMMERCE:

Complying with your request, I submit the following statement showing the effect of a 10 per cent reduction in the total appropriations of the Bureau of Navigation for 1933.

The laws administered by the Bureau of Navigation are for the protection of lives and property on the water, welfare of our seamen, and for the prompt and efficient operation of our merchant marine.

The total appropriations for the Bureau of Navigation are $406,698, requiring, on this 10 per cent basis, a reduction in appropriations for our services of $40,669.80.

We have in our appropriations 8 items, of which 4 have to do directly with safety to life and 4 with the prompt movement of commerce, the care of seamen, and the welfare of the merchant marine.

The reduction of the appropriations by 10 per cent will mean that of our inspection fleet of six vessels, at least one of them must be put out of commission. As each of these vessels covers a large territory along the coast, it would mean a suspension of enforcement of the law having to do with life-saving equipment on and the safe navigation of thousands of small vessels, and the manning and equipment of the larger vessels in that district.

It would be necessary for us to reduce the amount for preventing the overcrowding of excursion steamers, leaving a loophole for the overcrowding of these vessels, with a very possible result of loss of life. The disasters to the *Slocum* at New York and the *Eastland* at Chicago are too recent to permit this bureau to view such a reduction with equanimity.

We would be required to materially reduce the appropriation for fixing load lines on vessels leaving our ports marking the depth to which they may be loaded with safety. This law has been in effect only since September, 1929, and we are just getting it into shape for a reasonably efficient administration of its requirements.

In the bureau in Washington we have but 33 employees, the great majority of whom have been in the bureau for many years and are specialists in their particular line of work. Because of the vast scope of the work of the bureau the dropping of any of these clerks would paralyze the administration of that portion of our work over which they had control.

In the appropriation for admeasurement of vessels any further reduction will mean that there can be no personal expert supervision of the admeasurement of vessels or other field activities by the adjuster of admeasurements. This would be especially unfortunate in view of the present condition of shipbuilding under the provisions of the merchant marine act of 1928. Accurate tonnage admeasurement is essential to the operation of our vessels as on this admeasurement are based tonnage taxes, canal dues, and numerous fees and port charges both in American and foreign ports. The work is extremely technical and is growing in importance with the increase in larger vessels in our merchant marine.

We have 3 appropriations—1 for shipping commissioners, 1 for clerk hire, shipping service, and 1 for contingent expenses, shipping service. The reduction of these appropriations, which are almost entirely for personnel, will mean the throwing out of employment of 9 deputy commissioners and 4 shipping commissioners through the closing of our 4 shipping commissioners' offices at Galveston, Mobile, Newport News, and Portland, Me., or Portland, Oreg. These offices are maintained for the protection of American seamen, and the proposed deduction will remove from those seamen to a considerable extent the protection to which they are entitled by law, and to that extent prevent the Bureau of Navigation from carrying out the mandate of Congress that it shall sign on and discharge seamen on American vessels in the foreign trade.

This bureau not only fully appreciates at the present time the necessity for economy in the administration of the laws under its jurisdiction, but the records, and I feel safe in saying the Appropriations Committee of the House, will bear us out in the statement that we have felt that same necessity for economy for a number of years and have framed our estimates of appropriations accordingly. Consequently, any further reduction of those appropriations necessarily would cripple us more seriously than if we had been less conservative in our estimates in previous years.

If it is thought advisable at the present time to curtail our services for enforcement of the safety laws, the laws having to do with the welfare of our seamen, and the prompt turn around of our merchant marine, such curtailment necessarily must be over the protest of this bureau, and I think it should be made a matter of record that the bureau be relieved of any responsibility for the consequences of such curtailment.

Respectfully,

A. J. TYREE,
Commissioner of Navigation.

Reductions by appropriation items, Bureau of Navigation

Admeasurement of vessels (involving abandonment of field supervision)	$1,000
Enforcement navigation laws (involving laying up of 1 of our 6 inspection boats)	16,000
Preventing overcrowding passenger vessels (involving reduction supervision of overcrowding of passenger steamers)	1,500
Shipping commissioners (involving closing of offices at Galveston, Mobile, Newport News, Portland, Oreg., or Portland, Me.)	9,900
Clerk hire, shipping (involving dismissal of 5 deputy commissioners)	7,370
Contingent expenses, shipping (reduction of working facilities in the office)	900
Load line (involving seriously delaying inauguration of new load line law, preventing loading of vessels beyond safety mark)	4,000
Total	40,670

DEPARTMENT OF COMMERCE,
BUREAU OF STANDARDS,
Washington, March 28, 1932.

Memorandum for the Secretary of Commerce.

Subject: The effect of a 10 per cent reduction in Bureau of Standards appropriations.

A reduction of 10 per cent in the appropriations of the Bureau of Standards for 1933 below the amount carried in the House appropriation bill would necessitate dropping about 100 employees. It would necessitate a serious curtailment in the testing and other work which we carry out for other Government departments.

The Government buys most of its supplies on a specification basis. This insures the requisite quality and at the same time leads to great economies, provided the requirements of the specifications are actually fulfilled. If the quality of material supplied is not determined by definite tests inferior materials will inevitably be supplied, and the advantages of buying under specifications will be largely lost.

Such tests for various Government departments are carried out in large measure at the Bureau of Standards. It is efficient and economical to have the testing centered here. Duplication of equipment is avoided and a uniform testing procedure is followed. The great Government construction program now under way has increased the volume of testing at the Bureau of Standards for the fiscal year 1932 by 15 per cent over that of 1931. There is no prospect that the demand from other Government departments for testing will decrease during 1933. From the standpoint of good business and sound economy the testing facilities at the Bureau of Standards should not be impaired. On the contrary, they should be strengthened.

The Bureau of Standards conducts tests and special investigations for every department of the Government (with the possible exception of Labor). It also serves many independent establishments, such as the National Advisory Committee for Aeronautics, the Government Printing Office, the Federal Trade Commission, the Federal Radio Commission, the Merchant Fleet Corporation, and the Panama Canal. All of these departments and independent establishments call freely upon the Bureau of Standards for testing and for special services.

The testing includes:

Electrical standards, instruments, and materials for the Government and for industry.

Electric batteries, lamps, and lighting equipment for the Government.

Length-measuring devices, gages, and gage steels for the Government, and for many different industries.

Weights, balances, and scales for the Government, for the State sealers of weights and measures, and for scientific and industrial laboratories throughout the country.

Graduated glassware for use in carrying out the pure food and drugs act, for the Bureau of Customs in determining duties on imports, and for numerous scientific and industrial laboratories, including State institutions.

Clinical thermometers for the Veterans' Bureau (6,000 per month) and for other hospitals.

Laboratory thermometers for Government, State, and other technical institutions.

Pyrometers for the steel industry.

Insulating and fire-resisting materials for the Supervising Architect's Office, the Post Office Department, and State institutions.

Fuels, lubricants, automotive equipment, for the Government service.

Optical instruments for many Government departments.

Radioactive materials (all radium is bought and sold on the basis of our tests).

Engineering instruments and mechanical appliances for the Bureau of Reclamation, Geological Survey, Corps of Engineers, Post Office Department, Steamboat Inspection Service, Supervising Architect's Office, and State institutions.

Aeronautic instruments for the Bureau of Aeronautics and the National Advisory Committee for Aeronautics.

Strength and properties of engineering materials for all services of the Government.

Acoustical properties of materials for the Supervising Architect's Office and for industry.

Metallographic examinations and tests for all branches of the Government.

Cement, concreting materials, lime, etc., for all Government services (over 2,000,000 barrels of Portland cement were tested for Government use last year).

Rubber, textiles, paper, leather, paint, varnish, and bituminous materials, for all branches of the Government service.

The Bureau of Standards is rendering a valuable service to the country in the assistance it is giving in the formulation of better building and safety codes, in its cooperation with industry in reducing the variety and sizes of commercial products, in bringing the manufacturer and consumer together for the establishment of definite trade standards, and in its encouragement of the use of specifications not only for the Government but for American commerce in general. Investigations carried on at the Bureau of Standards contribute directly and effectively to the improvement of the standards, apparatus, and equipment used in industry, and to the more effective use of specifications in commerce. It is good business to pay taxes on a structure which is yielding substantial and profitable returns.

The primary research functions of the bureau may be summarized as follows:

(1) The establishment and improvement of the basic standards which are the foundation of all scientific and industrial measurements in this country.

(2) The development of instruments and methods of measurement by which the basic standards can be carried over into practical use in science and industry with an accuracy sufficient for their needs.

(3) The determination of physical constants and the basic properties of materials which are of fundamental interest to science and industry as a whole.

In all of this work the Bureau of Standards is looked up to as a court of last resort, the final arbiter in cases where differences arise, as well as the best source of help when problems prove too complex for the industrial laboratory. The bureau has attained this position by developing in each of its fields of research men who rank with the best in the world in knowledge of their special subjects. A staff of this caliber can not be hired on short notice, particularly in the Government service, nor can it be built up in any branch of the work in a year or two. Consequently, such fundamental research can not be readily contracted and expanded. A sharp curtailment of this kind of work involves the sacrifice of large investment in the training and experience of the workers, and its restoration would require a long time as well as a large cost in money. The direct services of testing and consultation rendered by the bureau to the Government and to industry may appear to be of more immediate importance, but they have grown out of the research activities, and their quality can not be maintained if research is neglected. If temporary reductions must be made, it will be more economical in the long run to make them in the service functions of the bureau rather than in the research on which the services rest.

Owing to the great construction program in which the Government is now engaged, the demand upon the Bureau of Standards for testing and other services is the greatest in its history. Any reduction in its facilities for service to other departments of the Government at this time is bound to react unfavorably and seriously upon the work of these departments. The great demand for technical information from manufacturers and industries who are taking this occasion to try to improve their product or to revise their methods shows that the bureau is rendering a very substantial and direct service to the people of the country as well as to other branches of the Government. To reduce these services at this time does not appear to be in the interest of true economy. If, after consideration of these facts, a reduction of 10 per cent in the funds of the Bureau of Standards is still considered to be necessary, it is suggested that the deductions be made in accordance with the accompanying table.

L. J. BRIGGS, *Acting Director.*

Bureau of Standards

Appropriation	1933 estimates	Proposed reduction	Revised 1933 estimate
Salaries	$710,000	$65,000	$645,000
Equipment	88,000	5,000	83,000
General expenses	68,000		68,000
Improvement of grounds	17,400	1,500	15,900
Structural materials	318,200	47,260	270,940
Testing machines	51,700	5,000	46,700
Fire research property	32,320	3,000	29,320
Public-utility standards	101,570	10,000	91,570
Miscellaneous materials	46,160	4,000	42,160
Radio research	82,280	8,000	74,280
Color standardization	15,180	1,000	14,180
Clay products	45,160	5,000	40,160
Mechanical appliances	48,020	5,000	43,020
Optical glass	25,180	3,000	22,180
Investigation of textiles	57,100	6,000	51,100
Sugar standardization	82,320	7,320	75,000
Gage standardization	46,700	6,700	40,000
Railroad and mine scales	58,000	8,060	50,000
High-temperature investigation	10,080	80	10,000
Metallurgical research	56,640	6,000	50,640
Sound investigation	11,140	140	11,000
Industrial research	232,960	21,000	211,860
Standardization of equipment	229,525	29,525	200,000
Standard materials	10,540	540	10,000

Bureau of Standards—Continued

Appropriation	1933 estimates	Proposed reduction	Revised 1933 estimate
Radioactive and X ray	$29,320	$3,000	$26,320
Waste products	47,900	3,900	44,000
Automotive engines	47,760	2,760	45,000
Dental materials	9,940	40	9,900
Hydraulic laboratory research	51,000	5,000	46,000
Total	2,630,255	263,025	2,367,230

Of the proposed reduction $210,000 will be "salary limitation."

DEPARTMENT OF COMMERCE,
BUREAU OF LIGHTHOUSES,
Washington, March 29, 1932.

Memorandum for the Secretary of Commerce.

Referring to the resolution adopted by the Senate on March 22, 1932, recommitting the appropriation bill for the Department of Commerce, etc., to the Appropriations Committee with instructions to report the same back to the Senate with amendments providing an aggregate reduction of 10 per cent in the amount of the appropriations contained in the bill as received from the House of Representatives and to conference of bureau chiefs in the Secretary's office on March 23:

The aggregate amount of appropriations for the Lighthouse Service contained in H. R. 9349 as passed by the House of Representatives was $10,783,858. The estimates submitted to the Bureau of the Budget by the Bureau of Lighthouses aggregated $12,276,910, and represented conservative amounts required for the maintenance of the existing system of aids to navigation and provision of only the most urgent additions necessary (1) to continue new projects heretofore undertaken, (2) for the preservation of existing structures, (3) to provide aids to navigation essential to the full usefulness to commerce of river and harbor improvement projects heretofore authorized by law, (4) a few urgently necessary new projects selected from a large list of works desirable to be accomplished as funds become available, (5) new vessels to replace those worn out in service or inadequate to present-day requirements. Revisions heretofore made by Budget and Executive action for reasons of economy necessitated a reduction of the aggregate of estimates to $10,943,858 and, together with a further cut of $160,000 made by the House of Representatives, have required the elimination of all items under (4) and (5) above and elimination or drastic curtailment of amounts estimated under (1), (2), and (3).

In the event of a further cut in the aggregate of appropriations by the amount of $1,078,386, it would be necessary not only to entirely eliminate amounts estimated for purposes (1), (2), and (3) above, but to discontinue numerous and important aids now maintained for the safety of navigation. The result of these curtailments, although effected with the utmost discrimination, can not be other than to seriously reduce the protection rendered to life and property in maritime traffic, and to leave numerous projects of river and harbor improvement now in progress unprovided with the aids to navigation essential to their full usefulness to commerce.

It should not be necessary to point out that the entire work of the Lighthouse Service is in the nature of insurance to safety of the entire water-borne commerce of the country and that its growth has only been such as necessary to meet the reasonable demands for safety of shipping as the size and speed of vessels has increased and as the ports and waterways of the country have been developed in accordance with river and harbor improvements authorized by Congress. None of its work has been promotive or in anticipation of actual need. Moreover its whole physical plant is subject to wear and tear of elements greater than is the case in almost any other type of equipment other than military, and demands proportionally constant upkeep and repair work.

The history of appropriations for the Lighthouse Service shows that increase has been very gradual and moderate, the only marked advances being where exceptional economic conditions such as those promoted by the World War have materially increased the cost of labor and materials.

As the original estimates approved by the department and submitted to the Bureau of the Budget amounted to $12,276,910, the total amount as passed by the House of Representatives, or $10,783,858, has already involved a reduction of 12 per cent. A further reduction of 10 per cent from this amount represents a reduction of 21 per cent from the original estimates and a reduction of 19.6 per cent from the appropriation for 1932.

An appropriation of $10,783,858, as passed by the House, is comparable with the appropriation for the fiscal year 1928 and is but slightly more than the appropriations for 1920 and 1921, including amounts for increase of compensation.

It is not practicable at this time to specify the lightships or stations that it will be necessary to put out of commission, if this should become necessary, or more definitely to state where the cuts will fall, but information is being obtained from the lighthouse superintendents that will assist in doing this. If, however, the situation is such as to require that appropriations be cut below amounts actually necessary for the completion of projects already under way, the preservation of existing structures, the provision of aids required for the availability to commerce of river and harbor improvements, and the curtailment of the protection rendered to life and property on the navigable waters of the country by existing aids to navigation, the bureau would propose the following procedure:

Salaries, Bureau of Lighthouses: No cut possible.

The number of persons now paid from this appropriation is 41. The number employed in 1910 was 53. In the meantime the number of aids maintained has increased from 12,150 to 20,273, and the advance of technological sciences has made great additional demands on the engineering staff, while the complications of administration have been no less increased by statutory requirements. It does not appear that further argument should be necessary.

Salaries, Lighthouse Service: No cut possible.

There is, on the other hand, an urgent need for a considerable increase in this appropriation for the same reasons which have been mentioned in the case of salaries, Bureau of Lighthouses. Any cut in the number of persons payable under this appropriation would seriously disorganize the efficient and orderly conduct of the service. The number of employees paid from this appropriation is 293; in 1910 the number of comparable employees was 274, there being an increase of only 19 in 22 years, whereas the increase in number of aids has been 73 per cent.

Retired pay, Lighthouse Service: The amounts necessary under this heading are controlled in the main by statute and mortality. Any cut will merely produce a deficiency.

Public works, Lighthouse Service: The ill effect of further curtailment of this appropriation has been set forth above, but its elimination would account for $449,708 out of a total of $1,078,386 required to be saved as a result of a 10 per cent cut. This cut would be illogical from an economic standpoint, but it would probably have the least damaging effect to the service as a whole.

The remainder required could only be made up by curtailment of the existing system of aids to navigation, with the attendant increased hazards to all maritime traffic affected. The first Congress of the United States at its first session recognized the maintenance of lighthouses as a necessary and vital function of the Federal Government and made appropriations therefor, and although many lighthouses and other aids have since been discontinued whenever their usefulness has ceased through changed conditions, or temporarily for military necessity, no record is believed to exist of the extinguishment of lights or other discontinuance of important and valuable safeguards to navigation through lack of necessary maintenance appropriations. It is, however, believed necessary, if the remaining amount of $628,678 must be saved, to discontinue about 10 lightships and about 30 light stations, to eliminate additions to the system of aids to navigation, and to extensively curtail expenditures for necessary repairs and upkeep. This amount would be distributed approximately as follows:

Appropriation, salaries, keepers of lighthouses (personnel of light stations which would be closed)	$93,000
Appropriation, salaries, vessels (officers and men on lightships which would necessarily be withdrawn from service)	120,000
Appropriation, general expenses, Lighthouse Service:	
Other personnel services, laborers, mechanics, lamplighters on interior rivers, etc.	62,000
Supplies	50,000
Fuel and illuminants	40,000
Subsistence	53,000
Repairs to vessels, lighthouses, buoys, etc.	100,000
New construction (minor aids, inland waterways, buoys, etc., many of which are needed to mark river and harbor improvements already under way or completed)	85,000
Miscellaneous	25,678

This program would involve discontinuing the services of about 70 lighthouse keepers, 100 men on lightships, and 40 office, depot, and field employees, and, in addition, would bar the employment of a considerable number of seasonal and temporary employees on repair and construction jobs.

It is strongly recommended that if the 10 per cent reduction is to go through, authority be obtained for the consolidation of all the appropriation items for the Lighthouse Service under one head. The aggregate sum, after the 10 per cent reduction, would be $9,705,472. Such a consolidation, with authority to use the funds appropriated for any object authorized by law applicable to the Lighthouse Service, is urgently desirable to minimize the difficulties of administration and the curtailment of service which would be necessitated by reduced appropriations, since it would be practicable to apply available funds to the objects of greatest need and urgency free from the restrictions imposed by the terms of appropriations limited in applicability to specific purposes. For example, more savings in pay appropriations through the installation of automatic apparatus might be effected were such savings directly applicable in part to purchase of equipment. The language for such an appropriation is suggested as follows:

"For every expenditure requisite for and incident to the work of the Lighthouse Service as heretofore authorized in general or specific legislation, in carrying on the operation, maintenance, and betterment of aids to navigation, and of the premises, structures, and equipment connected therewith, on the rivers, sea, and lake coasts of the United States and territory under the jurisdiction of the United States, including not exceeding 1¼ per cent of the amount of this appropriation for personal services in the District

of Columbia, and including the pay of persons retired under the act of June 20, 1918 (40 Stat. 608), and amendments thereto, $9,705,472."

H. D. KING,
Acting Commissioner of Lighthouses.

DEPARTMENT OF COMMERCE,
UNITED STATES COAST AND GEODETIC SURVEY,
Washington, March 25, 1932.

The SECRETARY OF COMMERCE:

The following statement is furnished for your use in dealing with the 10 per cent cut in the appropriations to this department as proposed by the Senate.

The important question to consider in this matter is the effect of the proposed cut upon the public services with which we are charged, having in mind that this cut is additional to those already made by the Budget, the President, and the House. Therefore, we need to consider the matter in terms of the products we furnish the public for its use. These products, limiting ourselves to those resulting from appropriations made directly to this bureau, are as follows:

(A) The nautical chart.
(B) Related nautical publications.
(C) Control surveys in the interior.
(D) Tidal and current surveys and data.
(E) Terrestrial magnetism; investigations and data.
(F) Seismology; investigations and data.

Each of these functions originated in, and is related to, our primary function of service in aid of American shipping. That service is literally indispensable. Without the nautical charts, the related nautical publications such as the coast pilots, the tide and current surveys and data, and the magnetic information which informs the mariner at all times of the direction in which his compass needle points, American shipping absolutely could not function. Our ships would no more dare leave their docks than a blind man would attempt to walk alone in a strange city. Lacking the service which we give, American shipping would become immobile as effectively as though each port were blockaded by a superior enemy fleet.

If you have ever visited the bridge of a ship sailing in coastal waters, you can not fail to have been impressed by the constant implicit reliance of the navigators upon the charts, coast pilots, tide tables, and so on, which this bureau furnishes. That spectacle would be convincing to you to an extent which no words of mine can hope to equal.

Our control surveys are an indispensable part of the process by which the nautical charts are produced. We have been required in recent years to extend them to the interior of the country, because they are equally indispensable to other engineering operations carried on by the Federal Government, the States and their subdivisions, and by private initiative. They are an essential prerequisite to the topographic mapping work of the Geological Survey. They are so indispensable to the Army engineers in connection with their river and harbor and flood-control work that in a number of instances recently that agency has contributed funds from its own appropriations in order that we might carry out the projects for which they had need but which our own appropriations were insufficient to finance. Right now the State of North Carolina is voluntarily and of its own initiative paying 25 per cent of the cost of completing the control surveys in that State in order that they may have the results at an earlier date than we could otherwise furnish them. These control surveys contribute to the efficiency and economy of a variety of engineering operations; highway construction; location of State and other boundaries; railway, power, and pipe-line extensions; flood control; irrigation and reclamation; cadastral surveys; and others.

Our work in terrestrial magnetism was undertaken to furnish the mariner essential information regarding the direction in which his compass needle points from place to place and from time to time, and is still indispensable to that purpose. It is equally essential in aid to property surveys, either those now made with the surveyor's compass or in retracing others made by that method in the past.

Even our work in seismology ties into the nautical service. In order to secure magnetic information, we operate five magnetic observatories, where a continuous record is made of the various components of the earth's magnetism. These records are made automatically by instruments which trace curves on photographic paper. Soon after these observatories were established it was found that seismographs must be operated there in order to distinguish on these automatic records between the fluctuations due to variations in the magnetic forces and those resulting from earthquakes. This was the beginning of our work in seismology, and under the program which can be supported by the appropriations in the House bill our expenditures in seismology must be limited to a continuation of that service.

I have thought it important to stress the extremely practical character of the services with which we are charged. Even though that character be conceded, however, there remains the question whether we may not be carrying on our work at rates of progress which, in view of the present financial emergency, might be reduced. I question whether such a reduction is justified, for reasons which the following facts will indicate:

The early years of this century saw the survey in a period of stagnation. So serious did this situation become that in 1915 President Wilson was compelled to intervene, appointing a new head of the service to reorganize and revitalize it. The war intervened at the very beginning of this task and effectively interrupted it. Substantially, therefore, we can measure the progress by reviewing the post-war period. For that period we can report progress as follows:

(1) We are doing our work to-day at unit costs undreamed of in 1915 or thereabouts, in spite of the great increase in the cost of labor and materials. To give just a few instances without taking time to explain the technical units in which our costs are measured: The unit cost of our largest operation, hydrography, has been reduced from $16.02 in the earlier period to $8.45 in recent years. In triangulation, our next largest operation, costs fell from $373 per station in 1911 to $175 per station in 1931, and this under strictly comparable conditions. Early in the postwar period we revised our office methods of chart production, reducing the average time and cost of each new chart constructed from 27 months to 10 months and $1,771 to $1,352 in spite of a 40 per cent increase in salaries in the interim, and with no sacrifice in the quality of the products. I could give other examples if time permitted.

(2) The same intensive study and effort which produced the foregoing results have been devoted to maintaining the quality of our products. That quality has always been zealously guarded. I can not assert that it has been materially improved in recent years, because such improvement has not been needed. I do venture to assert, however, that in quality our products are the equal of any of their kind produced anywhere in the world to-day.

(3) With respect to appropriations which, in the long run, control progress, I would divide the postwar period into two parts, the first to and including the fiscal year 1930 and the second subsequent thereto. During the first period, taking 1922 as a base, the total regular bureau appropriations increased 20½ per cent. A stranger inspecting only the annual totals would say that funds for speeding up the work had been generously increased during that period. On the contrary, an analysis of the detailed appropriation items shown on the attached sheet will show that substantially this entire increase either resulted directly from legislation increasing the pay of the whole body of Federal workers, or else, if originally given for some other purpose, was later diverted and used to meet such increases. In other words, during the postwar period up to 1930, that part of the task set by President Wilson in 1915 which involved bringing the appropriations up to an adequate operating basis, was practically at a standstill. I can not too strongly emphasize that fact, because it is a factor of first importance in the present situation.

During the years 1931 and 1932 the appropriations were generously increased. The 1932 total is 22 per cent greater than that for 1930. This increase brought us within sight of the goal toward which we had been struggling for so long.

Therefore the survey stands to-day facing a great volume of urgently needed work accumulated during this long partially ineffective period, but now for the first time facing it with a strength resulting alike from its increased internal efficiency and from the recently increased appropriations, which, with two exceptions, will enable it to dig into that accumulation and gradually clear it away. Let me stress the fact that our work is far in arrears. I wish I had the time to tell you of the Members of Congress to whom we have had to say that we were unable to do work with which we are charged by law and which their constituents urgently needed; of the State of North Carolina which wants the results of one project in that State so badly that it is voluntarily paying 25 per cent of the cost in order to get the results at this time; of the contributions which the Army engineers have made from time to time in order that work with which we are charged, and supposedly are doing under our own appropriations, may be available for their river and harbor and flood-control projects; of the hundreds of engineers—State, municipal, and private—who write us from all over the country for data to be used as a basis for some engineering project, only to find that our work has not been done in the particular area in which they are interested. There is urgent need to-day for every bit of the work we can do under the full strength of the 1932 appropriations during the next 10 years.

Let me stress that our appropriations for 1933 have already been reduced materially below the 1932 level and our capacity for service correspondingly impaired.

The foregoing services are supported by 12 different items of appropriations. If cuts are made, they will be applied to certain selected items of these 12, and it, therefore, becomes necessary to understand the relation existing between appropriations items and functions.

The Coast and Geodetic Survey can be likened to a comprehensive manufacturing establishment. Our surveying parties go out into the field and gather the raw materials. Those raw materials are shipped to Washington, where the central plant is located. In this plant the materials are worked over and from them are derived certain final products in forms suitable for public use. These products invariably take the form of publications, and the final and culminating step in the process is the quantity production of these publications. These products are listed earlier in this letter.

The work involved in the execution of these projects is supported by 12 different items of appropriations. The relationships between projects and appropriation items are complex and variable. On the one hand, as many as 12 different appropriation items are involved in the execution of a single project. On the other hand, a single appropriation item contributes to the execution of from one to eight different projects.

The complete relationship is indicated by the following table, in which the appropriation items are listed together with the amounts for 1933 carried in the House bill, and the projects to which each contributes are indicated by the letters designating them in the enumeration above.

No.	Item	House bill	Projects
	Field expenses:		
1	Atlantic coast	$200,000	A, B, D, E.
2	Pacific coast	273,000	Do.
3	Tides and currents, etc	22,000	A, B, D.
4	Coast pilot	6,500	A, B.
5	Magnetic and seismological work	58,000	A, B, E, F.
6	Control surveys	271,000	A, C, F.
7	Objects not named	7,000	A.
8	Repairs to vessels	78,000	A, B, D, E.
9	Employees on vessels	675,000	Do.
10	Pay, commissioned officers	662,313	A, B, C, D, E, F.
11	Pay, office force	549,620	Do.
12	Office expenses	60,000	Do.

The foregoing furnishes a background against which to appraise the effects of any cuts which may be made.

Certain general effects will result from any large reduction made, no matter how distributed among the appropriation items.

(a) It will retard important work. The work we do has definite practical value to commerce and industry. There is present need for all that we are doing, and with respect to our largest task, the production of charts and other nautical publications, the results are literally indispensable and in continual daily demand.

(b) It will cause a good many people to lose their jobs. Seventy-five per cent of our total appropriation is paid out as salaries and wages. About half that amount goes to persons holding presidential or civil-service appointments. The other half goes to men whose employment status is temporary; to the hands on our field parties and the crews on our ships. The latter are recruited locally here and there throughout the country as the need arises. Their pay is small, usually $90 to $125 a month. They have no bank accounts; banks do not exist for them. When general adversity comes they are the first to feel its ill effects. These are the ones who must suffer from any reduction made. Literally every hundred dollars cut from our appropriations for field work means that some man is thereby deprived of between two and three weeks' work.

(c) It will reduce the efficiency with which we use any sum actually appropriated, because there are certain large overhead expenses which will go on, whereas the returns which normally we get from them would not be forthcoming. To illustrate, suppose that a reduction in appropriations compels us to lay up one of our ships for a year. We must still keep a skeleton crew aboard her for her protection and to prevent deterioration. We must keep steam on the boilers to furnish lights, and heat during the winter. Our engineering personnel are commissioned officers whom the Government has spent large sums in training, and it would not be good business to discharge these men even if it were legally possible to do so. The result of these and other factors is that to lay up a ship for the brief period of one year and keep her in condition for service at the end of that time costs perhaps 50 per cent of what it would cost to operate her and get full value in return for the expenditures made.

We are now ready to go over the appropriation items to select those which can be reduced with a minimum of detrimental effect upon the public service. The numbers used in the following statement refer to the list of items on page 6.

Items 3, 4, 5, and 7 support small, compact units of service, essential to provision of nautical information. No appreciable cuts can be made in any of them without entirely discontinuing the service, which can not be considered.

Item 10 must also be eliminated from consideration. This item provides the pay of the field engineers of the service, who are commissioned by the President and confirmed by the Senate. As I understand the law, no reduction in appropriations can deprive them of their commissions. Therefore, if such a reduction were recommended it would be merely a gesture made with full expectation that a deficiency appropriation would later be forthcoming to make good the shortage.

Item 11 provides the pay for our office force. A reduction in this item would do greater damage than any other which might be made. I have compared this service to a manufacturing plant for which our field parties gather the raw materials, which are then processed in this office and furnished the public for its use. The flow of our finished products in aid to the merchant marine must not be discontinued. If we discontinue field work, it means a gradual deterioration in the character of a product which could still be furnished, but any large reduction in office force would mean that essential products could not be furnished at all, and in consequence that the safety of lives and property in our navigable waters would be seriously jeopardized.

Consider the nautical chart, which is our largest and most important single product. We have on issue, printed by this office, 736 different charts. The information essential to the mariner's safety which these charts contain is changing continually. Nature herself produces gradual changes in the positions of channels and shoals. Man is constantly producing other changes. The Federal Government in its rivers and harbors appropriation spends many millions of dollars each year in improving our waterways. The results of this work are furnished us by the Army Engineers and must be incorporated in the charts. Each of many ports along our coasts is making important local changes supplemental to the rivers and harbors work, and these also must be charted. The Bureau of Lighthouses maintains thousands of aids to navigation which are constantly being damaged, destroyed, shifted in position, or changed as to characteristics, and the charts must be kept current for all these changes.

The result is that our charts are printed in small editions at frequent intervals. Charts of important places like our great sea ports are printed from four to six times a year. Charts of a remote stable locality like Alaska are printed once every four or five years, but the average reprinting of all charts is about twice a year. Before each reprinting the plates are corrected to show new information received.

So rapid and constant are these changes in the charted information that errors in the charts begin to accumulate in some cases literally the day after the chart comes off the press. The most important of these changes are indicated on the charts by hand corrections. Every year we make about a million and a quarter such hand corrections on our charts, limited to changes of such importance that they dare not wait until the chart is next printed.

It is unthinkable that this service to the mariner should be discontinued. Literally the safety of thousands of lives and millions of dollars of property depends upon its continuance and upon the integrity with which it is performed.

Let me stress that for the information on which this service depends we draw only in part upon our own field surveys. The larger part of it comes from the Army Engineers, the Navy, the Bureau of Lighthouses, masters of ships, the port commissions, harbor boards, city engineers, and other sources. For this reason the effect of a reduction in office personnel would be far more drastic and adverse than an equal reduction in funds for field operations.

While it is true that office personnel are employed to some extent on other functions, those not involved in the provision of nautical information are of such minor character, and the number of persons engaged on them is so limited, that no material reduction in the force of this office can be made without producing adverse effects of the kind described above.

Item 12 provides funds for materials, supplies, and other incidental expenses necessary to the functioning of the office. Almost half the entire appropriation is used to supply the paper on which the charts are printed. This item has been materially reduced in recent years and already has had an embarrassing reduction for 1933. Any further reduction would make it impossible for the office to function.

Item 8 for the repairs and overhaulings which keep our ships in operating condition has already been reduced about 20 per cent for 1933. The reduction already made troubles us seriously to see how we can get along for the year on the amount provided, and no further reduction in this item can be made without grave danger of serious deterioration in the ships.

The foregoing compels me to conclude that any reduction which may be made must be applied to the appropriation items which support field work. There are four such items, namely, Nos. 1, 2, 6, and 9. Nos. 1, 2, and 9 are devoted entirely to nautical service and No. 6 in part to such service. Because the essential character of the nautical service requires that it be disturbed as little as possible, let us first see what reductions can be made in Item 6.

The appropriation under Item 6 in the House bill is $271,000.

Of that amount $64,000 are required for triangulation along the Atlantic coast, which is essential to the hydrographic surveys on which needed chart revisions depend.

By virtue of authority contained in the act of February 27, 1925 (43 Stat. 1011) the Department of Commerce has accepted an offer of the State of North Carolina that it contribute a part of the cost of executing a Federal control survey in that State, in return for which contribution the department will complete the work there by November, 1933. Approximately half of the State's contribution has been made and is being expended during 1932. The remainder will be available at the beginning of the next fiscal year. The Federal Government has therefore incurred an obligation which can not well be repudiated. The cost of this work for 1933 is $40,000.

These control surveys are essential prerequisites to the production of the topographic map of the United States which the United States Geological Survey is producing in cooperation with the States. Each year the Coast and Geodetic Survey consults the Geological Survey and so plans its control survey work as to cover regions for which the Geological Survey will need the data the following year. I have to-day consulted the officials of the Geological Survey and I am informed that of the program for 1933 adopted some months ago they will require during that year even under the reduced program now contemplated work costing $85,000.

The bill as passed by the House contemplates that $43,000 of this appropriation will be available for office computation of field results. Of this $43,000 at least $30,000 must be used to make available the results of a reduced program.

The foregoing leave a balance of $52,000 unaccounted for. Normally that amount would be expended in regions where the requirements of other Federal, State, and municipal agencies were most urgent. That urgency is pronounced, as has already been indicated on page 2 of this letter. Nevertheless, if a 10 per cent cut must be made, I should say that $75,000 should be cut from the $271,000 provided for control surveys in spite of the fact that

such a cut encroaches on the items heretofore listed as indispensable. At least the safety of lives is not involved in this cut. The foregoing reduction of $75,000 will mean unemployment to some 72 men for periods averaging six months each.

Any further reduction in appropriations can be made only by discontinuing operations essential to the safety of lives and property at sea. If it is necessary to place lives in jeopardy in order to save money, it can be done by denying appropriations and thereby compelling us to lay up ships engaged in survey work. There is little choice as to the localities to be affected. Probably dividing the burden equally between the Atlantic and Pacific coasts is as reasonable an arrangement as can be suggested.

We have already laid up one ship on the Pacific coast in order to keep within the 1933 Budget figures. Laying up two additional ships on that coast and two on the Atlantic coast through the year and suspending operation on two additional Atlantic coast ships during the winter months will permit of reductions in appropriation items as follows:

Party expenses, Atlantic coast	$95,000
Party expenses, Pacific coast	40,000
Pay, officers and men	136,240

These three amounts added to the $75,000 proposed to be taken from the control surveys item aggregate the $286,240, which is 10 per cent of the bureau appropriation.

Laying up the two Atlantic coast ships will compel the abandonment in a half-finished state of the vastly important survey of Georges Bank now in progress. This bank is a plateau extending about 200 miles eastward from Cape Cod. It lies in the track of shipping bound from European ports to New York and Boston. If an accurate chart of this area were available, these ships equipped with echo-sounding devices could locate their positions as they approached the dangerous Cape Cod region. Therefore trans-Atlantic shipping has been quite anxious to have these charts produced.

In addition, the important New England fishing industry considers that the charts would be invaluable to them and have been most insistent that the work be prosecuted vigorously and the results made available as promptly as possible.

Laying up two ships on the Pacific coast will compel us to withdraw from southeastern Alaska one ship which has been working in a locality regularly traversed by merchant shipping, yet for which no adequate survey has ever been made. The other ship to be laid up must be withdrawn from work on the California coast between San Francisco and Los Angeles. In spite of the large amount of traffic which follows this section of the coast, the surveys heretofore made have been limited to a narrow belt close to the shore and in large part do not extend far enough seaward to contain the tracks commonly followed by traffic. The approaches to important turning points along the coast are not adequately surveyed. These points have been the scene of serious strandings, some of which undoubtedly were due in part to the lack of adequate charts.

Laying up the ships as aforesaid will compel the discharge of members of the crews as follows:

Atlantic coast, 53 men; and Pacific coast, 69 men.

I can imagine how cordially Boston and Norfolk on the Atlantic coast, and Seattle and San Francisco on the Pacific coast, will welcome having these men added to their list of possible public charges.

Large reductions arbitrarily made in a few appropriation items while others remain undisturbed seriously upset the harmonious relationship which should exist among the various items. Therefore, if the Senate persists in going through with the program, at the proper stage of the proceedings it is important to strive for the insertion of a provision in the bill which permits you to transfer funds from one item to another; and I urge that every effort be made to secure such a provision.

R. S. PATTON, *Director.*

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 28, 1932.

Subject: Proposed reduction of 10 per cent in Bureau of Fisheries appropriation.
Memorandum to the Secretary.

With respect to the proposed reduction of 10 per cent in appropriations for 1933 for the Bureau of Fisheries, below that of the bill now before the Senate, the suggested distribution by appropriations follows:

Propagation of food fishes	$98,620
Maintenance of vessels	73,540
Inquiry respecting food fishes	29,200
Fishery industries	11,000
Alaska, general service	21,500

In this connection I wish to call attention to the fact that for the current fiscal year, appropriations made for the Bureau of Fisheries total $2,905,540, as compared with $2,338,640 in the present bill, a decrease of $566,900, or nearly 20 per cent. The additional reduction of $233,860 proposed would reduce our appropriations below their present level by $800,760, or more than 27½ per cent.

The situation within the fishing industry is more critical than in agriculture. Conditions are more deplorable than at any time within the memory of those in the bureau. The fisheries are an important food-producing industry, furnishing about 3,000,000,000 pounds of protein food. The problems are not merely State but national and international, because of the migratory character of many important species. The Congress has provided aid to the farmers in many ways. It has given but little attention to the fisheries. To curtail the work of the bureau under existing conditions when more dependence is placed upon it than under normal conditions, is almost calamitous. That this is true is indicated by the large numbers of men coming to this office seeking to find some way by which they can avoid actual bankruptcy.

Propagation of food fishes—reduction of $98,620: This will necessitate the closing of 10 fish-cultural stations and the stopping of an important cooperative project for maintaining the supply of fish in the national forests and parks. It will also necessitate dropping 24 employees. This will severely cut our output of food and game fishes. The stations to be closed are as follows: Baird, Calif.; Edenton, N. C.; Erwin, Tenn.; Fort Worth, Tex.; Louisville, Ky.; Natchitoches, La.; Orangeburg, S. C.; Put in Bay, Ohio; San Marcos, Tex.; and Spearfish, S. Dak.

Maintenance of vessels—reduction of $73,540: This will necessitate the laying up of the *Albatross*, engaged on important investigations of our Great Bank fisheries on the North Atlantic, such as the cod, haddock, and mackerel. It will also necessitate laying up the *Fulmar*, engaged in similar research on the Great Lakes, as well as the discontinuance of other activities and repairs to keep our fleet of vessels in active service.

Inquiry respecting food fishes—reduction of $29,200: This will necessitate complete cessation or curtailment of important studies of the cod in the North Atlantic, including closure of the Woods Hole (Mass.) Laboratory; shrimp investigations in the South Atlantic and Gulf; oyster enemies, Pacific oyster studies, and studies of fish screens and ladders to prevent the wiping out of the important runs of anadromous fishes such as the salmon, and the losses of the young in irrigation ditches. The discontinuance of such work at this time will represent a very serious blow to fisheries conservation.

Fishery industries—reduction of $11,000: This will necessitate a discontinuance of marketing studies and investigations aimed to reduce the heavy losses of immature and undersized fish taken with gear now in use. This division is in direct contact with the fishing industry, endeavoring to solve the many problems confronting it. Considering the aid given to the farmers, the fishermen feel that the Federal Government is giving them but very scant attention.

Alaska, general service—reduction of $21,500: This will necessitate a reduction in its staff of 20 stream guards engaged in enforcing the regulations governing the great salmon fisheries of Alaska, the removal of natural barriers to the runs of fish to the spawning grounds, and of five men engaged in connection with the Pribilof Islands fur-seal industry. The bureau has felt that it was beginning to more adequately meet the requirements of the White law of June 6, 1924, in preventing the depletion of the runs of salmon, and reductions at this time will cripple the effectiveness of this work.

The character and extent of the reductions set forth and their effect on the service are shown in greater detail on the attached sheets. This reduction will necessitate the laying off of 47 permanent employees.

HENRY O'MALLEY, *Commissioner.*

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 26, 1932.

Subject: Reduction of Appropriations, Miscellaneous Expenses, Bureau of Fisheries, 1933, Propagation, by $98,620.
Memorandum to the commissioner.

The Senate bill carrying the amount of $936,730 for propagation of food fishes represents a curtailment of $36,030 from the current year's appropriations. In view of the fact that several new stations have been opened during the present year, this represents a reduction of operations and administrative expenses at all of the stations in operation. To effect a further saving of 10 per cent from the amount carried in the appropriation bill for the fiscal year 1933, there would be necessary a curtailment of $98,673, and since reductions of allotments and administrative savings are already involved in the reduced total of appropriations, further curtailment would make it necessary to discontinue operations entirely at a number of points.

There follows a statement of the stations which would be closed, the amounts saved by such closure, and the number of employees who would have to be dropped.

Station	Allotment	Salaries	Employees discontinued
Baird, Calif.	$15,000	$4,100	3
Edenton, N. C.	4,000	3,540	3
Erwin, Tenn.	5,000	4,200	4
Fort Worth, Tex., subetation	7,500		
Louisville, Ky.	4,000	3,540	3
Natchitoches, La.	1,000		
Orangeburg, S. C.	3,500	3,480	3
Put in Bay, Ohio	7,500		
Salt Lake City office	7,000		
San Marcos, Tex.	8,500	7,440	5
Spearfish, S. Dak.	5,300	3,660	3
Total	68,300	30,020	24
Grand total	98,620		

These closures will affect stations distributing game fish and also commercial forms, the latter including Baird, Calif., the only important salmon hatchery in that State, as well as the Put in Bay, Ohio, station, propagating commercial species of the Great Lakes, and the Edenton, N. C., station, propagating the shad and other forms in Albemarle Sound.

Closure of the game fish stations will prevent the filling of thousands of applications for warm-water fish in the Southern States, for trout for the new Great Smoky Mountain National Park and National Forest areas in the South, and also will eliminate the distribution of any Federal fish in the entire Black Hills area.

Dismissal of the employees, aside from the hardship upon the individuals, will create gaps in the bureau's personnel which will be difficult to refill upon resumption of activities, in view of the fact that the employees experienced and competent in fish-cultural work are limited in number.

The disposal of brood stock maintained at all of the game fish stations will further add to the difficulty of resumption, since it requires some two to three years to build up a breeding stock of adult fish. It will be seen that such a cut will curtail the replenishment of waters in all parts of the country and may bring about a depletion which will take years to overcome. The point has been reached where savings can not be further effected by administrative action but only by actual cessation of operations in various parts of the country. This is directly reflected in reduction of the supply of fish available for replenishment, and, consequently, in the abundance of both commercial food fish and game varieties.

M. C. JAMES,
Assistant Chief, Division of Fish Culture.

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 28, 1932.

Subject: Reduction of "Maintenance of vessels, 1933," appropriation by $73,540.

Memorandum to Commissioner.

The estimates as approved by the Budget for 1933 for maintenance of vessels amount to $316,920. In view of recent additions to our fleet, particularly in connection with patrol work of the great salmon fisheries in Alaska, we have with difficulty met the demands of this service with present appropriations. Nevertheless, in compliance with instructions, this amount has been reduced by $73,540, leaving a balance of $243,380 for maintenance of vessels, 1933.

This reduction will necessitate curtailment of the vessel service of this bureau and placing out of commission entirely two of our vessels, as explained below.

1. Withdrawal of the *Albatross II* from active service would terminate all observations on conditions in the offshore waters of the North Atlantic and the Gulf of Maine. This would handicap haddock research by preventing any determinations of the migrations of fish or their young from one ground to another, an important feature of the replacement of depleted stocks. It would stop all progress in improving forecasts of the mackerel abundance and would stop the temperature surveys to determine the winter habitat of migratory food fishes.

2. Laying up of the *Fulmer* will necessitate our abandoning the Great Lakes fishery research work, which is certainly inadvisable at this time.

3. Discontinuance of a number of small boats used in fish-cultural work at various stations and the postponement of miscellaneous repairs and painting necessary each year to keep this floating equipment in proper shape for fish-cultural and patrol work is poor economy and will subject us to a greater expense later on.

ALBERT K. BROWN,
Administrative Assistant.

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 28, 1932.

Subject: Reduction of "Inquiry respecting food fishes," for the fiscal year 1933 by $29,200.

Memorandum to the Commissioner.

For the support of scientific fisheries research to collect fundamental scientific information as to the trend and condition of the great commercial fisheries, for the encouragement of the cultivation of aquatic animals on which are based the conservation activities of the Federal Government in Alaska and of the State governments with regard to coastal, migratory, and high-seas fishes, Congress appropriated $300,340 for the division of scientific inquiry for the fiscal year 1932, and further authorized an increase of $60,000 by an act approved May 21, 1930. This authorization was disregarded, however, and the appropriation was reduced by the Bureau of the Budget to $281,340. A further reduction in the amount of $29,200 will make still more drastic the rigid economy now being practiced, and hence will entail the complete abandonment of several projects and the reduction to a dangerous minimum of some others.

The effects of the more than 10 per cent curtailment are shown on the inclosed table. In addition to these reductions an important part of the haddock investigations in New England, and the trout and chub fisheries in Lake Michigan must be abandoned because of cuts in the vessels appropriations, which will necessitate laying up the *Albatross II* and the *Fulmar*, two of the bureau's largest research vessels.

The present financial emergency finds the unorganized fishery industry in a most precarious condition. Those unemployed in other businesses are turning in ever-increasing numbers to the harvesting of aquatic foods, so that already threatened resources are suffering additional drains which may result in depletion or in irreparable damage. Therefore undue curtailment of conservation activities would have serious and far-reaching consequences.

ELMER HIGGINS,
Chief, Division of Scientific Inquiry.

Cuts for inquiry, 1933, 10 per cent basis

Project	Cut in personnel		Field expenses	Total	Remarks
	Number	Amount			
1. Cod studies	2	$3,700	$1,300	$5,000	Further studies on New England's important cod fishery will be abandoned.
2. Woods Hole laboratory	----------	----------	4,000	4,000	This laboratory must be closed to private investigators.
3. Fish screens and ladders	2	5,000	2,500	7,500	Several installations on Government irrigation projects in Washington, Oregon, and Idaho remain to be made to protect migratory salmon.
4. Oyster-pest control	1	2,600	900	3,500	Studies to protect the highly important cultivated and public oyster beds in Long Island Sound from starfish pests must be dropped.
5. Pacific oyster studies	1	2,200	1,000	3,200	Cooperative oyster studies in California and Oregon must be dropped.
6. Shrimp investigations	2	4,000	2,000	6,000	Cooperative studies with North Carolina and Louisiana on the conservation of the great shrimp fishery, worth $4,500,000, must stop. Limited studies only will be possible.
Total	----------	----------	----------	29,200	

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 26, 1932.

Subject: Reduction of "Fishery Industries, 1933" appropriation by $11,000.

Memorandum to commissioner.

The division of fishery industries is directly concerned with the activities and welfare of the half-a-billion dollar fishing industry of the United States and Alaska, conducting technological, engineering, statistical, and economic studies to promote the use of fishery products and the saving of waste in the industry.

Our estimates for 1933 now before Congress amount to $106,790, compared with $116,620 for 1932, a decrease of $9,830. To operate with this decreased amount it will be necessary to effect the most rigid economy in all phases of the division's work. To decrease the 1933 appropriation further by a cut of 10 per cent, or about $11,000, will require that whole projects be discontinued. In order to operate with this decreased amount it would be necessary to—

(1) Completely discontinue the division's marketing studies, effecting a reduction of $5,000 ---------- $5,000

Discontinuing this type of work, which is conducted to increase the consumption of fishery products, would work a hardship on the fishermen and the industry in every State at a time when extreme difficulty is experienced to remain in business because of extremely low prices and keen competition with foreign products.

(2) Completely discontinue the division's studies on the destructiveness of fishing gear, effecting a reduction of $6,000 ---------- 6,000

At present the investigation is directed toward the development of a savings gears for the otter trawl fishery of our north Atlantic, which supplies raw material for our $14,000,000 package-fish industry. This investigation is intended to conserve the fishery by lessening the destruction of immature and undersized fish and also reduce the costs of fishing. Disbanding this work at present would seriously affect the economic welfare of our important New England fisheries, which now face one of the most critical situations in their history.

Total ---------- 11,000

R. H. FIEDLER,
Chief, Division of Fishery Industries.

DEPARTMENT OF COMMERCE,
BUREAU OF FISHERIES,
Washington, March 25, 1932.

Subject: Reduction of "Protecting seal and salmon fisheries of Alaska," fiscal year 1933, by $21,500.

Memorandum for the commissioner.

The appropriation for protecting seal and salmon fisheries of Alaska for the fiscal year 1932 is $446,240. The comparable item

as it passed the House recently, and is now before the Senate, totals $412,300, a reduction of $33,940. If this is further reduced by $21,500, the remainder will be $390,800, or a total reduction of $55,440 from the sum available for 1932.

If there is a reduction of $21,500 in the appropriation for protecting seal and salmon fisheries of Alaska, for the fiscal year 1933, it will be necessary to dispense with the services of 20 stream guards and others whose work is connected with conserving the great salmon runs of Alaska, and it will also be necessary to dispense with the services of five men who are identified with the bureau's fur-sealing operations at the Pribilof Islands.

The salmon fisheries of Alaska are most important by far in the world, yielding nearly two-thirds of the total production of canned salmon, with an average annual manufactured value of $35,000,000 and giving employment to upward of 20,000 persons. The investment in this industry is more than $60,000,000.

It is serious, indeed, to think of lessening the protective measures which, under the White law of June 6, 1924, and regulations promulgated by virtue thereof, have resulted in restoring and reestablishing the runs of salmon in waters formerly seriously depleted. Splendid strides have been made in the fishery-conservation program in Alaska, and it would be a serious backward step if these fine results are undone through poaching in closed waters and other unlawful practices, which will result if there is insufficient protection because of lack of funds to properly police these waters.

Other activities, such as removing natural barriers from salmon-spawning streams, the examination of streams to observe the condition and extent of the runs of salmon, and the construction of weirs across streams through which breeding salmon are counted to determine the ratio between commercial catch and escapement and thus carry out the requirement of the White law for an escapement of at least 50 per cent of the salmon; all these also will suffer if the appropriation is curtailed.

It will also mean troublesome curtailments in the fur-seal work at the Pribilof Islands, where the herd has been increased 1,000,000 animals from about 125,000 in 1910, when the Government assumed active management, to 1,127,082 in 1931. During this period also the Government has taken 459,000 skins from surplus male seals. The number secured in 1931 was over 49,000, and it is anticipated that the take in the season of 1932 will be upwards of 55,000, as the herd is making a net increase of over 8 per cent per annum. The skins are sold at public auction and the proceeds, less treaty payments of 15 per cent each to Great Britain and Japan, are covered into the Treasury. In the 14 fiscal years from 1918 to 1931, inclusive, Pribilof Islands receipts have exceeded expenditures by over $2,500,000. The Pribilof herd contains over 80 per cent of the fur seals of the world.

WARD T. BOWER,
Chief, Division of Alaska Fisheries.

DEPARTMENT OF COMMERCE,
UNITED STATES PATENT OFFICE,
Washington, March 26, 1932.

Memorandum for the Secretary.

A reduction of 10 per cent in our appropriations for the fiscal year 1933 will spell disaster.

At the request of the President, the amount preliminarily approved by the Budget was reduced by us by 10 per cent except for salaries and printing.

Since another reduction of 10 per cent of our appropriations will amount to $497,000, and since the printing items can not be reduced, practically the entire $497,000 will have to be taken from our salaries. This would inevitably require the discharge of at least 50 clerks and 200 examiners. Our fees were increased by over $700,000 per year, part of which was for the purpose of increasing our personnel to reduce our arrears, to bring our work up to within two months' time instead of over 10 months. Even if we continue to gain at the rate of 4,000 applications per month as at present, it will take us more than a year to reach our goal. But if we have to reduce our examiners by 200, we will not only not gain the 4,000 cases per month but will actually lose 6,000 per month. This will certainly mean that the office will be nearly a year in arrears instead of not quite seven months as at present, to say nothing of reaching the goal of two months.

Such a reduction will certainly be disastrous and will be felt throughout the country.

THOMAS E. ROBERTSON,
Commissioner.

UNITED STATES DEPARTMENT OF COMMERCE,
BUREAU OF MINES,
Washington, March 29, 1932.

Memorandum from: Scott Turner, Director Bureau of Mines.
To: The Secretary of Commerce.
Subject: Effect of proposed reductions in Bureau of Mines appropriations for 1933.
Inclosures: (a) Table showing 1932 appropriations and proposed reductions for 1933; (b) brief summary statement of effect of proposed reductions on work carried on and personnel employed under each appropriation; (c) detailed statement covering the work of each of the four branches of the bureau and the office of the chief mining engineer.

You will note from the inclosed statements that the proposal now before the Senate committee would result in decreases ranging from 14.5 per cent to 43.5 per cent in the various appropriation items for this bureau, since in addition to administrative, Budget, and House committee reductions it gives effect to the cuts, amounting to $194,615, imposed by the Douglas amendments. Since Bureau of Mines items were the only ones in the bill subjected to attack on the floor of the House, we find ourselves in the unfortunate position of suffering more than any other bureau or division of the four departments if the action moved by the Senate is carried out.

Deducting 10 per cent from the House bill, the resulting total, $1,672,501, is $513,254, or 23.5 per cent less than the equivalent 1932 appropriation, and it is $194,418 less than the equivalent appropriation of 10 years ago for 1923.

A net reduction of half a million dollars in our meager funds would compel us to discontinue useful services and seriously handicap important work, discharge 190 full-time and over 50 part-time employees, tie up 2 mine-rescue cars, and close 10 field offices and stations in 6 States.

Details appear in the inclosed tabulation and statements.

SCOTT TURNER, *Director.*

Bureau of Mines

Appropriation title	1932 appropriations	1933 appropriation bill: Recommended by House Appropriation Committee	1933 appropriation bill: Cuts by Douglas amendments	1933 appropriation bill: Amended House bill	1933 appropriation bill: Per cent reduction below 1932	1933 appropriation bill: House bill decreased 10 per cent	Reductions below 1932 appropriations: Total	Reductions below 1932 appropriations: Per cent	Employees that must be discharged	Stations or offices that must be closed or curtailed
Gen. expenses	$90,895	$90,350		$80,350	11.6	$72,315	$18,580	20.4	9	Washington.
Inv. min. ace	433,660	440,325	$5,000	435,325	+.4	391,792	41,868	9.7	36	Washington, Pittsburgh.
Mng. inv. in Alaska	11,460	10,885		10,885	5.0	9,797	1,663	14.5		
Oper. mine res. cars and sta	350,520	340,355		340,355	5.0	306,319	53,201	14.8	13	2 cars, New Mexico and Iowa; 1 station, Salt Lake; Pittsburgh, Kansas City, Washington.
Test. fuel	180,610	170,000	34,000	136,000	24.7	122,400	58,210	32.2	25	Washington and Pittsburgh.
Min. mng. inv	165,460	157,185	32,185	125,000	24.5	112,500	52,960	32.0	11	Washington and Pittsburgh.
Oil, gas, and oil-shale inv	252,800	221,215	75,000	146,215	37.2	131,594	101,266	43.5	31	4 stations: Dallas, Boulder, Laramie, San Francisco; Bartlesville, Washington, Pittsburgh.
Ex. mng. ex. sta	231,570	220,000		220,000	5.0	198,000	33,570	14.5	7	1 station, Salt Lake; Tucson.
Helium inv	74,760	61,020		61,020	18.4	54,918	19,842	26.5	5	Washington and Amarillo.
Bldgs. and grds	82,300	78,185		78,185	5.1	70,366	11,934	14.5	5	Pittsburgh.
Econ. min. ind	322,660	273,430	48,430	225,000	30.2	202,500	120,160	37.2	49	4 offices: Salt Lake, Denver, Joplin, San Francisco; Washington.
Hel. plts. (nonrecurring)	93,010									
Total (less hel. plts.)	2,185,755	2,052,950	194,615	1,858,335	15.0	1,672,501	513,254	23.5	[1] 191	
Cumulative reduction		132,805		327,420		513,254				

[1] Full time and about 50 part time.

Distribution of employees dropped:

Amarillo, Tex	4
Des Moines, Iowa	3
Pittsburgh, Pa	66
Washington, D. C	63
Bartlesville, Okla	8
Joplin, Mo	1
Raton, N. Mex	3
Boulder, Colo	2

Distribution of employees dropped—Continued

Kansas City, Mo	2
Salt Lake City	13
Dallas, Tex	5
Laramie, Wyo	2
San Francisco, Calif	12
Denver, Colo	5
Minneapolis, Minn	1
Tucson, Ariz	1

BUREAU OF MINES

Effect of proposed reductions on work of the bureau

By the action of the Senate of March 22, 1932, the 11 appropriation items for the Bureau of Mines in the general supply bill are reduced by amounts varying from 14.5 per cent to 43.5 per cent below 1932 appropriations, due to the fact that this bureau was singled out by Congressman DOUGLAS for admittedly ill-considered attack on the floor of the House. The Douglas amendments, reducing Bureau of Mines items $194,615 below the amount recommended by the House Committee on Appropriations, were rejected by the Senate Committee on Appropriations largely because of a request of Congressman DOUGLAS himself (see copy of his letter attached) but were again automatically restored through the Senate recommitment motion calling for a 10 per cent reduction below the House bill. The resulting total for the Bureau of Mines is $513,254, or 23.5 per cent below 1932 appropriations.

A cut of such proportions would compel discontinuance of useful services to Government and industry; would seriously handicap important safety, investigative research, and statistical work; would necessitate discharging 190 full-time and more than 50 part-time employees; would tie up 2 mine rescue cars and close 10 field offices and stations in 6 States.

Following is a brief statement of how the work carried on under each appropriation item would be affected:

General expenses

1932 appropriation	$90,895
Proposed 1933 appropriation	72,315
Reduction	[1] 18,580

Would result in—

(1) Seriously handicapping the work of the editorial section, the drafting and photographic service of the graphic section to other bureau sections, and useful distribution of bureau publications.

(2) Discontinuing dissemination of safety and other information through educational exhibits.

(3) Discharging eight employees.

INVESTIGATING MINE ACCIDENTS

1932 appropriation	$433,660
Proposed 1933 appropriation	391,792
Reduction	[2] 41,868

The 1933 bill provides for the transfer of $29,840 from "Economics of mineral industries" to this appropriation. The actual net reduction is, therefore, $71,708, or 15.5 per cent of the 1932 base.

To meet this reduction it would be necessary—

(1) To drop 15 employees at the Pittsburgh station and 6 at the experimental mine engaged in investigations of the causes of mine accidents and studying means of preventing them.

(2) To curtail studies of occupational diseases and health hazards of miners and discharge five employees engaged in this work.

(3) To dismiss three employees of the demographical division, discontinue two of the statistical services dealing with explosives and fatal accidents in coal mines, and curtail the general statistical studies of mine accidents and mining hazards.

(4) To discharge 5 clerical and service employees in Washington and 2 in Pittsburgh.

(5) To discontinue cooperation with the British and other foreign governments on research in development of methods of preventing accidents in mines, whereby duplication of effort is avoided with resultant savings many times the small cost.

The total number of employees that must be dismissed is 36, of which 21 are at Pittsburgh, 7 at Bruceton, and 8 at Washington.

Mining investigations in Alaska

1932 appropriation	$11,460
Proposed 1933 appropriation	9,797
Reduction	[3] 1,663

This appropriation supports an assayer, a coal sampler, and a safety man in Alaska. These three men serve the mining industry of all Alaska, as well as other agencies of the Federal Government in that territory. A cut of $1,663 would reduce their total allotment for travel and supplies to $897, or approximately one-third of the amount for 1932. A curtailment of such proportions would seriously cripple their efficiency and reduce the service by half or more. It would be better to discontinue the work entirely than to make any substantial reduction below the current allotment.

Operating mine-rescue cars and stations

1932 appropriation	$359,520
Proposed 1933 appropriation	306,319
Reduction	[4] 53,201

This would result in—

(1) Limiting the activities of the safety division in first-aid and mine rescue work by a reduction of $20,000 in supply and travel allotments.

(2) Tying up two mine rescue cars and discharging the personnel of six men.

(3) Closing one safety station and one field office and reducing the force at another station.

In all, 13 employees would be discharged out of a total of 86. Last year 112,220 persons were trained in first-aid and mine rescue work. The number this year to date slightly exceeds the number for a similar period last year. The diminished personnel and reduced funds for travel and supplies would result in a decrease of at least 20,000 in the number of people to receive the benefit of this life-saving instruction. Other phases of the safety work would suffer proportionately.

Testing fuel

1932 appropriation	$180,610
Proposed 1933 appropriation	122,400
Reduction	[5] 58,210

The proposed appropriation for this purpose is less than that appropriated for any year since 1912. A reduction of one-third in this appropriation would make it necessary to—

(1) Reduce technologic investigations and scientific research work on coal and its by-products by two-thirds.

(2) Discontinue coal sampling and analysis service to Sates and municipalities.

(3) Slow up coal analysis and fuel economy services to the Federal Government.

(4) Discharge 25 men from the staff at Pittsburgh and Washington.

Mineral-mining investigations

1932 appropriation	$165,460
Proposed 1933 appropriation	112,500
Reduction	[6] 52,960

This would result in—

(1) Discharging 10 full-time employees and about 50 part-time workers.

(2) Stopping work in ferrous metallurgy at the Pittsburgh plant.

(3) Reducing by one-third the studies of mining methods and costs, and the work on geophysical prospecting.

Much of the bureau's metallurgical work and all of the work in the field of mineral mining is supported by this appropriation. To reduce this work by one-third would be a blow to the mining industry at a time when mining is in need of Federal support.

Oil and gas investigations

1932 appropriation	$232,860
Proposed 1933 appropriations	131,594
Reduction	[7] 101,266

So drastic a cut in this appropriation would completely disrupt the bureau's engineering and investigative work on petroleum and natural gas. It would make it necessary to—

(1) Close the field offices at San Francisco, Calif.; Dallas, Tex.; Laramie, Wyo., and Boulder, Colo.

(2) Stop refinery studies of California and Rocky Mountain oils; all production, transportation, and safety studies in California, Rocky Mountains, Louisiana, New Mexico, and Texas districts; crude oil and gasoline surveys; geophysical studies.

(3) Curtail gas utilization studies and cooperative work on natural gas problems.

(4) Discharge 31 employees.

Expenses mining experiment stations

1932 appropriation	$231,570
Proposed 1933 appropriation	198,000
Reduction	[8] 33,570

A reduction of $33,570 is equivalent to the support of one and one-half stations. It would necessitate closing at least one station (probably the experiment station at Salt Lake City) and curtailing the work at several other stations. This would involve discharging seven employees and transferring seven employees to effect the necessary readjustment.

Care buildings and grounds, Pittsburgh

1932 appropriation	$82,300
Proposed 1933 appropriation	70,366
Reduction	11,934

The buildings and grounds at Pittsburgh and at the experimental mine near Pittsburgh have an inventory value of over $1,000,000. A reduction of $11,934 would make it necessary to drop five employees and allow the property to deteriorate.

Helium investigations

1932 appropriation	$74,760
Proposed 1933 appropriation	54,918
Reduction	[9] 19,842

Would result in—

(1) Dropping five employees.

(2) Endangering the helium survey, which keeps track of new discoveries of helium-bearing gas.

(3) Slowing up cooperation on repurification problems.

(4) Stopping the survey of the Government helium structure and curtailing work leading to a reduction of helium costs.

[1] 20.4 per cent.
[2] 9.7 per cent.
[3] 14.5 per cent.
[4] 14.8 per cent.
[5] 32.2 per cent.
[6] 32 per cent.
[7] 43.5 per cent.
[8] 14.5 per cent.
[9] 26.5 per cent.

Economics of mineral industries

1932 appropriation	$322,660
Proposed 1933 appropriation	202,500
Reduction	*120,160

The 1933 supply bill provides for the transfer of $29,840 from this appropriation to "Investigating mine accidents." The net reduction is therefore less than the apparent reduction, and amounts to $90,320, or 30.8 per cent of the 1932 base. The effect of reducing this appropriation 30.8 per cent would be to—

(1) Close the statistical field offices at Joplin, Mo.; Denver, Colo.; Salt Lake City, Utah; and San Francisco, Calif., and dismiss the 14 employees of these offices.

(2) Drop 35 employees from the Washington office staff.

(3) Discontinue statistical canvasses and collection and compilation of market data of some mineral commodities and curtail services relating to others.

(4) Reduce the number and comprehensive scope of statistical and economic reports of especial value at this time to both producers and consumers of mineral commodities.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 26, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate, Washington, D. C.

MY DEAR SENATOR: On Monday last there were several amendments offered by me and accepted by the House to the Bureau of Mines item in the appropriation bill for the Department of Commerce. The amounts of reduction carried in some of the amendments were hastily arrived at and without adequate supporting evidence.

As a result of subsequent investigation, it is my opinion that some of the reductions were too drastic. It is, however, my belief that substantial reductions can be made below the Budget estimate.

I am calling this to your attention, so that you may before your committee, in the event you see fit to do so, hear the proper officials of the Bureau of Mines in order that there may be repaired any substantial impairment of necessary and requisite functions of the bureau affected by the amendments.

Very sincerely yours,

L. W. DOUGLAS.

TECHNOLOGIC BRANCH—EFFECT OF THE SEVERAL REDUCTIONS IN APPROPRIATIONS, INCLUDING HOUSE AND SENATE AMENDMENTS

That part of the mine-accidents appropriation allotted to the technologic branch in 1932 was $298,740. The equivalent percentage of the proposed bill will amount to $252,000, a reduction of $46,740.

The bureau has invested at Pittsburgh about $1,000,000 in an institution devoted to physical and chemical investigations of various sorts. An appropriation is made to maintain buildings and grounds, but no direct appropriation is made to maintain an investigative staff. This staff consists of necessary artisans to man service shops and facilities, as well as clerks to conduct business in regulation manner. These must be supported by contributions from such appropriations as mine accidents, testing fuels, mineral mining, and mine rescue cars and stations. These appropriations also support special investigators in their particular field. Any reduction in appropriations therefore affects the maintenance of a large institution, reducing its available facilities as well as reducing the specialists and the number of investigations that can be undertaken. To meet the reduction in mine-accidents appropriation the technologic branch must drop about 15 productive workers and 5 service employees. It will be impossible to maintain electrical engineers in the field studying the hazards of electrical equipment. Of five engineers studying falls of roof, one must be dropped. Three men must be dropped from chemical investigations, 3 from investigations of explosives, 6 from the experimental mine, with clerks, stenographers, instrument makers, making a total of 20 employees who must be dropped.

With the reduced support from other appropriations, the investigative facilities now available at the Pittsburgh institution will be seriously reduced.

TESTING FUELS

The testing-fuels appropriation for the present year is $180,610. The amended bill carries $122,400. This is a cut of one-third, less than that appropriated in any year since 1912. It will be necessary to drop 25 employees. It will cut technologic investigations 60 per cent, scientific investigations two-thirds, will slow up the service work at least one-third, and will make it necessary to withdraw the service now given several States in analyzing fuel purchased for their public institutions. Appropriations under this head were originally made for investigative purposes. Technical and scientific investigations have proved useful to the Government in its purchase and use of coal, so that a continually increasing amount has been used for purely service work for the Government. This amounts at present to one-half of the proposed appropriation. In order to maintain these services it will mean that the investigative work is seriously reduced. It reduces scientific investigation of fuels to about one-fourth of that made possible by the first appropriation in 1911. This is largely the result of the House amendment which was made, it is understood, in ignorance of the facts regarding the work.

ALASKA

Three small pieces of work are being conducted in Alaska, the pay of three men involved $8,800. The proposed appropriation is substantially $1,000 above this minimum. This is too small an amount to administer the work, to provide supplies, and to provide for the necessary travel of the safety engineer who conducts first-aid training in the widely scattered mining camps all over Alaska. It will be better to discontinue this work entirely than to reduce the appropriation below the present year's amount of $11,360.

MINERAL MINING

The present appropriation is $165,660; the proposed appropriation is $112,500, a reduction of $53,160, or 32 per cent. It will be necessary to drop 10 employees and probably 50 short-time workers. This appropriation supports both metallurgical and mining work. It will be necessary to discontinue ferrous metallurgical work at the Pittsburgh plant. It will reduce by at least one-third the mining work of the bureau. Geophysical prospecting work will be reduced one-fourth to one-third. Facilities now available at the Pittsburgh station will be reduced by the dropping of artisans.

OIL AND GAS INVESTIGATIONS

The present appropriation for this work is $232,360; the amended bill carries $131,593.50, a reduction of $101,266.50, or nearly 44 per cent. It will be necessary to drop 31 employees.

The field offices at San Francisco, Calif; Dallas, Tex.; Laramie, Wyo.; and Boulder, Colo., will be closed. The total of employees dropped will be 31. Eight employees will be moved. Refinery studies of California and Rocky Mountain oils stopped and of mid-continent and Gulf coast oils reduced one-half. All production, transportation, and safety studies stopped in California, Rocky Mountain, Louisiana, New Mexico, and Texas districts. Crude oil and gasoline surveys stopped. Geophysical studies stopped. Gas-utilization studies curtailed one-third. Curtails cooperative work on natural-gas problems 20 per cent. Total work reduced, 60 per cent.

EXPERIMENT STATIONS

To maintain eight experiment stations there was available this year $231,570; the amended bill carries $198,000, a reduction of $33,570. This is practically the support of one and one-half stations. It will be necessary to close at least one station, probably the experiment station at Salt Lake. It will be necessary to drop seven employees and move seven employees.

BUILDINGS AND GROUNDS

The buildings and grounds at Pittsburgh and at the experimental mine near Pittsburgh have an inventory value of over $1,000,000. The reduction from $82,300 to $70,366 will make it necessary to drop five employees and to allow the property to deteriorate.

HELIUM INVESTIGATIONS

There was available for this appropriation the present year $74,760; the amended bill carries $54,918. It will be necessary to drop five employees. This will endanger the helium survey which keeps track of new discoveries of helium-bearing gas; it will slow up cooperation of repurification problems; will stop the survey of the Government helium structure and curtail work leading to a reduction of helium costs.

PROPOSED ELIMINATION BY THE DOUGLAS AMENDMENT IN HOUSE OF ALLOTMENT FOR BRITISH COOPERATION COMING UNDER THE CHIEF MINING ENGINEER

British cooperation allotment (to be eliminated under Douglas amendment for 1932–33, $5,000.

It was proposed by the Douglas amendment in the House to discontinue cooperation with the British and other foreign governments on research in the development of methods of preventing accidents in mines. This work, which was begun in cooperation with Great Britain, was officially authorized by Congress in 1926 with an appropriation of $5,000. Its objectives include fundamental research on explosibility of mine gases and dusts; sources of ignition of unusual character, such as frictional sparks and static electrical sparks; the development of safer explosives and electrical apparatus for use in gassy and dusty mines, and better methods of supporting mine roof. These problems are investigated in one country or another, and necessary duplication is avoided by the constant interchange of progress reports and by the adoption of common standards permitting general acceptance of reports on completed problems. Owing to the greater concentration on fundamental problems by the British, the Bureau of Mines has been the greatest gainer from this interchange. Each side bears the expense of its own investigators. Many valuable cooperative publications have been issued and others are in course of issuance. The limited interchange of personnel has been very beneficial and important to the respective staffs and the cost has been insignificant in comparison with the results obtained. The stoppage of this cooperation through lack of funds would be a serious loss to the mining industry. One technical assistant and a half-time clerk would have to be dropped.

*37.2 per cent.

Proposed reduction in allotments coming under the chief mining engineer, to meet reductions proposed under the Senate and House bills

Allotment 1931–32:		
Experimental mine	$32,250	
Office of chief mining engineer	8,800	
Duplicating reserve	650	
	41,700×0.8453=	$35,249
Present allotment		41,700
Proposed reduction 1932–33		6,451
If this reduction is made it will require the discharge of four miners and two outside laborers at the experimental mine—		
4 miners at $6.16 per day, average 200 days	$4,928	
2 outside laborers at $4 per day, 200 days	1,600	
		6,528
Reduction in supply account		23
Reduction of accounts No. 52–291.14, No. 52–108, and No. 52–106		6,551
Buildings and grounds maintenance, experimental mine	$1,000×0.855=	$855
Present allotment		1,000
Reduction of account No. 60–291.14		145
Total reduction for above accounts		6,696

So material a reduction in the mine personnel as that indicated will seriously cripple its important work. The mine is the large-scale testing laboratory of the whole coal-mining industry of the country and on its findings depend decisions of humanitarian as well as economic value. For example, large samples of coal and dust and samples of mine air and gases are being gathered in a mine which recently experienced an appalling explosion disaster. The coal dust will be tested in the experimental mine as to its relative explosibility in air and fire-damp mixtures, then rock dust—an inert dust—will be mixed with it to determine how much must be used to make the coal dust nonexplosive under various conditions. The determinations made will enable the mine and State officials to prevent repetition of such a disaster. This is but one example of what the experimental mine is constantly called on to do for the benefit of miners and operators and for State mine inspectors. Every year the experimental mine is visited by thousands of mining men to witness tests; its work is known among mining men throughout the world. Among its findings during the past 20 years since it was established have been positive means of preventing coal-dust explosions, of extinguishing incipient mine fires, of roof protection by gunite, and of better mine and tunnel ventilation. These findings have led to the saving of several thousand lives. The funds for conducting the mine have never been sufficient to carry on testing for more than 8 or 9 months in the year, and the proposed reduction in personnel will probably curtail this time to 6 or 7 months. It may be pointed out that the miners and laborers who would have to be discharged have no opportunity of securing other work in that district.

ECONOMICS BRANCH OF THE BUREAU OF MINES

Appropriation: Economics of mineral industries.

During the present fiscal year the economics branch of the Bureau of Mines has operated on what is practically a salary basis, receiving no funds for essential supplies, travel, and miscellaneous expenses, as will be seen from the following statement of disbursement allotments:

Disbursement allotments, economics of mineral industries, 1932:	
Salaries	$257,670
Mimeographing (current statistical reports and questionnaires)	16,750
Transferred to administrative branch	18,400
Supplies, travel, and miscellaneous expenses	None.
	292,820

The following table records the several reductions which have been made or are proposed in the appropriations for the fiscal year 1933:

1932	
Appropriation—base	$292,820
1933	
Reductions by Bureau of the Budget:	
Direct reduction	$5,000
Five per cent by presidential order	14,390
	19,390
Estimate submitted to Congress (H. R. 9349)	[1] 273,430
Reduction by Douglas floor amendments	48,430
Estimate submitted to Senate	[2] 225,000
Proposed 10 per cent additional reduction	22,500
Resulting 1933 appropriation as proposed	[3] 202,500

[1] Cumulative reduction 6.6 per cent.
[2] Cumulative reduction 23.2 per cent.
[3] Cumulative reduction 30.8 per cent.

This represents a net reduction of $90,320, or 30.8 per cent.

It may be assumed that the administrative expense and the charge for mimeographing the current reports and questionnaires will bear the same relationship to the 1933 appropriation as they did in the present year. The 30.8 per cent reduction would then apply equally to the disbursement items, as follows:

Reductions, fiscal year 1933

	Fiscal year 1932	Fiscal year 1933	Decrease	
			Amount	Per cent
Salaries	$257,670	$178,200	$79,470	30.8
Mimeographing current statistical reports	16,750	11,583	5,167	30.8
Administrative overhead	18,400	12,717	5,683	30.8
Supplies, travel, and miscellaneous expenses	None.	None.		
Total	292,820	202,500	90,320	30.8

The actual or proposed reductions in the appropriations for the Bureau of Mines' economics branch fall into three classes:

1. The Budget Bureau reduction of $19,390.
2. The Douglas floor amendments of $48,430.
3. The Senate 10 per cent reduction of $22,500.

THE BUDGET BUREAU REDUCTION OF $19,390

There are no surplus funds in the 1932 appropriations for the economics branch from which the $19,390 eliminated by the Budget Bureau can be met. The items for mimeographing of current statistical reports and for assessed overhead are certainly unavoidable and are not subject to material reduction, and the $19,390 Budget reduction will have to be met by a corresponding reduction in the salary total. Roughly, this means the discharge of 11 employees and an accompanying curtailment of the present work handled by them. It is felt, however, that such curtailment of work and reduction of personnel can be divided among the various units of the branch so as not to impair those services of maximum current use to the mineral industries and it is believed that such action is in order at present in view of national financial emergency.

EFFECT OF THE $48,430 REDUCTION RESULTING FROM THE DOUGLAS FLOOR AMENDMENTS

The reduction of $48,430 resulting from the Douglas floor amendments during consideration of the bill in the House would, on the other hand, necessitate far-reaching and radical reductions in the standard statistical and economics services rendered to the mineral industries. Specific curtailment of activity would be required as follows:

(1) Radical reductions in staff and possible elimination of statistical gathering and disseminating offices at Denver, Colo.; Salt Lake City, Utah; San Francisco, Calif.; and Joplin, Mo. The total staff involved in these offices constitutes 14 persons.

It will be recalled that these field offices disseminate economic and geological information (including maps) regarding possibilities for mining. During the past year thousands of unemployed sought the guidance and direction of our field-office engineers, and were assisted in making a temporary living through the panning of gold.

(2) A drastic curtailment of all work embodied in the annual volumes, Mineral Resources of the United States, and the actual abandonment of a number of canvasses on reports on specific minerals.

For over half a century the mineral resources reports have provided accurate annual records of economic events and progress regarding all minerals of economic importance. Each year the economics branch issues a separate statement covering production, value, and various features of processing and marketing each mineral, and these data provide essentially the only information available on the economic status of the mineral industries. Without these studies business men, the public, and Government would be in the dark regarding an industry that produces annually between five and six billion dollars' worth of raw materials.

(3) Serious curtailment of standard statistical services on the marketing of minerals. For example, it would be necessary to drop all work started since 1928 on the distribution, consumption, and marketing problems of the coal industry. Specifically, it would mean abandoning—

(a) Current surveys on coal stocks.

(b) Monthly report on the Northwest dock trade.

(c) All studies of consumption and distribution of coal shipments and all analyses of marketing problems.

Similarly the economics branch would have to radically curtail or abandon the essential market statistical services for oil, petroleum products, natural gas, Portland cement, and for a large list of metallic and nonmetallic minerals; this list includes monthly cement statistics, monthly petroleum statement, quarterly gypsum report, etc.

(4) The curtailment of activity required by the $48,430 Douglas cut would mean the reduction of the staff of the economics branch by at least 25 to 30 employees. This reduction in the staff is an addition to the 11 employees that will have to be discharged because of the $19,390 Budget cut. Many of these persons represent highly trained and exceedingly capable individuals whose judgment in the conduct of statistical and economics studies can not be easily replaced, several of these who would be discharged having been in the service 30 years or more.



EFFECT OF ADDITIONAL 10 PER CENT REDUCTION BY SENATE COMMITTEE

The additional reduction of $22,500 which would result through a 10 per cent reduction by the Senate from the total as reported by the House would complete the disruption of the service which has been painstakingly developed to be of economic usefulness to the mineral industries. The Douglas floor amendments would, as previously outlined, result in radical curtailment of specific services. This situation was recognized in the consideration given the appropriation by the Senate subcommittee which resulted in the restoration of the $48,430 item. The proposed Senate action now would not only reinstate the Douglas reduction of $48,430 but would add a further reduction of $22,500. Everything that was said regarding the Douglas reductions should be reemphasized, and it should be pointed out that the curtailment necessitated by those reductions would be even more drastic as a consequence of the additional 10 per cent cut.

The result would be a wholesale discharge of employees, and from 40 to 45 of the specially trained members of the staff would then have to be eliminated. Even if the appropriation were restored within a year or two, a period of probably five years would necessarily elapse before the new personnel could reach even an approximation of the efficiency of the present staff. The work requires intimate knowledge of the mineral industries, and this can be acquired only by a long period of apprenticeship.

The summary discharge of so many of its trained employees would mean the practical abandonment of many of the bureau's most helpful services to both producers and consumers of mineral commodities at a time when the need for market data and, in fact, all types of information issued by the economics branch is most acute. It further involves a breach of faith with a personnel which, through long years of faithful service, has endured financial sacrifices in fancied security that the Government would not cast them adrift when times were bad.

In summary, the bill as it now stands for consideration proposes a reduction of more than 30 per cent in the personnel engaged in economic work and, by disrupting a carefully balanced organization, would effect a far greater reduction in the economic services available to the mineral industries. These industries—particularly those concerned with the production and sale of coal, petroleum, lime, stone, cement, and metals—are meanwhile asking for more information, rather than less, in these times of stress and strain. At a time when the mineral industries need more help than ever before it would be particularly unfortunate to force a discontinuance of a great part of this service which has proved particularly helpful to the industries themselves and to the interested public.

HEALTH AND SAFETY BRANCH

INVESTIGATING MINE ACCIDENTS APPROPRIATION

The proposed 10 per cent cut in the funds allotted to the health and safety branch following the 5 per cent cut already contemplated from the coming fiscal year in the appropriation bill passed by the House of Representatives would involve:

Decrease of $18,598 from 1931–32 allotments of $124,170.

Dismissal of eight persons.

(1) In the health division—

(a) The dismissal of four persons paid from these funds and a decrease in the travel and supplies of about 15 per cent.

(b) Stopping of all health studies now made in the mineral industries from one station and the curtailing of the work at another.

The health division deals with the conditions that affect the health of the workers in the mineral industries.

The value of the studies is indicated by the number of investigations made in cooperation with the industry, as hydrogen-sulphide poisoning in cooperation with the American Petroleum Institute, silicosis with the Tri-State Zinc & Lead Ore Producers Association, and carbon-monoxide poisoning with the New York and New Jersey Bridge and Tunnel Commissions. New York City is much interested in all the diseases associated with mining due to the great amount of tunnel operations. The ventilation of the New York vehicular tunnel was based upon the studies referred to above. The prevention of silicosis, which occurs among miners exposed to siliceous rock dust, and which has been found among many of the drill operators and other workers in tunnel construction, has been studied by this division for a number of years and the best means for its mitigation determined. In one district the study has already resulted in a definite decrease in diseases and accidents, with considerable saving in both employees and employers.

Amount of allotment 1931–32: $72,970; 15 per cent decrease, $10,897.

(2) In the demographical division—

(a) The dismissal of 3 out of the 15 members of the division, a reduction of 20 per cent in personnel.

(b) Completely stopping the monthly statistical service now rendered to the explosives industry and to mining companies and other large consumers of explosives. This service consists in the monthly publication of statistical data showing sales of explosives, classified by consuming industries in the United States, and the relation of such quantities to the mineral industry, which consumes approximately 75 per cent of the total quantity of explosives used in the United States. The service began in March, 1922, and is maintained at the urgent request of the association of explosives manufacturers known as the Institute of Makers of Explosives, 103 Park Avenue, New York City, for the benefit of the makers and users of explosives. The data also serve as a means for studying safety in mines as promoted by the growing use of "permissible" explosives instead of "nonpermissible" (that is, more dangerous) types. The figures are used as market data by the explosives manufacturing companies in planning their company programs, regarding sales and other activities.

(c) Complete abandonment of the work of collecting and coordinating current statistical information relating to fatal accidents in coal mines and furnishing the information to State mining inspectors for their use in accident-prevention work. This information relates to coal-mine accidents that kill about 2,000 men each year. The original facts relating to the causes of these accidents are supplied to the bureau by State mine inspectors; the facts are compiled and briefly analyzed, after which a condensed and consolidated statistical report relating to the subject is furnished in mimeographed form to the State mine inspectors who furnished the original reports and to other persons and organizations interested in preventing accidents, and thereby reducing to a minimum the life cost of coal.

(d) Curtailing the general statistical studies of mine accidents and mining hazards to the extent necessary to enable 12 persons to continue the most vital phases of the work now being done by 15 persons. This curtailment would be doubly regrettable because of the element of life and injury involved and because of preventable economic and financial waste constantly resulting from accidents in mines. The prevention of accidents is dependent upon the acquisition of more, rather than less, knowledge as to why accidents occur. It is strongly urged that work involving these vital elements be not impaired; that a direct saving be not realized at the cost of a far greater indirect loss.

Preventable accidents now cost the mining industry approximately $11,000,000 annually in compensation for injuries, exclusive of wage and other indirect losses. The Bureau of Mines collects statistics of accidents as a basis of investigations of means whereby accidents may be prevented and as a means for measuring progress in such work. Without such statistics accident-prevention work would necessarily be conducted in a haphazard manner. For it is only with a knowledge of why and where accidents occur that efforts can be coordinated and safety measures applied with economy and efficiency. The statistical data collected by the bureau provide the only comparable basis for studying the accident hazards of mines in different States or for studying the various systems of mining operations.

Amount of allotment, 1931–32: $29,840; 15 per cent decrease, $4,497.

(3) In the safety division—

(a) The dismissal of one associate engineer.

The effect of this can not be evaluated excepting when correlated with the dismissal of personnel resulting from the 15 per cent reduction in operating mine rescue cars and station appropriation.

Amount of allotment, 1931–32: $21,360; 15 per cent decrease, $3,204.

It is obvious that a 15 to 20 per cent reduction in personnel will materially handicap the work and should not be done without careful consideration of the possible effects upon health and accidents to the workers in the mineral industries.

OPERATING MINE-RESCUE CARS AND STATIONS APPROPRIATION

The proposed decreased allotments for the safety division in the appropriation—operating mine-rescue cars and stations—will have the following probable effect:

1. The dismissal of 13 persons out of a total of 86; 3 engineers, 2 first-aid miners, 3 foreman miners, 2 cooks, and 3 clerks.

2. The retirement of 2 mine rescue cars and the closing of 1 safety station and 1 field office.

3. The amount available for travel and supplies will be decreased by $20,510, or somewhat in excess of the proportionate 15 per cent of present allotments for travel and supplies, which are taxed to the limit every year.

4. The work of the safety division will be curtailed at least 15 per cent, as most of the personnel in this division work much longer hours than required by law, and it would not be possible for them to increase their efficiency to any marked degree. The safety division is devoted entirely to such activities as the giving of first-aid instruction, giving assistance at time of mine disasters, making safety inspections and reports on mines, giving instruction in accident prevention, aiding in the establishment of safety organizations and safety clubs at mines, and similar activities and functions.

The new 10 per cent cut in the funds allotted to the safety division plus the 5 per cent cut previously made, totaling 15 per cent, will decrease the working allotments of the safety division from this year's $329,113.33 in operating mine-rescue cars and stations by $49,370.

This will entail absorbing a loss of $20,510 in allotments for travel and supplies, which will materially cripple the work of the safety division, as the efficiency of its work is dependent very largely on travel and on having material (mine-rescue equipment, etc.) with which to work. The remainder of the loss is $28,860, which must be met by decrease in personnel as detailed in item No. 1 above.

Last year the safety division personnel gave 112,220 full courses in first aid and mine rescue to those engaged in the mining and allied industries; to date, this year, the number of these courses slightly exceeds the number given for the similar period of last year. Unquestionably the diminished personnel and lessened available funds for this work next year will result in a decrease of

at least 20,000 of these life-saving courses. At least 200 lives are saved annually through this one phase of the work of the safety division of the Bureau of Mines. Other phases of the safety division's work will suffer in proportion, and there is good reason to fear that the excellent safety record achieved last year, for the first time, by the mineral industries will recede if there is curtailment of the various safety efforts of the bureau now functioning more effectively than ever before.

ADMINISTRATIVE BRANCH

INFORMATION DIVISION

If the proposed legislation now pending in the Senate becomes a law, it will necessitate a reduction of $19,700 available to the information division for the fiscal year ending June 30, 1933—or, approximately, 21½ per cent of the funds available for the present fiscal year. This reduction will have to be met as follows:

Salaries:	
4 employees in Washington dropped	$8,620
4 employees in Pittsburgh dropped	7,680
Travel (reduction in allotment)	1,200
Supplies (reduction in allotment)	1,450
Books (reduction in allotment)	750
Total	19,700

This will entail complete discontinuance of all work on exhibits, including the dismissal of one employee at Pittsburgh, Pa.; will curtail the work of the graphic section by dismissal of three more employees at Pittsburgh; and will seriously handicap the work of the editorial and publications sections in Washington by the dismissal of four employees. It will also reduce funds for travel and supplies in the division, and books for the bureau as a whole, far below the necessary minimum for efficient operation.

OFFICE ADMINISTRATION DIVISION

Because of the obvious reductions in the volume of shipments, supplies, travel, and telegrams, which the proposed reductions of appropriations will cause during the fiscal year 1933, it will be possible to reduce the allotments to the services mentioned by considerably more than 21.5 per cent and to use the amount so saved for salaries. Below is given a proposed allotment for the fiscal year 1933, which is based on the assumption that the office administration division will be allowed to use the excess saved over the 21.5 per cent in paying salaries of its present personnel:

	1932 allotment	Per cent reduction	Proposed 1933 allotment
Salaries (less Hendley, $1,740, and Simpson, $1,050)	$73,300	21.5	$57,540.50 +3,963.60
			61,418.10
Travel	400	100.0	
Supplies	4,270	50.0	2,130.00
Freight and express	9,400	40.0	5,640.00
Telegrams	3,300	40.0	1,980.00
Total	90,600	20.9	71,618.10

As will be noted from the above, I have added to the salary allotment for the fiscal year 1933 the difference between 21.5 per cent and the actual reduction taken from travel, supplies, freight and express, and telegrams. The details are as follows:

Salary allotment for fiscal year 1932		$73,300.00
78.5 per cent of the 1932 salary allotment	$57,540.50	
Add excess taken from travel	314.00	
Add excess taken from supplies	1,214.10	
Add excess taken from freight and express	1,739.00	
Add excess taken from telegrams	610.50	
Total proposed salary allotment for 1933		61,418.10
Proposed salary reduction for 1933		11,881.90

The proposed reduction of the pay roll in the amount of $11,881.90 in the office administration division could only be met by the discharge of personnel. The following proposed reductions in the force are taken from the sections where, considering the probable drop in volume of work, the employees can best be spared:

1 clerk	$1,560
1 stenographer	1,560
1 photostat operator	1,200
1 junior messenger	[1] 600
1 junior messenger	[1] 600
1 file clerk	1,320
1 file clerk	1,560
1 law clerk	1,920
1 auditor	2,600
9 Total	12,920

In addition 6 of the 28 permanent employees in the multigraph section will have to be discharged, as well as 3 of the 6 temporary employees, or a total of 9 dismissals in the section.

[1] Will probably go to department July 1.

EXHIBIT E

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, March 28, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your letter of the 23d instant, calling attention to the direction of the Senate with reference to the proposed 10 per cent reduction in the amounts carried in H. R. 9349, making appropriations for the Departments of State, Justice, Commerce, and Labor for the fiscal year ending June 30, 1933, and for other purposes.

I have given this matter very deep consideration and conferred with my associates in the department. First, let me call your attention to the fact that the estimates were cut by the Bureau of the Budget at the request of the President, and our Budget was reduced by $1,574,393 from $16,062,795 down to the least point upon which we could function. The House of Representatives made no further reduction in the amounts for the Department of Labor other than an amount ($137,570) estimated to provide for automatic promotions of immigrant inspectors, the House of Representatives having temporarily suspended the act providing for these promotions.

Any further cut in appropriations means simply the reduction of services. These major services and the effect of reduction are enumerated as follows:

OFFICE OF THE SECRETARY

Salaries, office of the secretary: Estimate, $216,060; decrease, none; allowed by Budget, $216,060; salary obligation, $216,060; per cent salary obligation of total, 100.

A reduction of 10 per cent of this item would mean the elimination of approximately 16 employees from this already overburdened force, it now being necessary at times to temporarily detail employees from the bureaus in order that the necessary work be accomplished.

CONTINGENT EXPENSES

Estimate, $61,800; decrease, none; allowed by Budget, $61,800; salary obligation, none; per cent salary obligation of total, none.

All furniture, supplies, equipment, and telegraph and telephone service for the bureaus in Washington are purchased from this fund, and it is only with the strictest economy that we are able to supply the necessities for the services. A reduction of 10 per cent would mean that some activities would not be able to secure necessary supplies.

PRINTING AND BINDING

Estimate, $296,500; decrease, $21,500; allowed by Budget, $275,000; salary obligation, none; per cent salary obligation of total, none.

The reduction of $21,500 made by the Bureau of the Budget will mean that many publications, material for which was secured, can not be issued. A further reduction of 10 per cent will mean elimination of many more valuable bulletins.

CONCILIATION SERVICE

Amount requested of Budget, $220,000; reduction by Budget, $15,000; amount allotted, $205,000; salary obligation, $144,888; percentage salary obligation of total, 70.68.

This is, in the main, a field service and functions to adjust or prevent trade disputes—strikes, threatened strikes, and lockouts—throughout the United States.

An additional $15,000 was requested of the Budget to take care of extra cases arising because of the enactment of the prevailing wage rate law, which applies to mechanics and laborers engaged in the construction of Federal buildings and which became effective April 3, 1931. This law has to date added more than 200 cases and entails an increase in transportation and other expenses incident to added travel. This request was disallowed by the Budget. We have so far handled the additional cases submitted for investigation and report prior to the duty of determining the prevailing wage rates as required by the new law.

The commissioners of conciliation, numbering 33, must cover the whole industrial field of the United States and in handling their assignments must constantly travel from place to place. They are employed in negotiating settlements or advising with employers and employees involved in trade disputes over wages, working conditions, etc. Taking into consideration their widespread activities, I am sure you will agree that the present force is at a minimum to carry on the work and any reduction in the amount of appropriation would result in a curtailment in the force and seriously interfere with the effectiveness of the service and be reflected in an increase in the number of disputes resulting in strikes and lockouts.

BUREAU OF LABOR STATISTICS

Amount requested of Budget, $580,486; reduction by Budget, $47,143; amount allotted, $533,337; salary obligation, $434,830; percentage salary obligation of total, 81.53.

The Bureau of Labor Statistics is the fact-finding agency covering such matters as wages, cost of living, wholesale and retail prices, volume of employment and pay roll, technological unemployment, and that class of economic and industrial information of prime importance to the wage earner and of especial importance to everyone in times like these. The worse the depression, the more immediate importance attaches to such information as the

bureau gathers. The less the appropriation, the fewer lines of information can be made available. The only method of meeting reduced appropriations is to shut off the work.

The reduction of $47,143 made by the Bureau of the Budget will mean a loss of 20 people from our pay roll July 1, 1932, as matters now stand. A further reduction of 10 per cent would mean a loss of 20 to 25 additional people.

It would simply mean that several of the activities of the Bureau of Labor Statistics would have to be abandoned, for most of its activities are such that can not be continued in part. They must either be done or not done.

BUREAU OF IMMIGRATION

Appropriation requested, $10,855,485; reduced by Bureau of the Budget, $198,455; reduced by House of Representatives, $137,570; total reductions, $336,025; amount allowed by House of Representatives, $10,519,460; salary obligations, $7,987,360; percentage salary obligation to total, 75.8.

The Bureau of Immigration administers all laws regulating immigration of aliens to, and residence of aliens in, the United States.

The laws restricting immigration enacted in 1921 and subsequent thereto have imposed upon the Immigration Service the greatly increased necessity of preventing illegal entries, both by land and sea, and of removing from the country aliens who have become subject to deportation subsequent to entry, or who have entered in violation of law, the latter activities being essential to prevent the defeat of the purposes for which restrictive legislation was enacted.

I wish to call your attention also to the fact that expenditures for this service are to some extent counterbalanced by receipts, which amounted to $2,657,471 for the fiscal year ending June 30, 1931.

Congress is constantly placing additional burdens upon this service; in fact, both branches of Congress right now have before them many proposed bills which, if enacted into law, will increase the present burden; and if certain of these bills become law they will create entirely new branches of work which must be performed by the Immigration Service.

The work of deporting aliens who have entered the country unlawfully and those who become subject to deportation following lawful entry, such as criminals, anarchists, deserting seamen, visitors who have remained longer than the time permitted, etc., is becoming a very important part of the work of this service, as evidenced by the fact that the number of deportations has increased materially each year until during the current year the number will probably reach 20,000.

The reduction already made by the Bureau of the Budget and the House of Representatives, in the amount of $336,025, suspends the automatic promotion of immigrant inspectors $137,570, cuts the estimate for general expenses in the amount of $29,645, due to reducing per diem from $6 to $5, and reduces the funds available for salaries in the amount of $168,810.

The effective guarding of our borders and the carrying on of the numerous other activities, especially a vigorous prosecution of the work of deporting undesirable aliens, can not be accomplished with a smaller personnel than at present, which is 75.8 per cent of the appropriation allowed by the House of Representatives.

An additional cut of 10 per cent in the appropriation would seriously affect the efficiency of this service, since it will mean the dropping from the pay roll of approximately 375 employees. The dropping of this number of employees would be largely reflected in a reduction of the number of undesirable aliens deported.

IMMIGRATION STATIONS

Appropriation requested, $800,000; reduction by Bureau of the Budget, $750,000; amount allowed by Budget and House, $50,000.

The amount of reduction by the Bureau of the Budget consisted of numerous items for repairs at Ellis Island, Philadelphia, Boston, San Francisco, Seattle, Honolulu, and New Orleans, which were deemed not to be of an emergent character. The largest items were the elimination of repairs and extension to concrete granite-faced sea wall at Ellis Island, $354,000; and repairs to pier at Philadelphia, $26,000.

The sum of $50,000 allotted for the repairs and upkeep of the various immigration stations, I am sure you will agree, is an absolute minimum, especially when you take into consideration that $25,000 of this amount must be used for reconditioning the ferryboat at Ellis Island.

CHILDREN'S BUREAU

Amount requested, $470,500; reduction by Bureau of the Budget, $75,000; amount allotted, $395,500; salary obligation, $349,495; percentage salary obligation of total, 88.37.

The Children's Bureau allotment as approved by the Bureau of the Budget and the House of Representatives is the same as the appropriation for the present fiscal year. It is the minimum amount which will permit it to carry on vitally important studies of maternal and infant mortality, child labor, juvenile delinquency and dependency, and to meet demands growing out of the unemployment emergency. Emergency service includes monthly reports of relief to dependent families and to transient and homeless persons, furnished at the request of the President's Organization for Unemployment Relief, and special studies undertaken and material prepared for the use of State and local relief agencies. Another emergency service has been undertaken at the request of the Attorney General for the purpose of developing plans for the more adequate treatment of juvenile Federal offenders. The increase requested of the Bureau of the Budget was to enable the bureau to render these additional services more adequately and to meet the need for consultation service to State and local public-welfare departments. The bureau's popular publications are in great demand by mothers, who bought these publications in 1930 from the Superintendent of Documents to the amount of $15,612.17, which was turned into the Treasury.

A 10 per cent reduction of the amount allotted would mean a further curtailment of this purely human service.

BUREAU OF NATURALIZATION

Amount requested, $1,134,570; reduction by Bureau of the Budget, $58,800; amount allotted, $1,075,770; salary obligation, $983,140; percentage salary obligation of total, 91.4.

The Naturalization Service deals directly with the alien resident body throughout the country. This bureau contributes about $3 toward the balancing of the Budget for every $1 it expends. The total revenue for the fiscal year 1931 was $3,117,483.

It acts only on applications from aliens desirous of securing citizenship. The personnel has been reduced to the minimum to take care of the number of applicants presenting themselves for citizenship and the prevention of violations of the naturalization law. The personnel throughout the United States has been for some time and is now working long days, not confined to the usual office hours, and not infrequently on Sundays and holidays, whenever necessary to meet the public demands.

The amount for salaries for the present personnel is $1,010,220. This will have to be reduced to keep within the amount allotted for 1933. The balance of the amount allotted, $92,630, is the minimum amount essential to carry on the work of this service, such as transportation of officers, office rent, furnishing supplies and materials, telephone and telegraph service, etc., and the necessary expenses in preventing frauds.

A further cut of 10 per cent would necessarily mean a reduction in personnel, which it is believed can not be done without impairing the efficiency of the service.

WOMEN'S BUREAU

Estimate submitted, $204,900; reduction by Bureau of the Budget, $25,000; total appropriation, $179,900; salaries, 83.20 per cent, $149,680; travel and per diem, $27,183; other expenses, $3,037.

The estimate made to the Budget for $25,000 additional was to take care of the increased activities of the Women's Bureau, brought on by the prevailing economic conditions, it being the only agency of the Government definitely charged with formulating standards and policies which shall promote the welfare of wage-earning women, improve their working conditions, increase their efficiency, and advance their opportunities for profitable employment.

This is a most important and necessary service to the vast army of women in industry, and a further reduction of 10 per cent in an already small appropriation would mean a reduction in the personnel necessary to carry on this great and humane work and would seriously curtail its activities.

EMPLOYMENT SERVICE

Requested of Bureau of the Budget, $1,200,000; reduction, $380,000; allowed by Budget, $820,000; salary obligation, $674,890; percentage salary obligation of total, 82.3.

The United States Employment Service has built up a nation-wide organization. Its purpose is to find employment for the unemployed, which all must admit is a tremendously important service, especially at present. We believe the results shown by the efforts of this service and cooperative agencies will sustain the statement that invaluable aid has been rendered in lessening the effects of unemployment prevalent in so many sections of the United States in recent years.

The Employment Service asked for an appropriation of $1,200,000 for 1933, which is the amount of money available for this service during the current year. The Bureau of the Budget reduced the amount requested to $820,000.

The total salary obligation of the service for 1933, based on the amount allowed, is $674,890, or 82.3 per cent thereof. This will leave $145,110 for all other administrative expenses.

The amount allowed for 1933 will compel us to make a reduction of approximately 30 per cent in the personnel and activities of the service beginning July 1, 1932, and at a time when a reduction will seriously curtail this most important and vital work of bringing the man and job together.

If we suffer a further cut of 10 per cent in the amount available for 1933, it will mean a further lessening of the efficiency of the service, and employment will be found for a lesser number of our people, who will need the assistance more than ever before. In other words, this would mean that the appropriation for placement service for veterans, for industrial, farm, clerical, and others seeking employment would be $738,000, and as the salary obligation for 1933 is estimated at $674,890, only $63,110 would be available for all other purposes, and this amount would not be sufficient to carry on the work efficiently and satisfactorily.

Any reductions relating to this appropriation for a service so much needed by our unemployed would appear to be very uneconomical and retard the placement of thousands of our people who are now looking to the United States Employment Service and the cooperative agencies for information and direction to opportunities for employment. We are striving by every possible way to connect the unemployed worker with permanent or even temporary employment and feel assured that in this effort we have the support of the Congress.

UNITED STATES HOUSING CORPORATION

Requested of Bureau of the Budget, $15,500; reduction, $500; allowed by Budget, $15,000; salary obligation, $14,400; percentage salary obligation of total, 96.

There are now but six employees in Washington and the field. It is necessary for these to work to the full extent to keep up their accounts, and a reduction of 10 per cent would mean the elimination of one of these. It is not understood how the necessary work could be accomplished with a reduction.

It will be noted that the estimate for the entire department made to the Bureau of the Budget was in the amount of $16,062,795. The bill as passed by the House of Representatives was in the amount of $14,350,827, a reduction of $1,711,960. The salary obligation for the entire department is $10,954,743, or 75 per cent.

The work of all these agencies is closely allied to the well-being of more than forty-nine millions designated as the gainfully employed, and who, with their dependents, constitute the great majority of our population.

It is evident that no savings can be made in the Department of Labor without curtailing the work assigned to us by law, and that a curtailment can only be made by a reduction in the personnel of a department which, while representative of the great body of the gainfully employed of our country, now receives the least amount allotted to the departments of the Government.

Notwithstanding a real desire on my part to be helpful in meeting the wishes of Congress, I am unable to suggest, especially in these times, any way in which we could do the work we are required to do for our people if the 10 per cent cut were inaugurated.

The Department of Labor has no building program other than the upkeep and repair of immigration stations.

I feel convinced that much as I desire to meet the critical situation in the Government, infinitely more harm will be done to the country than good can come from any further reduction of cost.

I shall be glad to furnish the committee with any other information that may be desired.

Sincerely yours,

W. N. DOAK.

EXHIBIT F

THE SECRETARY OF THE TREASURY,
Washington, March 29, 1932.

MY DEAR MR. CHAIRMAN: I am in receipt of your letter of March 23, 1932, stating that two of the annual appropriation bills reported to the Senate at this session have been recommitted to the Senate Committee on Appropriations with instructions to reduce each bill 10 per cent of the aggregate amount as passed by the House. You assume that this will be the policy of the Senate as to all future supply bills and request my advice and opinion as to where the reduction of 10 per cent ($25,431,198.80) of the aggregate of appropriations for the Treasury Department as passed by the House can most wisely be made. You further request my opinion as to the efficiency of the operation of the Treasury Department under this proposed reduction.

It is scarcely necessary to remind you that the Treasury Department, as the fiscal branch, is the very heart of the Government organization, and unless the Treasury performs its duties promptly and efficiently all branches of the Government will be hampered in the exercise of their respective functions.

May I state here that during five years' service as Under Secretary I was also Budget officer for the Treasury Department and in that capacity carefully scrutinized all estimates for appropriations before they were submitted to the Bureau of the Budget. I was assisted by the Treasury Department Budget and Improvement Committee, composed of experienced employees of the department, who make careful inquiry as to all estimates submitted by heads of bureaus and offices and from time to time conduct investigations with the purpose of improving organizations and methods and reducing expenditures. During the past five years estimates submitted by heads of bureaus and offices were reduced by the aggregate amount of $49,294,676.20 before they were submitted to the Bureau of the Budget.

For the purposes covered by Treasury appropriations in the pending bill, heads of bureaus and offices submitted estimates aggregating $320,411,077. After examination by the Budget and Improvement Committee and the Budget officer, items aggregating $22,196,218 were deducted before the estimates were submitted to the Bureau of the Budget. That bureau made further reductions before submitting the estimates to the Congress, and the bill as passed by the House is in the aggregate amount of $254,311,988, or $66,099,089 less than the original estimates submitted by heads of bureaus and offices.

In my letter of March 8, 1932, in response to your letter of February 27, 1932, with respect to the Treasury appropriation bill, I requested a few increases in appropriations as passed by the House of Representatives, but in view of the imperative need for a drastic reduction in expenditures I did not question the remainder (over 95 per cent) of the radical reductions made by the House below the amounts submitted in the Budget.

If a further arbitrary reduction of over $25,000,000 is to be made I am at a loss to point out where (except for one appropriation, hereinafter mentioned) such a reduction, or any substantial part of it, can be made without curtailing and seriously hampering essential activities of the Government. The appropriations for the Customs and Internal Revenue Services have already been reduced to the point where any further reduction will imperil the collection of the revenues. The appropriations for the various fiscal offices are principally for personal services, and any further reduction therein must result in dismissing necessary employees and very seriously hampering the prompt and efficient performance of their duties by those offices.

A further curtailment of expenses of the Coast Guard must result in decreasing the activity of that service in the prevention of liquor smuggling. A reduction in such appropriations as those for field investigations of public health and studies in rural sanitation under the Public Health Service will require that trained employees be dismissed and the organizations now performing that work disrupted. With the public-buildings program in full operation a large number of new buildings have been completed, many of them in advance of the scheduled time, but these buildings can not be occupied until provided with furniture and other equipment and the necessary personnel and supplies to operate them.

If in the circumstances an arbitrary reduction of over $25,000,000 in the amount of Treasury appropriations is to be made, there remains for consideration only the appropriation for sites and construction of public buildings. The pending bill provides $106,000,000 for this purpose. In this connection, however, I must invite the attention of your committee to the fact that the House of Representatives reduced this appropriation item $12,000,000, or 10 per cent under the amount included in the Budget for the fiscal year 1933, and also point out that the effect of the further reduction of $25,000,000 will mean the deferment of at least 250 authorized public-building projects, all of which could be placed under contract during the fiscal years 1932 and 1933.

The outstanding obligations on March 24, 1932, under this appropriation head, exceed $86,000,000. Additional obligations to the extent of approximately $21,000,000 will be made within a few months and liquidated during the fiscal year 1933 for superstructures where foundations are now under contract. There was available on March 24, 1932, about $47,000,000 to meet this total of $107,000,000 of existing and known obligations for the 328 projects which are now under contract in whole or in part.

It is therefore evident that $60,000,000 of the $108,000,000 now included in the bill will be required to meet these obligations, leaving available $48,000,000 for new contracts which may be let during the fiscal years 1932 and 1933. Should Congress reduce this appropriation item $25,000,000, there would remain for new contracts approximately $23,000,000.

I am inclosing a list of 302 authorized public-building projects, arranged by States, which have not yet been placed under contract but for which drawings either have been completed or are in process of completion. It is estimated that $23,000,000 would permit the placing under contract of about 17 of the 302 projects, which, in my opinion, should be given preference. These 17 are very urgent cases, with total limits of cost aggregating $68,000,000, and are located in 13 cities, namely, Albany, N. Y.; Baltimore, Md.; Cincinnati, Ohio; Cleveland, Ohio; Minneapolis, Minn.; Newark, N. J.; New York City; Norfolk, Va.; San Francisco, Calif.; Philadelphia, Pa.; St. Louis, Mo.; St. Paul, Minn.; and the central heating plant at Washington, D. C. Of course, it is possible that delays might allow the placing under contract of a few additional projects; but it is safe to assume that between 250 and 275 of the projects enumerated on the inclosed statement would have to be indefinitely deferred in the event a reduction of $25,000,000 is made in the lump-sum item for public buildings.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

Hon. W. L. JONES,
Chairman Committee on Appropriations,
United States Senate.

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932

State and project	Limit of cost	Total
Alabama:		
Athens	$90,000	
Auburn	90,000	
		$180,000
Arizona:		
Douglas, border station	65,000	
Phoenix	1,080,000	
Yuma	190,000	
		1,335,000
Arkansas:		
Blytheville	95,000	
Jonesboro	110,000	
Pine Bluff	55,000	
		260,000
California:		
Alameda	75,000	
Beverly Hills	800,000	
Calexico, border station	73,000	
El Centro	140,000	
Glendale	455,000	
Marysville	150,000	
Merced	180,000	
Modesto	195,000	
Monterey	180,000	
Napa	140,000	
Oroville	145,000	
Palo Alto	210,000	
Petaluma	165,000	

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932—Continued

State and project	Limit of cost	Total
California—Continued.		
Porterville	$150,000	
Redlands	170,000	
San Diego	775,000	
San Francisco, Federal office building	3,050,000	
San Francisco, post office, etc.	750,000	
San Jose	455,000	
San Ysidro, border station	105,000	
Tecate, border station	59,500	
Vallejo	185,000	
Ventura	200,000	
Visalia	150,000	
		$8,467,500
Colorado: Greeley	50,000	50,000
Connecticut:		
Bridgeport	1,200,000	
New London	420,000	
Putnam	115,000	
		1,735,000
Delaware:		
Dover	100,000	
Reedy Island, quarantine station	14,500	
		114,500
Florida:		
Bradenton	155,000	
Clearwater	150,000	
Daytona Beach	285,000	
Fort Lauderdale	175,000	
Fort Myers	210,000	
Jacksonville, courthouse	2,000,000	
Miami, quarantine station	65,000	
Palm Beach	200,000	
Sarasota	175,000	
		3,415,000
Georgia:		
Columbus	410,000	
Macon	395,000	
Savannah, marine hospital	18,000	
Thomaston	95,000	
		918,000
Idaho: Weiser	110,000	110,000
Illinois:		
Chicago, appraisers' stores	1,150,000	
Chicago, marine hospital	510,000	
East Moline	105,000	
Hillsboro	75,000	
Joliet	185,000	
Lake Forest	160,000	
Lawrenceville	100,000	
Morris	115,000	
Oak Park	600,000	
Peru	100,000	
Rockford	735,000	
Waukegan	335,000	
Wheaton	140,000	
		4,310,000
Indiana:		
Auburn	115,000	
French Lick	85,000	
Hagerstown	80,000	
Plymouth	80,000	
Salem	80,000	
Terre Haute	600,000	
Vincennes	145,000	
Winchester	95,000	
		1,280,000
Iowa:		
Council Bluffs	160,000	
Des Moines	775,000	
Dubuque	675,000	
Sioux City	1,025,000	
Spencer	105,000	
		2,740,000
Kansas:		
Holton	85,000	
Manhattan	77,000	
		162,000
Kentucky:		
Ashland	200,000	
Lexington	760,000	
Louisville, marine hospital	460,000	
		1,420,000
Louisiana:		
Alexandria	340,000	
Baton Rouge	465,000	
Monroe	390,000	
		1,205,000
Maine:		
Fort Fairfield, border station	61,000	
Houlton, border station	65,000	
Limestone	31,500	
Orono	80,000	
Portland, post office	850,000	
Presque Isle	105,000	
Sanford	100,000	
		1,294,500
Maryland:		
Baltimore, appraisers' stores	1,000,000	
Baltimore, marine hospital	1,620,000	
Crisfield	105,000	
		2,725,000
Massachusetts:		
Brockton	345,000	
Cambridge	755,000	
Easthampton	100,000	
Gloucester	350,000	

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932—Continued

State and project	Limit of cost	Total
Massachusetts—Continued.		
Lynn	$700,000	
Norwood	150,000	
Provincetown	105,000	
Quincy	240,000	
Rockland	115,000	
Salem	360,000	
Waltham	220,000	
Williamstown	95,000	
		$3,515,000
Michigan:		
Alma	115,000	
Detroit, immigration station	115,000	
Iron Mountain	170,000	
Jackson	515,000	
Lansing	850,000	
Lapeer	100,000	
Marshall	130,000	
Port Huron	115,000	
South Haven	115,000	
		2,225,000
Minnesota:		
Austin	75,000	
Fergus Falls	150,000	
Hopkins	85,000	
Mankato	200,000	
Minneapolis	4,150,000	
Northfield	125,000	
Pipestone	90,000	
Rochester	360,000	
St. Paul	2,700,000	
		8,035,000
Mississippi:		
Columbia	70,000	
Hattiesburg	245,000	
Jackson	825,000	
Meridian	555,000	
Winona	75,000	
		1,770,000
Missouri:		
Jefferson City	450,000	
St. Louis, courthouse	3,825,000	
Trenton	100,000	
		4,375,000
Montana:		
Billings	240,000	
Roosville, border station	59,000	
Sweetgrass, border station	61,000	
		360,000
Nebraska:		
David City	75,000	
Omaha	740,000	
Sidney	80,000	
		895,000
Nevada:		
Elko	140,000	
Ely	95,000	
Las Vegas	320,000	
Reno	565,000	
		1,120,000
New Hampshire:		
Littleton	265,000	
Manchester	450,000	
		715,000
New Jersey:		
Bloomfield	335,000	
Freehold	135,000	
Jersey City	455,000	
Newark	6,150,000	
Paterson	800,000	
Phillipsburg	155,000	
Princeton	95,000	
Somerville	135,000	
Union City	375,000	
West New York	375,000	
		9,010,000
New Mexico:		
Gallup	125,000	
Silver City	115,000	
		240,000
New York:		
Albany	3,325,000	
Binghamton	625,000	
Catskill	110,000	
Chateaugay, border station	59,100	
Dansville	145,000	
Endicott	190,000	
Flushing	700,000	
Fort Covington, border station	58,000	
Freeport	215,000	
Glen Cove	160,000	
Hempstead	315,000	
Herkimer	120,000	
Jamaica	875,000	
Lockport	80,000	
Malone	175,000	
Mooers, border station	59,300	
New York City, courthouse	10,700,000	
New York City, marine hospital	2,500,000	
New York City, post-office annex	9,500,000	
Niagara Falls	200,000	
Norwich	120,000	
Nyack	150,000	
Patchogue	200,000	
Port Chester	320,000	
Rochester	1,700,000	

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932—Continued

State and project	Limit of cost	Total
New York—Continued.		
Rouses Point, border station	$153,000	
Schenectady	370,000	
Seneca Falls	115,000	
		$33,247,400
North Carolina:		
Charlotte	525,000	
Durham	550,000	
High Point	400,000	
Mount Airy	145,000	
Rockingham	120,000	
Wadesboro	90,000	
		1,830,000
North Dakota: Carrington	90,000	90,000
Ohio:		
Barberton	175,000	
Bucyrus	140,000	
Canton	725,000	
Cincinnati, P. P. B.	3,000,000	
Cleveland	5,275,000	
Columbus	2,275,000	
Delphos	98,000	
Dover	110,000	
Fostoria	160,000	
Galion	140,000	
Mount Vernon	135,000	
Oberlin	105,000	
Painesville	180,000	
Ravenna	145,000	
Shelby	105,000	
Urbana	130,000	
		12,896,000
Oklahoma:		
Ada	250,000	
Duncan	125,000	
Miami	235,000	
Ponca City	250,000	
Stillwater	135,000	
		995,000
Oregon:		
Marshfield	140,000	
Oregon City	115,000	
St. Johns	60,000	
		315,000
Pennsylvania:		
Ambridge	145,000	
Bellefonte	125,000	
Bloomsburg	140,000	
Bryn Mawr	175,000	
Chester	515,000	
Coatesville	165,000	
Ellwood City	135,000	
Greenville	175,000	
Grove City	120,000	
Jeannette	155,000	
Lansdale	120,000	
Lewisburg	255,000	
McKeesport	90,000	
Milton	110,000	
Nanticoke	70,000	
New Castle	525,000	
New Kensington	255,000	
Norristown	490,000	
Philadelphia, customhouse and appraisers, stores	4,200,000	
Stroudsburg	120,000	
Waynesboro	145,000	
Wilkes-Barre	395,000	
Williamsport	240,000	
		8,905,000
Rhode Island: East Greenwich	95,000	95,000
South Carolina: Cheraw	75,000	75,000
South Dakota:		
Hot Springs	90,000	
Watertown	120,000	
		210,000
Tennessee:		
Chattanooga	1,435,000	
Cleveland	90,000	
Jackson	350,000	
Knoxville	1,575,000	
Memphis, marine hospital	175,000	
Nashville	1,565,000	
		5,190,000
Texas:		
Beaumont	680,000	
Big Spring	166,000	
Breckenridge	140,000	
Cisco	130,000	
Fort Worth, courthouse	1,215,000	
Harlingen	170,000	
Jacksonville	125,000	
McAllen	135,000	
Pampa	180,000	
Plainview	152,000	
San Angelo	200,000	
Stephenville	90,000	
Tyler	380,000	
		3,782,000
Utah:		
Bingham Canyon	75,000	
Cedar City	150,000	
Ogden, Forest Service building	300,000	
Tooele	75,000	
		600,000

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932—Continued

State and project	Limit of cost	Total
Vermont:		
Alburg, border station	$56,000	
Beecher Falls, border station	56,000	
Canaan, border station	56,000	
Highgate Springs, border station	60,000	
Middlebury	90,000	
Norton Mills, border station	56,000	
Richford, border station	59,000	
Springfield	135,000	
West Berkshire, border station	59,500	
White River Junction	125,000	
		$782,500
Virginia:		
Bristol	210,000	
Cape Charles	77,500	
Culpeper	80,000	
Danville	500,000	
Lynchburg	848,000	
Norfolk, marine hospital	800,000	
Norfolk, post office	1,925,000	
		4,440,500
Washington:		
Chehalis	150,000	
Longview	210,000	
Oroville, border station	59,500	
		419,500
West Virginia:		
Beckley	145,000	
Huntington	300,000	
Princeton	130,000	
Weston	150,000	
		815,000
Wisconsin:		
Kenosha	300,000	
Sheboygan	295,000	
Two Rivers	130,000	
Wausau	280,000	
		1,005,000
Wyoming:		
Cheyenne, Federal office building	200,000	
New Castle	60,000	
Torrington	90,000	
		350,000
District of Columbia:		
Central heating plant	5,749,000	
Coast Guard building	3,000,000	
Department of State building	3,000,000	
		11,749,000
Hawaii, Honolulu, Immigration Service	415,000	415,000
Total	152,120,400	152,120,400

EXHIBIT G

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 29, 1932.

Hon. WESLEY L. JONES,
Chairman Committee on Appropriations,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: The receipt is acknowledged of your letter of March 23, in which you advise me of the intention of the committee, in accordance with the instructions of the Senate, to reduce the aggregate of the appropriations for the Postal Service for the fiscal year 1933 by 10 per cent of the amount carried in the Treasury-Post Office bill as passed by the House.

The indicated reduction amounts to $80,546,617.50, and you ask me for an itemized statement showing under what appropriation heads deductions can be applied which will make up this total. You ask also for an expression of my opinion concerning the effect which such a reduction would have upon the efficiency of the Postal Service.

The original estimates of the appropriations for the fiscal year 1933 were carefully prepared by the department with a view to keeping the postal expenditures for the year at the lowest level consistent with the maintenance of the service on a basis of reasonable efficiency. Notwithstanding this fact, the Bureau of the Budget reduced many items included in the department's estimates, in some instances going far below the amounts judged by the department to be absolutely essential for the maintenance of the service without loss of efficiency. In making up the appropriation bill upon the basis of the Budget estimates, the House of Representatives made still further reductions. Under these circumstances it is probably unnecessary for me to advise you that an arbitrary reduction of more than $80,000,000 below the amount carried in the House bill, as now proposed, can be made only at the risk of a serious impairment of the service.

The department is wholly in sympathy, however, with the purpose of Congress to lighten the burdens which are imposed upon the country for the support of the Federal Government, and, desiring to cooperate fully in any endeavor which Congress may see fit to make to reduce the postal expenditures, it has given careful study to the problem presented by your letter.

Of the total of $805,466,175 carried in the House bill, the sum of $569,881,656, or 71 per cent, is for salaries and wages, leaving $235,584,519 for miscellaneous purposes. Of this latter amount, about $105,000,000 represents compensation payable to the railroads for transporting the mails at rates fixed by the Interstate

Commerce Commission. Some $90,000,000 is to meet the department's obligations to other carriers of the mails, entirely covered by contracts, many of which run for a term of years. Unless the Government is to adopt a policy of repudiating its undertakings no reduction can be made in these amounts. Of the $40,000,000 which remains in the appropriations for miscellaneous purposes, about $23,000,000 is for post-office quarters rented from private owners, very largely upon long-term contracts. Only a small reduction can be made in this item. The remainder of the miscellaneous appropriations—$17,000,000—goes for the supplies and equipment necessary to carry on the service, for travel expenses, and sundry incidental objects. These items have already been cut to the department's barest necessities, and can scarcely be reduced further. For these reasons almost the entire amount of the reduction which the Senate requires must be applied against the appropriations which are available for personal service.

As the laws now stand, the department is without authority to reduce wages. It is without authority to change the hours of labor, which Congress saw fit to shorten effective July 1 last. It can not deal in any way with the rates of compensation or the allowances of its personnel. It can, however, reduce its force, not only in Washington but at post offices throughout the country and in the Rural Free Delivery and Railway Mail Services. And it goes without saying that if drastic reductions are carried into the salary appropriations for the fiscal year 1933, without any change in the laws which control the administration of the Postal Service, there will be no escape from a drastic reduction in the numbers of postal workers.

The effect upon the efficiency of the service would, of course, be severe. Large numbers of post-office workers can not be dismissed except at the expense of the service rendered the public. The department performs no service which it can abandon altogether, but it performs no service which it can not restrict within such limits as the action of Congress may necessitate. The reduction of the force which would follow the adoption of the plan which the Senate has in mind would mean, among other things, the curtailment of urban delivery and collection service in both residential and business districts, the abandonment of many postal stations and branches, and the immediate consolidation of thousands of rural routes and the limitation of others to triweekly service. In other words, it would require an almost complete reconstruction of the Nation's system of postal facilities on such a restricted basis as could be improvised to conform to the limits of the reduced funds.

It would, of course, mean also the dismissal of between 30,000 and 40,000 regular civil-service employees, who would be left to join the ranks of the unemployed. The contemplation of this possibility, coupled as it would be with a greatly impaired postal service to the entire country, obliges me to make the suggestion that should Congress conclude that the public interests compel the proposed reduction in the appropriations for the Postal Service, it would be desirable at the same time to modify the laws which determine the compensation and allowances and the hours of labor of postal employees, so that instead of dismissing a large number of employees and cutting off their earnings altogether, the department would be put in a position to retain all regular employees on its rolls, but with a reduced schedule of working hours, compensation, and allowances. This would not only make it possible to distribute the hardship proportionately among employees of all classes, but would also make it possible to maintain the present service without radical curtailment. Should Congress decide to pursue this course, it will be necessary to make the following changes in the laws which regulate the employment of the personnel under the jurisdiction of the Post Office Department:

1. A suspension of the 44-hour week as the basis of compensation; and provision for a shortening and staggering of hours of service, with proportionate reduction of pay.

2. A suspension of the extra pay for overtime and night service and compensatory time for Sundays and holidays.

3. A suspension of automatic promotions.

4. A reduction in the amount of annual leave.

5. A reduction in the travel allowances of railway mail clerks.

6. A suspension of the allowance to fourth-class postmasters for rent, light, fuel, and equipment.

7. A reduction of the allowances to third-class postmasters for clerk hire and for rent, light, and fuel.

8. A suspension of the allowance to rural carriers for the maintenance of vehicles.

9. A reduction in the fees to special-delivery messengers.

10. A 10 per cent reduction in all basic compensation schedules, including those applicable to the departmental service in the District of Columbia.

I, of course, do not wish to be understood as advocating these revisions in the law; but if a further reduction of 10 per cent is to be made in the department's appropriation, either the service to the public must be substantially curtailed and many thousands of workers dismissed or the compensation and allowances of postal employees generally must be radically reduced.

You will find attached the itemized statement which you requested.

Yours very truly,

WALTER F. BROWN.

Statement showing, by items, reductions in postal appropriations necessary to decrease the aggregate by 10 per cent of the amount carried in the House bill

Item	Amounts approved by House	Reductions	Reduced amounts
Office of the Postmaster General:			
Salaries—			
Office of the Postmaster General (p. 46, line 11)	$235,790.00	$23,579.00	$212,211.00
Post Office Department buildings (p. 46, line 16)	279,445.00	27,944.50	251,510.50
Office of the First Assistant (p. 46, line 22)	530,000.00	53,000.00	477,000.00
Office of the Second Assistant (p. 46, line 24)	444,820.00	44,482.00	400,338.00
Office of the Third Assistant (p. 47, line 2)	798,930.00	79,893.00	719,037.00
Office of the Fourth Assistant (p. 47, line 5)	369,150.00	36,915.00	332,235.00
Office of the solicitor (p. 47, line 7)	75,000.00	7,500.00	67,500.00
Office of the chief inspector (p. 47, line 8)	207,140.00	20,714.00	186,426.00
Office of the purchasing agent (p. 47, line 9)	38,630.00	3,863.00	34,767.00
Bureau of accounts (p. 47, line 10)	97,370.00	9,737.00	87,633.00
Post-office inspectors, salaries (p. 51, line 20)	2,049,450.00	204,945.00	1,844,505.00
Post-office inspectors, clerks, division headquarters (p. 52, line 11)	328,000.00	32,800.00	295,200.00
Total reductions, office of the Postmaster General		845,372.50	
Office of the First Assistant:			
Compensation to postmasters (p. 53, line 4)	50,800,000.00	5,640,000.00	45,160,000.00
Compensation to assistant postmasters (p. 53, line 6)	7,140,000.00	714,000.00	6,426,000.00
Clerks, first and second class post offices (p. 53, line 11)	182,325,000.00	25,942,546.00	156,382,454.00
Clerks, third-class post offices (p. 53, line 18)	8,500,000.00	2,117,000.00	6,383,000.00
City Delivery Service (p. 54, line 5)	127,000,000.00	15,679,000.00	111,321,000.00
Special delivery service (p. 54, line 6)	8,450,000.00	900,000.00	7,550,000.00
Rural Delivery Service (p. 54, line 11)	106,000,000.00	17,200,000.00	88,800,000.00
Total reductions, office of the First Assistant		68,192,546.00	
Office of the Second Assistant:			
Railroad transportation and mail messenger service (p. 55, line 2)	115,000,000.00	20,000.00	114,980,000.00
Railway Mail Service, salaries (p. 55, line 24)	58,430,000.00	8,312,330.00	50,117,670.00
Railway postal clerks, travel allowances (p. 56, line 2)	3,000,000.00	1,200,000.00	2,600,000.00
Foreign mail transportation (p. 57, line 1)	38,695,600.00	25,000.00	38,670,600.00
Contract air mail service (p. 58, line 10)	19,000,000.00	4,000.00	18,996,000.00
Total reductions, office of the Second Assistant		9,661,330.00	
Office of the Third Assistant:			
Distribution of stamped envelopes and newspaper wrappers (p. 58, line 21)	23,750.00	2,370.00	21,380.00
Office of the Fourth Assistant:			
Shipment of supplies (p. 61, line 4)	65,000.00	5,200.00	59,800.00
Labor-saving devices (p. 61, line 11)	550,000.00	10,500.00	539,500.00
Mail bags and equipment (p. 61, line 21)	1,450,000.00	67,500.00	1,382,500.00
Rent, light, and fuel (p. 62, line 8)	17,500,000.00	500,000.00	17,000,000.00
Vehicle service (p. 63, line 3)	16,500,000.00	1,561,799.00	14,938,201.00
Total reductions, office of the Fourth Assistant		2,144,999.00	
Total reductions, departmental and field service		80,546,617.50	

NATIONAL PROGRAM OF ECONOMY

Mr. BYRNES. Mr. President, I offer a resolution, which I send to the desk and ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read.

The Chief Clerk read the resolution (S. Res. 194), as follows:

Resolved, That the President of the United States be, and he is hereby, requested to transmit to the Congress his recommendations as to—

(1) What specific items of appropriation heretofore recommended by him for the fiscal year 1933 can be reduced by the Congress;

(2) What specific existing laws require the carrying on of functions not absolutely essential for the present;

(3) What specific departments, bureaus, or independent establishments of the Government should be merged or consolidated; and

(4) What specific legislation should be enacted to establish a complete national program of economy.

Mr. BYRNES. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, in conformity with the general practice in matters of this kind, I ask that the resolution go over under the rule for the day.

The VICE PRESIDENT. The resolution will go over.

Mr. BYRNES. Mr. President, I give notice that I shall ask for the consideration of the resolution at the earliest possible moment. Should the resolution introduced by the Senator from Washington [Mr. JONES] be reported by the Committee on Appropriations, I shall offer as a substitute the resolution which has been read at the desk.

The remarks of the distinguished Senator from Mississippi [Mr. HARRISON] demonstrate clearly the necessity for definite action of this kind. Much time has been lost and more will be lost in discussion of the possible reduction of appropriations. The adoption of this resolution would bring to a head this discussion.

I do not desire to speak at length as to the recommendations contained in the message of the President, but there are some matters referred to by him which I desire to discuss briefly.

The President asks that representatives be delegated by the two Houses who, together with representatives of the Executive, should be authorized to frame for action by the present Congress a complete national program of economy, and to recommend the legislation necessary to make it possible and effective.

Let us analyze for a moment this recommendation of the President. The Appropriations Committees are daily at work in House and Senate in an effort to reduce the appropriations for the next fiscal year. This effort is being made over the protests of members of the President's Cabinet and the heads of his departments, who declare that the appropriations for their respective departments have already been too greatly reduced.

The President asks now that the Appropriations Committee of the Senate and the Appropriations Committee of the House discontinue their work, and that the commission, or committee, described by him in his message, shall enter into the consideration of a national program of economy and recommend necessary legislation.

Mr. President, whenever such a recommendation is made by that commission, if it is to be a national program of economy, it must include recommendations for reductions in appropriations for the next fiscal year as well as the consolidation of bureaus. Such proposals, under the rules of the Senate and the House, would then have to be referred to the committees having charge of the subject matter of such proposals. In so far as the pending appropriation bills are concerned, it would simply mean that when the commission reported to the Congress, its recommendations would be referred to the appropriation committees, and that the committees would again resume work.

As to the reductions in the appropriation bills which are pending in the Appropriations Committees, nothing new can be brought before the Committee on Appropriations of the Senate or of the House except the views of the representatives the President seeks to appoint. If these representatives are individuals not connected with any of the departments of the Government, there is little reason to believe that in a few days they could hope to know as much of the opportunities for reductions in appropriations as do the members of the committees of the Senate and the House who for months have been considering the estimates for appropriations, and endeavoring to secure the cooperation of the department heads in effecting reductions. If the representatives are to be individuals now connected with departments of the Government and associated with the President, then there is no reason why the President can not call them into conference to-morrow morning.

The President states properly that the people are sorely in need of relief from taxation. Since he submitted his Budget estimate last December asking Congress for appropriations amounting to $4,112,000,000, he has sent many messages to Congress asking for additional sums totaling $955,595,333. In other words, since he submitted the Budget estimate in December, he has asked of the Congress appropriations totaling approximately a billion dollars.

He might make the Members of Congress happy, and he might make the taxpayers of America happy by sending to the Congress one message setting forth one single office in the departments of the Government under his administration which can possibly stand a reduction in appropriations.

It is equally true that in the five years he has been urging the consolidation of bureaus he must have had in mind some suggestion which, in his language, "would offer opportunities for a material reduction in governmental expenditures."

In response to the resolution I have introduced, he can submit those suggestions. The President can not evade the responsibility that rests upon him in this matter. The Constitution provides as to the duty of the President that he shall from time to time give to the Congress information of the state of the Union and recommend "to their consideration such measures as he shall judge necessary and expedient." By no provision of the Constitution is he called upon to legislate or authorized to appoint representatives to participate in the framing of bills for the consideration of Congress, but by the Constitution it is provided that it is his duty to make recommendations to Congress of such measures as he shall judge necessary and expedient. By the language of the Budget Act he is also charged with the duty of making such recommendations.

Mr. President, I think it exceedingly unfortunate that the advisers of the President should have given to him the inaccurate figures used by him in his message and in the statement of yesterday. The people of America ought to know the problem confronting this Congress, that the Congress is confronted not with the necessity of balancing the Budget by raising revenue to meet expenditures amounting to $4,112,000,000, as stated by the President in his message to the Congress, but that the necessity is upon the Congress to levy taxes sufficient to meet expenditures based upon the requests of the President, which to this date amount to $5,557,074,434.

The President states that he will "welcome and hope for cuts in appropriations below his Budget proposals, provided such cuts do not destroy essential functions." If this is correct, then it is only fair that the Congress call upon him to name one specific item of appropriation as to which he has changed his mind and would now consent to have reduced below the amount he requested of the Congress in December. In his message, the President seems somewhat to complain that what he calls "positive reductions" so far made by the House, and by its committees, are less than $35,000,000. If this statement were correct, it would be $35,000,000 saved for the taxpayers of America, without the slightest bit of assistance from either the President or the head of any one of his departments. If he would recommend further cuts and had at heart the interest of the taxpayers, the people of America would beg of him now that he submit to Congress some specific recommendation as to how further cuts can be made without destroying essential functions.

The Appropriation Committees of the House and Senate are working on that problem. By direction of the Senate, the Interior appropriation bill was recommitted to the Appropriations Committee of the Senate with instructions to reduce the appropriations an additional 10 per cent below the amount of the bill as it passed the House, which was less than the amount asked for by the President. That committee meets this afternoon to consider that question. The heads of the departments live with the problems of their departments. They know better than any others where cuts can be made without destroying essential functions. They know that the representatives of the people in

the House and the Senate are determined to reduce the appropriations and want to do it without impairing essential functions of government. The President can perform a service in making a specific recommendation as to how these appropriations can be cut, but to this good day he has never advised the Congress of a single item of appropriation which could be reduced below the amount requested by him last December, which amounts he knows this Congress will never appropriate for the next fiscal year.

More serious than that is the statement contained in the message of the President that of the total of reductions reported by the committees of the House, amounting to $113,000,000, about "$78,000,000 are effectively postponements until the next December session of the Congress, and must then be provided for in deficiency bills." This is an invitation by the President of the United States to the heads of departments to willfully incur deficiencies, and an assurance by him that those deficiency appropriations will be provided for in December. An examination of the reductions in appropriations made in the bills so far reported by the House and Senate will never show $78,000,000, which can be called "postponements" until the December session of this Congress. There are some appropriations for projects authorized by law as to which, if the President sees fit to encourage expenditures beyond the amount fixed by Congress, the department heads might have some defense to offer for the violation of law. But lest some bureau chief may be encouraged by the invitation of the President to spend more money than the Congress appropriates for the activities of a bureau, I want to call their attention to the provisions of Revised Statute 3679, providing:

> All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law, or for obligations required or authorized by law without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or certain allotments as to prevent expenditures in one portion of the year, which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made. * * *

For the violation of this statute there is provided removal from office and punishment by fine of not less than $100 or imprisonment for not less than one month.

In construing this section, in the case of Parshall against United States, One hundred and seventh Federal, 433, it is stated:

> It is a settled and recognized policy of Congress to keep all the departments of the Government in the matter of incurring of obligations for expenditures within the appropriations annually made for conducting its affairs.

This law has not been enforced as rigidly as it should be, but if any bureau chief is misled by the President's message into believing that he can incur a deficiency, and does so, in violation of the law, my hope is that he will be made to feel the penalty of the law.

The Senator from Mississippi referred to the recommendations of Mr. Hoover, when Secretary of Commerce, before the Joint Committee on Reorganization. I have before me that statement of Mr. Hoover. His recommendation to that committee which met with the approval of the Senator from Utah [Mr. SMOOT] was:

> My suggestion is that Congress should give authority to the President to make such changes within the limits of certain defined principles as may be recommended to him by an independent commission to be created by Congress and clothed with these authorities.

He urged one commission to recommend another commission.

It was the then Secretary of Commerce, the now Chief Executive, who introduced government by commissions. At that time our commissions, boards, and independent establishments numbered 29. To-day there are about 50.

Before the Committee on Agriculture and Forestry there is a bill introduced by me some time ago seeking to merge the Farm Board with the Department of Agriculture. That committee, I am promised, will meet on Friday for the consideration of the bill. One word from the President of the United States to the friends of the administration on that committee and the bill would be favorably reported to the Senate, and one bureau, which has demonstrated its extravagance and inefficiency in government, could be abolished. But I know and the Senate knows that that word will never come.

That is true also of many other bureaus and commissions. They can be abolished. Therefore I have introduced the resolution in order that we should have a show-down between the executive and the legislative departments. The President of the United States knows that he need not appeal in his message for nonpartisan consideration of this question of reducing appropriations and consolidating bureaus. That consideration has been given to every recommendation he has sent to the Congress, and he can be assured, so far as the Democrats of the Congress are concerned, that they will continue to give nonpartisan consideration to every measure that offers any hope to the oppressed taxpayers of America. They ask of him only that he specifically name one item of appropriation that can be reduced, one bureau that should be abolished or consolidated, and failing in this that he refrain from efforts to induce the people of America to believe that the executive department is urging economies upon the legislative department of the Government.

PHILIPPINE INDEPENDENCE

Mr. DILL. Mr. President, I want to say just a word about an item in the Washington Post of this morning concerning the Philippine Islands. There is a dispatch from Tokio by the Associated Press to the effect that—

> Japan would willingly sign a treaty with the United States guaranteeing perpetually the independence of the Philippine Islands in the event they are freed.

To me that is the most important announcement in connection with the Philippine Islands that I have seen since the day when Dewey sailed into Manila Bay. It is clearly evident that if the Government is really desirous of freeing the Philippines, we can have the cooperation of the one great power in the Orient for that purpose. I therefore ask to have printed as a part of my remarks the statement to which I have referred.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

[From the Washington Post, Wednesday, April 6, 1932]

JAPAN IS READY TO SIGN TREATY ON PHILIPPINES—WOULD PROMISE TO LET ISLANDS STAY FREE FOR ALL TIME—DISCREDITS DESIRE TO ANNEX TERRITORY—"IMPERIALISTIC TONE" IMPLIED IN RECENT STIMSON PLEA TAKEN WITH SURPRISE

TOKYO, April 5.—Japan would willingly sign a treaty with the United States guaranteeing perpetually the independence of the Philippine Islands in the event they are freed, a Government spokesman said to-day.

This statement was the official comment on the adoption yesterday by the House of Representatives in Washington of the Hare bill, which would make possible complete independence for the islands by 1940.

The action of the House caused considerable surprise in official circles here and the newspapers treated it as an event of first importance. Many columns were devoted to accounts of the vote. News articles were accompanied by pictures of Secretary of State Stimson, who opposed independence for the Philippines at this time, saying that American withdrawal would be followed by domination "by some foreign power, probably either China or Japan."

NO DESIRE OF ACQUISITION

Regarding this question, the Japanese Government spokesman asserted that Philippine domination "would be as great a liability to Japan at it has been to the United States."

"We have declared for many years past, and we reiterate now, that Japan has no desire to acquire the Philippines," the spokesman said.

"We are unable to see any advantage to Japan if America grants their independence. We are chiefly interested in the islands as a profitable market near home, but we doubt whether independence would improve that market. Probably the reverse would happen."

Japan has been unable to "fully digest Formosa," he added, and the Philippines have a much larger area and population, with intricate and numerous racial problems. Formosa, the large island to the north of the Philippines, was ceded by China to Japan after the Sino-Japanese war of 1894.

TONE BRINGS SURPRISE

"I am unable to recall hearing any Japanese, even the most imperialistic, seriously suggest that Japan would ever want the islands," the spokesman concluded.

In some official quarters surprise was expressed at what was described as "an imperialistic tone" in Secretary Stimson's statement. According to this interpretation the Secretary implied a desire to keep the islands as a base from which American influence might continue to be exerted in the Orient.

"Such an exertion of influence has implications disquieting to Japan," one commentator said. Another asserted it was "hard to believe" the same man was responsible for the Stimson Philippine views and for "the Secretary's recent idealistic letter to Senator BORAH."

February 24 Secretary Stimson wrote to Senator BORAH a letter in which he said the whole fabric of international understanding in the Far East was threatened by the hostilities between Japan and China. The letter was interpreted as notifying Japan that she was in China in violation of treaties. It affirmed, in effect, that the United States would not recognize any settlement based on military force.

ARMY DAY PARADE—RECESS

Mr. McNARY obtained the floor.

Mr. NORRIS. Mr. President——

Mr. McNARY. Does the Senator from Nebraska wish me to yield to him? I have taken the floor for the purpose of submitting a unanimous-consent request that the Senate recess until 3 o'clock that the Members may have the opportunity to view the Army Day parade in connection with the fifteenth anniversary of our entrance into the World War.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President, for the present I object. Of course, I am not going to insist on the objection. If Senators want to see the parade, I shall be the last man to stand in the way, but it seems to me something ought to have been said about the parade that is in honor of our entrance into the World War 15 years ago to-day.

The material which the Senator from Pennsylvania [Mr. REED] placed in the RECORD earlier in the day, it seems to me, requires or ought to have some comment. Far be it from my intention to take away any honor, glory, or distinction from our Army. If this were purely an Army day, I would have nothing to say, but what is happening to-day is a parade in honor of our entrance into the war.

Neither do I want to quarrel with anybody—and that is not my intention now—who believed then and who believes now that we ought to have gone into the war. That is a question which I concede has two sides to it. But out of respect, it seems to me, for a sentiment in the country, backed up by millions and millions of honest, patriotic thinking men and women, I believe the last thing we ought to do is to celebrate our entrance into the World War.

Mr. President, I have before me a morning paper. Turning to the editorial page, I find the leading editorial headed with these words:

Give the people a chance to see the Army Day parade.

It goes on to tell about this great parade, the greatest parade that has taken place since the war probably, the greatest day of the entire George Washington bicentennial celebration, turned into a parade of rejoicing because we entered the World War. This editorial states that Congress ought to adjourn to view the parade—I think it is something of that kind—and then calls attention to the fact that the school children of our Capital City ought to be excused from school in order that they might view the parade held in honor of our entrance into the war. It likewise asks that the Government employees in the Capital City be given a half holiday in honor of the great parade that is taking place celebrating our entrance into the war.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. DILL. Does the Senator have any doubt that the country is being asked to celebrate its entrance into the war instead of getting out of the war?

Mr. NORRIS. There is not any doubt about it. I would be glad to celebrate Armistice Day. I would be glad, either on this day or any other day, to pay tribute and honor to our Army and our Navy, to our soldiers and seamen. But to turn this great day into a celebration in honor of a war that has brought civilization to the very edge and verge and precipice of destruction it seems to me is the most unreasonable proposition I ever heard of. But referring again to this editorial, on the same page is another editorial. Let us read the heading to that editorial:

Six million hungry waiting to start work.

There is a parade we had better watch. There are two parades, one in honor of our entrance into the war, and an unemployment parade brought about because we entered the war, because the world had that terrible catastrophe that brought practically all the people of the civilized world to their knees suffering, suffering for the necessaries of life.

In the one parade are 6,000,000 unemployed. We could not see that parade in one day. The several hundred thousand in the parade here to-day will be rejoicing because we entered the war and we can see them in a few hours, perhaps less. But the greater parade of suffering humanity, of those who are cold, of those who are nearly unclothed, of those who are hungry, we can watch for a week and it will still be passing by.

It seems to me, Mr. President, that the parade which ought to excite our feelings and our patriotism ought to be the parade of the unfortunates who have not enough to eat, who have not fuel to keep them warm, the widows whose former husbands are perhaps across the sea beneath the poppies, the fatherless children tattered and torn, shivering with cold and suffering from hunger. That is the parade which ought to excite us and which ought to bring from us, it seems to me, sympathy and consolation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon that the Senate take a recess until 3 o'clock?

Mr. DILL. I object.

The VICE PRESIDENT. Objection is made.

Mr. McNARY. Then I move that the Senate stand in recess until 3 o'clock.

The motion was agreed to; and the Senate (at 2 o'clock and 10 minutes p. m.) took a recess until 3 o'clock, at which hour it reassembled and the Vice President resumed the chair.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States submitting a nomination was communicated to the Senate by Mr. Latta, one of his secretaries.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

Mr. ODDIE. Mr. President, as chairman of the subcommittee of the Appropriations Committee having charge of the Treasury and Post Office Departments appropriation bill, I want to make a statement for the American people, because I believe that the matter I shall discuss is of vital importance to their welfare and to the welfare of American industry.

The Senate has already sent two appropriation bills back to the committee with instructions to cut them 10 per cent below the House figure, and the author of the resolution providing for these cuts has made the statement that he will send every appropriation bill back to the committee for similar cuts. The chairman of the Committee on Appropriations, the Senator from Washington [Mr. JONES], has made the statement publicly that a similar cut will be made by the committee in the Treasury and Post Office Departments appropriation bill. This is one of the largest of the appropriation bills. The appropriations in this bill for the two departments aggregate about $1,100,000,000, and a cut of 10 per cent can not be made in this appropriation without doing serious injury to American industry, American labor, and the American people generally.

When this matter was brought to our attention, I wrote a letter to the Secretary of the Treasury telling him that I did not believe it was wise to make the cut and asking him to let me know what the effect would be. In his reply he

sent me a copy of a letter he had written to the Senator from Washington [Mr. JONES].

In these letters, the Secretary of the Treasury indicated that between 250 and 275 of the 302 projects enumerated would have to be indefinitely deferred in the event of a reduction of $25,000,000 in the lump-sum item for public buildings, and also advised that it was not possible to name at that time more than 17 of the fifty and odd projects which might be placed under contract in the event of such a reduction.

He further stated that it will be difficult to estimate the number of men in the building trades and the number of industries supplying materials therefor which would be affected by such a curtailment of the public-building program as the proposed cut of 10 per cent in this bill would necessitate. He stated that it is believed that the value of the work which would have to be withheld from contract during the fiscal years 1932 and 1933 because of this proposed 10 per cent cut will total approximately $60,000,000.

I ask leave to place in the RECORD my letter to the Secretary of the Treasury and his reply, in which he inclosed a list of the projects in the various cities and towns throughout the United States which will have to be discontinued in case the 10 per cent cut is made in this bill.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

WASHINGTON, D. C., *March 31, 1932.*

Hon. OGDEN L. MILLS,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: As the Senate has already sent two appropriation bills back to the Appropriations Committee with instructions to cut 10 per cent therefrom, and as the author of the resolution providing for this has stated his intention to send all of the bills back for a 10 per cent cut, I will ask you to let me know as quickly as possible what the effect of this cut will be on the various activities of the Treasury Department, and especially that of the Federal building program. I would like to know what buildings will be affected and to what extent, how many men in the building and other industries will be thrown out of and deprived of employment, and what effect it will have on the industries supplying materials therefor.

I personally am opposed to this cut, as I believe it will tend to aggravate and prolong the present period of depression, increase unemployment, and delay the return to normal times.

I will appreciate hearing from you as early as possible tomorrow.

Very sincerely yours,

TASKER L. ODDIE.

TREASURY DEPARTMENT,
Washington, April 1, 1932.

HON. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR: I have yours of March 31, and inclose herewith a copy of the letter which I recently sent to Senator JONES. This, I think, will give you part of the information which you desire.

On pages 4 and 5 of the inclosed letter, the department indicated that between 250 and 275 of the 302 projects enumerated would have to be indefinitely deferred in the event a reduction of $25,000,000 were made in the lump-sum item for public buildings, and also advised that it was not possible to name at that time more than 17 of the fifty and odd projects which might be placed under contract in the event of such a reduction.

It is difficult to estimate the number of men in the building trades and the number of industries supplying materials therefor which would be affected by a curtailment of the public-building program, but it is believed that the value of the work which would have to be withheld from contract during the fiscal years 1932 and 1933 will total approximately $60,000,000.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, March 29, 1932.

Hon. W. L. JONES,
Chairman Committee on Appropriations,
United States Senate.

MY DEAR MR. CHAIRMAN: I am in receipt of your letter of March 23, 1932, stating that two of the annual appropriation bills reported to the Senate at this session have been recommitted to the Senate Committee on Appropriations with instructions to reduce each bill 10 per cent of the aggregate amount as passed by the House. You assume that this will be the policy of the Senate as to all future supply bills and request my advice and opinion as to where the reduction of 10 per cent ($25,431,198.80) of the aggregate of appropriations for the Treasury Department as passed by the House can most wisely be made. You further request my opinion as to the efficiency of the operation of the Treasury Department under this proposed reduction.

It is scarcely necessary to remind you that the Treasury Department, as the fiscal branch, is the very heart of the Government organization, and unless the Treasury performs its duties promptly and efficiently all branches of the Government will be hampered in the exercise of their respective functions.

May I state here that during five years' service as Under Secretary I was also Budget officer for the Treasury Department, and in that capacity carefully scrutinized all estimates for appropriations before they were submitted to the Bureau of the Budget. I was assisted by the Treasury Department budget and improvement committee, composed of experienced employees of the department, who make careful inquiry as to all estimates submitted heads of bureaus and offices, and from time to time conduct investigations with the purpose of improving organizations and methods and reducing expenditures. During the past five years estimates submitted by heads of bureaus and offices were reduced by the aggregate amount of $49,294,676.20 before they were submitted to the Bureau of the Budget.

For the purposes covered by Treasury appropriations in the pending bill, heads of bureaus and offices submitted estimates aggregating $320,411,077. After examination by the budget and improvement committee and the Budget officer, items aggregating $22,196,218 were deducted before the estimates were submitted to the Bureau of the Budget. That bureau made further reductions before submitting the estimates to the Congress, and the bill as passed by the House is in the aggregate amount of $254,311,988, or $66,099,089 less than the original estimates submitted by heads of bureaus and offices.

In my letter of March 8, 1932, in response to your letter of February 27, 1932, with respect to the Treasury appropriation bill, I requested a few increases in appropriations as passed by the House of Representatives, but in view of the imperative need for a drastic reduction in expenditures I did not question the remainder (over 95 per cent of the radical reductions made by the House below the amounts submitted in the Budget).

If a further arbitrary reduction of over $25,000,000 is to be made, I am at a loss to point out where (except for one appropriation hereinafter mentioned) such a reduction, or any substantial part of it, can be made without curtailing and seriously hampering essential activities of the Government. The appropriations for the Customs and Internal Revenue Services have already been reduced to the point where any further reduction will imperil the collection of the revenues. The appropriations for the various fiscal offices are principally for personal services, and any further reduction therein must result in dismissing necessary employees and very seriously hampering the prompt and efficient performance of their duties by those offices.

A further curtailment of expenses of the Coast Guard must result in decreasing the activity of that service in the prevention of liquor smuggling. A reduction in such appropriations as those for field investigations of public health and studies in rural sanitation under the Public Health Service will require that trained employees be dismissed and the organizations now performing that work disrupted. With the public buildings program in full operation, a large number of new buildings have been completed, many of them in advance of the scheduled time, but these buildings can not be occupied until provided with furniture and other equipment and the necessary personnel and supplies to operate them.

If in the circumstances and arbitrary reduction of over $25,000,000 in the amount of Treasury appropriations is to be made there remains for consideration only the appropriation for sites and construction of public buildings. The pending bill provides $108,000,000 for this purpose.

In this connection, however, I must invite the attention of your committee to the fact that the House of Representatives reduced this appropriation item $12,000,000, or 10 per cent under the amount included in the Budget for the fiscal year 1933, and also point out that the effect of the further reduction of $25,000,000 will mean the deferment of at least 250 authorized public-building projects, all of which could be placed under contract during the fiscal years 1932 and 1933.

The outstanding obligations on March 24, 1932, under this appropriation head exceed $86,000,000. Additional obligations to the extent of approximately $21,000,000 will be made within a few months and liquidated during the fiscal year 1933 for superstructures where foundations are now under contract. There was available on March 24, 1932, about $47,000,000 to meet this total of $107,000,000 of existing and known obligations for the 328 projects which are now under contract in whole or in part.

It is, therefore, evident that $60,000,000 of the $108,000,000 now included in the bill will be required to meet these obligations, leaving available $48,000,000 for new contracts which may be let during the fiscal years 1932 and 1933. Should Congress reduce this appropriation item $25,000,000, there would remain for new contracts approximately $23,000,000.

I am inclosing a list of 302 authorized public-building projects, arranged by States, which have not yet been placed under contract, but for which drawings either have been completed or are in process of completion. It is estimated that $23,000,000 would permit the placing under contract of about 17 of the 302 projects which, in my opinion, should be given preference. These 17 are very urgent cases with total limits of cost aggregating $68,000,000, and are located in 13 cities; namely, Albany, N. Y.; Baltimore, Md.; Cincinnati, Ohio; Cleveland, Ohio; Minneapolis, Minn.; Newark, N. J.; New York City; Norfolk, Va.; San Francisco.

Calif.; Philadelphia, Pa.; St. Louis, Mo.; St. Paul, Minn.; and the central heating plant at Washington, D. C. Of course, it is possible that delays might allow the placing under contract of a few additional projects, but it is safe to assume that between 250 and 275 of the projects enumerated on the inclosed statement would have to be indefinitely deferred in the event a reduction of $25,000,000 is made in the lump-sum item for public buildings.

Very truly yours,

OGDEN L. MILLS,
Secretary of the Treasury.

List of authorized public-building projects not yet placed under contract but for which drawings either have been completed or are in process of completion as of March 24, 1932

	Limit of cost
Alabama:	
Athens	$90,000
Auburn	90,000
Total	180,000
Arizona:	
Douglas, border station	65,000
Phoenix	1,080,000
Yuma	190,000
Total	1,335,000
Arkansas:	
Blytheville	95,000
Jonesboro	110,000
Pine Bluff	55,000
Total	260,000
California:	
Alameda	75,000
Beverly Hills	300,000
Calexico, border station	73,000
El Centro	140,000
Glendale	455,000
Marysville	150,000
Merced	180,000
Modesto	195,000
Monterey	180,000
Napa	140,000
Oroville	145,000
Palo Alto	210,000
Petaluma	165,000
Porterville	150,000
Redlands	170,000
San Diego	775,000
San Francisco, Federal office building	3,050,000
San Francisco, post office, etc	750,000
San Jose	455,000
San Ysidro, border station	105,000
Tecate, border station	59,500
Vallejo	185,000
Ventura	200,000
Visalia	150,000
Total	8,457,500
Colorado: Greeley	50,000
Connecticut:	
Bridgeport	1,200,000
New London	420,000
Putnam	115,000
Total	1,735,000
Delaware:	
Dover	100,000
Reedy Island quarantine station	14,500
Total	114,500
Florida:	
Bradenton	155,000
Clearwater	150,000
Daytona Beach	285,000
Fort Lauderdale	175,000
Fort Myers	210,000
Jacksonville, courthouse	2,000,000
Miami, quarantine station	65,000
Palm Beach	200,000
Sarasota	175,000
Total	3,415,000
Georgia:	
Columbus	410,000
Macon	295,000
Savannah, marine hospital	18,000
Thomaston	95,000
Total	818,000
Idaho: Weiser	$110,000
Illinois:	
Chicago, appraisers' stores	1,150,000
Chicago, marine hospital	510,000
East Moline	105,000
Hillsboro	75,000
Joliet	185,000
Lake Forest	160,000
Lawrenceville	100,000
Morris	115,000
Oak Park	600,000
Peru	100,000
Rockford	735,000
Waukegan	335,000
Wheaton	140,000
Total	4,310,000
Indiana:	
Auburn	115,000
French Lick	85,000
Hagerstown	80,000
Plymouth	80,000
Salem	80,000
Terre Haute	600,000
Vincennes	145,000
Winchester	95,000
Total	1,280,000
Iowa:	
Council Bluffs	160,000
Des Moines	775,000
Dubuque	675,000
Sioux City	1,025,000
Spencer	105,000
Total	2,740,000
Kansas:	
Holton	85,000
Manhattan	77,000
Total	162,000
Kentucky:	
Ashland	200,000
Lexington	760,000
Louisville, marine hospital	460,000
Total	1,420,000
Louisiana:	
Alexandria	350,000
Baton Rouge	465,000
Monroe	390,000
Total	1,205,000
Maine:	
Fort Fairfield, border station	63,000
Houlton, border station	65,000
Limestone	31,500
Orono	80,000
Portland, post office	850,000
Presque Isle	105,000
Sanford	100,000
Total	1,294,500
Maryland:	
Baltimore, appraisers' stores	1,000,000
Baltimore, marine hospital	1,620,000
Crisfield	105,000
Total	2,725,000
Massachusetts:	
Brockton	345,000
Cambridge	755,000
Easthampton	100,000
Gloucester	350,000
Lynn	700,000
Norwood	130,000
Provincetown	105,000
Quincy	240,000
Rockland	115,000
Salem	360,000
Waltham	220,000
Williamstown	96,000
Total	3,515,000

	Limit of cost
Michigan:	
Alma	115,000
Detroit, Immigration Service	115,000
Iron Mountain	170,000
Jackson	515,000
Lansing	850,000
Lapeer	100,000
Marshal	130,000
Port Huron	115,000
South Haven	115,000
Total	2,225,000
Minnesota:	
Austin	75,000
Fergus Falls	150,000
Hopkins	85,000
Mankato	300,000
Minneapolis	4,150,000
Northfield	125,000
Pipestone	90,000
Rochester	360,000
St. Paul	2,700,000
Total	8,035,000
Mississippi:	
Columbia	70,000
Hattiesburg	245,000
Jackson	555,000
Meridian	555,000
Winona	75,000
Total	1,770,000
Missouri:	
Jefferson City	450,000
St. Louis, courthouse	3,825,000
Trenton	100,000
Total	4,375,000
Montana:	
Billings	240,000
Roosville, border station	59,000
Sweetgrass, border station	61,000
Total	360,000
Nebraska:	
David City	75,000
Omaha	740,000
Sidney	80,000
Total	895,000
Nevada:	
Elko	140,000
Ely	95,000
Las Vegas	320,000
Reno	565,000
Total	1,120,000
New Hampshire:	
Littleton	265,000
Manchester	450,000
Total	715,000
New Jersey:	
Bloomfield	335,000
Freehold	135,000
Jersey City	455,000
Newark	6,150,000
Paterson	800,000
Phillipsburg	155,000
Princeton	95,000
Somerville	135,000
Union City	375,000
West New York	375,000
Total	9,010,000
New Mexico:	
Gallup	125,000
Silver City	115,000
Total	240,000
New York:	
Albany	3,325,000
Binghamton	625,000
Catskill	110,000
Chateaugay, border station	89,100
Dansville	143,000
Endicott	190,000

New York—Continued.	Limit of cost
Flushing	700,000
Fort Covington, border station	56,000
Freeport	215,000
Glen Cove	160,000
Hempstead	315,000
Herkimer	120,000
Jamaica	875,000
Lockport	80,000
Malone	175,000
Mooers, border station	59,300
New York City—	
Courthouses	10,700,000
Marine hospital	2,500,000
Post-office annex	9,500,000
Niagara Falls	200,000
Norwich	130,000
Nyack	150,000
Patchogue	200,000
Port Chester	320,000
Rochester	1,700,000
Rouses Point, border station	153,000
Schenectady	370,000
Seneca Falls	115,000
Total	33,247,400
North Carolina:	
Charlotte	525,000
Durham	550,000
High Point	400,000
Mount Airy	145,000
Rockingham	120,000
Wadesboro	90,000
Total	1,830,000
North Dakota: Carrington	90,000
Ohio:	
Barberton	175,000
Bucyrus	140,000
Canton	725,000
Cincinnati, public parks building	3,000,000
Cleveland	5,275,000
Columbus	2,275,000
Delphos	95,000
Dover	110,000
Fostoria	160,000
Galion	140,000
Mount Vernon	135,000
Oberlin	105,000
Painesville	180,000
Ravenna	145,000
Shelby	105,000
Urbana	130,000
Total	12,898,000
Oklahoma:	
Ada	260,000
Duncan	125,000
Miami	235,000
Ponca City	250,000
Stillwater	135,000
Total	995,000
Oregon:	
Marshfield	140,000
Oregon City	115,000
St. Johns	60,000
Total	315,000
Pennsylvania:	
Ambridge	145,000
Bellefonte	125,000
Bloomsburg	140,000
Bryn Mawr	175,000
Chester	515,000
Coatesville	165,000
Ellwood City	135,000
Greenville	175,000
Grove City	120,000
Jeannette	155,000
Lansdale	120,000
Lewisburg	255,000
McKeesport	90,000
Milton	110,000
Nanticoke	70,000
New Castle	525,000
New Kensington	285,000
Norristown	490,000
Philadelphia, customhouse and appraisers' stores	4,200,000
Stroudsburg	130,000
Waynesboro	145,000

	Limit of cost
Pennsylvania—Continued.	
Wilkes-Barre	$395,000
Williamsport	240,000
Total	8,905,000
Rhode Island: East Greenwich	95,000
South Carolina: Cheraw	75,000
South Dakota:	
Hot Springs	90,000
Watertown	120,000
Total	210,000
Tennessee:	
Chattanooga	1,435,000
Cleveland	90,000
Jackson	350,000
Knoxville	1,575,000
Memphis, marine hospital	175,000
Nashville	1,565,000
Total	5,190,000
Texas:	
Beaumont	680,000
Big Spring	165,000
Breckenridge	140,000
Cisco	130,000
Fort Worth, courthouse	1,215,000
Harlingen	170,000
Jacksonville	135,000
McAllen	180,000
Pampa	135,000
Plainview	152,000
San Angelo	200,000
Stephenville	90,000
Tyler	360,000
Total	3,752,000
Utah:	
Bingham Canyon	75,000
Cedar City	150,000
Ogden, Federal stores building	300,000
Tooele	75,000
Total	600,000
Vermont:	
Alburg, border station	56,000
Beecher Falls, border station	56,000
Canaan, border station	56,000
Highgate Springs, border station	60,000
Middlebury	90,000
Norton Mills, border station	56,000
Richford, border station	59,000
Springfield	135,000
West Berkshire, border station	59,500
White River Junction	125,000
Total	752,500
Virginia:	
Bristol	210,000
Cape Charles	77,500
Culpeper	80,000
Danville	500,000
Lynchburg	848,000
Virginia—Continued	
Norfolk, marine hospital	$800,000
Norfolk, post office	1,925,000
Total	4,440,500
Washington:	
Chehalis	150,000
Longview	210,000
Oroville, border station	59,000
Total	419,500
West Virginia:	
Beckley	145,000
Huntington	390,000
Princeton	130,000
Weston	150,000
Total	815,000
Wisconsin:	
Kenosha	300,000
Sheboygan	295,000
Two Rivers	130,000
Wausau	280,000
Total	1,005,000
Wyoming:	
Cheyenne, Federal office building	200,000
Newcastle	60,000
Torrington	90,000
Total	350,000
District of Columbia:	
Central heating plant	5,749,000
Coast Guard Building	3,000,000
Department of State Building	3,000,000
Total	11,749,000
Hawaii: Honolulu, Immigration Service	415,000
Grand total	152,120,400

TREASURY DEPARTMENT,
Washington, April 6, 1932.

Hon. TASKER L. ODDIE,
United States Senate.

MY DEAR SENATOR ODDIE: Attached please find statement requested by you, showing, by States, the different projects under the public-building program which were completed or under contract, in whole or in part, as of March 24, 1932.

The date of March 24, 1932, is used to conform to a previous statement submitted by the Secretary of the Treasury to the chairman of the Senate Appropriations Committee, wherein was listed all the projects under the public-building program which were on the market, in the specification stage, or in the drawing stage as of that date.

The amounts set opposite the projects on both the statement submitted by the Secretary of the Treasury and the inclosed statement represent the total authorized limits of cost for the projects and include expenditures for land.

I trust this information is what you desire.

Very truly yours,

FERRY K. HEATH,
Assistant Secretary.

List of projects completed and under contract in whole or in part under the public-building program as of March 24, 1932

State	Completed project	Limit of cost	Under contract	Limit of cost
Alabama	Birmingham	$425,000.00	Albertville	$70,000.00
	Sheffield	95,000.00	Attalla	70,000.00
	Union Springs	50,000.00	Greenville	75,000.00
			Mobile, marine hospital	450,000.00
			Montgomery	1,045,000.00
			Sylacauga	75,000.00
Total		570,000.00		1,785,000.00
Arizona	Globe	165,000.00	San Luis, border station	58,500.00
	Prescott	235,000.00		
	Tucson	540,000.00		
Total		940,000.00		58,500.00
Arkansas	Conway	90,000.00	Brinkley	65,000.00
	El Dorado	425,000.00	Forrest City	85,000.00
	Prescott	60,000.00	Little Rock	1,435,000.00
			North Little Rock	110,000.00
			Stuttgart	95,000.00
			Texarkana	790,000.00
Total		575,000.00		2,580,000.00

List of projects completed and under contract in whole or in part under the public-building program as of March 24, 1932—Continued

State	Completed project	Limit of cost	Under contract	Limit of cost
California	Red Bluff	$95,200.00	Berkeley	$190,000.00
			Long Beach	725,000.00
			Oakland	1,510,000.00
			Ponoma	175,000.00
			Sacramento	1,300,000.00
			San Bernardino	325,000.00
			San Francisco, marine hospital	1,640,000.00
			Santa Ana	245,000.00
			Stockton	695,000.00
Total		95,200.00		6,805,000.00
Colorado	Denver Customhouse	1,235,000.00	Boulder	140,000.00
	Durango	150,000.00	Canon City	120,000.00
			Monte Vista	120,750.00
			Montrose	141,750.00
			Sterling	225,000.00
Total		1,385,000.00		747,500.00
Connecticut	Branford	65,400.00	Derby	125,000.00
	Milford	140,000.00	Hartford	2,000,000.00
			Manchester	135,000.00
			New Britain	250,000.00
			Waterbury	570,000.00
Total		205,400.00		3,080,000.00
Delaware	Newark	60,000.00	Georgetown	75,000.00
Florida	Lakeland	90,000.00	Jacksonville P. P. B.	575,000.00
	Marianna	116,000.00	Key West, marine hospital	25,000.00
	Tampa	550,000.00	Key West, post office	525,000.00
			Kissimmee	80,000.00
			Lake City	125,000.00
			Miami	2,060,000.00
Total		756,000.00		3,410,000.00
Georgia	Canton	55,000.00	Americus	100,000.00
			Atlanta	2,975,000.00
			Eatonton	50,000.00
			Fort Valley	85,000.00
			Madison	55,000.00
			Monroe	60,000.00
			Rossville	70,000.00
			Sandersville	70,000.00
			Savannah	900,000.00
			Thomson	70,000.00
			Toccoa	65,000.00
			Waynesboro	60,000.00
			West Point	65,000.00
Total		55,000.00		4,625,000.00
Idaho	Boise	440,000.00	Caldwell	110,000.00
	Couer d'Alene	250,000.00	Pocatello	220,000.00
	Nampa	110,000.00		
	Sandpoint	80,000.00		
Total		880,000.00		330,000.00
Illinois	Batavia	80,000.00	Aurora	305,000.00
	Bloomington	325,000.00	Carbondale	125,000.00
	Chicago, marine hospital	233,000.00	Carlinville	75,000.00
	do	200,000.00	Carrollton	95,000.00
	Metropolis	90,000.00	Chicago, post office	24,725,000.00
	Mount Carmel	100,000.00	Cicero	165,000.00
	Ottawa	75,000.00	Freeport	275,000.00
	Paxton	95,000.00	Harvey	160,000.00
	Pekin	60,000.00	Havana	70,000.00
	Springfield	850,000.00	Highland	70,000.00
			Maywood	160,000.00
			Mendota	75,000.00
			Spring Valley	60,000.00
			Woodstock	90,000.00
Total		2,108,000.00		26,510,000.00
Indiana	Anderson	165,000.00	Connersville	70,000.00
	Decatur	85,000.00	Evansville, marine hospital	100,000.00
	East Chicago	185,000.00	Fort Wayne	1,150,000.00
	Hammond	155,000.00	Greenfield	100,000.00
	Rushville	100,000.00	Greensburg	85,000.00
			Kokomo	175,000.00
			La Fayette	375,000.00
			Lebanon	90,000.00
			Linton	60,000.00
			Mount Vernon	75,000.00
			Muncie	180,000.00
			Noblesville	80,000.00
			South Bend	1,100,000.00
			Warsaw	95,000.00
			Whiting	130,000.00
Total		690,000.00		3,865,000.00
Iowa	Des Moines, courthouse	665,000.00	Albia	75,000.00
	Fairfield	110,000.00	Cedar Rapids	725,000.00
	Newton	125,000.00	Davenport	665,000.00
			Iowa City	190,000.00
			Marengo	65,000.00
			Mason City	285,000.00
			Oelwein	85,000.00
Total		900,000.00		2,190,000.00

List of projects completed and under contract in whole or in part under the public-building program as of March 24, 1923—Continued

State	Completed project	Limit of cost	Under contract	Limit of cost
Kansas	Dodge City	$140,000.00	Pittsburg	$85,000.00
	Junction City	100,000.00	Topeka	1,065,000.00
	Lawrence	120,000.00	Wichita	1,200,000.00
Total		360,000.00		2,350,000.00
Kentucky	Shelbyville	70,000.00	Barbourville	65,000.00
			Central City	70,000.00
			Elizabethtown	70,000.00
			Falmouth	60,000.00
			Harlan	110,000.00
			Harrodsburg	95,000.00
			Louisville, post office	2,285,000.00
			Madisonville	90,000.00
			Murray	90,000.00
			Paintsville	70,000.00
			Pikeville	93,000.00
			Prestonsburg	70,000.00
Total		70,000.00		3,868,000.00
Louisiana	Bogalusa	130,000.00	New Orleans, marine hospital	2,000,000.00
	Mansfield	75,000.00	Morgan City	75,000.00
	New Orleans, quarantine station	455,000.00	Opelousas	85,000.00
			Shreveport	350,000.00
Total		660,000.00		2,510,000.00
Maine	Caribou	70,000.00	Brunswick	90,000.00
	Fort Fairfield	90,000.00	Eustis, border station	59,100.00
			Hallowell	75,000.00
			Portland court house	400,000.00
Total		160,000.00		624,100.00
Maryland			Baltimore, post office	3,300,000.00
			Cumberland	540,000.00
			Westminster	120,000.00
Total				3,960,000.00
Massachusetts	Boston, immigration station	20,000.00	Andover	115,000.00
	Fitchburg	150,000.00	Boston, post office	6,000,000.00
	Haverhill	250,000.00	Fall River	995,000.00
	Leominster	125,000.00	Framingham	170,000.00
	Lowell	500,000.00	Lawrence	210,000.00
	Malden	140,000.00	Middleboro	105,000.00
	Newburyport	102,000.00	Palmer	115,000.00
	Pittsfield	195,000.00	Springfield	1,450,000.00
	Southbridge	110,000.00	Taunton	215,000.00
	Winchester	75,000.00	Winthrop	63,000.00
			Worcester	800,000.00
Total		1,737,000.00		10,238,000.00
Michigan	Battle Creek	230,000.00	Ann Arbor	75,000.00
	Benton Harbor	120,000.00	Bay City	475,000.00
	Flint	650,000.00	Boyne City	65,000.00
	Pontiac	200,000.00	Detroit, marine hospital	1,200,000.00
Michigan (continued)	Wyandotte	140,000.00	Detroit	5,660,000.00
			Ironwood	185,000.00
			Ludington	135,000.00
			Sturgis	125,000.00
Total		1,340,000.00		7,910,000.00
Minnesota	Duluth	1,200,000.00		
	Montevideo	75,000.00		
	Noyes, border station	78,000.00		
	South St. Paul	160,000.00		
Total		1,513,000.00		
Mississippi	Corinth	75,876.04	Greenwood	90,000.00
	Kosciusko	60,000.00	Aberdeen	122,000.00
	Lumberton	60,000.00		
Total		195,876.04		212,000.00
Missouri	Aurora	70,000.00	Caruthersville	80,000.00
	Sedalia	170,000.00	Centralia	70,000.00
	Westplains	70,000.00	Farmington	90,000.00
			Kansas City	4,500,000.00
			Lamar	70,000.00
			Lebanon	70,000.00
			Mountain Grove	70,000.00
			Sikeston	70,000.00
			Unionville	65,000.00
Total		310,000.00		5,085,000.00
Montana	Lewistown	165,000.00	Anaconda	140,000.00
	Missoula	400,000.00	Babb-Piegan, border station	59,000.00
			Butte	295,000.00
			Havre	260,000.00
			Helena	357,000.00
Total		565,000.00		1,101,000.00
Nebraska	Central City	65,000.00	Beatrice	50,000.00
			Broken Bow	85,000.00
			Crete	65,000.00
			Norfolk	145,000.00
			Scottsbluff	125,000.00
Total		65,000.00		470,000.00



List of projects completed and under contract in whole or in part under the public-building program as of March 24, 1932—Continued

State	Completed project	Limit of cost	Under contract	Limit of cost
Nevada	Fallon	$90,000.00		
New Hampshire	Hanover	100,000.00	Claremont	$95,000.00
			Exter	90,000.00
			Somersworth	75,000.00
Total		100,000.00		260,000.00
New Jersey	Bayonne	230,000.00	Camden	1,100,000.00
	East Orange	285,000.00	Hoboken	290,000.00
	Elizabeth	175,000.00	Passaic	325,000.00
	Millville	90,000.00	Red Bank	140,000.00
	Montclair	295,000.00	Salem	80,000.00
			Trenton	1,650,000.00
Total		1,075,000.00		3,570,000.00
New Mexico	East Las Vegas	151,000.00	Albuquerque	900,000.00
	Santa Fe, courthouse	270,000.00	Clovis	130,000.00
Total		421,000.00		1,030,000.00
New York	Dunkirk	100,000.00	Bath	105,000.00
	Elmira	265,000.00	Brooklyn	2,700,000.00
	Long Island City	475,000.00	Champlain, border station	56,000.00
	Niagara Falls	75,000.00	Ft. Plain	87,800.00
	Plattsburg	120,000.00	Lyons	75,000.00
	Syracuse	1,500,000.00	Medina	115,000.00
	Utica	800,000.00	Newburgh	340,000.00
	Watertown	275,000.00	New York City, appraisers' stores	600,000.00
	White Plains	200,000.00	New York City, assay office	3,765,000.00
	Yonkers	520,000.00	New York City, P. P. B	11,000,000.00
			Oneida	145,000.00
			Peekskill	165,000.00
			Potsdam	135,000.00
			Staten Island	345,000.00
			Trout River, border station	60,000.00
			Wellsville	145,000.00
Total		4,480,000.00		19,838,800.00
North Carolina	Asheville	650,000.00	Edenton	70,000.00
	Lenoir	75,000.00	Greensboro	900,000.00
	Wilson	205,000.00	Lumberton	105,000.00
			Mt. Olive	75,000.00
			Rutherfordton	70,000.00
			Salisbury	182,500.00
Total		930,000.00		1,402,500.00
North Dakota	Fargo	600,000.00	Ambrose, border station	52,000.00
	Jamestown	200,000.00	Grafton	85,000.00
			Pembina	115,000.00
			Portal, border station	74,200.00
			St. Johns, border station	56,000.00
Total		800,000.00		382,200.00
Ohio	Akron	565,000.00	Conneaut	105,000.00
	Lima	475,000.00	Findlay	230,000.00
	New Philadelphia	100,000.00	Fremont	240,000.00
	Sandusky	40,000.00	Hamilton	410,000.00
	Wilmington	130,000.00	Jackson	100,000.00
	Wooster	80,000.00	Millersburg	70,000.00
			Napoleon	90,000.00
			Niles	130,000.00
			Norwalk	150,000.00
			Springfield	740,000.00
			Toledo	950,000.00
			Troy	150,000.00
			Youngstown	585,000.00
			Zanesville	150,000.00
Total		1,390,000.00		4,110,000.00
Oklahoma			Bartlesville	310,000.00
			Frederick	95,000.00
			Hobart	92,000.00
			Norman	170,000.00
			Oklahoma City	1,100,000.00
			Okmulgee	330,000.00
			Sapulpa	150,000.00
			Tulsa	1,150,000.00
Total				3,395,000.00
Oregon	Klamath Falls	255,000.00	Astoria	250,000.00
			Bend	155,000.00
			Corvallis	190,000.00
			Portland, courthouse	1,950,000.00
Total		255,000.00		2,545,000.00
Pennsylvania	Donora	95,000.00	Allentown	820,000.00
	Kittanning	145,000.00	Altoona	775,000.00
	Lancaster	500,000.00	Clearfield	145,000.00
	Lewistown	108,500.00	Erie	555,000.00
	McKees Rocks	85,000.00	Philadelphia, post office	9,750,000.00
	Olyphant	70,000.00	Pittsburgh	7,902,000.00
	Philadelphia, marine hospital	75,000.00	Rochester	105,000.00
	Sayre	100,000.00	Scranton	1,475,000.00
	Tarentum	70,000.00	Tamaqua	125,000.00
	Tyrone	125,000.00	Uniontown	295,000.00
	Waynesburg	100,000.00	Warren	290,000.00
			Wellsboro	80,000.00
Total		1,473,500.00		22,387,000.00

List of projects completed and under contract in whole or in part under the public-building program as of March 31, 1939—Continued

State	Completed project	Limit of cost	Under contract	Limit of cost
Rhode Island			Pawtucket	$400,000.00
			Warren	75,000.00
			West Warwick	140,000.00
			Woonsocket	173,250.00
Total				848,250.00
South Carolina	Dillon	$60,000.00	Hartsville	75,000.00
	Lancaster	75,000.00	Rock Hill	300,000.00
	Spartanburg	420,000.00		
Total		555,000.00		375,000.00
South Dakota	Chamberlain	84,000.00	Milbank	65,000.00
	Mitchell	70,000.00	Sioux Falls	300,000.00
	Vermilion	75,000.00	Winner	100,000.00
Total		199,000.00		465,000.00
Tennessee	Athens	90,000.00	Elizabethton	122,500.00
	Kingsport	215,000.00	Huntingdon	70,000.00
	McMinnville	85,000.00	Memphis, post office	900,000.00
	Memphis, subpost office	525,000.00	Rogersville	70,000.00
	Paris	50,000.00		
Total		765,000.00		1,162,500.00
Texas	Corsicana	90,000.00	Atlanta	65,000.00
	Greenville	80,000.00	Brownsville	430,000.00
	Mexia	100,000.00	Coleman	100,000.00
	Paris	84,000.00	Crockett	85,000.00
	Taylor	115,000.00	Dallas	1,305,000.00
			Forth Worth, post office	1,445,000.00
			Galveston, immigration station	375,000.00
			Galveston, marine hospital	740,000.00
			Georgetown	80,000.00
			Houston	615,000.00
			Huntsville	75,000.00
			Lubbock	335,000.00
			Memphis	80,000.00
			Sun Benito	125,000.00
			Sweetwater	130,000.00
			Texas City	80,000.00
			Wichita Falls	725,000.00
Total		469,000.00		6,790,000.00
Utah	Price	96,000.00	Nephi	57,750.00
			Ogden	365,000.00
			Salt Lake City	1,340,000.00
Total		96,000.00		1,762,750.00
Vermont	Bellows Falls	90,000.00	Derby Line, border station	93,000.00
			East Richford, border station	59,100.00
			Rutland	330,000.00
Total		90,000.00		482,100.00
Virginia	Buena Vista	70,000.00	Alexandria	380,000.00
			Manassas	60,000.00
			Portsmouth	140,000.00
			Richmond, post office	900,000.00
			Roanoke	560,000.00
			West Point	65,000.00
			Woodstock	55,000.00
				2,160,000.00
Washington	Blaine, border station	158,000.00	Colfax	80,000.00
	Pullman	107,000.00	Hoquiam	141,750.00
			Metaline Falls, border station	58,500.00
			Pasco	65,000.00
			Port Angeles	190,000.00
			Seattle, Federal office building	2,375,000.00
			Seattle, immigration station	585,000.00
			Seattle, marine hospital	1,725,000.00
			Sumas, border station	65,000.00
Total		265,000.00		5,285,250.00
West Virginia	Morgantown	125,000.00	Clarksburg	475,000.00
	Williamson	195,000.00	Elkins	120,000.00
			New Martinsville	75,000.00
			Parkersburg	315,000.00
Total		320,000.00		985,000.00
Wisconsin	Madison	635,552.00	Appleton	260,000.00
	Tomah	72,000.00	Beloit	270,000.00
			La Crosse	225,000.00
			Marshfield	120,000.00
			Menasha	120,000.00
			Milwaukee	1,850,000.00
			Monroe	85,000.00
			Oshkosh	420,000.00
			Racine	320,000.00
			South Milwaukee	120,000.00
			Waupun	85,000.00
			Wisconsin Rapids	125,000.00
Total		707,552.00		4,000,000.00
Wyoming	Buffalo	85,000.00	Casper	400,000.00
	Cody	90,000.00	Green River	75,000.00
			Thermopolis	90,000.00
Total		175,000.00		565,000.00

List of projects completed and under contract in whole or in part under the public-building program as of March 24, 1932—Continued

State	Completed project	Limit of cost	Under contract	Limit of cost
Alaska	Juneau	$795,000.00	Fairbanks	$450,000.00
			Ketchikan	10,000.00
Total				460,000.00
Hawaii	Honolulu, customhouse	400,000.00		
Porto Rico			Ponce	300,000.00
District of Columbia	Administration Building, Department of Agriculture	2,000,000.00	Extensible building, Department of Agriculture	12,800,000.00
	Government Printing Office Building	1,250,000.00	Archives Building	8,750,000.00
	Internal Revenue Building	10,000,000.00	Commerce Department Building	17,500,000.00
	Liberty Loan Building	375,000.00	Connecting wing, Labor, Interstate	2,000,000.00
	Power plant, Department of Agriculture	85,000.00	Interstate Commerce Building	4,500,000.00
			Justice Building	12,000,000.00
			Labor Building	4,750,000.00
			Post Office Building	10,300,000.00
			Public Health Service Building	908,250.00
			Water mains, etc	525,000.00
Total		13,710,000.00		74,033,250.00
Grand total		45,826,828.04		252,760,200.00

Mr. ODDIE. The statements which I have just placed in the RECORD show that the proposed cut of 10 per cent in the Federal building item in this appropriation will adversely affect practically every State in the Union. There are 250 Federal building projects involved. It will mean depriving of and throwing out of employment something like 35,000 men, who, with their families, will be made to suffer by this cut. We have been working for years to get the present Federal building program through. Part of it has been completed. Many of the buildings have not been actually started but are ready to be started. They would have to be cut off the list if this reduction is made. It will mean much additional suffering and privation. It will mean depriving many thousands of men of employment, substantially increasing the ranks of the unemployed. We can not afford to permit such a calamity to happen when we have it wholly in our power to prevent it.

I want to speak now briefly with reference to the effect of the proposed cut of 10 per cent in the Post Office Department operations. On March 31 I wrote a letter to the Postmaster General asking him what effect the proposed 10 per cent reduction would have in the operation of the Post Office Department. The letters are as follows:

WASHINGTON, D. C., *March 31, 1932.*

Hon. WALTER F. BROWN,
Postmaster General, Washington, D. C.

MY DEAR MR. POSTMASTER GENERAL: As the Senate has already sent two appropriation bills back to the Appropriations Committee with instructions to cut 10 per cent therefrom, and as the author of the resolution providing for this has stated his intention to send all of the bills back for a 10 per cent cut, I will ask you to let me know, as quickly as possible, what the effect of this 10 per cent cut will be on the various activities of the Post Office Department.

I, personally, am opposed to this cut, as I believe it will tend to aggravate and prolong the present period of depression, increase unemployment, and delay the return to normal times.

I shall appreciate hearing from you to-morrow as early as possible.

Very truly yours,

TASKER L. ODDIE.

POST OFFICE DEPARTMENT,
Washington, D. C., April 1, 1932.

Hon. TASKER L. ODDIE,
Chairman Committee on Post Offices and Post Roads,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Pursuant to your request of March 31, I am glad to give you my view of the effects which would follow a reduction of the postal appropriations for the fiscal year 1933 to an amount 10 per cent below the sum carried in the Treasury-Post Office appropriation bill as approved by the House of Representatives.

The amount for postal purposes in the bill as it passed the House was $805,466,175. The indicated reduction is, therefore, $80,546,617.50.

The department desires to cooperate fully in any effort which the Senate may make to reduce postal expenditures; but a simple analysis of the total carried in the House bill will make it clear that the reduction now proposed would be a matter of extreme difficulty. Approximately $105,000,000 is for compensation to the railroads for carrying the mails. About $90,000,000 is to cover the department's obligations to other carriers of the mails, including shipping companies, air-transport companies, mail messengers, screen-wagon operators, and star-route carriers. The sum of $23,000,000 is for the rental, heating, and lighting of post-office quarters. Approximately $17,000,000 is for supplies, equipment, travel, and other miscellaneous operating expenses. These four items aggregate $235,000,000. The remainder of the amount carried in the House bill for the Postal Service, approximately $570,000,000, is for personal services—that is, the salaries and wages of the officers and employees of the department in the District of Columbia, and the salaries, wages, and allowances of postmasters, supervisors, clerks, carriers, messengers, laborers, watchmen, and other employees in the field.

The rates of compensation to the railroads for transporting the mails are fixed by the Interstate Commerce Commission. The aggregate amount payable depends altogether upon the volume of mail handled and is not subject to change by departmental action. On the basis of the anticipated business for the fiscal year 1933, no reduction can be made in the sum of $105,000,000 carried in the bill for this purpose. The payments to other carriers of the mails are fixed by long-term contracts, and, assuming that the Government intends to carry out its obligations, no reduction can be made in the sum of $90,000,000 included in the bill to meet these payments. The amounts payable for post-office quarters are likewise very largely covered by long-term contracts, and but a negligible reduction can be made in the sum of $23,000,000 carried in the bill for this purpose. The amount of $17,000,000 found in the bill for supplies, equipment, travel, and other miscellaneous operating expenses, represents the department's minimum needs and can not be appreciably reduced if the service is to be carried on. For these reasons it would be necessary to apply almost the whole of the proposed reduction against the appropriation of $570,000,000 for personal services.

As you know, the department is without authority to reduce wages. It is also without authority to change the hours of labor. It can not modify the allowances of its personnel. It follows, therefore, that should Congress see fit to apply the reduction against the amounts carried in the bill for salaries and wages, without changing the laws which control the administration of the service, it will be necessary to drop many thousands of clerks, carriers, and other employees from the pay roll. The exact number and distribution of the employees to be dropped can not be estimated with accuracy in the time which is now available, but the total number would apparently be between 30,000 and 40,000.

The department estimates that it does not now have more than 2,500 surplus employees on its rolls. A reduction of its present force by from 30,000 to 40,000 could therefore be accomplished only by curtailing the service to postal patrons. The dismissal of so large a number would mean, among other things, a reduction in the frequency of urban collection and delivery service in both residential and business districts, the abandonment of many postal stations and branches, a slowing up of the mails at terminals and transfer points, and the immediate consolidation of thousands of rural routes and the limitation of others to tri-weekly service. It would mean, in other words, a complete reconstruction of the entire postal facilities of the country, and along narrow and inadequate lines.

I desire to point out that should Congress conclude that the public interests compel the reduction which is now proposed it would be desirable to accompany it by a suspension of the laws which determine the compensation and allowances and the hours of labor of postal employees, so that the department could meet the situation not by dismissing many thousands of workers and correspondingly curtailing the service to the public but by putting into effect a reduced schedule of working hours, pay, and allowances. This would not only make it possible to distribute the hardship of the reduction uniformly over all classes of employees but would also make it possible to maintain the present service with a minimum of impairment.

You, of course, know that within the last few years Congress has added substantially to the salaries and allowances of postal workers. It has not only increased the basic compensation schedules and shortened the hours of labor; it has granted a vehicle

allowance to rural carriers, increased the fees payable to special-delivery messengers, authorized a 15 per cent allowance to fourth-class postmasters for rent, light, fuel, and equipment, provided extra pay for night work, and increased the travel allowance to railway mail clerks. By withdrawing these recent allowances, by eliminating overtime pay and compensatory time, by reducing the amount of annual leave, and by making a 10 per cent decrease in the basic compensation schedules it is believed that the proposed reduction in the appropriation could be made without any impairment of the service beyond that which would result from loss of morale among the personnel.

I desire to say emphatically that I do not advocate any revision in the present schedules of compensation and allowances. It will be seen, however, that if the proposed reduction is to be made in the department's appropriation, it must be followed either by the dismissal of many thousands of employees and a drastic curtailment of the service, or by a severe and general reduction of compensation. Of these alternatives, I believe that the latter would be less damaging to the country and less injurious to the great body of postal workers.

Yours very truly,

WALTER F. BROWN,
Postmaster General.

Mr. President, I want to speak for the postal employees of the United States, who are as earnest, hard-working, efficient, and conscientious a body of men and women as can be found anywhere. Their employment is threatened by this proposed reduction. Their morale will seriously suffer if this cut is made and the service will be materially impaired. The Postmaster General states that if the cut is made it will mean that from 30,000 to 40,000 postal employees will be thrown out of employment, still further swelling the ranks of the unemployed, unfair burdens will be imposed on those remaining in the service, and benefits which have been gained in years past for the Postal Service and its employees will in a large measure be wiped out. Much of the improvement which has been made in the service will be lost.

As I have said on a previous occasion, I believe the Senate is going at this matter in the wrong way. It is taking a pessimistic view of it. It is by methods of this kind increasing unemployment, retarding the wheels of industry, preventing the return to normal conditions. The other viewpoint should be taken. We should take the optimistic view and try where we can to put men to work, to start the wheels of industry turning again, to help in that way to bring our country back to normalcy. We will not do it by any such drastic cuts as have been suggested here.

I am not blaming Members of the Senate. I believe everyone who voted to recommit the other appropriation bills did so conscientiously. But I believe numbers of them voted without a full knowledge of actual conditions. I am always willing to change my mind if I find I have made a mistake, and I frequently do it. I believe if this matter were placed in the true light before the Members of the Senate, many of them would change the viewpoint they have had. The matter was discussed here, but Members of the Senate did not have an opportunity of studying the bills as members of the Appropriations Committee have studied them.

On this particular bill the subcommittee over which I have the honor to preside has worked for several weeks almost continuously. We have worked earnestly and have collected a vast amount of data, and every detail was carefully investigated. It has taken a vast amount of work. We have given the best there is in us to that work. We are trying to cut expenses, but, Mr. President, indiscriminate cutting without intelligent and thorough study is the wrong way to do it. It will result in misery, much suffering, more unemployment, a heavy loss to the Government, and a delay of return to normal conditions. I hope when the matter comes before the Senate there will be a different result attained.

TAX BURDENS

Mr. McKELLAR. Mr. President, in view of the questions arising in reference to tax reduction, I desire to read a telegram and then a letter so they may appear in the RECORD. The telegram is addressed to me by Mr. William M. Smith, of Fayetteville, Tenn., one of the leading citizens of his county, a fine business man and one of the best men in my State, and reads as follows:

FAYETTEVILLE, TENN., *April 2, 1932.*

KENNETH D. MCKELLAR,
Senate Building, Washington, D. C.:

Nearly 3,000 years ago the children of Israel asked that their tax burdens be lightened. Rehoboam took counsel and took foolish advice and piled them on heavier. It broke his kingdom. The people demand reduction of tax burdens, Congress replies by laying on heavier. Will the Senate do likewise or will it regard the cry of the masses. Tax burdens too heavy to bear have broken down all governments, according to both Biblical and profane history. We are in your hands, Senator. I could secure a thousand additional signatures to this message but haven't the time. Yours to command,

WM. M. SMITH.

Mr. Smith is a student of the Bible, and his reference to Rehoboam is timely, as I shall hereafter point out.

I have also before me a letter from one of the ablest educators in our State. The letter is from Dr. Bruce R. Payne, president of the George Peabody College for Teachers at Nashville, Tenn., and is addressed to me, and reads as follows:

GEORGE PEABODY COLLEGE FOR TEACHERS,
Nashville, Tenn., April 4, 1932.

Senator KENNETH D. MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: During the last 30 days I have traveled over the South and have met many men of wealth, many teachers, all of them leaders in their fields. I have been in Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, and Texas.

I am greatly disturbed over an attitude which is almost violent and which is certainly universal. I have not seen such feeling since war days. I never saw such feeling before except during war days.

This feeling centers around taxation. It is my calm belief that they will not keep in office any of their political representatives, whether city, county, State, or National, who do not contribute toward reduction of expenditures for Government. There are organizations being formed everywhere on this point, and these organizations contain strong, angry men. They mean business, and they are more interested in the absolute reduction of expenditures than they are in increasing taxation for the purpose of balancing the Budget.

I fear a tax revolution in a good many localities, if not in certain States, unless there is a reduction in operating expenses very soon. Unfortunately, they will visit their vengeance, no doubt, upon their political leaders, which seems to me unfair.

I am writing you this in friendliness, and in no other sense. I do not usually write letters giving other people advice. I have had so much of it given to me that I do not value it as much as I did 30 or 40 years ago; but you are my representative.

Destroy this letter if you wish. I would like to think that my diagnosis and prognostication are not true.

Cordially yours,

BRUCE R. PAYNE.

Doctor Payne is one of the leading educators of my State and of the country. He is one of the finest men I know—able, thoughtful, conservative—and I commend his letter to every Member of Congress. He is a great thinker, and what he says can be relied on.

Now, Mr. President, I want to refer to the incident which my friend, Mr. William M. Smith, has called to my attention. I thank him for it. I want, if I may, to suggest to the head of my Government, President Hoover, that the advice contained in the excerpt I am going to read is very excellent advice. It is time that all of us should go back to fundamentals. There is no better source of wisdom than the Great Book of Books. No one can make a mistake in following the teachings of the Bible. Two thousand nine hundred and seven years ago this incident occurred, and I read from the Bible:

And Solomon slept with his fathers, and was buried in the city of David his father: and Rehoboam his son reigned in his stead.

* * * * * * * * *

And Jeroboam and all the congregation of Israel came, and spake unto Rehoboam, saying,

4. Thy father made our yoke grievous: now therefore make thou the grievous service of thy father, and his heavy yoke which he put upon us, lighter, and we will serve thee.

5. And he said unto them, Depart yet for three days, then come again to me. And the people departed.

6. And King Rehoboam consulted with the old men, that stood before Solomon his father while he yet lived, and said, How do ye advise that I may answer this people?

7. And they spake unto him, saying, If thou wilt be a servant unto this people this day, and wilt serve them, and answer them, and speak good words to them, then they will be thy servants forever.

8. But he forsook the counsel of the old men, which they had given him, and consulted with the young men that were grown up with him, and which stood before him:

9. And he said unto them, What counsel give ye that we may answer this people, who have spoken to me, saying, Make the yoke which thy father did put upon us lighter?

10. And the young men that were grown up with him spake unto him, saying, Thus shalt thou speak unto this people that spake unto thee, saying, Thy father made our yoke heavy, but make thou it lighter unto us; thus shalt thou say unto them, My little finger shall be thicker than my father's loins.

11. And now whereas my father did lade you with a heavy yoke, I will add to your yoke: my father hath chastised you with whips, but I will chastise you with scorpions.

12. So Jeroboam and all the people came to Rehoboam the third day, as the king had appointed, saying, Come to me again the third day.

13. And the king answered the people roughly, and forsook the old men's counsel that they gave him;

14. And spake to them after the counsel of the young men, saying, My father made your yoke heavy, and I will add to your yoke: my father also chastised you with whips, but I will chastise you with scorpions.

Mr. President, nearly 3,000 years ago Rehoboam put additional tax burdens upon the people instead of lightening them, and the first and immediate result of that action was the loss of the ten tribes of Israel, who left him and never came back. So I want to say to those who govern us to-day, to the President and to his Cabinet and other advisers, they had better seek to make the yoke of the taxpayers of America lighter and they had better not concern themselves with placing additional taxation upon the American people. They already are loaded with all the taxation they can reasonably bear, and we ought to lighten their burdens rather than increase them. I am more interested in cutting down expenditures than I am interested in finding new sources of taxation. I thank Mr. SMITH for reminding us of the sad fate of Rehoboam. It should be a lesson to us at this juncture.

ECONOMY IN GOVERNMENT EXPENDITURES

Mr. GLENN. Mr. President, I listened with much interest this morning to the remarks of the distinguished Senator from Mississippi [Mr. HARRISON], who is always interesting and impressive and who was particularly interesting to me to-day. The immediate occasion of his speech was the message recently sent to the Congress by the President, which was followed on yesterday, the 5th instant, by a statement issued by him. While it may have seemed to those who were in the galleries and heard for the first time the Senator from Mississippi, that his speech was largely the outcome of a feeling of partisanship and a desire to attack the President and the party of which the President is the head, and to lay the groundwork for the coming presidential campaign, yet those of us who know the Senator from Mississippi well, who have seen him and heard him month after month and year after year know that, back of his apparent partisanship, there lies, as, indeed, there was embodied in the background of his speech, a real desire to be helpful to the Nation in this time of stress and strain.

There are those who know him well who are aware that in every great crisis, while apparently upon the surface he is an extreme partisan at times, yet when there is real need for a true American the Senator from Mississippi always rises above party, forgets in the crisis politics, and places first of all the interests of his country. I feel that it is due to those upon the opposite side of this Chamber and those who are now in command at the other end of the Capitol to say that during these strenuous trying times there has been in vital moments, when it was really needed, genuine cooperation and an effort to serve the country in the terrible and deplorable situation in which it now is and through which it has been passing for many months.

I really do not know just why the criticism should be made of the President for his action in doing the thing which the Senator from Mississippi complains that he has not done more effectively heretofore. The complaint is that while the President has from time to time sent messages to the Congress stressing the need for the consolidation of departments, bureaus, and commissions, and setting forth the dire need for drastic Federal economy, he has not sufficiently pressed his views; that he has not, as the Senator from Mississippi says, driven or attempted at least to drive the Congress of the United States to follow his recommendations and his ideas upon that subject. The President sends in his message suggesting economy and follows it up with a statement touching its urgent importance and the necessity for immediate and timely action, and then the Senator from Mississippi rises in his place and for an hour and a half attacks the President for doing the very thing which he says he should have done, lo these many months ago; and at the conclusion of his remarks the Senator from Mississippi says, "Now let the bombardment cease between the Capitol and the White House." After himself for an hour and a half firing heavily at the other end of the Avenue he insists that now the bombarding cease.

What is it all about? What is the trouble? The President simply sent a message here calling attention of the country to the very things to which the Senator from Mississippi calls the attention of the country, namely, the difficulty in raising taxes, the great and growing deficit in the National Treasury, the demands being made from all sections of the country, first, for large appropriations, and second, that those making the demands be left untouched when the revenue is raised, and then the Senator from Mississippi cries out because the President urges upon us the necessity of consolidations, of reductions, of eliminations, of curtailing in every possible way, things which we all know must come.

I should like to have inserted in the RECORD at this point and request that I be allowed to have inserted as part of my remarks, the statement of the President which has caused all the furor upon the floor of the Senate to-day.

The PRESIDING OFFICER (Mr. HEBERT in the chair). Without objection, it is so ordered.

The statement referred to is as follows:

APRIL 5, 1932.

The President said:

"What I asked for in my message yesterday was organized, nonpartisan cooperation by all forces to reduce Government expenses in the national emergency which insistently demands relief for the taxpayer.

"There are three general directions in which expenses can be reduced:

"First. The direct reduction of appropriations within the authority of existing laws creating and specifying various activities of the Government.

"A definite program to this end was placed before Congress in the Executive Budget proposals, in which there was a reduction of $369,000,000 for the forthcoming year. I welcome and hope for further cuts by the Congress providing such reductions do not destroy essential functions, and that they are genuine and do not merely represent postponed appropriations until deficiency bills next December.

"Second. There are a large number of expenditures within the bureaus and departments which can not be reduced without a change in the laws so that the Executive or the Appropriations Committee can reduce such expenditures.

"In this direction the department heads have appeared before many different committees in Congress in the last months, and have pointed out a multitude of directions which could be considered by these committees for a reduction of expenditures, but most of them require repeal or amendment of the laws which compel expenditures. Seven departments alone have pointed out over 85 such different directions for consideration of those committees and which offer a possibility of very large reductions. There are still other areas which could no doubt be developed.

"Third. Those directions of economy which can only be accomplished by reorganization and consolidation of Government functions so as to eliminate overlap, useless bureaus and commissions, and waste.

"Seven years ago, five years ago, as a member of a cabinet committee on the subject, and again three years ago, two years ago, five months ago, four months ago, six weeks ago, I recommended authorization to the Executive to make a wholesale reorganization of Government functions so as to eliminate this overlap, abolish useless bureaus and commissions, and do away with waste, but such reorganization in each case to be subject to the approval of Congress. The action recommended has not been taken.

"A dominant consideration is that all these items, methods, and programs concern a great number of committees in the Congress. They concern a great number of departments and bureaus. If we take the 11 principal spending branches of the Government, each of them working independently with some part of over 30 different congressional committees which are concerned in these ideas and proposals, then even if we have the very best will in the world, without an atom of partisanship, the mere diffusion

of effort seemingly makes effective progress on important items impossible.

"What I have asked for is not a commission but merely that the Senate and the House should each delegate representatives to sit down with representatives from the administration and endeavor to draft a comprehensive, general, national economy bill, covering the second and third areas of possible reduction in expenses. This one single economy bill, or a few bills, could be presented to the Congress embodying all the measures of economy proposed where change in the laws are necessary. Without such action I see no way by which there can be a maximum reduction in expenditures."

Mr. GLENN. Mr. President, the Senator from Mississippi charges, first, that during the years the President has been at the head of the Government he has been dilatory, that he has delayed too long, that he has been a spineless creature, without force and the power and the drive to back up the demand for economy; that he should have made it long ago, and that he should have thrown back of it all the force of his dominant personality. That is the cry to-day. However, not long ago the President sent to Congress a message along these lines—as I recall it was on the 17th of February of this year—a message calling the attention of the Congress to the absolute necessity for action, not action opposed to the ideas of the Senator from Mississippi, not at all, but directly in line with the ultimate object the Senator from Mississippi himself seeks to attain, namely, drastic economy, severe curtailment, abolishment of bureaus and commissions, and other things for which the Senator from Mississippi has so consistently stood during this entire session. When this man who was painted here to-day as a spineless abject creature, without force and drive, sent in that message in which he implored the Congress in this emergency to delegate to the executive branch of the Government the power to make consolidations and eliminate bureaus and commissions and make effective economies, he was represented to be a different kind of man. Then he was painted on this floor as a would-be despot, a dictator, a man who would reach from the executive branch of the Government and seek the power of the legislative branch. To-day it is said that he is a man who is without drive and without force, weak, helpless, and inefficient, because he now begs the Congress to do the thing which they will not allow him to do; and when he was asking the very thing which they would have him do to-day, he was a would-be tyrant, a despot, a Nero!

Now, what does the President ask? In this time of emergency and stress, what does this man ask of us? He suggests merely that the Congress—each branch of it, the Senate and the House—select members of a committee or a bureau or a commission, a body of some kind representing the legislative branch, the lower House and the upper House, to sit down with representatives of the executive branch and go over this whole situation, so necessary, so important in order that the whole field may be surveyed; in order that not in a haphazard or an impulsive manner these changes, these economies, these curtailments, may be brought about, but that a thorough, systematic, studious survey may be made by those who will eventually have to deal with this subject, and make effective any program that may be promulgated by those who must enact the legislation, those who must pass finally upon the bills, those who must expend the moneys appropriated as a result of that program. That is all the President asks.

They say, "Why does he not seek a conference? Why does he not have a conference?"

That is exactly what he asks—that a conference be arranged. A bill was introduced by the chairman of the Appropriations Committee to carry this idea into force and into effect—a committee to be appointed partly by the President of the Senate, a Republican, and an equal number by the Speaker of the House, a Democrat, so that those members of the two great parties can sit down with the representatives of the Executive and study and formulate this plan. Yet the President is subjected to all these accusations here because he has recommended that thing.

What is wrong about it?

They say, "Why does he not send in specific recommendations? Why has he waited and not sent in specific recommendations?"

We all know that before the various committees of the House and Senate for the last few weeks there have appeared almost daily the representatives of the various branches of the Government who have to do with the expenditure of the appropriations, who know the real facts. In other words, there have come to Congress and its proper committees, to furnish them information, the very men who would have to come to the President of the United States and furnish him the information, to be, in turn, furnished by him indirectly to the same committees of the Senate and of the House before which they have been appearing for all these weeks, and, in fact, for all these months.

What avenue of information is available to the President about this critical situation? What Government official is there to whom he has access, and whom he can command to give to him facts, who is not likewise available to the committees of the Senate and the House?

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Mississippi?

Mr. GLENN. I yield.

Mr. HARRISON. Does the Senator believe there is any one who is in better position to give information to the Congress for the President than the Chief of the Bureau of Efficiency of the Government, Mr. Herbert D. Brown?

Mr. GLENN. I suppose he is a competent man.

Mr. HARRISON. He represents the President. He is the head of the Bureau of Efficiency. Does the Senator know that Mr. Brown has been in constant attendance on the special committee on reorganization created in the House of Representatives and working with that committee? And does the Senator know that up to this time the President, even though he talks of generalities, has not submitted to that committee, through Mr. Brown or any one else, so far as we have seen, the many specific recommendations that he says would effect savings?

Mr. GLENN. Has Mr. Brown refused to give to that committee any information which he has in his possession?

Mr. HARRISON. I do not think he has.

Mr. GLENN. If he has not the information and if the committee has not asked for it, why should anybody blame the President because the committee has not sought the information from Mr. Brown?

Mr. HARRISON. The committee has asked for it.

Mr. GLENN. And he has not it?

Mr. HARRISON. Yes.

Mr. GLENN. Then how could the President get from Mr. Brown a thing which he does not have?

Mr. HARRISON. The President is the one who says he has the information. Why does he not give it to the committee?

Mr. GLENN. That who has the information?

Mr. HARRISON. The President.

Mr. GLENN. The Senator says the committee has not asked for it.

Mr. HARRISON. I said the committee had invited the Chief of the Bureau of Efficiency to come before them, and he has been in constant attendance upon them all the time.

Mr. GLENN. I asked the Senator if the Chief of the Bureau of Efficiency had refused to give the committee any information which he has.

Mr. HARRISON. No; he has given them, perhaps, all the information that he possesses.

Mr. GLENN. Then what more could he do?

Mr. HARRISON. Why does not the President give him the information that he says in his statement he possesses?

Mr. GLENN. That he says who possesses?

Mr. HARRISON. The President.

Mr. GLENN. That is too much for me. I can not answer that question.

Mr. HARRISON. I am sorry the Senator can not comprehend it.

Mr. GLENN. I can not. I admit I can not.

Mr. HARRISON. It may be that I have not made myself plain.

Mr. GLENN. The Senator has not.

Mr. HARRISON. The President, in his message and his statements, talks in general terms about certain reforms that might be worked.

Mr. GLENN. Yes.

Mr. HARRISON. But he has not said specifically what those reforms were. Why does not the President send them to this committee that was created some weeks ago over in the House and that is now working out this very matter?

Mr. GLENN. Has the committee requested it?

Mr. HARRISON. Does the Senator think the President should wait for a request?

Mr. GLENN. I do.

Mr. HARRISON. I say that the chairman of the committee has requested the President to give them information, to particularize on these matters, and he has not done it.

Mr. GLENN. I would not dispute the statement of the Senator from Mississippi, but I doubt very much if the President has refused or failed to furnish any information he has available which that committee has asked for.

Mr. HARRISON. In view of the fact that the President says there are certain things that could be done that would effect great savings, does not the Senator think it would be perfectly proper for him to send those recommendations to this committee which has been created and charged with the duty of doing this very thing?

Mr. GLENN. Oh, if the Senator from Mississippi please, I think we should not try to place every burden of every kind upon the President. We have committees organized for that very purpose. They are not nearly as busy as the President is; and I do not know why they should not seek the information themselves, instead of asking the President, with all his multitudinous duties, to carry the burden of their own work. That is the idea—to put everything upon the President, to ask him to do the whole job, to evade all responsibility ourselves, and then to blame the President. That is the whole game here.

Mr. HARRISON. But the President has stated in his message to the Congress and in his statements to the press that there are certain reforms that could be accomplished, and he wants the authority to do it, and he asks for the creation of another committee to do it. A committee is already working on the matter; and if the President has those facts, as he says he has, why does he not give them to that committee?

Mr. GLENN. You expect the President to go into every detail of every activity of the Government, to take the time from all his other duties, and himself do the thing we are supposed to do, to study every detail of every department of the Government and furnish us with the information which is as easily available to us as it is to him. Then I know what you want to do—and I do not mean the Senator from Mississippi. Some people would like to have him specify this little item and that little item and this little item, and then they would say, "He is a dictator. He is a despot. This is our business. We are the ones to make these recommendations." The same thing would happen that happens here upon every appropriation bill that comes up; and the Senator knows it as well as I do. One crowd and one faction and one element—I am not talking politics now; this applies equally on both sides of the aisle—would attack this recommendation of the President; the other crowd would attack another little recommendation of the President—there would have to be thousands of them—and what would happen to them would be just what happened to these appropriation bills. When we tried to eliminate or reduce an item here, one crowd sustained that item. When we tried to reduce another item, a crowd over here sustained that item. Finally the appropriation bill was just about as it was when it reached us; and we had to adopt the idea of the Senator from Tennessee [Mr. McKELLAR] of a lump-sum 10 per cent reduction. That is what is likely to be done. We want the President to do our work, and then we destroy the fruits of his efforts.

Mr. HARRISON. Mr. President, the Senator states what may be the purposes and motives behind a certain course of action. I want to ask the Senator, because I know he wants to be fair, whether in all the Senator's experience or reading he recalls a time when any Congress has acted as finely as this Congress has with reference to accepting the President's recommendations, partisanship being eliminated, Democrats voting with Republicans in putting through a certain program?

Mr. GLENN. If the Senator paid attention—perhaps he did—to my opening remarks, I tried to be fair and to pay to the members of the Democratic Party the tribute to which I feel they are really entitled; but I am not talking about politics now.

Mr. HARRISON. I know.

Mr. GLENN. I am talking about the action of the Senator from this State or the other State, or the Congressman from this State or the other State, when the President sends in a recommendation for the elimination of this bureau, or this department, or this office where he has his friends and his appointees. These Members of the House and Members of the Senate will consolidate and merge to see that their people are kept in office. That is what will happen.

Mr. HARRISON. Of course that is human nature. Some of that will creep into the matter; but, if I may express my humble opinion, may I say to the Senator that it is my opinion that if the President would send to Congress the reorganization plan which he says he has in mind, which he refers to in his statements and in his messages, the Congress would accept the plan and would do it very speedily, and we would get through with this matter in a very few days or a very few weeks. On the other hand, if we should adopt the suggestion of appointing another committee, when at the other end of the Capitol a committee is already working on this problem with the head of the Bureau of Efficiency, the representative of the President, the matter would be delayed and strung out, and we probably would not get any good out of it.

Mr. GLENN. May I call the attention of the Senator from Mississippi to the fact that the President did make a recommendation on the 17th of February. Let me read it. I know the Senator is familiar with it.

After reciting various facts about the present economic and legislative and financial situation, the President makes this recommendation:

> I recommend, therefore, that the Congress provide for—
>
> He states two recommendations.
>
> (c) Authority under proper safeguards to be lodged in the President to effect these transfers and consolidations and authority to redistribute executive groups in the 10 executive departments of the Government or in the independent establishments, as the President may determine, by Executive order, such Executive order to lie before the Congress for 60 days during sessions thereof before becoming effective, but becoming effective at the end of such period unless the Congress shall request suspension of action.

I do not recall the attitude of the Senator from Mississippi upon that subject; but I do recall that able and powerful and sincere Members of this body rose in this Chamber and said that that would be a usurpation of the legislative functions of the Government, and that they simply could not permit it to be done if they could help it; and, of course, that proposal was halted.

There was a rather specific recommendation which would have saved a great deal of time; and as the Senator from Mississippi said this morning, it is not a usual, ordinary situation. He said he would forego any of his ordinary policies and ideas of government in times like these. This does not seem to be a preposterous grasping for power by the President, but nothing came of it. So why should the President continue, time after time, to make these recommendations? Why can not these committees of the Senate

and of the House, clothed with all their authority and experience, dividing up the various questions and problems to be solved, study these things, instead of loading upon the President every one of them, every sort and nature of a question involving every department, every bureau, and every commission of the Government, the problems of the Army and the Navy, of the diplomatic forces, and all those things?

Instead of throwing the whole burden upon this overworked man at this time, when time is short, why can not the various committees of this body and our associate body at the other end of the Capitol say, "We will exercise our proper function; we will do our part and study these things, and we will not throw the entire burden upon the shoulders of this one man"?

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois further yield to the Senator from Mississippi?

Mr. GLENN. I do.

Mr. HARRISON. Of course, I do not want to put any more work on this very much overworked man—and he has been very much overworked.

Mr. GLENN. I do not believe the Senator from Mississippi will charge, with all the President's other alleged faults, that he is indolent or lazy.

Mr. HARRISON. He has been overworked, and the Congress has been overworked a good deal, too; but the Budget law specifically states that the Director of the Budget shall make investigations and recommendations as to the elimination of superfluous places and readjustments and coordination, and report them to the President, and that the President may send them to Congress. All of that may have been done by the Director of the Budget. Is it putting too much work on the President to ask him to transmit these specific propositions to Congress so that this committee which is now working, and which will be overworked after a while, can pass on it, and bring out the recommendations?

Mr. GLENN. I thought we had a rather complete Budget estimate. I had a very thick volume on my desk, which I pored over for a while.

Mr. HARRISON. I will say to the Senator that if he will read that he will find that those are only estimates for expenditures. It did not present any suggestions and particularize any readjustments in the bureaus of the Government, or do those things which the law prescribed, and we are trying to get the President to suggest to Congress whether he has anything in mind.

Mr. GLENN. I can not answer further than to say that I do not think we should shirk and evade the responsibility which is ours and place it all on the President. I think we have ample resources, a much larger personnel, and more time, and I think considerable ability at both ends of the Capitol in both parties, and can make some of these suggestions ourselves.

I desire in this connection to have inserted as a part of my remarks the message of the President of February 17, 1932.

The PRESIDING OFFICER. Is there objection? There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Senate and House of Representatives:

Because of its direct relation to the cost of government, I desire again to bring to the attention of the Congress the necessity of more effective organization of the executive branch of the Government, the importance of which I have referred to in previous messages. This subject has been considered many times by the Executive and by the Congress, but without substantial results. Various projects are now before the Congress.

The need for reorganization is obvious. There has been with the years a gradual growth of the Government by the accretion in its departments and by independent executive establishments, boards, and commissions as problems requiring solution confront the President and the Congress. To-day the Government embraces from 150 to 200 separate units, dependent on the method of notation used. Governmental units when once set up have a tendency to grow independently of other units. This leads to overlapping and waste. Moreover, there is a marked tendency to find new occupations when the initial duties are completed. The overlap and the number of agencies can be reduced.

A few consolidations, notably in law enforcement and the veterans' services, have been effected. Both of these reorganized agencies have been able to discharge the very greatly increased burdens imposed upon them without such an increase in administrative expense as would otherwise have been the case.

In the present crisis the absolute necessity for the most drastic economy makes the problem of governmental reorganization one of paramount importance. The amount of saving in public funds to be effected by a thoroughgoing reorganization, while difficult to estimate accurately, will be material, amounting to many millions of dollars annually. Not only will the Government's business be conducted more efficiently and economically, but the great body of citizens who have business relations with their Government will be relieved of the burden and expense of dealing with a multitude of unnecessary and sometimes widely separated public agencies.

We may frankly admit the practical difficulties of such reorganization. Not only do different factions of the Government fear such reorganization, but many associations and agencies throughout the country will be alarmed that the particular function to which they are devoted may in some fashion be curtailed. Proposals to the Congress of detailed plans for the reorganization of the many different bureaus and independent agencies have always proved in the past to be a signal for the mobilization of opposition from all quarters which has destroyed the possibility of constructive action.

There is little hope for success in this task unless it is placed in the hands of some one responsible for it, with authority and direction to act. Moreover, the consummation of a comprehensive reorganization at one moment is not in the best public interest. Such reorganization should be undertaken gradually and systematically, predicated on a sound and definite theory of government and effectuated as the result of study and experience gained in the actual processes of reorganization.

I recommend, therefore, that the Congress provide for—

(a) Consolidation and grouping of the various executive and administrative activities according to their major purposes under single-headed responsibility, the Congress designating the title of the officer to be placed in immediate charge of such groups as are not now possible under existing organization.

(b) Adoption of the general principle that executive and administrative functions should have single-headed responsibility and that advisory, regulatory, and quasi-judicial functions should be performed by boards and commissions, thus permitting the transfer of certain regulatory functions from executive officials to existing boards or commissions and executive functions from boards and commissions to executive officials.

(c) Authority under proper safeguards to be lodged in the President to effect these transfers and consolidations and authority to redistribute executive groups in the 10 executive departments of the Government or in the independent establishments, as the President may determine, by Executive order, such Executive order to lie before the Congress for 60 days during sessions thereof before becoming effective, but becoming effective at the end of such period unless the Congress shall request suspension of action.

The 10 major executive departments and the major regulatory and financial boards and commissions should of course be maintained. Some of these existing agencies are already organized upon the basis of their major purpose, but functions of the same major purpose now outside of these groups should be transferred to them.

It will be necessary also to authorize changes in titles of some officials and to create a few new positions in order to permit grouping and consolidation not now possible. With the enormous growth of governmental business there have been great expansion and diffusion of authority amongst minor officials. At the same time, there is an insufficient number of officials of definite and concentrated responsibility to the public. The additional expense of such officers over and above the salaries now paid to officials who would be displaced would be less than $40,000 per annum. The saving in cost of administration would be many times this sum. The most important of the posts of this character are the following:

Public Works Administrator (new office).

Personnel Administrator (change from chairman of Civil Service Commission).

Assistant Secretary for Public Health (new).

Assistant Secretary for Education (change from commissioner).

Assistant Secretary for Merchant Marine (new office).

Assistant Secretary for Conservation (new office).

Assistant Secretary for Agricultural Research (change from present Assistant Secretary).

Assistant Secretary for Agricultural Economics (change from director).

The establishment of an Assistant Secretary for Merchant Marine would enable the consummation of the proposals in my message of December 8 in respect to the Shipping Board.

The Public Works Administration should be partially a service agency to the other departments of the Government, executing certain construction work, the subsequent operation of which should be carried on by those departments. It should be also partially an agency administering certain contract work which can not be delegated to any one department. Naval, military, and some other highly specialized construction work should not be transferred to this agency. The supervision and construction of rivers and harbors work should be continued under direction of the Army engineers, who should be delegated by the Secretary of War to the service of the Administrator of Public Works for this purpose.

The Personnel Administration should comprise various agencies relating to the personnel of the Government as a service agency to all departments of the Government. I recommend that the Civil Service Commission should be maintained as an advisory body to the Personnel Administrator, and the approval of this body should be required in all regulatory questions. The Personnel Administrator should be the chairman of the commission. Other functions relating to the personnel of the Government should be transferred to the Personnel Administration as may be deemed wise from time to time.

RECLAMATION SERVICE

With respect to certain agencies in the Government I recommend a separate legislative reorganization of policy. The first of these is the Reclamation Service. Reclamation should have a broader import than that of bringing unproductive land under cultivation. We do not need further additions to our agricultural land at present. Additional agricultural production except such marginal expansion as present projects warrant is inadvisable.

The conservation of water by storage is required, not alone in the West but in all parts of the country.

The effective development of water conservation through storage is largely an interstate question in the aid of domestic and industrial water supply, transportation, irrigation, and flood control. Where construcion work for storage relates to these larger issues, it is properly the work of the Federal Government. Where water power is developed as a by-product, it should be disposed of in advance by contracts which will fairly reimburse the Government for its outlay. The Reclamation Service should be extended to cover these broad purposes of storage and conservation of water rather than the narrow purpose of irrigation. Such important projects as the dam at Boulder Canyon, the dam at Cove Creek, and the development of the Columbia, should ultimately be undertaken when there is need for such service and when contracts can be made for the sale of power to amortize the cost of construction to the Government. The actual construction work under this plan should be carried out by the Public Works Administrator and the completed projects administered by the Reclamation Service.

CONSERVATION OF WESTERN RANGES

There should be a change in policy in dealing with public lands if we are to preserve their value for grazing and other purposes. The Committee on Conservation and Administration of the Public Domain, authorized by act of the Congress approved April 10, 1930, completed the task assigned to it a year ago. Its report has been transmitted to Members of the Congress. Legislation carrying into effect the recommendation of the committee also is before the Congress. These proposals are the result of painstaking study and earnest deliberation. They offer a solution of the problems, connected with this remnant of our public domain, which have persisted for the past 25 years. I commend the report to the attention of the Congress, deeming the legislation of sufficient importance to justify early action.

CONCLUSION

In conclusion, I can not recommend too strongly that the Congress give the subject of effective organization of the executive branch of the Government its early and serious attention. It is an essential part of a sound reconstruction and economy program. A patchwork organization compels inefficiency, waste, and extravagance. Economy and efficiency can come only through modernization. A proper reorganization of our departments, commissions, and bureaus will result not only in much greater efficiency and public convenience but in the saving of many millions of dollars now extracted annually from our overburdened taxpayers.

HERBERT HOOVER.

THE WHITE HOUSE, *February 17, 1932.*

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. GLENN. I yield.

Mr. VANDENBERG. The Senator has suggested that those particular, specific recommendations received no action. They not only received no action but on March 11 the Senate specifically declined to act by a vote of 32 to 34, and on March 17 again the Senate specifically declined to act by a vote of 28 to 35.

Mr. GLENN. Mr. President, I am quite sure that is correct, and I thank the Senator from Michigan for calling that to my attention at this time. It is not a very encouraging situation to the President to devote days and days and days to a study of these other multitudinous details if we act according to our past performances, when the President's suggestions were not only neglected but were repudiated by this body.

I am not at all surprised that after the treatment which the President's recommendations received, as called to my attention by the Senator from Michigan, he has not seen fit to devote his time to further recommendations to the Congress on this subject in much greater detail. He is disposed, it seems now, to ask Congress to proceed in its own way, with its own committees, one of them at least formed, as I said, a special body, by the President of the Senate and Speaker of the House to make these studies. It is said we would not follow his recommendations. We voted on them, so why pursue that longer? Our action showed the attitude of at least this body toward the President's recommendations.

Some remarks have been made here about the extravagance of the President of the United States when he was Secretary of Commerce. I call the attention of the Members of the Senate to the fact that Mr. Hoover was Secretary of Commerce from 1922 to 1928. The expenses were at once reduced by $4,000,000 below those of the Wilson administration. Later on the Patent Office and the Bureau of Mines were transferred to the department. Congress still later created the following additions to the department:

(a) Civil aviation.

(b) Radio division.

(c) Domestic service in the Bureau of Foreign and Domestic Commerce.

The expenditures of the department were $24,369,000 in 1921 under the Wilson administration. They were reduced upon Secretary Hoover's advent in 1922 to $20,437,000; in 1923 to $21,726,000; in 1924 to $21,820,000.

From that time on the transferred bureaus had their effect. In 1926 the cost of the transferred and new bureaus created by Congress represented over $6,000,000. In 1927 they represented $8,000,000; in 1928, $9,500,000. If these increases be deducted, the cost is still less than under the Wilson administration.

It is stated that, out of $113,000,000 of the supposed savings made by the Appropriations Committees, only $35,000,000 was real savings, and the balance was made up of postponements until the next session of Congress, which would have to be met by a deficiency bill.

That statement has been challenged. Instead of it being a genuine saving it is questioned, and it is said that we should not allude to that and should not criticize the other branch of Congress in regard to these supposed savings. I think the people should know the real facts, and I do not say that in a spirit of criticism at all. This is simply a postponement of about $78,000,000 of this $113,000,000 until the elections next fall. They want to boast of the supposed savings, but the indebtedness will still be there and have to be met.

I submit herewith a statement of the Director of the Budget giving the details of the figures upon which that statement of the President was based, and ask that they be inserted at this point in my remarks as a part of the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BUREAU OF THE BUDGET,
Washington, March 28, 1932.

The following appropriation bills have been reported to the House of Representatives by the Appropriations Committee:

1. Agriculture.
2. State, Justice, Commerce, and Labor.
3. Interior.
4. Post Office and Treasury.
5. Independent offices.

And, of course, the first deficiency bill has been passed and was approved February 22, 1932.

The House Appropriations Committee action on these bills represents a reduction below the estimates submitted by the President of $113,708,821. Of this reduction $69,100,000 is of such a nature that under the law the amounts expended from the appropriations involved are absolutely not subject to administrative control and there is every reason to believe that supplemental or deficiency appropriations to the full amount of these reductions will be necessary during the next session of Congress to meet definite obligations of the Government. There is another $17,874,100 of reductions from appropriations under which expenditures are to a greater or less degree subject to administrative control, but where the clear indication is that Congress did not contemplate any actual reduction in the rate of progress and where, unless such reduction is made administratively, supplemental or deficiency estimates will be required during the next session of Congress.

This leaves some $26,584,661 of reductions which may be fairly said to represent actual savings, including indefinite postponements.

The items making up the $69,100,000 consist of the following:

1933 APPROPRIATIONS

Adjusted-service-certificate fund	$50,000,000
Federal-aid highways	9,000,000
Retired pay of lighthouse keepers	50,000
Transportation of Indian supplies	50,000
Total 1933	59,100,000

FIRST DEFICIENCY BILL 1932

Federal-aid highways	10,000,000
Total	69,100,000

While the $10,000,000 cut in Federal-aid-highways appropriations for the current fiscal year covered in the first deficiency bill may not appear to affect 1933, the statement of the committee in reporting this bill clearly indicated that it was intended to mortgage a portion of next year's funds to meet this cut, so that a supplemental or deficiency estimate for this purpose will be required next year.

The $17,874,100 referred to above consists of the following items:

1933 APPROPRIATIONS

Interior Department:	
Boulder Canyon	$2,000,000
Topographic surveys	100,000
Gauging streams	100,000
Department of Justice:	
Fees of commissioners, United States courts	40,000
Fees of jurors and witnesses, United States courts	150,000
Construction of Chillicothe Reformatory	200,000
Construction of Southwest Reformatory	1,123,000
Construction of hospital for defective delinquents	475,000
Buildings and equipment for Federal jails	90,000
Support of United States prisoners	250,000
Post Office Department:	
Compensation of postmasters	200,000
Special-delivery fees	300,000
Mail messenger service	3,000,000
Foreign-mail transportation	600,000
Manufacture of stamped paper	300,000
Indemnities, domestic mail	200,000
Indemnities, international mail	5,000
Treasury Department:	
Public-building projects	5,170,000
Rent of temporary quarters	50,000
Recoinage of minor coins	1,000
Recoinage of gold coins	100
Supreme Court Building Commission—construction Supreme Court Building	$500,000
Total	14,854,100

FIRST DEFICIENCY BILL, 1932

Public-buildings projects	3,000,000
Protection of interest of the United States in matters affecting oil leases in former naval reserves	20,000
Grand total	17,874,100

A few of the items in this second group are dependent upon State cooperation, and to that extent are neither subject to administrative control nor is there any guaranty that the money will actually need to be spent; but if the States make their contribution, the Federal money must be spent. This applies, however, only to some minor items and the principal items involving public-building construction, Postal Service, and Boulder Canyon are items concerning which Congress would severely criticize actual slowing up of the work.

J. CLAWSON ROOP, *Director.*

Mr. GLENN. Mr. President, the President stated in his Budget message that the proposed expenditures for the next fiscal year had been reduced $365,000,000 below those of the current year, showing the effort which is being made by the administration for reduced expenditures, and to balance the Budget. Those figures were questioned on this floor the other day, sincerely questioned, I take it. I do not wish to encumber the RECORD with public documents, but I would like to call attention to the fact that on page A–9 of the statement prepared by the Director of the Budget and sent with the President's message transmitting the Budget estimate, which now lies before the Congress, the statement is set out in full detail by which the summary of estimated expenditures of general and special funds for the year 1932 shows them to be $4,361,800,000, whereas the Budget forwarded to Congress, as stated by the Budget Director, recommended expenditures of $3,996,600,000, representing a saving of $365,000,000.

I ask that that statement, marked "Exhibit A," may be inserted in the RECORD as a part of my remarks at this point.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT A

No. 1.—*Estimates of appropriations for fiscal year 1933 compared with appropriations for fiscal years 1932 and 1931, estimated receipts and expenditures for fiscal years 1933 and 1932 compared with actual receipts and expenditures for fiscal year 1931; and balanced statement of (1) the condition of the Treasury at the end of the fiscal year 1931; (2) the estimated condition of the Treasury at the end of the fiscal year in progress, 1932; and (3) the estimated condition of the Treasury at the end of the ensuing year, 1933, if the financial proposals contained in the Budget are adopted*

	Estimates of appropriations, 1933	Appropriations, 1932	Appropriations, 1931	Receipts and expenditures		
				Estimated, 1933	Estimated, 1932	Actual, 1931
SPECIAL FUNDS						
Receipts:						
Internal revenue—						
Income tax				$13,000.00	$13,000.00	$11,311.92
Miscellaneous internal revenue				350,100.00	350,100.00	323,461.13
Total internal revenue				363,100.00	363,100.00	334,773.05
Customs				5,500.00	5,500.00	11,581.14
Applicable to public-debt retirements—						
Principal—foreign obligations				69,138,880.00		48,246,024.33
From franchise tax receipts (Federal reserve banks and Federal intermediate credit banks)				1,075,000.00	75,000.00	90,912.23
From forfeitures, gifts, etc				50,000.00	50,000.00	84,650.00
Total, applicable to public-debt retirements				70,263,880.00	125,000.00	48,421,586.56
Other				32,381,950.00	34,128,000.00	37,530,094.39
Total, special fund receipts				103,014,430.00	34,621,600.00	86,303,975.14
Estimates, appropriations, and expenditures:						
Legislative establishment—						
Library of Congress	$109,000.00	$233,205.00	$232,700.00	109,000.00	233,200.00	271,990.34
Legislative miscellaneous						928.87
						272,919.21
Adjustment between cash expenditures and checks issued						+77,905.45
Total, legislative establishment	109,000.00	233,205.00	232,700.00	109,000.00	233,200.00	350,824.67
Independent establishments—						
Alaska relief funds (transferred to Treasury Department)						
Federal Power Commission	72,750.00	58,275.00	11,250.00	72,700.00	70,500.00	159,133.65
Federal Reserve Board	1,692,800.00	1,609,200.00	2,560,336.00	1,692,810.00	1,609,200.00	2,114,569.25
Interstate Commerce Commission	900,000.00	2,500,000.00	1,000,000.00	900,000.00	900,000.00	862,104.25
National Red Cross Building fund				65,000.00	285,000.00	67,500.00
U. S. Shipping Board and Merchant Fleet Corporation				9,200,000.00	49,200,000.00	29,029,886.16

No. 1.—*Estimates of appropriations for fiscal year 1933 compared with appropriations for fiscal years 1932 and 1931, estimated receipts and expenditures for fiscal years 1932 and 1933 compared with actual receipts and expenditures for fiscal year 1931; and balanced statement of (1) the condition of the Treasury at the end of the fiscal year 1931; (2) the estimated condition of the Treasury at the end of the fiscal year in progress, 1932; and (3) the estimated condition of the Treasury at the end of the ensuing year, 1933, if the financial proposals contained in the Budget are adopted*—Continued

	Estimates of appropriations, 1933	Appropriations, 1932	Appropriations, 1931	Receipts and expenditures		
				Estimated, 1933	Estimated, 1932	Actual, 1931
SPECIAL FUNDS—continued						
Estimates, appropriations, and expenditures—Continued.						
Independent establishments—Continued.						
Veterans' Administration						[1] $443,593.42
Miscellaneous items						[2] 8,354.13
Total, independent establishments	$2,665,550.00	$4,167,475.00	$3,571,586.00	$11,930,500.00	$52,364,700.00	31,881,240.76
Department of Agriculture	3,519,600.00	3,900,602.00	3,990,000.00	3,524,000.00	3,681,500.00	4,367,935.14
Department of Commerce	4,981,700.00	5,256,750.60		4,976,000.00	5,230,000.00	
Department of the Interior	7,434,660.00	9,308,000.00	11,427,000.00	10,797,300.00	9,386,900.00	13,000,706.73
Navy Department	440,000.00	1,370,000.00	1,440,000.00	440,000.00	285,570.00	[1] 428,315.79
State Department		110,283.00	110,283.00		8,400.00	25,261.78
Treasury Department	2,986,800.00	3,024,000.00	3,469,000.00	2,986,800.00	2,991,600.00	3,593,515.61
War Department	2,337,040.00	4,017,040.00	1,592,040.00	2,362,000.00	3,092,000.00	3,101,604.90
Public debt retirements	70,313,878.00	175,000.00	48,846,000.00	70,313,800.00	175,000.00	48,422,000.00
Total, special fund estimates, appropriations, and expenditures	95,238,223.00	31,631,708.00	74,678,559.00	107,449,400.00	77,428,660.00	104,515,774.89
Excess of expenditures				4,434,970.00	42,806,400.00	18,211,799.75
SUMMARY OF GENERAL AND SPECIAL FUNDS						
Total, general-fund receipts				2,473,515,772.00	2,204,257,200.00	2,103,330,105.16
Total, special-fund receipts				103,014,430.00	34,621,600.00	86,303,975.14
Total				2,576,530,202.00	2,238,878,800.00	3,189,640,080.30
Total, general-fund expenditures				3,889,223,050.00	4,294,411,800.00	3,987,148,133.52
Total, special-fund expenditures				107,449,400.00	77,428,000.00	104,515,774.89
Total				3,996,672,450.00	4,381,839,800.00	4,091,663,908.41

[1] Deduct—excess of credits.

Mr. GLENN. Mr. President, we, in Congress, are apt to criticize everybody except ourselves. We look about for everybody to blame for these extravagances, these expenditures. We criticize the President severely, of course. He is condemned here severely, I will not say in improper terms. The language is respectful, but the criticism is certainly severe, the castigation has been quite violent.

Expenditures are extremely heavy, and I think that fact is the most important matter before the minds of the American people now. We talk about prohibition, the Volstead Act, wets and drys, as being a matter in the minds of the American people, but not one person is thinking about that subject to-night where a dozen are thinking about the tremendous burdens of the increased taxation. That is on everybody's lips in every place, and this charge of extravagance in the Federal Government is a charge equally applicable to almost every government in the country—municipal, State, and Federal. I do not think that the members of the legislative bodies who are responsible for the large appropriations, or the increased expenditures, are alone to blame. In the wild spending of the public money they have followed only the example of extravagance of others, in disregard of the final day of reckoning, which example has been set for them by those who selected them to come into the Halls of Congress, and into the general assemblies, and into the boards of aldermen, of the cities and the villages and the States of the Union. Everybody has been wild, everybody has been extravagant, everybody has failed to look forward to the day of payment.

Our States are wild about building roads everywhere. In every section of Illinois they are wild about everything in the way of public buildings. They are building great parks in Chicago, building a great outer drive on Lake Michigan costing millions and millions and millions of dollars, thinking not that prosperity might some time come to an end, that the day might come when the taxpayers would be unable to meet the tax bills.

That example of the minor subdivisions of our Nation was followed likewise by individuals, from the laborer in the coal mine to the capitalist upon Wall Street. There was no difference in degree but merely a difference in extent and size of their extravagances.

I remember well during the war, when times were apparently good for the moment when wages were high in southern Illinois, when a coal miner could make $15 or $16 a day, seeing a good many of them go into a store and buy silk shirts for $15 or $20 apiece, hard-working, industrious people, thinking not of the future then but thinking only of the moment. Almost every private business industry and corporation expanded its plants, raised pay rolls, placed the executives upon extremely high salaries, thinking that the flow of gold would continue forever and ever and ever.

They are those who cry out the loudest condemning the Members of Congress for their extravagance during the very period when they themselves were wildly extravagant, setting for us here a bad example, which we, I am sorry to say, followed. They condemn everyone in public life, from the President down to the humblest member of the board of aldermen of a city, for doing in those days the very things for the public which they did for themselves as individuals.

I say that is hardly fair. But having followed the individuals and the private corporations and the great business men of America, the great miracle workers of America, in their paths of extravagance and folly, I say that now it is our solemn duty as Members of this body to follow them now, when they have reaped the whirlwind which they sowed, and have ahead of Congress and ahead of the State legislatures and ahead of the aldermen of the cities reduced their expenditures and have cut their expenses to the core—have sought to undo the things which they did in their days of wild extravagance.

Having followed them to the peak, we should follow them to the depths, and they have preceded us. They are meeting the situation with reduced expenditures, so I think it is our duty now to do that very thing ourselves here. No one can overemphasize its importance.

I agree with what was said by the Senator from Tennessee [Mr. McKELLAR], whose efforts I think have been very helpful in this situation. I think as we look about us we all hope for the return of prosperity. But we have all put off doing those unpleasant things a long, long time, too long as individuals, too long as Members of Congress. We might as well recognize the fact now that the sunshine is not yet in

sight, that the clouds are still in the sky. No one knows but what next winter will be a more distressful and disturbing winter than the last one was.

I think there is only one way for the Congress and the Government to operate, and upon this point I am in thorough accord with the Senator from Mississippi [Mr. HARRISON]. As I said, it is our duty to cut these expenses to the bone, to eliminate every useless bureau and commission and body all over the United States in the Federal Government for the benefit of the Federal Government. But let us not, as we go about that task, condemn everybody else. Let us remember that while we have been voting these appropriations here one man has stood out pretty solidly against them, and he is the President of the United States. In an effort to do justice, in an effort to avoid partisanship, let us not forget that except for the President of the United States there would have been expended $677,000,000 more in appropriations. Let us not forget that he vetoed bill after bill. I could call attention to them, but I shall content myself by sending to the desk the list and asking that it be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

Bills passed by the Seventy-first Congress which were not approved by the President—Expenditures estimated over five years, 1931–1936

S. 543, to increase pay of mail carriers	$615,000
S. 3060, to establish State subsidies for employment services	20,000,000
S. 3165, to authorize payment of old Chickasaw Indian claims	6,500,000
Joint resolution to create Muscle Shoals Commission	100,000,000
H. R. 10381, to extend disability presumptions in veterans' act	550,000,000
Total	677,115,000

Mr. GLENN. Let us not forget that the President has saved the country that much money in appropriations. Let us not forget that he, against the wishes of Congress, contrary to its judgment expressed here and in the other Hall of Congress, vetoed the veterans' bonus bill, which cost temporarily, at least, a very huge sum of money. Let us not forget that, right or wrong, he had the courage to stand by his convictions that this is a time for drastic economy. He has vetoed bill after bill, many of them supported by a majority of not only the opposition, the Democrats, but by a majority of his own party in each House of Congress, and that, except for his courage and his strong attitude in those veto messages, the country, now trembling almost upon the verge of financial bankruptcy, would be perhaps over that verge and in the chasm.

The President has had courage. He has not had the sensational ability to create publicity, he has not the dramatic power that many a President of the United States has had. He has not the dramatic theatrical power which has been the fortune of some Presidents, and which I think in this time of emergency would really be a valuable attribute of character. He is a modest, almost shrinking man, but not lacking in courage or stamina in times of stress.

We look about the world and we see, after all, with this man at our head, that America still endures, that other governments are falling, one after the other, almost every form of government, monarchy here, republic there. In every part and quarter of the globe governments are falling overnight, and yet America goes on under the guidance of a strong, brave man, supported, I am happy to say, in times of real stress and trouble and crisis and disaster, by patriots upon both sides of the aisle in this and the other Chamber of Congress.

Let us forget for the remainder of the session, as we have so nearly forgotten during the preceding days of this most important session of Congress, partisanship and politics, so far as it is humanly possible. Let us remember, not only on the other side of the Chamber but over here, too, that the best politics we can play here or that can be played over there is to stand in this time of storm behind the one man, the only man, who is now the President of the United States. Let us remember that no greater problem confronts the Congress or the American people than this great and drastic need for economy in the expenditure of public funds. I say to you, Mr. President, that then at the conclusion of this session we will all, Democrats and Republicans alike, have served our country in its time of need.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United States submitting a judicial nomination, which was referred to the Committee on the Judiciary.

(For nomination this day received, see the end of Senate proceedings.)

RELIEF OF STORM-STRICKEN AREAS IN THE SOUTH

Mr. BLACK. Mr. President, I desire to ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

I will state in advance with reference to it that on yesterday I asked unanimous consent for this purpose, but the Senator from Oregon [Mr. MCNARY] objected. It is my understanding that he does not object to-day. The joint resolution has the unanimous approval of the Committee on Agriculture and Forestry, after hearing. If the measure is to give any relief to the storm-stricken areas, it is necessary that it be passed at once.

Mr. REED. Mr. President, are we to understand that the Senator is going to ask unanimous consent that the unfinished business be temporarily laid aside?

Mr. BLACK. As I understand it, there will be no objection. I would not want to delay unduly the further consideration of the unfinished business.

Mr. REED. How much time does the Senator think it will take?

Mr. BLACK. I do not think it will take over five minutes. I am frank to say that if there is any strong objection to the measure I shall not ask that the unfinished business be longer laid aside.

Mr. REED. But the Senator does ask now, I understand, that the unfinished business be temporarily laid aside?

Mr. BLACK. I submit that request.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, in any event I shall have to object. The bill provides for a direct appropriation of $5,000,000, and is such a complete departure from the rule followed in connection with the loan of funds in cases of necessity and charity that I shall have to object and insist upon the regular order.

Mr. BLACK. Mr. President, I feel sure that the Senator believes that this is a total departure from methods that have been heretofore adopted, but he is mistaken. The joint resolution is practically a copy of the measure which authorized the use of $10,000,000 for Porto Rico with the exception that that bill, for which the Senator voted and which authorized the use of $10,000,000 for the rehabilitation of Porto Rico, provided for loans to individuals to the extent of $25,000 each. That bill passed this body unanimously, as I recall it. The joint resolution does not provide for loans to individuals of $25,000 each. The committee upon hearings decided it would be advisable to authorize loans only to the extent of $5,000 each.

I desire to call the attention of the Senator from New Hampshire to the fact that in one State, within five days after the tornado occurred, there were 2,500 people found to be injured and 315 dead. Thousands of people are homeless. Their homes have been completely destroyed. There is a statement in the RECORD from the governor of one of the States involved that it is wholly and completely impossible for the situation to be taken care of, either by public or private agencies. I can not understand why there should be any objection to taking up a measure of this kind, which is not a departure from what the Senate has done previously but which is far less liberal than the measure which

was passed for the benefit of Porto Rico. It may be that there is more reason to help the people of Porto Rico than the people in the United States, but I do not think so. Nor do I believe that any Senator subscribes to that idea.

The joint resolution proposes not a gift, but loans. It proposes not $10,000,000, as was provided for Porto Rico, but $5,000,000. It provides not an absolute gift of $4,000,000 as was provided for Porto Rico, but only for making loans to people who are destitute and homeless. It does not provide $2,000,000,000 to lend to destitute railroads or to banks. It provides $5,000,000 for the purpose of helping people who are helpless and who are homeless.

Mr. President, if the joint resolution is not passed without delay, it means more and additional suffering. As I originally offered the measure it provided for the use of $5,000,000 from the funds of the Reconstruction Finance Corporation. Very frankly, I thought that was the proper way to handle it. It would not have entailed one additional dollar of appropriation. But the committee, upon consideration, reached the conclusion that it would be better simply to provide for a straight appropriation; and at the suggestion of the committee and upon the unanimous vote of those present in the committee, the joint resolution was changed so that it does not now provide for money to be taken from the fund which has been appropriated for the Reconstruction Finance Corporation but for a straight appropriation from the Treasury itself. There is no reason, I think, why the loan should not be made to citizens of the United States when the same measure and kind of relief was granted to citizens of Porto Rico.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. Certainly.

Mr. ROBINSON of Arkansas. Does the Senator contemplate moving to proceed to the consideration of the joint resolution?

Mr. BLACK. I certainly contemplate doing that if I can not get unanimous consent for its immediate consideration.

Mr. ROBINSON of Arkansas. I believe that a greater number of Senators ought to be here to hear the statement the Senator is making. If the Senator will indulge me just a moment, I will supplement what he has already said with the suggestion that, considering the nature of the measure, its purposes and the circumstances which have prompted its introduction, it seems to me it is proper that prompt consideration be given to it. Does the Senator wish to have a larger attendance of the membership of the Senate?

Mr. BLACK. I would like to have it in order that the measure may be considered.

Mr. ROBINSON of Arkansas. If the Senator will yield for that purpose, I will suggest the absence of a quorum.

Mr. BLACK. I yield for that purpose.

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Austin	Goldsborough	McKellar	Sheppard
Bankhead	Hale	McNary	Trammell
Black	Harrison	Moses	Tydings
Capper	Hatfield	Neely	Vandenberg
Caraway	Hebert	Norbeck	Walsh, Mass.
Connally	Hull	Norris	Walsh, Mont.
Cutting	Jones	Reed	Wheeler
Dickinson	Kean	Robinson, Ark.	
George	McGill	Schall	

Mr. McNARY. I wish to announce that the Senator from Connecticut [Mr. WALCOTT], the Senator from Missouri [Mr. HAWES], the Senator from Idaho [Mr. THOMAS], the Senator from North Dakota [Mr. FRAZIER], the Senator from Oklahoma [Mr. GORE], the Senator from South Dakota [Mr. BULOW], the Senator from New Jersey [Mr. BARBOUR], the Senator from North Carolina [Mr. BAILEY], the Senator from Kentucky [Mr. LOGAN], and the Senator from Nebraska [Mr. HOWELL] are detained from the Senate in committee meeting.

I also desire to announce that the Senator from Ohio [Mr. FESS] is detained on official business.

Mr. McKELLAR. I wish to announce that the Senator from South Carolina [Mr. BYRNES] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Chamber on business of the Senate.

Mr. SHEPPARD. I desire to announce that the Senator from New York [Mr. WAGNER], the Senator from Florida [Mr. FLETCHER], the Senator from Ohio [Mr. BULKLEY], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. MORRISON], the Senator from Nevada [Mr. PITTMAN], and the Senator from Oklahoma [Mr. THOMAS] are necessarily detained on official business.

The VICE PRESIDENT. Thirty-four Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. STEIWER answered to his name when called.

The VICE PRESIDENT. Thirty-five Senators have answered to their names. There is not a quorum present.

ADJOURNMENT

Mr. McNARY. In view of the circumstances, I move that the Senate adjourn until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate adjourned until to-morrow, Thursday, April 7, 1932, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 6 (legislative day of April 4), 1932

UNITED STATES MARSHAL

Valentine J. Peter, of Nebraska, to be United States marshal, district of Nebraska, to succeed Dennis H. Cronin, whose term expired December 15, 1929.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 6, 1932

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we would pray unto Thee, saying: Holy, holy, holy, merciful and mighty! We praise Thee in our hearts for the tides of Thy love and mercy. We beseech Thee that we may always feel most deeply the incentives of conscience and duty. Endow us richly with faith and courage and send us on our duty with Thy blessing, and may all tasks be borne with wisdom and patience. On this memorable day, O God, we pause; we hail it with joys of rapture, and may we realize our gratitude to our soldier braves. Wherever the shadow of our flag falls may there be heart room and home room for all. O may the curse of war never be permitted again to run its course. When this old, sorry world awakens to the disease of its bloody trail, then the day of its deliverance will have dawned. In the very soul of our country may there be enshrined the precepts of the Master. Plant them there, merciful Father, and let them remain while time endures. Through Jesus Christ our Lord. Amen.

JOURNAL

The Journal of the proceedings of yesterday was read and approved.

Mr. PATTERSON. Mr. Speaker, we are about to consider a very important bill, and I think we ought to have a quorum present.

Mr. STAFFORD. Mr. Speaker, we agreed to meet at 11 o'clock, not for the purpose of having a roll call but to proceed with general debate. I left a committee meeting in order to come here and do my duty on the floor. If we are to have this time devoted to roll calls we should not meet at 11 o'clock in the future.

Mr. PATTERSON. Mr. Speaker, I withdraw the point of order.

ACCOUNTING DIVISION INTERSTATE COMMERCE COMMISSION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill to be considered to-day, and specifically on that part of it that has to do with appropriations for the accounting division of the Interstate Commerce Commission, and also to put in some figures furnished by the Interstate Commerce Commission.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the appropriation for the Bureau of Accounts for the fiscal year ending June 30, 1932, is $1,504,420. The Interstate Commerce Commission asked the same amount for the 1933 year. The Bureau of the Budget reduced this to $1,383,560, a drop of $120,860. The Committee on Appropriations has cut off $1,000,000 more, leaving only $383,560. It has also reduced the Budget's estimate for the Bureau of Valuation, which was $3,233,231, to $2,750,000, a cut of $483,231.

The Appropriations Committee based these reductions on "its belief that recapture will be retroactively repealed at this session of the Congress, since the legislation for the repeal has the full indorsement of the Interstate Commerce Commission and there has not been developed any substantial opposition to the repeal."

If recapture is not repealed retroactively, there can be no question as to the need for the appropriations recommended by the Budget for both accounts and valuation. If it is repealed retroactively, the Interstate Commerce Commission does not object to the reduction of $483,231 in the appropriation for valuation. It believes, however, that the proposed reduction of $1,000,000 in the appropriation for accounts is unwarranted and against the public interest. It would cripple an important branch of the commission's work.

In the 1931 year, out of total expenditures by the Bureau of Accounts of $1,475,841, as much as $1,138,517 was used in auditing recapturable income. The Committee on Appropriations has apparently concluded from this that if the recapture work were eliminated, $1,000,000 could be saved, and that the arguments of the commission to the contrary were made merely to protect its accountants against loss of employment. Most emphatically this is not the case. The commission is profoundly convinced that the appropriation which it seeks for its Bureau of Accounts is essential to effective administration of the interstate commerce act, regardless of recapture.

The mere prescription of a uniform system of accounts is not enough. Such a system is not self-enforcing. It is essential that the accounts be policed, if they are to be relied upon. This does not mean an annual audit, but test checks from time to time, resembling the checks which are made by bank examiners. Nor does it mean that all or even a large part of the railroad accountants are assumed to be dishonest. Inevitably there will, in the absence of adequate supervision, be some dishonesty, or laxity in accounting closely approaching dishonesty. But railroad accounting covers a very wide range and is far from a simple matter. There are many opportunities for differences in interpretation. For example, the tendency of a prosperous railroad is to resolve doubts in favor of charges to operating expenses, whereas the tendency of a poor railroad is the reverse. Without adequate supervision these differences of interpretation are likely to impair uniformity in accounting very seriously. That this is not an unimportant matter will be appreciated when it is realized that correct and uniform accounting lies at the very root of effective public regulation. The statistics and data upon which the commission so often relies in the regulation of rates, securities, consolidations, loans, and other matters depend for their validity upon sound underlying accounting.

Moreover, it is not only the financial accounts which should be policed, but various other records, such as those relating to freight claims, transit arrangements, free passes, tap-line divisions, advances or contributions, and other similar matters. It is in the examination of such records that our accountants pick up information most useful in the enforcement of the penal provisions of the act against rebating, direct or indirect, and the like.

These needs were clearly recognized when the Bureau of Accounts was established by authority of Congress in 1908. In his message President Roosevelt said:

> Ample appropriation should be made to enable the Interstate Commerce Commission to carry out this very important feature of the Hepburn law which gives to the commission supervision and control over the accounting systems of the railways. Failure to provide means which will enable the commission to examine the books of the railways would amount to an attack on the law at its most vital point, and would benefit, as nothing else could benefit, those railways which are corruptly or incompetently managed.

In debate in the House on April 30, 1908, Congressman Underwood said:

> The clear contemplation of Congress when it passed this law was to require that the railroads should keep their books in a uniform way so that every shipper might know whether or not advantages were given to another shipper. The only way that you can enforce that provision of the law is to have these railroad accounts inspected at regular intervals, and it is folly to say that $50,000 is sufficient money to inspect the accounts of the great railway systems of the United States. Why, I am not surprised when the gentleman suggested that probably it would cost a million dollars to do that work. Possibly it will; I think that the estimate of $350,000 that is requested here by the gentleman from Michigan is too small. I do not believe you can keep up with this system, but what is a million dollars, if it costs that much, to the shippers of this country to carry out and enforce the Hepburn law, and that is what it means?

In the 1930 year the operating revenues of the railroads totaled more than $5,343,000,000 and their operating expenses more than $3,975,000,000. Contrast these amounts with the appropriation sought of less than $1,400,000. With its present force of men and no recapture work, the commission could, if it did nothing else, only make a general examination of the accounts of each important railroad once in three years. But the bureau has other important duties. It is doubtful whether it would be possible, with the present staff, to make such a general examination once in five years.

The recapture examinations have served, imperfectly, to take the place of such general examinations. They have constituted a check on the income accounts of many of the railroads. The check has not been as effective as if general examinations had been practicable, for a considerable number of important railroads have not been covered by the recapture examinations. Moreover, they have not covered the balance-sheet accounts and various other important accounts and records, examples of which have already been given.

If recapture is repealed and recapture examinations of accounts are no longer necessary, the commission should at once resume its practice of making general accounting examinations. Otherwise the accounts of the carriers will not be effectively policed. And the present staff is certainly no larger than is necessary for that purpose.

The bureau of accounts is not only necessary for such enforcement of the accounting regulations but it has other important duties to perform. It is frequently used by the commission for special investigations which require research in accounts and records. Illustrations in the past have been the notable investigations of the financial operations of the New Haven, the Rock Island, the Frisco, the Pere Marquette, the Milwaukee, the Denver & Rio Grande, and other railroads; the investigations of the cost of carrying anthracite coal, and the cost of refrigeration service. Many other similar inquiries might be mentioned. The need for them continually arises. Moreover, the bureau of accounts has duties in connection with accounts of telephone and telegraph companies, steamship companies, electric railways, pipe lines, and other carriers, and the very difficult duty of carrying out the instructions of Congress with respect to depreciation accounting. It is also engaged in a revision of the accounting classifications to adjust them properly to present-day needs.

If the appropriation were reduced to $383,560, it would be necessary to slaughter the force of the bureau and probably discontinue several of the branch offices. The organization has been built up over a long period of years and comprises

a well-disciplined and effective staff of expert accountants. Such a reduction in appropriation would ruin its efficiency. The fact is that the Bureau of Accounts has never been equipped to do all that should be done to supervise effectively the accounts of all of the carriers subject to the jurisdiction of the commission. Since 1918 it has been largely engaged in special duties incident to the determination of compensation due to the railroads covering the period of Government control, to the determination of the amounts due under the 6-month guaranty provided for in the transportation act, 1920, and to the auditing of recapturable income. If the special recapture work is eliminated, the Bureau of Accounts will be able to function more normally; but even with the full appropriation sought it still will be unable to cover the ground as thoroughly as, in the opinion of the commission, it should be covered.

Incidentally it may be of interest to know that the accounting examinations of the Bureau of Accounts in connection with the settlement of claims under the 6-month guaranty saved the Government $29,000,000, or much more than has been appropriated for the bureau in its entire history.

Under present conditions there is probably more need than has existed since the passage of the Hepburn Act for effective examination of the accounts and records of the carriers. At a time when traffic is scarce, competition for the traffic which remains inevitably becomes more keen and fierce, and the temptation to resort to various means of buying traffic from competitors by the use of various concessions and devices, direct or indirect, is greatly increased. This tendency is now enhanced by the competition which the railroads are meeting from other forms of transportation. Indications are multiplying that such concessions and devices of one sort or another are becoming very prevalent. Yet they are in the long run injurious to the carriers as well as to shippers. Some one carrier may gain a temporary advantage in this way, but when its competitors adopt the same practice, as normally happens, all suffer and no carrier gains.

Accountants of the commission are now engaged in investigating the railroad warehouse and storage situation at and about New York Harbor, which it has reason to believe is a prolific source of such indirect traffic concessions. Similar situations exist at other large cities which should be investigated. This is only one illustration of the need for accounting examinations directed at practices which are sapping the revenues of the carriers. If the commission were relieved from the duty of making recapture examinations, it could investigate these matters much more extensively, thoroughly, and adequately than is now possible. It is believed that the results would not only greatly reduce unjust discriminations as between shippers but would also be of financial advantage to the carriers.

Accounting examinations, as conducted by the commission, are not meddlesome inquisitions into private affairs but are essential to effective regulation and produce generally wholesome results.

CALL OF THE HOUSE

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to address the House for half a minute.

The SPEAKER. Is there objection?

Mr. WOODRUM. Mr. Speaker, in nine years' service in the House of Representatives I have never made a point of no quorum. But I am about to address the House on an important bill appropriating more money than you will raise by the revenue bill, and I hope to give what will be an extensive explanation of the bill. I believe that Members ought to be here. I therefore make the point of no quorum.

The SPEAKER. The gentleman from Virginia makes the point of no quorum. Evidently no quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to. Accordingly the doors were closed, the Sergeant at Arms directed to notify absent Members, and the Clerk called the roll. The following Members failed to answer to their names:

[Roll No. 47]

Abernethy	Drane	Knutson	Reid, Ill.
Aldrich	Englebright	Kopp	Reilly
Almon	Erk	Kurtz	Sabath
Andrews, N. Y.	Estep	Lambeth	Sanders, N. Y.
Bacharach	Evans, Calif.	Lamneck	Schuetz
Beam	Foss	Larrabee	Selvig
Beedy	Freeman	Larsen	Shreve
Beers	French	Lea	Simmons
Bloom	Gibson	Lehlbach	Smith, Idaho
Brand, Ga.	Gifford	Lichtenwalner	Steagall
Britten	Gillen	Lindsay	Stevenson
Brumm	Golder	Linthicum	Stokes
Burdick	Goldsborough	Lonergan	Strong, Pa.
Cable	Griffin	McFadden	Sullivan, Pa.
Campbell, Pa.	Hall, Ill.	McGugin	Taber
Cannon	Hancock, N. Y.	McSwain	Taylor, Colo.
Carden	Harlan	Magrady	Taylor, Tenn.
Cary	Haugen	Manlove	Timberlake
Cavicchia	Hawley	Martin, Mass.	Treadway
Chapman	Holaday	Mead	Tucker
Chase	Holmes	Mitchell	Turpin
Chindblom	Hull, Morton D.	Mobley	Underwood
Cochran, Pa.	Hull, William E.	Moore, Ohio	Vinson, Ky.
Collier	Igoe	Mouser	Watson
Cooke	James	Murphy	Welsh, Pa.
Cooper, Ohio	Jenkins	Nelson, Wis.	West
Cox	Johnson, Ill.	Norton, N. J.	Wigglesworth
Crisp	Johnson, S. Dak.	Oliver, N. Y.	Wolcott
Curry	Karch	Owen	Wood, Ga.
Darrow	Kelly, Ill.	Parker, N. Y.	Woodruff, Mich.
De Priest	Kendall	Perkins	Yates
Dieterich	Kennedy	Pratt, Ruth	
Douglas, Ariz.	Kleberg	Purnell	
Doutrich	Kniffin	Ransley	

The SPEAKER. Two hundred and ninety-nine Members have answered to their names. A quorum is present.

Mr. WOODRUM. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10022), making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes. And pending that motion, I ask unanimous consent that general debate continue through the day, to be equally divided between the gentleman from New Hampshire and myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SWANK in the chair.

Mr. WOODRUM. Mr. Chairman, I yield myself one hour. Mr. Chairman, I plead guilty to my colleagues for bringing you out of your offices to hear me make a speech. It was I who made the point of no quorum. My justification is that I have been here nine years and this is the first time I ever wanted you to hear me speak. [Applause.] I did not do it in this instance because I thought you would enjoy this occasion any more than I will, but we are about to take up a bill that will appropriate in two or three days all of the money, and probably more, that you raised in the revenue bill, which we have been considering for weeks. And I thought that probably the House would be interested in knowing something about what is contained in this legislation. I feel that there are many items in the bill that Members would want to know about before they come to vote on them.

The independent offices appropriation bill appropriates, as you know, for the so-called independent offices of the Government, some thirty-odd in number, as follows: American Battle Monuments Commission, Arlington Memorial Bridge Commission, Board of Mediation, Board of Tax Appeals, Bureau of Efficiency, Civil Service Commission, Commission of Fine Arts, Employees' Compensation Commission,

Executive, Federal Board for Vocational Education, Federal Farm Board, Federal Oil Conservation Board, Federal Power Commission, Federal Radio Commission, Federal Trade Commission, General Accounting Office, George Rogers Clark Sesquicentennial Commission, George Washington Bicentennial Commission, Interstate Commerce Commission, Mount Rushmore National Memorial Commission, National Advisory Committee for Aeronautics, Personnel Classification Board, Public Buildings and Public Parks, Public Buildings Commission, Smithsonian Institution, Supreme Court Building Commission, Tariff Commission, United States Geographic Board, United States Shipping Board, Veterans' Administration.

We appropriated in 1932, for these several activities, for the current fiscal year, including the deficiencies, $1,306,196,777.

For the year 1933 the Budget estimates for those three departments was $1,041,395,041. From the Budget estimates the Committee on Appropriations has cut $54,948,535, leaving a total amount of $319,750,271 less for these establishments than was appropriated in the year 1932—the current year.

BALANCING THE BUDGET

Mr. Chairman, we have heard a great deal of discussion in the last few days about balancing the Federal Budget. Personally I can subscribe to the fundamental theory that the Federal Budget ought to be balanced, and it ought to be balanced at the earliest possible moment. I believe the American people want to see Uncle Sam live within his income. That is fundamentally true in principle, not only for individuals, but for governments; but I think the American people are particularly interested to see this Budget balanced as far as it can be humanly possible by a reduction of public expenditures rather than by raising additional revenues. [Applause.] It is in the consideration of appropriation bills where you have the opportunity of doing some real balancing of the Budget that will be in the interest of economy and efficient government and that will bring good cheer and heartening news to your constituents when you go back home. My theory of balancing the Budget is that this Congress should have proceeded first to consider the appropriation bills and to cut to the bone where the public expenditures could be reduced without curtailing any needed Government activity. We should then have figured how much money we needed to balance the Budget, and then passed the tax bill. I believe our tax bill should have been the last resort. I do not believe that Congress has the right to levy new taxes on a people already overburdened until it has first been shown in good faith that Congress intends to exhaust every possible means of reducing its expenditures.

When you come to balancing the Budget by reducing public expenditures you have a man's job, because the minute you lay your hands on one of these bureaus or departments and undertake to withdraw any of its power or curtail any of its activities or reduce any of its personnel, immediately a system of propaganda is started that finds its way into the office of every Member of Congress, and you find working up from back home among the people a sentiment asking you not to curtail these particular activities. That has been particularly true with reference to this bill, because it was just about 30 days ago that we began the consideration of the independent offices appropriation bill. The bill was reported to the House and a few hours of debate had, and there has been ample opportunity afforded to these Government bureaus and activities to start a vicious system of propaganda that has found its way back here, and that will probably mean that this committee will have a fight on the floor of the House to maintain the economies we have sought to make in this bill.

In approaching this bill the subcommittee has tried to reduce public expenditures everywhere they could be reduced without unnecessarily hampering or curtailing needed and proper governmental activities. As I have said to you, we bring the bill to you with reductions of $54,948,535 less than the budgetary estimates approved by the President.

Following is a summary statement of the committee's reductions below the Budget estimates:

Arlington Memorial Bridge	$160,000
Board of Mediation	17,730
Board of Tax Appeals	10,000
Civil Service Commission	82,000
Employees' Compensation Commission	32,900
Federal Farm Board	680,000
Federal Oil Conservation Board	5,000
George Washington Bicentennial Commission	152,230
Interstate Commerce Commission	1,533,231
National Advisory Committee for Aeronautics	30,000
Personnel Classification Board	50,000
Public Buildings and Public Parks, Office of	328,002
Smithsonian Institution	5,710
Supreme Court Building Commission	500,000
Veterans' Administration	51,161,732
Total	54,948,535

There may be some challenge upon the question of whether the entire sum of $54,948,535 is a saving. I shall not debate with you in any nice technical language; but I say this: That it is $54,948,535 less than the Budget said would be needed in 1933; and if the House will sustain the committee that sum will be in the Treasury at the end of 1933; and if it is still in Uncle Sam's pocket, certainly, so far as the Budget of 1933 is concerned, it is a saving to that extent.

I shall not undertake to discuss each of these 30 Government bureaus and departments, but shall refer to a few of them, especially to the ones I think you will be interested in knowing about and where there is likely to be a controversy.

REORGANIZATION AND CONSOLIDATION

Much is being said about reorganization and abolishment of useless bureaus. I am sorry that when the Economy Committee was constituted there was not some member of the subcommittee on independent offices on that committee, because then those gentlemen would have had first-hand information about some thirty-odd Government bureaus and independent establishments, and right in this bill there is abundant opportunity for real substantial economies in Government operation.

BOARD OF MEDIATION

The first board I shall speak about for a moment is the Board of Mediation and Control. Many of you gentlemen will remember the memorable Howell-Barkley fight we had in the House some years ago, and you will remember that as a result of a compromise between the representatives of organized labor and the railroads a bill was passed creating the Board of Mediation and Control, a tribunal whose duty it is to arbitrate disputes between the laborers and their employers. At that time there seemed to be a real need for such a board. There is probably some need for some such tribunal at this time, but in the years as they have passed the need has largely disappeared. This board is composed of five members who draw a salary of $12,000 each. They sit in Washington part of the time and are out of Washington a great deal of the time.

They have a total personnel of some 24 employees. The average salary of their 24 employees is $5,320. That, of course, includes the salaries of the board members, but exclusive of the salaries of the board members the average pay of their personnel is $3,600 a year.

If you will examine the hearings and examine the report of this board, you will find that the fundamental idea underlying the establishment of such a board is all right, but that the actual and practical need for the outlay of some $152,135, which we are asked to appropriate this year for that board, is absolutely negative. That board could be abolished. [Applause.] A board of mediation could be established in its place with one active, full-time commissioner, and the Secretary of Labor and the Secretary of Commerce as commissioners ex officio, with a small office personnel, ready to act and operate in case of any great emergency.

By doing that a great saving to the United States Government would result. I say that without any effort to cast any sort of reflection on the personnel of that board, which is



presided over by our distinguished former colleague, Mr. Winslow, of Massachusetts. But, gentlemen, if you are looking for economies and for the abolishment of useless boards and bureaus, then here is a good place to begin.

Mr. STAFFORD. Will the gentleman yield in that particular?

Mr. WOODRUM. I yield.

Mr. STAFFORD. Would not the purpose be attained if the gentleman would move to cut out all appropriations for this board except for the one member which the gentleman has just advocated? Would not that carry out the purpose the gentleman has in mind?

Mr. WOODRUM. Possibly it would; but I have had this sort of a feeling about boards of this kind: There is a law that Congress has passed constituting this board and creating it, and giving it certain powers and functions. I think that if the House should reach the point where it desires to make some change, then that change ought to be made by law. I believe we ought to have the courage to do that in the right way, and that is by passing a law and changing it or repealing the basic law, and not abolish it by withholding the salaries of the men who fill the positions of commissioners. It seems to me that would be the logical and statesmanlike way to approach the matter.

Mr. STAFFORD. It would bring the matter to an issue between the two Houses of Congress. This House controls and holds the purse strings; and when exigent occasions arise we should use drastic means if we are sincere in our desire to secure the abolishment of needless bureaus, and there are many, many others for which we are appropriating large sums of money running into the hundreds of thousands of dollars.

Mr. SEGER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SEGER. Will the gentleman inform the Members as to how often this board has been called upon to be active since its inception?

Mr. WOODRUM. Of the grand total of 1,214 cases of all characters thus far received and accepted for mediation, 917 have been disposed of as follows:

By mediation	376
By arbitration	183
By withdrawal through mediation	265
By voluntary withdrawal	32
By board action	61
Total	917

Six arbitration boards have been used during the last fiscal year, as follows:

Cases disposed of by arbitration boards

Case No.	Parties to arbitration		Date of arbitration agreement	Cost
	Carrier	Employees		
			1930	
C-513	Railway Express Agency (Inc.).	Clerical and others	July 24	$3,349.36
C-538	Southeastern Express Co.	Express messengers	Jan. 30	3,998.14
	GRIEVANCE CASES			
GC-83 et al.	New York Central—Lines west of Buffalo, Cleveland, Cincinnati, Chicago & St. Louis Ry.; Pittsburgh & Lake Erie R. R. Co.	Road and yard brakemen	May 6	15,773.41
GC-233	Seaboard Air Line Ry. Co.	Locomotive engineers	July 23	400.00
GC-249	New York Central R. R. Co. (Buffalo and east)	Clerks, freight handlers, etc.	July 10	1,351.90
GC-356 et al.	Northern Pacific Ry. Co.	Clerks, station employees, etc.	July —	1,500.20
	Total			21,324.01

Mr. MICHENER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. MICHENER. The gentleman has suggested that when an attempt is made to do any of these things Congress is confronted with propaganda. In reference to this particular board, is there any particular group or class of our citizens or organizations diametrically opposed to making this saving and abolishing this board?

Mr. WOODRUM. I can not answer the gentleman as to that. So far as I know this is the first time the abolishment of this board has ever been suggested, but I feel I am safe in saying to my friend that from now on you will hear something about it.

Mr. KELLER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KELLER. I would like to ask whether, prior to the panic of 1929, that board had not acted in a very useful way, and if that is true when we get back to work again will not the board be again tremendously useful?

Mr. WOODRUM. I do not think so.

Mr. KELLER. In other words, what I am driving at is this: Is that board not idle because we are idle?

Mr. WOODRUM. I do not think so. I think the time has come when the men who employ and the men who work realize that more can be accomplished by round-the-table discussions and amicable adjustments and settlements of their disputes than can be secured by resorting to any sort of Federal, legislative, or judicial interference.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SNELL. I did not quite understand what the gentleman's committee recommended in regard to this board.

Mr. WOODRUM. I did not state; but I will say to the gentleman that the committee in appropriating for the board made a small reduction in its personnel, in their salary lists, of $17,730. We reduced it that much below the Budget estimate. One hundred and fifty-two thousand one hundred and thirty-five dollars is the amount we appropriate for that board.

Mr. SNELL. What is the gentleman recommending as to any special economies along that line?

Mr. WOODRUM. We have cut below the estimates of the Budget to the extent of over $17,730. We have cut that much below the minimum of what they said they could get along with.

Mr. SNELL. On what basis did the committee make that cut?

Mr. WOODRUM. We made it on the basis of several items. I will answer the gentleman by reading from the committee report:

> The Budget reduction of $18,320 for administrative expenses of the Board of Mediation has been accepted and a further reduction of $17,230 has been made by the committee. This sum was arrived at by deducting $10,000 from the estimate for Washington personnel, $5,730 from the travel item, and $1,500 from communication service. In view of the comparatively peaceful situation now prevailing generally in the railroad industry, the committee believes that the board will be able to perform all necessary functions under the reduced amount. Expenditures under arbitration boards and emergency boards, the amount of which is speculative in character, are provided for in the bill through reappropriating the unexpended balances.

Mr. SNELL. How many members of the board are there?

Mr. WOODRUM. Five.

Mr. SNELL. And the gentleman did not make any recommendation to reduce the number of members of the board?

Mr. WOODRUM. That is in the basic law. The law we passed creating this board provides for a board of five members and fixes the salary, and they are presidential appointments.

Mr. SNELL. And the gentleman thinks he has gone as far as he could without violating the basic law?

Mr. WOODRUM. I think the Congress ought to make a change if in its judgment a change should be made.

Mr. REED of New York. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. REED of New York. Has the gentleman a record of the number of cases handled by this board?

Mr. WOODRUM. The gentleman will find them set out in the hearings and the board's annual report in full.

Mr. MICHENER. I would suggest to the gentleman that he call the particular attention of the Economy Committee to his recommendations, because that committee is set up for the express purpose of doing the thing which the gentleman is now talking about, and we will not get anywhere by just talking on the floor and making speeches. The gentleman has the knowledge and the information and I think a majority of the House is with the gentleman. Why does not the gentleman go to the Economy Committee and have them bring in such a bill?

Mr. WOODRUM. I will say to the gentleman that as a result of the point of no quorum which I made, I have the honor of having several very distinguished members of that committee in my audience.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LAGUARDIA. Lest there be some misapprehension or misunderstanding as to the purpose of this board, is it not true that since the board has been in existence by reason of the enactment of the railroad labor act, we have had no stoppage of work on our railroads.

Mr. WOODRUM. That is practically true; yes.

Mr. LAGUARDIA. And is it not true that this board should be measured, not by its activities in cases of strike, but by the absence of strikes during a given period.

Mr. WOODRUM. That is correct.

Mr. LAGUARDIA. May I also suggest that $152,153 for keeping peace in the railroad industry would be consumed in two hours of lay off on any one road.

Mr. WOODRUM. That is true, if the gentleman assumes, which I do not think is a sound assumption, that the fact this board is in existence has been the cause of peace existing between the employees and employers.

Mr. LAGUARDIA. There is no doubt about that.

Mr. WOODRUM. It may have been a contributing factor, and I will say to the gentleman that I prefaced my statement by saying there should be such a skeleton tribunal in existence, but there is no earthly necessity for five members at $12,000 a year and no earthly use for an average pay roll of $3,600 for an activity of this kind.

Mr. HASTINGS. Will the gentleman from Virginia yield?

Mr. WOODRUM. Yes.

Mr. HASTINGS. I want to emphasize my disapproval of the committee attempting to legislate by not making appropriations for boards or commissions that are created by act of Congress. I am glad to know that the chairman of my subcommittee concurs in this view. This board was created by act of Congress, and the salary was fixed. I disapprove of amendments brought in on the floor that have not had the consideration of committees, and particularly of legislative committees, to abolish boards or commissions, simply by not making appropriations. It has always been my view that when Congress creates a commission and fixes a salary that that is a command to the Committee on Appropriations to make the necessary appropriations to carry out the will of Congress.

FEDERAL FARM BOARD

Mr. WOODRUM. Mr. Chairman, I now come to the Federal Farm Board. The appropriation estimated for by the Bureau of the Budget and approved by the President for 1933 was $1,880,000. The appropriation of 1932, the current year, was $101,900,000. One hundred million dollars of this amount, as you will recall, was the balance of the $500,000,000 revolving fund. This completed the total authorization of Congress, putting into the hands of the Federal Farm Board a revolving fund of $500,000,000 and gave them $1,900,000 in 1932 for their administrative and operating expenses.

When our subcommittee came to make a careful analysis of the Budget estimates for the Farm Board we found that one of two things had happened: Either the Bureau of the Budget had O. K'd the Farm Board's request for appropriations without undertaking in any way to audit or scrutinize such requests, or else they were willing to do for the Farm Board what they had not been willing to do for any other Government department, and that was to allow them to have blanket appropriations for which they were not able to show any justification.

Gentlemen, may I say right here by way of preface, I think the most pitiable class of citizens in America to-day are the farmers; and when I say farmer I mean farmer. I do not mean the white-collared, frock-tailed fellows that come up here and park themselves at the expensive hotels and undertake to tell Congress what it should do to relieve the farmers. I am talking about the farmer who walks between the plow handles and who to-day is seeing his home sold out under the mortgage that the Government has graciously allowed him to put on his property, who is seeing his life savings swept away, who carries his load of cotton or load of tobacco to the market and can not get for it what he paid for his fertilizer. I think he is the most tragic figure, the most God-forsaken figure, the most pitiable figure in American life to-day; and he is in that position because Congress, in its generosity, trying to relieve him, has in truth and in fact relieved him of everything on the face of God's green earth that he has. He has been propagandized to death. He has been fed on by a crowd of racketeers and parasites and has got no benefit, practically, from the legislation and the funds that the Congress has tried to appropriate for his relief.

Now, after that outburst, I will have to make an admission. I voted for this bill. I am not a practical farmer; I represent a district with some farmers in it, but I have no first-hand knowledge of the subject. I have heard farm problems discussed in Congress during the time I have been here, and I have been willing to try most any kind of panacea if it would really help the farmer. I was perfectly willing to appropriate the $500,000,000 for the revolving fund and a couple of million dollars yearly for operating expenses, if it would help the farmer. When I came here Congress after Congress was appropriating money, building up bureaus, sending out armies of employees, inspectors, lecturers, and so forth, telling the farmer what to do and what not to do; and each year I would go back and find the farmers in my district a little worse off than they were when I came here.

Now, something is wrong with such a system; what is it? Now, as to the Federal Farm Board. When I brought in this appropriation bill I was inclined to make a fight on the floor of the House to sustain the committee's action of appropriating a million dollars for their expenses. I have no quarrel to make with any of my colleagues on the committee. I know they are conscientious in what they are trying to do. But we passed on this item and reported the bill out, and I regret to find now two or three of my colleagues on the Appropriations Committee here trying to defeat what the committee has done.

I must say here that my distinguished colleague on the subcommitte, Doctor SUMMERS of Washington, was not in sympathy with the cut we made in the Federal Farm Board. I knew of that, and I knew his attitude was that we probably had not given the Farm Board enough money.

Let us see about that. I do believe that there are some provisions of the cooperative marketing act that might be made effective help to the farmers. Very likely there are farmers, or groups of farmers, that have gotten some benefit from loans that have been made from the revolving fund. It may very well be that there are groups who have been helped by the activities of the Farm Board, in assisting them in farm sales organizations or cooperative associations.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CLARKE of New York. As I understand it, the cooperative farm marketing act was to give the farmers a chance to get into the cooperative associations. If the farmers themselves, the cotton farmer, the tobacco farmer, the dairy farmer, are unwilling to join in that cooperative association of the commodities they produce, then I think Uncle Sam has gone the limit, and I am with the gentleman.

I think the curse of the cooperative marketing act was this unconscionable practice of the stabilizing corporations,

in destroying confidence in the cooperative associations, by paying $50,000 and $75,000 salaries, which was unjust to the cooperatives movement.

Mr. WOODRUM. I thank the gentleman. The gentleman is a distinguished member of the Agriculture Committee, and his study and observations are helpful.

Now, when we come to the budgetary estimate for the board, we find that the Federal Board had increased the salary of the general counsel from $10,000 to $20,000 a year. We have provided a limit on that salary of $12,000.

Although the Federal Farm Board represents the most impoverished industry in America, yet it has exorbitant ideas about spending money. It is very liberal with other people's money. The same thing may be said of the Cotton Cooperative Association and the Grain Stabilization Corporation. You have the ridiculous spectacle of your $500,000,000 Federal Farm Board composed of men who are willing to serve this impoverished industry at salaries of $12,000, and yet the Grain Stabilization Corporation and the Cotton Cooperative Association pay much larger salaries. A $10,000 man is a very low man in their ranks. They run up to $20,000, $30,000, $45,000, $55,000—$75,000 for men in their organizations.

Let us take a look at some of these exorbitant salaries. I refer, for illustration, to such salaries as the following:

E. F. Creekmore, vice president and general manager of the American Cotton Cooperative Association, $75,000 a year.

George S. Milnor, president and general manager of the Grain Stabilization Corporation and vice president and general manager of the Farmers' National Grain Corporation, $50,000.

J. M. Chilton, vice president and assistant general manager of the Farmers' National Grain Corporation, $32,500 a year.

W. I. Beam, treasurer of the Farmers' National Grain Corporation, $30,000 a year.

Henry W. Collins, vice president of the Farmers' National Grain Corporation, $25,000 a year.

William Engel, vice president of the Farmers' National Grain Corporation, $27,500 a year.

W. B. Joyce, district manager Farmers' National Grain Corporation, Milwaukee office, $20,000 a year.

F. W. Lake, vice president of Hall-Baker Grain Co., owned and operated by the Farmers' National Grain Corporation, $25,000 a year.

Henry G. Safford, vice president of American Cotton Cooperative Association, $35,000 a year.

Stanley Reed, general counsel of the Federal Farm Board, $20,000 a year.

The 10 employees mentioned above draw $340,000 a year, or an average of $34,000 per annum. Space will not permit me to set forth the names of all those who are drawing from $7,500 to $20,000 a year. The annual pay roll of the Grain Stabilization Corporation is about $420,000; of the Farmers' National Grain Corporation about $2,242,000, and the American Cotton Cooperative Association nearly a million dollars a year. The American Cotton Cooperative Association has 56 employees to whom it pays salaries ranging from $3,000 to $4,000 per annum, 16 who receive from $4,000 to $5,000 per annum, and 23 to whom it pays $5,000 to $7,500 per annum. I can not escape the conclusion that this makes it look more like a cooperative for the job holders than for the farmers.

The Farmers' National Grain Corporation had been financed to the extent of $47,000,000 by the Federal Farm Board up to June 30 last year and the American Cotton Cooperative Association to the extent of $63,000,000. All together $110,000,000 has been drained from the Federal Treasury to these activities, and it is to be assumed that part of it has gone to maintain these long and luxurious pay rolls.

To the extent these salaries paid are excessive this is a shocking and an indefensible burden on the farmers and taxpayers in general, especially in times of acute distress like the present, when so many of our farmers are unable to meet their taxes and interest charges and are in the depths of despair.

The answer will be made that the Federal Farm Board has nothing to do with this, that those funds are being paid by the cooperatives. That is a specious argument. Somebody is paying them, either the Federal Government or they are getting it out of the pockets of the farmers, and they are racketeers, whoever they get it from. [Applause.] As a matter of fact, a large part of it is going to come out of the Federal Treasury, and why? Because these organizations are financed by loans they make from the revolving fund, and if there is a loss, as there likely will be, on these commodities, that loss is going to come out of the Public Treasury. The Federal Farm Board has never shown the slightest interest in trying to curtail those outrageous salaries paid by those organizations, but they have countenanced them and justified them, and they say these cooperatives ought to be permitted to pay their people these tremendous salaries.

The real farmer knows very little about it. When you come to examine the hearings and go into the details, your conscience will be shocked by this high-racketeering game that has been played at the expense of the American farmer, while he has been constantly ground down into the depths of degradation, despair, and poverty. The Federal Farm Board countenances that practice. It could stop it if it wanted to, and how. You gentleman know that when you go down to your bank to make a loan for your business, and you walk in to the cashier and say that you need a credit this year of $50,000, he will say, very well, bring down your balance sheet and let him see how the business looks. You bring the balance sheet there, and he sees that you are paying your secretary and treasurer $55,000 a year, your assistant treasurer $40,000 a year, and your general manager $35,000 a year, and he will say to you that he will make the loan, but that you have got to clean house first, that he is not going to loan you any of his money to pay such salaries, and that if you want to participate in the funds of his bank, you will have to cut your pay roll down to where it belongs and cut out useless activities and cut these big salaries down before you can borrow his money. In the same manner the Federal Farm Board, any time it had the desire to do so, could have controlled these salaries. You can not control them in this bill because we do not appropriate any money here for loans.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BARBOUR. Could the committee by a limitation decrease the salaries?

Mr. WOODRUM. It can not in this bill, for this reason: We do not appropriate any money in this bill for the revolving fund. We could have done it last year, because we then appropriated $100,000,000 for the revolving fund, but there is no way, as I understand it from a parliamentary standpoint, by which you can reach that in this bill. It would have to be new legislation, if it is reached.

Mr. HOPE. I would say for the information of the gentleman that I have introduced a bill which is pending before the Committee on Agriculture, having for its purpose a limitation on these salaries.

Mr. WOODRUM. The salaries ought to be limited.

Mr. ARNOLD. Could we not place a limitation in this bill providing that the members of the Federal Farm Board should not receive any portion of their salaries if they permitted these high salaries to be paid by these cooperatives?

Mr. WOODRUM. I rather doubt that, although I am not a parliamentarian. I would not like to say, but I understand that there is no parliamentary way in which you could place such a limitation in this bill.

Mr. ADKINS. The salaries that are being paid by the Grain Corporation and the Cotton Corporation are being paid by private corporations. They are private corporations, or are presumed to be. Is it not a fact that, being private organizations, there would be no way for the Farm

Board to regulate their salaries except in the manner the gentleman suggests, when they call for a loan from the Farm Board? The Farm Board then might properly say to them that they are paying too large salaries. That is the only way the Farm Board would have to regulate them.

Mr. WOODRUM. Yes; but the Federal Farm Board has approved these salaries, and they justify them, and in an article appearing in a newspaper yesterday afternoon, signed by Mr. Alexander Legge, the former chairman of the Farm Board, he justifies these salaries paid by these associations.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KELLER. I would like to know whether there is any department that has the power and authority to demand and require a proper statement and accounting, as auditors, for the people's interest in this affair?

Mr. WOODRUM. I do not know just what kind of an audit the gentleman means. The gentleman is speaking of the Farm Board?

Mr. KELLER. Yes. Is it not subject to the authority of the Government accounting department?

Mr. WOODRUM. Certainly. The affairs of the Farm Board are audited by the General Accounting Office. There is no question here of any misappropriation of money or spending money for any purpose not authorized by law. It is simply the question of the supervisory power of the Farm Board over these other organizations.

Mr. YON. In connection with the Stabilization Corporation and the large salaries being paid, do not those organizations continually owe the Farm Board for money advanced to them?

Mr. WOODRUM. Certainly.

I want now to pass on to the particular items of this appropriation. I want to go into it in a little detail, because an effort will be likely made on the floor of the House to restore some of these funds. The committee gave the Federal Farm Board in this bill $1,000,000, and if we have erred, as I say, it has been on the side of generosity.

We believed that with this $1,000,000 they would have sufficient funds to carry on their cooperative work with the farmers and to look after their loan divisions and that by cutting off $880,000 they would probably be compelled to disband some of their large corps of technical experts who are traveling around over the country at tremendous expense.

I want to examine with you for a moment, in order that you may know and that it may go in the RECORD, a few of these specific items. The 1933 estimate of the Bureau of the Budget for the traveling expenses of the Farm Board was $250,000. When we came to inquire into that we found that during the first half of the year 1932 they had only used $101,000 for traveling expenses.

Therefore if we based the last half on the first half they had made no showing for more than $200,000 for traveling expenses, and yet the Bureau of the Budget gave them the same amount for 1933 as they had for 1932, namely, $250,000. We found when we came to examine into their personnel that although their 1932 appropriation was estimated on the basis of 422 departmental employees that in 1932 they had an actual personnel of 343, or 79 employees provided more than they used, and yet even with that showing the Bureau of the Budget O. K'd their estimate for the same number of employees for 1933. That makes a difference of $198,000. We found they had appropriated for their field force in 1932, 65, when as a matter of fact they had only 17 in 1932, yet the Bureau of the Budget estimated for the entire 65 field employees for 1933.

Mr. HOPE. In connection with the new employees, was there any indication given as to the purpose for which these employees would be used?

Mr. WOODRUM. Nothing definite. The gentleman will find from the hearings that Mr. Stone, who spoke for the board, could say nothing beyond the fact that the Federal Farm Board was a new agency; that it was expanding, and that they wanted to have enough money to employ the people they needed to go ahead with their work; that if they did not need all of the money, they would not spend it. When we came to the matter of printing and binding—these are small items, but they show the peculiar situation to which I want to direct your attention—we found that the appropriation for the Farm Board for 1932 was $48,000; in the first half of the year they used $1,200, and yet the Bureau of the Budget allowed them $50,000 for 1933. They allowed them an item of $8,000 for rent in the field for 1933, and they used nothing in 1932 for rent in the field. For repairs and alterations they allowed them $5,000, and they used $1,200 in the first half of 1932. For their commodity advisory committees their appropriation in 1932 was $40,000. The Bureau of the Budget raised that for 1933 to $85,000, although they only used $5,000 in the first half of 1932.

Mr. STAFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. STAFFORD. The gentleman is citing instances where the Budgetary Office, in his opinion—and I think in the opinion of the members of the committee—did not curtail expenditures to the extent that they should have been curtailed. Will the gentleman acquaint the committee as to what is the modus operandi of the Budgetary Bureau in scrutinizing these various estimates? In years back, when the Congress did not have the Budgetary Office, the burden was placed upon the members of the Committee on Appropriations. It is generally assumed that the Budgetary Office is of value to the committee and to the House; but here the gentleman calls attention to the fact that there is a want of proper scrutiny on the part of the Budgetary Office in making the estimates for this one bureau. How many more instances of this kind there may be we do not know, and what I would like to know as a Member of this House is just what the budgetary office does in the way of scrutinizing these estimates.

Mr. WOODRUM. I will say to the gentleman that I can not answer his question. As the gentleman knows, the Appropriations Committee has absolutely no contact whatever with the Budget Bureau. At the risk of being boresome to the committee, I will say that a year ago, when this bill was brought on the floor of the House, I then called attention to the fact that here we have two separate and distinct inquiries. Some time in the late summer or fall the Bureau of the Budget will inquire of the various departments as to what they need in the way of appropriations. They receive the requests of the various departments, and then they make recommendations to the House. We have no way of knowing the reason for any action of the Bureau of the Budget or in what way they arrive at the estimates they send to us. Then months later, when we get into a busy session of Congress, we have to come here and make our own independent investigation; and, gentlemen, where you find one dollar there are thousands of other dollars hidden away that you never find.

In the interest of efficiency and economy there ought to be some sort of contact. I do not know what it ought to be, but there ought to be a representative of the Appropriations Committee, or of its clerical establishment or something that could sit in on the hearings at the Bureau of the Budget, and then there ought to be a representative of the Budget that could sit in on the hearings of the Appropriations Committee in order that they may know what is going on. [Applause.]

I say to you, gentlemen, that if this House will give me for the next session of Congress a full-time clerk or make available to me the able and efficient services of the young man here, Mr. Arthur Orr, who is our clerk, to do nothing but work in these departments and get their budgetary estimates this summer, we will bring back to you savings that will astonish you. [Applause.] We have no way of knowing what the Budget does. We have no way of knowing why they just gave carte blanche authority to the Farm Board, any more than we have any way of knowing why they arbitrarily cut $515,266 under the 1932 appropriation from the Federal Trade Commission. We have no way of knowing why the Budget has done that.

Mr. THATCHER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. THATCHER. Does not the gentleman think it would be well if the Budget would have its hearings printed just as our hearings are printed, so there would be complete information?

Mr. WOODRUM. That is, of course, a good suggestion.

Mr. THATCHER. They should be available to the Appropriations Committee, at least.

Mr. WOODRUM. The gentleman knows, however, that the Bureau of the Budget is supposed to be, in theory, the confidential advisor to the President. After all, these are the recommendations of the President as made to him by the Bureau of the Budget and there are probably very sound reasons why the inquiry and findings of the Budget should not be broadcast or made public.

Mr. THATCHER. Yes; but they could be made available to the Appropriations Committee.

Mr. WOODRUM. They ought to be known by the Congress, otherwise we are acting in the dark and without information.

Mr. PARSONS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. PARSONS. Is it not the fact that the Bureau of the Budget, instead of conducting hearings as the gentleman does in his committee, more or less simply takes the recommendations of the heads of the departments and bureaus and grants them and submits them largely in that form?

Mr. WOODRUM. No; I can not subscribe to that statement of the gentleman. There is abundant evidence that the Bureau of the Budget does serve a most useful purpose to the Congress, and I think its usefulness and its reliability could be greatly enhanced if we had some contact with them. I would now like to pass on.

Recently there has been placed in the hands of some of the Members of Congress a mimeographed statement on the activities of the Farm Board, and I would like to call your attention to the fact, if you have read this statement, that although the Federal Farm Board is complaining very bitterly about the cut in their appropriation, you will find here that they say that out of their 1932 appropriations they have something like three or four hundred thousand dollars that they will turn back into the Treasury, showing, after all, gentlemen, they have not in the past been so badly crippled.

Mr. SIMMONS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SIMMONS. The fact they turn back over $400,000 out of their appropriations shows they have been conserving the funds that Congress gave them, does it not?

Mr. WOODRUM. It shows this, I will say to the gentleman, in this instance, as it shows in a great many other instances. The gentleman is a member of the Appropriations Committee and knows that it is an old American custom for these bureaus and departments to get every nickel they can get out of Congress and then come at the end of the year and make their obeisance to the President, whether he be Democrat or Republican—and there is no partisanship in this—and show how much they have been able to save, and then receive the grateful plaudits of a grateful administration.

Mr. SIMMONS. Then the gentleman's position is that instead of approving what they have done in the way of savings out of the appropriations which the committee gave them last year the gentleman thinks they should be condemned for it?

Mr. WOODRUM. That is not a fair inference from what I have said, and the gentleman knows it. I do not know what the gentleman's attitude is on this matter, although I know he does not approve of this cut. My position is that the Federal Farm Board pleads guilty to the fact they do not need $400,000 of the $800,000 that we have cut from their appropriations, and it is not the policy of this Congress to let any bureau or board expand its activities during this crisis. If they plead guilty to the extent of $400,000, I think the Congress will be showing good judgment in taking off another $400,000, and I know the public interest is going to be served.

Mr. BACON. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BACON. Did I understand the gentleman to say that the Federal Farm Board is engaged in organized propaganda or going behind the back of the Appropriations Committee to try to persuade the Congress, by devious methods, to raise its appropriations?

Mr. WOODRUM. Doubtless the gentleman, like other Members of the Congress, has received telegrams and letters from cooperatives all over the country, and the gentleman knows, if he is familiar with the activities of the Farm Board, that they have a publicity bureau, and I will say to the gentleman it is a high-pressure publicity bureau that issues weekly and monthly statements glorifying and aggrandizing its great benefits to the Government, and the gentleman can draw his own conclusion.

Mr. BACON. I hope the gentleman will at least cut out the appropriation for the publicity bureau.

Mr. WOODRUM. We think we have done that, and then some.

Mr. BACON. Cut it out entirely.

Mr. WOODRUM. We think we have done that, I will say to the gentleman.

Mr. BACON. The longer the gentleman speaks the more he convinces me that the Farm Board ought to be abolished at the earliest possible moment. [Applause.]

Mr. WOODRUM. I will say to the gentleman that I do not feel disposed to differ with him. [Laughter.]

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SUMMERS of Washington. I think it should be said at this point that the subcommittee reported a bill last year, if I remember correctly, for $150,000 less than the amount finally carried in the bill. The gentleman will remember that $150,000 was added over the recommendations of our subcommittee. And since the gentleman has referred to my attitude, will he permit me to say that while I did not approve of the cut to $1,000,000, I did think that there could be a very substantial cut below the $1,880,000; in fact, a point some place in between, in my opinion, is what was justified on the showing made before our committee.

Mr. WOODRUM. I am very glad to have the gentleman make that statement.

Now, I would like to go to the Federal Trade Commission.

Mr. KETCHAM. Before the gentleman leaves the Federal Farm Board, will the gentleman make an observation on this point? Is it true or not that the activities of the Farm Board, in the effort for stabilization, where I think most of the fault can be found—were the activities entered upon with any degree of interest or anxiety by the Farm Board itself? Did not the board go in rather hesitatingly, but were driven there largely by interested people in certain particular sections of the country?

Mr. WOODRUM. That is doubtless true. I want to reiterate that so far as my contact with the men of the Farm Board itself is concerned, I think they are men of a high type. Mr. Alexander Legge, a man of great ability, speedily realized the hopelessness of his task and went back to the International Harvester Co. Mr. Stone is the present chairman, a splendid man, who left a position at larger salary than he has now to come to the Farm Board.

Mr. ALLGOOD. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. ALLGOOD. The gentleman referred to the $200,000 requested by the Farm Board. Isn't it a fact that the activities of the Farm Board were slowed down by the fact that they had loaned all the money?

Mr. WOODRUM. That may be true, but the attitude of the Farm Board is that they want to expand.

Mr. ALLGOOD. The gentleman referred to the matter of salaries that are being paid by cooperatives, and seemed to indicate that the Federal Farm Board supervised it. The

only way that they could control it was by refusing loans. Is an amendment to the bill along that line germane?

Mr. WOODRUM. I will repeat what I said a few moments ago, that I am informed by the parliamentarians in the House that it would not be germane, there being no appropriation here for the revolving fund.

Mr. SUMMERS of Washington. If the gentleman will permit, I want to say that the stabilization provision of the farm marketing act was brought before the House by the agricultural legislative committee as a part of their bill and was adopted by the House as a part of the law. They were directed by the law under certain conditions to engage in stabilization. Regardless of where the fault lies, I think it might be well to call the attention of Members that the board was carrying out the mandate of Congress.

Mr. CLARKE of New York. Is it the gentleman's idea that a $75,000 salary was a part of the stabilization?

Mr. SUMMERS of Washington. The gentleman is injecting the matter of salaries into the discussion. I want to say that I never approved, and do not approve, of some of the salaries that have been paid.

Mr. ADKINS. In this demand for retrenchment, and in starting on this agency, you practically had to perform a surgical operation to do it, had you not?

Mr. WOODRUM. Yes; a Cæsarean section, if the gentleman knows what that means.

Mr. FREE. Would there be any objection to the gentleman inserting in his remarks the names of the individuals concerned who are paid these big salaries?

Mr. WOODRUM. Those names have been inserted, I will say to the gentleman.

Mr. FULMER. In connection with the statement made by the gentleman from the State of Washington [Mr. SUMMERS], while the bill did authorize the organizing of stabilization corporations, it also gave the board the power to minimize production, but all that the farmers got out of that was advice from the Farm Board. There was nothing done by the board to reduce production, although many plans were offered the board.

FEDERAL TRADE COMMISSION

Mr. WOODRUM. I now take up the item of the Federal Trade Commission. The Federal Trade Commission had appropriated in 1932, $1,781,766. The Bureau of the Budget estimated for their 1933 appropriation, $1,266,500, or $515,266 less than the 1932 appropriation. I have no way of saying to the committee why they made the cut. I do not know what information the newspapermen had, but members of this committee will know, if they recall what the press said at that time—and it was freely said by reputable newspaper writers—that the purpose of that cut by the Bureau of the Budget was specifically to throttle and scuttle the utility and chain-store investigation. The committee, following the practice law that was adopted at the beginning of the session of not raising budgetary estimates, has brought this item to you ladies and gentlemen for your consideration, to pass upon in your good judgment. Speaking personally, I do not hesitate to say that I think the Federal Trade Commission ought to have a little more money, if Congress wants these investigations completed.

On the utility investigation has been spent up to the 1st of July, 1931, $884,778.98 and on the chain-store investigation approximately $399,045.39. Both of those investigations are very important, in my judgment, and, I think, in the judgment of Congress; and I say that for this reason: When the bill was here last year the committee, on the floor, added $150,000 to what the Appropriations Committee had given the Federal Trade Commission, upon the theory that the investigations referred to should be expedited. We have brought this appropriation to you just as the Budget has estimated for your consideration.

I herewith insert a chart showing in detail the situation with reference to the work of the commission:

Federal Trade Commission

Special investigations	Expended to July 1, 1931	Allotted fiscal year 1932	Estimated additional amount needed to complete	Original estimate fiscal year 1933	Allotment of Budget estimate
Power and gas	$884,778.98	$340,000.00	$305,000.00	$305,000.00	$57,905.00
Chain stores	399,045.39	259,767.00	140,000.00	140,000.00	48,298.00
Cement	4,865.33	10,200.00	45,650.00	45,650.00	38,638.00
Building materials	1,358.55	7,600.00	58,870.00	58,870.00	28,979.00
Price bases	117,914.66	46,000.00	85,000.00	85,000.00	19,312.00
Total	1,407,962.91	663,567.00	634,520.00	634,520.00	193,192.00
Administration					275,528.00
Legal, prevention of unfair methods on competition in commerce					667,780.00
Total Budget estimate approved for fiscal year 1933					1,236,500.00

It had been the practice for the other legislative body to send down requests for investigations to the Federal Trade Commission without making any provision for the cost of those investigations, and the Federal Trade Commission would proceed with the investigation, diverting personnel and funds from other investigations, and come to Congress later and get the approval of the Budget and Congress in the way of a deficiency appropriation. Last year the other body ordered an investigation of cement and building material, and the Federal Trade Commission proceeded to make that investigation and has nearly completed it. In doing that they diverted and used up something like $70,000 of their 1932 appropriation, feeling that in accordance with the custom that had been going on with the Budget and Congress, they could get approval through a deficiency appropriation; but when they went to the Budget, the Budget refused to recommend, and when they came to the deficiency committee the deficiency committee refused to allow their deficiency. The bill went to the Senate, and the Senate put the $70,000 on, but the conferees eliminated the item, so the Federal Trade Commission were caught in a bad spot, and they were on the eve of being compelled to let something like 100 of their employees go on the 1st of April. After talking with the leadership of the House I assured them that when this bill came up for consideration, as chairman of the committee, as an individual, not as a committee amendment, I would offer an amendment to increase their appropriation $60,000 and make it immediately available in order to take care of that deficiency.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for one hour, to use any part of it that he wishes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. TILSON. Is not the Federal Trade Commission in somewhat the same situation as the gentleman describes in connection with the Board of Mediation and Control in that the reasons which brought this commission into existence originally have to a considerable extent passed away? While the Federal Trade Commission was possibly useful earlier, at the present time, instead of assisting business—which, heaven knows, needs encouragement—in many instances the commission has actually bedeviled legitimate business for the sole reason that it was large or successful; that is, has harassed and hindered business rather than helped it. It seems to me that when legitimate business is sick, as it has been for some time, instead of trying heroic, drastic, demoralizing remedies such as this commission often applies, such treatment should be dispensed with and business that is struggling for its very existence be permitted to recover normal health.

Mr. WOODRUM. Of course, there is probably ground for wide difference of opinion as to whether the business that is being bedeviled should be bedeviled. I do not doubt there are business organizations that would like very much not to be bedeviled by the Federal Trade Commission.

Mr. TILSON. But the Federal Trade Commission has conducted a number of investigations of particular cases, especially under the Clayton Act, and I do not think that in a single case where the commission has made a finding has the finding been able to stand the acid test of the courts. Certainly in almost if not quite every instance the findings have been overridden or nullified if carried to the highest court.

Mr. WOODRUM. I can not subscribe to the gentleman's opinion in that respect.

Mr. TILSON. I think if the gentleman will examine the record he will find that in the cases brought under the Clayton Act most of the investigations have come to naught, after having caused untold damage, without any compensating benefit to the public.

Mr. BYRNS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BYRNS. I agree with the gentleman from Virginia to the effect that I think the Federal Trade Commission law is a splendid statute. As we all know, it was devised for the purpose of protecting little business; but I must say I do not think that law has been very well administered during the last two years, but that is the fault of administration rather than of the law itself. But the gentleman made the remark a minute ago—and that was the occasion of my interrupting him—in which he said the deficiency committee should have granted this $60,000 to which he referred and which, in a sense, was a reflection on the deficiency committee.

Mr. WOODRUM. I will take that back.

Mr. BYRNS. I want to say this in explanation, that the Federal Trade Commission has been for a number of years—and I have their letter in my pocket to that effect—diverting funds which have been appropriated for specific investigations. The deficiency conference committee came to the conclusion that the only way on earth to stop them from diverting funds was to deny deficiencies when created by that sort of practice. They would come to Congress and say they needed funds for a specific purpose; and then, because some gentleman at the other end of the Capitol having some pet idea of his own would get up and offer a resolution for an investigation and it would go through without even a comment, they would take the funds they had told the House they were going to use in investigating the chain stores and in carrying on the power investigation and use them in an investigation under that resolution. Your conference committee felt that it was time that that should be stopped. The committee had been promising it would be stopped, but the Federal Trade Commission not having done what it promised to do, or, at least, what we understood they were going to do, we did deny them this $60,000 which they said they needed as a deficiency. [Applause.]

Mr. FULMER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. FULMER. I would like to say to the gentleman that the Federal Trade Commission was created for the purpose, not only of looking after little business, as stated by the gentleman from Tennessee [Mr. BYRNS], but also to look after the interest of the public. However, in the past few years they have been spending thousands of dollars in setting up trade-practice conferences, by which they have placed industry in the position to defeat the antitrust law. The Attorney General some days ago made the statement that after they would go home, with rules indorsed by the commission, they would nudge a little here and a little there and then when the Department of Justice would call their hand they would say, "We have your indorsement." Usually in about two years after these trade-practice conferences had been carried on, there would be a complaint on the part of the public. The commission would then go into an investigation of the same industry in connection with which they had held trade-practice conferences, by which an industry was placed in the position of doing the very thing that was complained about.

Mr. STAFFORD. Will the gentleman yield?

Mr. WOODRUM. I will.

Mr. STAFFORD. I think the House would be interested in knowing how far they have progressed in finishing their investigation of the chain stores and their power investigation, which has been hanging in the air for these many years. What is the status of those investigations? What we want are results.

Mr. WOODRUM. They say that if they are given sufficient appropriations they will complete the investigation in the next fiscal year.

Mr. STAFFORD. It will be another year before we get anything.

Mr. WOODRUM. But the gentleman should know that they have made very substantial progress and have already published partial reports and given considerable information regarding those investigations.

INTERSTATE COMMERCE COMMISSION

Now, gentlemen, I will take up the Interstate Commerce Commission. The committee made a cut of $1,533,231 from the Interstate Commerce Commission. The reason of that cut was this: $1,000,000 of it was taken from the bureau of accounts, $483,321 from the valuation department, and $50,000 from their administrative expenses.

Now, a year ago the Interstate Commerce Commission came to the Appropriations Committee and asked for an additional $1,000,000 for their valuation work. The House did not give it to them. The other body, out of an abundance of generosity, put the $1,000,000 in the bill; and the conferees, in a moment of weakness, yielded, and they got the $1,000,000.

When we came to the hearings this year and began to inquire about that—and may I say, of course, we had the usual story last year that they had pressing public business to be done and that they should have this money regardless of the condition of the times—then when we came to the hearings this year, we found that before the beginning of the present fiscal year, when the President asked them to be economical, they took about one-half of that amount and laid it aside as a saving. They have had it ever since and they are now handing it back as a little saving. Of course, we are glad to have the saving and glad to have anything go back into the Treasury; but it is another instance of a department coming and begging Congress for money for some important activity which, after you come to analyze it, is not as important as you were made to believe. We took $1,533,231 out of this bill on this theory:

Section 15 (a) of the transportation act known as the recapture clause has cost this Government up to date something like $37,000,000, and the railroads three or four times that amount. Legislation is pending in the House and in the Senate for the retroactive repeal of the recapture provision. I do not know just what action has been taken by the Committee on Interstate and Foreign Commerce of the House, but they have had very illuminating hearings on the matter.

The Interstate Commerce Commission unanimously approved retroactive repeal of section 15a, which as you know provides that the Interstate Commerce Commission shall recapture all in excess of a fair rate of return on the earnings of the carriers which has been fixed at 6 per cent, and half of the excess goes back into a revolving fund and none of it goes into the Treasury and none of it goes back to the shipper, and none of it can possibly find its way back to the people who paid it; and it has been realized pretty generally, I think, because I do not think there is much controversy or difference of opinion about it, that recapture is unworkable, has provoked litigation, is expensive to the Government, and at this particular time the greatest thing that

could possibly happen for the railroads of the country would be to take this burden off their shoulders and relieve them of this vexatious legislation. [Applause.]

I would like here to quote from the hearings before the Committee on Interstate and Foreign Commerce. The witness was Commissioner Eastman, and he was quoting Mr. Hanauer, page 6:

Jerome J. Hanauer, partner of Kuhn, Loeb & Co., is also entitled to be included among the prophets. I always like to give credit to a banker. Testifying before the commission on January 18, 1922, he said, in speaking of section 15a:

"In enacting this law, Congress omitted to provide that the shippers of the country should furnish the traffic necessary to make the law effective. The mandatory provisions of the act violate the economic laws in so far as they require rates to be increased in times of depression when there is a minimum demand for transportation and to decrease the same in times of great prosperity, when the demand is at its maximum. At no time since the passage of the act have the carriers earned the permissive return, and, contrary to the belief held by many, there is no guaranty whatsoever. The companies are to earn the return if they can, but if they do not, they are not even permitted, except to a limited extent and for special purposes, to recoup themselves out of earnings in excess of the permissive rate earned in more prosperous times. Transportation companies are subject to the same economic forces as any other business endeavor; they will have good years and bad years and, unless they have a guaranty (which I do not favor), they must be permitted to build up a substantial surplus in the good years, to enable them to survive in times of depression. Only thus can their credit be stabilized, so that they will be able to give to the country that efficient service, without which its industrial life will be stifled."

Commissioner Eastman said further:

The commission is unanimously of the opinion that these recapture provisions should be repealed in toto, not only for the future but retroactively from the very beginning.

And again, on page 9 of the hearings, Commissioner Eastman said:

On December 17, 1931, the general railroad contingent fund held $13,277,598.50. Of this, $10,717,922.97 represented payments by carriers and the remainder represented interest accumulations. Of the payments by carriers $8,796,188.11 was paid under protest and $1,921,734.86 was paid unconditionally. Of the latter amount, $9,917.72 was paid in whole or in part under final orders of the commission. Most of the payments have been by small, or comparatively small, roads. Considerably more than half came from railroads controlled by the iron and steel industry.

I made a computation yesterday and I discovered that out of the $10,717,922.97 which had been paid in, over $8,000,000 had been paid in by railroads controlled by industries, and the larger part of that by railroads which are controlled by the United States Steel Corporation, the Bethlehem Steel Corporation, and other iron and steel industries.

I come now to the reasons why we believe the recapture provisions should be repealed. From the standpoint of logical theory there is much to be said for these provisions. The objections to them are practical rather than theoretical.

Present conditions have brought sharply into the foreground what is perhaps the strongest objection of all. For the moment practically all the railroads are financially weak, and nobody knows how long this condition will continue. It is probable that the revival of their credit will lag very considerably behind the revival of business conditions. While I believe that their traffic and earnings will ultimately be restored, they have a hard struggle ahead, not only with business conditions but also with competing forms of transportation. Repeal of recapture for the future is not of much present importance, for there is likely to be little, if anything, to recapture for some time to come. Retroactive repeal covering the past is of very great importance. To the extent that we find amounts of any considerable size due in the proceedings now pending, there are few, if any, railroads which have cash enough on hand to pay them, and still fewer which could do so without robbing Peter to pay Paul. To obtain the necessary cash it would for the most part be necessary to issue securities to replenish their treasuries, and there are few which are now able to issue securities on reasonable terms, if at all. Some will have to borrow money from the Reconstruction Finance Corporation to meet maturities, and it is probable that among them will be roads of past excellent credit. There are better uses to which the slender railroad credit, so far as it is available, can be put than to raise cash to pay to the Government excess income of the past which in most cases is more than balanced by the income deficiencies of the present.

And on page 11:

Summing up the situation, we are of the opinion that the difficulties, disadvantages, and dangers of recapture far outweigh its possible advantages. This is true of the future, but it is even more true of the past, particularly under the conditions which now exist and may be anticipated for some time to come. This being our conclusion, we see no escape from the conclusion that the present recapture proceedings should be discontinued and the money returned which is now in the contingent fund. This money can not in fairness be retained unless we are prepared to go ahead with recapture and treat all roads alike. That we do not recommend, for the reasons which I have given.

Mr. HOCH. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. HOCH. I do not know how much is appropriated for this purpose, but I trust the committee will not base its action upon any theory that there is unanimity of opinion about repealing the recapture clause of the transportation act ab initio. There is very great difference of opinion in the committee, and the committee has had long hearings and many executive sessions while the question has been under consideration. It involves far more than has been suggested in the brief statement which the gentleman has made. It involves some great questions of transportation law and is not a simple proposition by any means, and I assure the gentleman there is very great difference of opinion upon the proposition.

Mr. WOODRUM. I quite agree with the gentleman that there is a difference of opinion, but the committee thought this Government had spent all the money it ought to spend upon it until the Congress finally makes up its mind about it, and the committee thought in these times of stress they could very well stop work for one fiscal year on recapture until the Congress has finally and definitely decided what it is going to do. When it does finally decide the question, the work can go ahead and a difference of one year will not make any great difference, whether it is one year behind or four or five years behind, and we would save $1,500,000 during these times when we want to save money.

Mr. HOCH. Just to keep the record straight, I am afraid the gentleman is confusing section 15a with the valuation act. What the gentleman says about continuation of the work of valuation is one thing, but that is a mere incident to recapture of excess earnings, and the gentleman's remarks, I think, should be directed not so much to section 15a as to the valuation law.

Mr. WOODRUM. It was testified before our committee by Commissioner Eastman that something more than $1,000,000 of the funds appropriated for the accounting division of the Interstate Commerce Commission was used or would be used in the recapture work. We ascertained from Commissioner Lewis that something like $483,321 of the amount appropriated for the valuation division was used in the recapture work, and the committee came to the conclusion that during the next fiscal year it would withdraw the funds from that work until the Congress had decided whether or not the recapture law should stand or whether we would repeal it ab initio, as appears to me should be done.

Now, gentlemen, I want to pass on. I have several bureaus here that I would like to have time to discuss and I have consumed very much more time of the committee than I intended, and I have not yet talked about the biggest item in the bill.

Mr. MICHENER. Mr. Chairman, I hope the gentleman will discuss these bureaus. This is general debate and we are now hearing a man who knows what he is talking about. It seems to me that in these times general debate should be along this line rather to yield the floor to some Members to make two or three minute speeches that are entirely disconnected and can give no light to the House. I hope the gentleman will take all the afternoon, if necessary. [Applause.]

Mr. WOODRUM. The gentleman is very kind and the committee has been very generous and attentive.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The appropriations for 1932 was $1,051,070; the Budget estimate for 1933 (Budget decrease, $38,760), $1,012,310; recommended in bill for 1933 by committee, $982,310; reduction below Budget, $30,000.

Explanation of cut is as follows: This cut was conceded by the chairman on the basis of not granting promotions or filling vacancies next year.

MEMBERS OF COMMITTEE

The committee has 15 members, who are appointed by the President and who serve without compensation. The members at present are:

Joseph S. Ames, Ph. D., chairman, president of Johns Hopkins University, Baltimore, Md.

David W. Taylor, D. Eng., vice chairman, Washington, D. C.

Charles G. Abbot, Sc. D., secretary of the Smithsonian Institution.

George K. Burgess, Ss. D., Director of the Bureau of Standards.

Capt. Arthur B. Cook, United States Navy, Assistant Chief of the Bureau of Aeronautics, Navy Department.

William F. Durand, Ph. D., professor emeritus of mechanical engineering, Stanford University, California.

Maj. Gen. Benjamin D. Foulois, United States Army, Chief of the Air Corps, War Department.

Harry F. Guggenheim, M. A., American ambassador to Cuba.

Charles A. Lindbergh, LL. D., New York City.

William P. MacCracken, jr., Ph. B., Washington, D. C.

Charles F. Marvin, M. E., Chief of the Weather Bureau.

Rear Admiral William A. Moffett, United States Navy, Chief of the Bureau of Aeronautics, Navy Department.

Brig. Gen. Henry C. Pratt, United States Army, chief of the matériel division, Air Corps.

Edward P. Warner, M. S., editor of Aviation.

Orville Wright, Sc. D., Dayton, Ohio.

The National Advisory Committee for Aeronautics is composed of 15 members appointed by the President and serving without compensation. In order to insure that this body shall be thoroughly representative of all concerned with the advance of aviation, the law requires that there shall be 7 representatives from the Army, the Navy, and three other governmental agencies, and 8 members from private life who are eminent scientists or aeronautical authorities. This organization is charged by law with the supervision and direction of the scientific study of the problems of flight. It not only conducts scientific investigations in the laboratories provided by the Congress for its own use, but it coordinates the use of existing facilities of the Army and Navy air organizations, the Bureau of Standards, and educational institutions in aeronautical research so as to use facilities to the best advantage and to prevent unnecessary duplication of effort.

The continued development of aviation in progressive countries emphasizes its increasing relative importance for national defense and for purposes of commerce and transportation. The quiet, effective work of the National Advisory Committee for Aeronautics is the most fundamental constructive activity of the Government in the development of American aeronautics, and is reflected in the continuous improvement in the safety and efficiency of American aircraft. The committee's research programs embrace all the fundamental problems of military, commercial, and private airplanes. The committee's research facilities are unequaled in any other laboratory in the world. Substantial progress will continue to be dependent largely upon well organized and directed scientific research on these fundamental problems.

The United States is engaged in aviation upon a scale little realized by the Congress and the public. The following chart is illuminating:

Army	[1] $70,677,406
Navy	[2] 57,563,923
Post office	[3] 23,556,001
Commerce	[4] 9,693,379
N. A. C. A.	[5] 1,194,997
Coast Guard	[6] 417,103
Agriculture, forest-fire patrol	[7] 42,700
United States aviation costs, 1931	163,145,509

[1] 43.3 per cent.
[2] 35.3 per cent.
[3] 14.38 per cent.
[4] 6 per cent.
[5] 0.73 per cent.
[6] 0.26 per cent.
[7] 0.03 per cent.

The National Advisory Committee is a most useful and worthy agency of the Government.

There are many other departments and bureaus that I should like to discuss with you. Much of interest could be said about many of them. Doubtless when we read the bill under the 5-minute rule I shall have something further to say. As there are other gentlemen who desire to address you, I am impatient to conclude and yield the floor, as I have now nearly consumed two hours.

VETERANS' ADMINISTRATION

But I must consume a little time on the Veterans' Administration. I think the Congress and the country ought to know something about that, more than the average Member of Congress and the average citizen can possibly know from just the ordinary opportunities that we have of coming in contact with it.

In 1932, for the Veterans' Administration we appropriated $1,118,810,707. This includes the amount carried in the regular appropriation bill and the deficiencies, and includes the $200,000,000 for the payment of loans on the adjusted-compensation certificates. The amount reported in this bill is $949,237,795, or $169,572,912 less than the appropriations for 1932.

From the Budget estimates the Appropriations Committee has eliminated $51,161,732, and this cut is accounted for in two items.

First, a cut from $150,000,000 to $100,000,000 of the amount appropriated for loans on the adjusted-service compensation certificates.

When the Veterans' Bureau appeared before the Bureau of the Budget on this item, it was estimated that they would need during the fiscal year 1933, $150,000,000 to meet the loans that Congress had authorized on the adjusted-service certificates.

When we come to have our hearings some months later, General Hines gave it as his opinion that, based on experience and the manner in which loans were coming in or being requested by the veterans, that probably $100,000,000 would be sufficient to take care of the loans until Congress met in December, and that it was entirely within the realm of possibility that it would carry them through the fiscal year, and that the committee would be perfectly safe in reducing the estimate from $150,000,000 to $100,000,000.

Let it be understood that no matter what amount the committee appropriates, the veterans applying for loans will have the loans made to them. It is not a question of curtailing the right of any veteran to a loan—let that be thoroughly understood. Whether the committee appropriates $100,000,000 or $200,000,000, the veteran has a right to make the loan on his certificate, and the loan will be taken care of if he applies for it.

I am happy to say that I have a letter from the Veterans' Administration, which I shall insert in the RECORD, which says that now, based on experience in making the loans, that they will have on June 30, 1932, a surplus of $57,470,997. So that the $100,000,000 carried in the bill will be amply sufficient to meet requests for loans through the next fiscal year.

I herewith insert the letter:

VETERANS' ADMINISTRATION,
Washington, April 5, 1932.

Hon. C. A. WOODRUM,
House of Representatives, Washington, D. C.

MY DEAR MR. WOODRUM: In accordance with your verbal request you are advised that a current study has been made of the adjusted service certificate fund to determine the condition thereof and the probable balance remaining therein as of June 30, 1932.

During the five months October 1, 1931, to February 29, 1932, inclusive, disbursements amounting to $90,007,368 were made from the adjusted-service certificate fund. This amount may be subdivided as follows: Loans made direct to veterans, $68,680,878; certificates matured by death, $8,943,346; redemption of loans made by banks, $12,383,142.

Extending the average monthly difference indicated by a comparison of the estimated and actual disbursements during the above period to June 30, 1932, a disbursement of $146,430,482 is indicated during the period October 1, 1931, to June 30, 1932. This estimated and actual disbursement may be subdivided as follows: Loans direct to veterans, $106,225,742; certificates matured

by death, $17,915,087; required to redeem loans made by banks, $22,289,653.

As of October 1, 1931, it was estimated that $258,000,000 would be required for the adjusted-service certificate fund during the period October 1, 1931, to June 30, 1932. However, it was estimated that as of the above date $58,000,000 was available in the fund. The estimated requirements were subdivided as follows:

	Amount
Loans direct to veterans	$168,000,000
Certificates matured by death	15,000,000
Redemption of loans made by banks	75,000,000
Total	258,000,000

On the basis of the actual and estimated disbursements indicated during the period October 1, 1931, to June 30, 1932, the following summarization shows the approximate amount remaining in the fund as of June 30, 1932:

Amount actually available Oct. 1, 1931		$56,619,829
Deficiency appropriation Dec. 21, 1931		200,000,000
Total amount available (Oct. 1, 1931–June 30, 1932)		256,619,829
Actual and estimated disbursements (Oct. 1, 1931–June 30, 1932):		
Loans made direct to veterans	$106,225,742	
Certificates matured by death	17,915,087	
Redemption of loans made by banks	22,289,653	
Total actual and estimated disbursements		146,430,482
Estimated balance available June 30, 1932		110,189,347

The estimated and actual disbursements indicate that the loans made by banks approximated $22,289,653 during the period October 1, 1931, to June 30, 1932. A comparison of the original estimate of $75,000,000 and the above amount indicates that the loans outstanding will approximate $52,710,347 as of June 30, 1932.

A comparison of the estimated balance in the fund June 30, 1932, and the amount required for outstanding loans as of that date indicates that approximately $57,470,997 will be available to effect a reduction in the estimated amount required for the adjusted-service certificate fund during the fiscal year 1933.

Very truly yours,

FRANK T. HINES, *Administrator.*

I want to say to the gentlemen who may contend that this is not a saving, that this amount of money will not have to be taken out of the Treasury in 1933, so in so far as the Budget in the fiscal year 1933 is concerned, it is a credit.

Now, the $1,161,732 is a direct and clear-cut saving. My colleagues, I believe in giving honor where honor is due.

Now, I want to say to this committee, and to the veterans themselves, and to the country, that I think we are extremely fortunate in having Gen. Frank T. Hines at the head of the Veterans' Administration. I regard him as one of the most efficient, conscientious, and useful men in the service of the Government to-day. [Applause.] He knows the problems of the veterans, he has their problems on his heart; he is often torn between conflicting emotions—but he also knows the problems the Government has to meet. He is efficient and courageous, and it was a pleasure for the subcommittee to have the Veterans' Bureau to deal with, because we know that always they are going to shoot straight. [Applause.]

The chairman of the subcommittee and the clerk went to the Veterans' Bureau and there, with that assistant Budget officer, Mr. Moore, and his assistant, Mr. Naylor, worked over these accounts.

We worked out a theory whereby when we went to General Hines he was able to say to our committee that we could deduct $1,161,732 from the administrative expenses, largely because of the decrease in the price of commodities that they had to purchase. Now, let it be emphasized again that this is not curtailing any of the rights or privileges of the veterans. They are going to receive just as much hospitalization, just as much compensation, and their dish of ice cream will be just as big as it ever has been. The difference is because of the index cost price as shown in the budgetary system of expenses which they maintain at the Veterans' Bureau, second to none in any other department. [Applause.]

Now I want to tell you something about what the Veterans' Administration is doing.

To-day, I believe, is the fifteenth anniversary of that memorable day when America, a peace-loving nation, was forced into the great world conflict.

It is a peculiarly appropriate day to be talking about this item and to be taking an inventory and account of what war means, and the toll it takes in dollars and in suffering. May I say, without any effort to be melodramatic, that I think it is unfortunate that to-day the armies are parading here in the capital; that drums are beating, and that a great militaristic display is being made in the Nation's Capital. I do not know how or under what theory or hypothesis that we will bring honor to America or to George Washington by such a display. It must cost thousands of dollars to do that, and I think the people of this country would appreciate it more if their representatives and governing officials in Washington were directing their energies toward wiping out all memory of this scourge rather than constantly reminding us of it. [Applause.]

COSTS OF WAR

This Government has paid in cash since 1790 in Army and Navy pensions $8,521,587,579—just for Army and Navy pensions. We have spent for hospital and domiciliary care and soldiers' care since 1867, $251,554,429. We have paid in cash benefits to veterans of the World War $5,230,302,569, and we have paid to all veterans and dependents of all wars $14,003,444,577.

Mr. MORTON D. HULL. Was the $5,000,000,000 paid to individuals?

Mr. WOODRUM. It includes all benefits to World War veterans, hospitalization, and payment to their dependents.

Mr. SWING. And overhead?

Mr. WOODRUM. Everything. It has been the war cost. To-day there are 1,400,000 persons who receive on the first day of every month checks out of the Public Treasury that aggregate $60,500,000. Every time the sun sets Uncle Sam pays more than $2,000,000 to veterans and their dependents. An army of 40,000 administrative officials is required to administer this great, gigantic enterprise. I am happy to say to you, however, that it is economically administered. In 1931 the average pay of those 40,000 people was $1,523, and in the fiscal year 1933 the average pay is estimated to be $1,492.06. Of the $949,237,795 carried in this bill for veterans, more than $800,000,000 is paid to them in cash money. Out of every dollar that is appropriated by this Congress for veterans or their dependents approximately 95 cents of it goes to them either in cash money or in direct benefits. I made that statement last year and got into an argument about what were direct benefits. In figuring direct benefits I say that when you take a veteran and pay his railroad fare to a hospital and put him in a hospital and give him a nurse and an orderly and food and medical attention you give him direct benefits as distinguished from administrative, clerical fees, salaries, and so forth. Since the World War the Government has appropriated or authorized $127,391,991.85 for new hospital construction. All of that has been allocated with the exception of $8,430,000.

When that fund shall have been expended it will provide 37,187 new beds in veterans' hospitals. In addition to that amount of money for new construction of veterans' hospitals, Congress has appropriated for specific projects, soldiers' homes, and the like, $14,974,771.99, which provides 4,727 hospital beds and 1,590 new domiciliary beds in soldiers' homes, making a total hospital and domiciliary facilities provided by the Government for veterans as of July 1, 1931, of 50,013 beds. With the new construction which is now under way, this coming July, 1932, the Government will have available 59,195 beds. During the next fiscal year provided for in this bill there will be an additional 5,788 beds, making a grand total of 64,983 beds available for veterans of all the wars.

Mr. McCLINTIC of Oklahoma. Does that include naval hospitals being constructed for the purpose of taking care of veterans?

Mr. WOODRUM. This estimate does not include Army or Navy hospitals or contract hospitals.

Mr. COLTON. Does that include soldiers' homes?

Mr. WOODRUM. Yes; but you will recall, of course, that the Veterans' Administration uses the facilities of both the Army and the Navy and Public Health hospitals as well as private contract hospitals. Of course, those facilities are not included in the figures that I have given you. The figures I have given are outright Government facilities.

Mr. STAFFORD. Will the gentleman state as to the present capacity in meeting the demands of the veterans as far as hospitalization and domiciliary service is concerned?

Mr. WOODRUM. I shall be glad to answer the question because that brings up a very interesting problem that the Congress is going to have to face. The Government would have no trouble whatever with the facilities now in hand in taking care of World War veterans suffering from service-connected disabilities, but it is the large and increasingly large number of non-service-connected cases that Congress in its generosity has provided for veterans that have caused the problem of hospitalization; but even with that we are able to take care of all emergency cases.

Mr. HOPKINS. Does the gentleman know the proportion of service-connected and non-service-connected cases?

Mr. WOODRUM. I shall come to that in a moment.

Mr. JOHNSON of Washington. In the effort for economy, does not the gentleman believe that in the veterans' hospitals that if a non-service-connected well-to-do patient can show that he can pay for medicine and equipment, he should at least be urged to pay for such instead of letting the Federal Government pay the whole bill?

Mr. WOODRUM. That brings up a problem that is open to wide difference of opinion. Congress has expressed itself to the contrary, because it has provided that any World War veteran suffering from any disability, no matter when, where, or how incurred, regardless of his own individual ability to pay, may have transportation from his home to the hospital and the very best surgical care and skill and hospitalization and transportation back home at the expense of the Government.

Mr. BROWNING. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BROWNING. It is mandatory for the Government to take care of TB and NP cases, regardless of service connection, if there is an available bed.

Mr. WOODRUM. They are all taken care of. There are no cases in those classes not cared for, except such as are taken care of currently as they occur.

Mr. BROWNING. The bureau is not able to take care of all the NP cases now.

Mr. WOODRUM. That raises this question: On the present basis of non-service-connected cases it is estimated that at the peak it will require 100,000 beds to take care of the veterans with nonservice-connected disabilities, with an annual outlay of $140,000,000 for that alone. Now, that brings up this question with which Congress is going to have to deal and with which it should deal: The medical profession, in my judgment—and this is entirely aside from any relief or any benefits we are going to give to veterans, but it is just a question of how you are going to give it to them—has a very just ground of complaint when the Government goes into your community and into mine and takes a citizen amply able to pay for his medical care and cares for him at Government expense. He may need an appendectomy, an operation for appendicitis; he may need a head operation, a hernia correction, the removal of a tumor from his eye, the removal of a cataract, or something else, and in such an event the Government transports him to a veterans' hospital and pays his hospital bill. It seems to me Congress is going to have to face, and should face it now, the question as to whether we can not work out some arrangement whereby the Government may use the facilities of the communities and of the States and the private hospitals before we ever authorize any more money for the building of new hospital facilities. [Applause.]

It seems to me it would be illogical to build new hospitals all over the country and have veterans transported to them when we could use the facilities of the community in which they live, and thus help the local institution. I am informed there are many vacant beds which could be used in that way. So I say before Congress appropriates money for new construction it should consider that question very carefully.

Mr. BACON. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BACON. Does the gentleman know how many beds in private hospitals could be made available for this relief work?

Mr. WOODRUM. No; I do not; but there are many.

Mr. BACON. I am informed that throughout the country there are something like 30,000 beds vacant that could be used for this purpose.

Mr. WOODRUM. I think undoubtedly there is an abundance of facilities that could be used.

Mr. BACON. Has the gentleman worked out the difference in cost per patient in a Government hospital and what would have to be paid in a private hospital?

Mr. WOODRUM. I have that right here.

Mr. LAGUARDIA. If the gentleman will permit, I will say that I have had a bill pending before the Veterans' Committee for the last six years which would carry out that idea, but I have not been able to get a hearing on it.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. McCLINTIC of Oklahoma. I will say to the gentleman that hearings have been held on a bill I introduced during the present session, and the information which was asked for by the gentleman from New York [Mr. BACON] is now on file with the Veterans' Committee, with respect to the number of beds that are available in private hospitals.

Mr. WOODRUM. I do not know whether the gentleman from New York caught the observation of the gentleman from Oklahoma, that hearings have already been held on that type of a proposal and information is being collected and studies being made.

Mr. BACON. I am very glad to hear that, for, in my opinion, it is a matter that should be seriously considered.

Mr. McCLINTIC of Oklahoma. The hearings have not been completed. It is the intention of the committee to receive further information; but the data with respect to the number of available beds in private hospitals is available. I am very much pleased to say that these hearings have been held on a bill in which I am very much interested, as I am the author of same.

Mr. WOODRUM. The members of the committee will probably be interested in something about the cost to the Government of the hospitalization of the veterans.

Mr. HOPKINS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. HOPKINS. Is it not more important for us to decide, before we determine as to whether we are going to put these veterans in private hospitals, as to whether we are going to hospitalize all veterans regardless of their ability to pay? [Applause.]

Mr. WOODRUM. I think the gentleman is entirely correct. I think the veterans' organizations, which have comprehensive programs for further relief, ought to very carefully consider whether they are going to insist that Congress continue to appropriate funds for all veterans, irrespective of their ability to take care of themselves, when there are destitute veterans and their dependents who are possibly not getting what they should have.

Mr. JOHNSON of Washington. I have been informed that to go through the Mount Alto Hospital, at Washington, D. C., takes 18 or 20 days, and that the cost to the Government of a diagnosis is somewhere around $1,000, and that if a man goes into the hospital and wants an examination he must have a complete diagnosis from his toes to the top of his head.

Mr. STAFFORD. I am told that to go through the Mayo Hospital for observation only costs about $100.

Mr. WOODRUM. I have the cost right here.

Mr. LUDLOW. Has the gentleman any estimate as to when the peak of World War hospitalization will be reached?

Mr. WOODRUM. In 1959. The hospital cost of neuropsychiatric cases—that is, nervous cases—to the Government is $2.69 per day per bed. This is an inclusive cost. This is maintenance, medical fees, salaries, and everything included.

Mr. WHITE. That does not include any profits they may make on farms connected with the hospitals?

Mr. WOODRUM. This is the net cost to the Government. On general hospitalization it is $4.34 per day, tubercular cases $5.19 per day, and I am told that these figures are very favorable compared with other Government institutions, and, in fact, they are somewhat lower than the cost in the Navy and Army hospitals.

The total hospitalization cost in 1932 was $38,000,000. Of this amount $20,000,000 was for non-service-connected cases.

I have a chart here [indicating] to which I would like to direct your attention. I think it speaks more eloquently than I can. The black and gray lines show the total admissions in hospitals for the different years, the orange and black the service-connected cases, the blue and black non-service-connected cases, and the black line the total remaining.

For instance, in 1925 the total admissions in hospitals were approximately 77,000 patients. Coming down you will see the way these lines run and you will notice the service-connected cases and the total remaining have struck just about a level and that that stays pretty even, with just a little falling off in 1931; but you will notice that this line representing total admissions in 1931, shows hospitalization of something like 108,000 patients, of which some 82,000 were non-service-connected cases.

Now, gentlemen, this is a problem that should not only be considered by the Congress, but by the veterans, because if Congress is going to continue to provide hospital facilities for all veterans, regardless of the nature of their disability, you will reach the peak in 1959 and will require 100,000 beds for those cases alone, with an annual outlay of $140,000,000 for that item alone.

Mr. COYLE. Does the gentleman contemplate asking permission to print this particular chart in the RECORD?

Mr. WOODRUM. I understand it is impossible to print a chart of this kind in the RECORD. I am putting the figures in the RECORD, I will say to the gentleman.

Mr. COYLE. That chart is about a very vital matter and it is a very interesting one, and if it can be printed, by permission of the Joint Committee on Printing, I think that should be done.

Mr. HOPKINS. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. HOPKINS. Of those 82,000 non-service-connected cases, does the gentleman have figures to show how many were general medical and acute operations, like appendicitis?

Mr. WOODRUM. I do not have those figures, I will say to the gentleman. I can get them and put them in the RECORD if the gentleman desires.

Mr. BACON. Can the gentleman tell us what the Government would have to pay to hospitalize veterans in private hospitals?

Mr. WOODRUM. That is a feature now under study by the committee which the gentleman from Oklahoma has mentioned, and I do not know what their conclusions have been or whether they have arrived at any conclusions, but I know it is a matter that has given very grave concern to General Hines, and he feels it is a matter Congress should seriously and definitely consider and it is one they will have to consider before they definitely decide on going ahead with a building program to take care of all non-service-connected cases.

Mr. BACON. It would seem to me if there are 31,000 empty beds available throughout the year in private hospitals they ought to be used and would probably cost the Government less in the long run, because the Government would not have the construction cost that would be necessary to provide such hospitalization.

Mr. BROWNING. If the gentleman will permit, my information is that beds in such hospitals for neuropsychiatric cases run from $3 to $4, whereas the expense to the Government in their own hospitals is $2.52.

Mr. WOODRUM. I thank the gentleman for that information.

Mr. WHITE. If the gentleman will permit, in answer to the gentleman from New York, I may say that I was informed at a recent conference at the Veterans' Bureau that the average cost of patients in such private hospitals is approximately $8 a day.

Mr. KELLER. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KELLER. I would like to say that my understanding is that while at the present time there are about 31,000 beds not in use, that this is because of the financial condition of the country and that when prosperity returns that will not be true. I call this to your attention for this reason. While it might be a very cheap and excellent method under present conditions, when we get prosperous again such a condition would not exist.

Mr. BACON. I have no opinion in the matter, but I think it is a question that should be very carefully studied.

Mr. McCLINTIC of Oklahoma. I want to say in reply to the gentleman from Ohio that the testimony given before the committee did not substantiate the figure that the gentleman has mentioned; in other words, where the Government at the present time has made private contracts to take care of certain kinds of cases, in some instances the contract price has been less than what is being paid by the Veterans' Bureau for taking care of patients in their own hospitals.

Mr. WHITE. May I correct the gentleman with respect to the statement I made? My statement was with respect to the cost of patients in private hospitals and not what the Government is having to pay. What they charge the Government may be less. This is information that came to me from officers connected with the Veterans' Bureau.

Mr. McCLINTIC of Oklahoma. The information I gave is based on what the Government can hospitalize patients in private hospitals for.

Mr. LUDLOW. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. LUDLOW. Has the gentleman any information or statistics in regard to the number of veterans who can not obtain hospitalization because of lack of hospital facilities? I may state that in the State of Indiana there are 370 on the waiting list that can not obtain hospitalization.

Mr. WOODRUM. Is it not the gentleman's experience that they are these non-service-connected cases and none of them emergency cases? My information is that the Veterans' Bureau is able to take care of service-connected cases, and in addition to that, all emergency cases of a nonservice-connected nature, but there are a great many cases where, for instance, a veteran needs his tonsils removed or some other operation that is not of an emergency nature. There are a great many of those on the waiting list, and it has been my experience, and I have no doubt the gentleman's experience, that all the emergency cases are taken care of by the bureau.

Mr. LUDLOW. I will state to the gentleman that I am not informed as to the acuteness of these cases, but I had a letter from Ralph Gates, the State commander of the American Legion of Indiana, who gives very close attention to the needs of the veterans, in which he deplores the lack of sufficient hospital facilities in Indiana, and stating that there were 370 cases on their waiting list that could not be accommodated. This information is very disquieting to me as it is to Commander Gates, and we hope that the time is not far distant when every veteran who needs hospitalization will not have to wait for a bed.

Mr. WOODRUM. Now, I have a great many charts here, but I want to get through.

Mr. HASTINGS. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HASTINGS. Will the gentleman permit me to say that the chairman of the subcommittee voices the feeling of every member of the committee in regard to the efficiency of the Veterans' Administration. I want to call attention to the fact that the hearings cover some 69 pages, from 500 to 569. These hearings are a wonderful help and contain a great deal of information valuable to Members of Congress.

Mr. WOODRUM. I have many charts here, but I am not going to take the time to go into details. I do want to call attention to the careful analysis of figures, which will show that although the activities of the Veterans' Bureau have naturally increased that more claims are filed, and that this period of depression has given an impetus to their work and many claims have been reopened, but there has been no increase in the personnel, except such as was absolutely necessary in bringing in new hospital construction. In the central office employees have worked often overtime, and many times given up their Saturday afternoon holiday.

Now, we come to the Army and Navy pensions. Fifty-three World War veterans have for some reason elected to take their pensions under the regular act. We have six widows of the War of 1812, to whom we are still paying pensions. We have 402 dependents of the Mexican war.

We have 9,727 dependents of the Indian wars, and of that number 5,128 are veterans.

Of the Civil War we have 151,445, of which 25,654 are veterans and the others are dependents.

We have 205,467 Spanish-American War veterans living, and of that number 95.15 per cent are on the pension rolls.

Now, if you figure the potential load of World War veterans some numbers of years hence, it will give you something Congress can well think about and make an interesting study.

Mr. STAFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. STAFFORD. Is the gentleman correct in saying that there is 95 per cent of the Spanish War veterans on the pension rolls?

Mr. WOODRUM. Ninety-five and fifteen one-hundredths per cent of the living Spanish War veterans now on the pension rolls or will be in 1933. There is something over 90 per cent now on the roll. Of course there is no way of absolutely determining the exact number of Spanish War veterans living at this time. The number given is the estimate of the War Department.

Mr. COYLE. Will the gentleman carry that thought a little farther? If there are 95 per cent of the Spanish-American War veterans now on the roll, how many World War veterans will be on the pension roll 30 years hence?

Mr. WOODRUM. I have purposely not made that calculation, because these are days of depression, financially as well as mentally, and it is not a pleasant thing to contemplate.

Mr. WATSON. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WATSON. I have taken a great interest in the veterans and have had some cases where veterans have been discharged for minor offenses, and the Veterans' Bureau has refused to grant them the pension.

Mr. WOODRUM. Does the gentleman mean a veteran who has been discharged from a hospital?

Mr. WATSON. No; he has been discharged from the Army for some difficulty, probably not serious.

Mr. WOODRUM. That is in the basic law. Nobody but an honorably discharged veteran can have any claim under the law that Congress has passed.

Mr. WATSON. Does the gentleman think that is fair when a man has devoted his life and energy to the Government? Does he think that because of a discharge, because of some small reason, he should not be taken care of?

Mr. WOODRUM. I confess to the gentleman that I can not get very indignant about refusing to extend benefits and generosities to veterans who have been properly dishonorably discharged from the service.

Mr. WATSON. Even though the man has served overseas and been very badly wounded?

Mr. WOODRUM. If he has brought about a condition that has brought on his dishonorable discharge, it seems to me that he has not very much ground for complaint if he does not get the benefit.

Mr. HOPKINS. Under the World War compensation act a veteran who was wounded and dishonorably discharged still may not draw compensation. He can not be hospitalized, he can not have the bonus, but he can draw compensation, but no pension.

EMERGENCY OFFICERS' RETIREMENT

Mr. WOODRUM. Gentlemen, there is one other thought in connection with the Veterans' Administration that I want to comment upon briefly, because I think the question is going to be raised when we come to consider this bill under the 5-minute rule. That is the question of the emergency officers' retirement. I will preface what I will say by saying that I did not vote for that bill when it was passed, but it was passed by Congress and it is the law. We have on that roll now 6,210 emergency officers, and the estimated pay in 1933 of those officers will be $11,046,040. You will observe that that is somewhat less than in 1932, and it will continue to decrease probably because the roll has been made up; 1931 probably was the peak of it. Last year when this bill was under consideration some question was raised about emergency officers who are in the employ of the Government. The matter has been agitated both in this body and in the Senate. I shall take a few minutes to discuss it and I invite your consideration and discussion for a few minutes. I think we can do it profitably. In the first place, I think that in any consideration of the situation that has arisen, because a man may be drawing a salary from the Government and at the same time his retired pay, you can not get a logical conclusion unless you do what must be done, and that is consider his pay for his services to-day and his retired pay as entirely separate and distinct matters, because that is what they are.

When the emergency officers were inducted into the service they were given to understand that they were going to be put on a plane with the Regular Army officers. I hope you gentlemen will correct me if I make any erroneous statements. When the time came to put them in the class with the retired Army officers, because of the objections of the Regular Establishment they were not placed in that class, so the emergency officers' retirement bill was passed. When a Regular Army officer is retired for disability a board is convened, and if it is determined that he is unfit for service in the field he is retired. The emergency officers' retirement act provides that if the emergency officer reaches a point where he is 30 per cent disabled he is then retired on 75 per cent of his pay at the date of his separation from the service.

Mr. JOHNSON of Washington. And that is the base pay, without accessories?

Mr. WOODRUM. Yes. When the emergency officers' retirement bill was passed by Congress it was the thought of Congress that it was as nearly as possible placing the emergency officers of the World War on exactly the same basis with reference to their pay rights as the Regular Army officers. You will find by examining the law that it says in plain English that to be retired it must be for a service-connected disability, and when General Hines, then Director of the Veterans' Bureau, was asked to estimate the number of retired officers he gave it as something like 3,200 eligible for retirement under that bill.

Afterward, however, an opinion was rendered by the Attorney General, I think Attorney General Sargeant, which held that not only were the officers who had battle disability or service-connected disability entitled to retirement but inasmuch as Congress had extended the benefits of the compensation laws to veterans having presumptive disabilities, therefore officers who had presumptive disabilities arising long after their military service had concluded, and which would come under the terms of a presumptive disability for compensation purposes, were also entitled to be placed on the retired list, and thereupon there went on the retired list some 3,000 additional officers. On the roll of the retired

emergency officers there are a great many who are retired for presumptive disabilities. We find probably more retired emergency officers in the Veterans' Bureau than in any other department of the Government. And there is a reason for that. In the first place, a great many of them are doctors and lawyers. Probably 80 per cent of the functions of the Veterans' Bureau are questions of medicine and law. A great many lawyers are required in the Veterans' Bureau and a great many doctors are required. Not only that but the Congress has in every possible way held out inducements to veterans to come into the Government service.

They have given them a preferred status in the civil-service lists, and they have offered them all sorts of inducements. So it was the most natural thing in the world at the conclusion of the war for a doctor or a lawyer, who had given up active practice and gone into the service, to take a place in the Veterans' Bureau if he could find it.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Therefore, you find a great many doctors and lawyers in the Veterans' Administration. Some of them are retired officers. Some of them are retired for non-service-connected disabilities, but a great many of them are retired for battle disabilities.

Now, certainly this Congress has no complaint with a man if he is employed by the Veterans' Bureau whether he is a doctor, lawyer, or whatnot, and is rendering valuable and efficient service to the Government and is being paid a rate of pay commensurate with that rate of service. No Member of Congress is going to object to that. Nor do I think any Member of Congress would object to any retired officer receiving his retired pay provided he is legitimately and honestly retired according to the spirit of the law which the Congress passed. So I say they are entirely separate and distinct matters.

An effort was made in the last Congress, and no doubt it will be made in this Congress, to put an amendment on this bill to this effect, provided that no person who is in the employ of the Government receiving a salary of $2,500 or $3,000, or whatever arbitrary amount may be decided upon, shall draw retired pay. On its face that has a sort of sensational appeal, but I want to ask your careful and logical consideration of it. It does not apply to any other branch of industry. It does not apply to the Regular Army officers. They are working for the Government. They are working for private industry; they have their retired pay, and their income, in many instances, is much greater than that received by those retired officers who are employed in the Veterans' Bureau. At any rate, whether they are employed in the Veterans' Bureau or are engaged in a private undertaking, we should not penalize them for overcoming their handicaps.

You have this kind of a situation: We will say a veteran was a farmer when he went into the war. He received an injury that caused him to lose both of his legs, and he is totally and permanently disabled. On the basis of his pre-war occupation he is entitled to draw the maximum amount of compensation. Then the Government in its generosity has spent $600,000,000 in rehabilitating World War veterans. This particular veteran has been rehabilitated as a stenographer or secretary, and whereas he probably drew $25 a month as a farmer or as a laborer when he went into the war perhaps he is now drawing $1,800 as a stenographer. Of course, this is a hypothetical case for the purpose of illustration.

Now, the Government has never said to that veteran that because you are now making more than you made when you went into the war you are not entitled to any compensation. We have never drawn that kind of a distinction. We have said to him, "We are going to base your rate of pay on your pre-war occupation. If you can overcome it, go to it, and the Government will not hold it against you." It would be manifestly unfair to a retired officer, if you are going to keep the act on the statute books, to say to him, "While you are working in the Veterans' Bureau you can not draw your retired pay, but a retired officer in business, whose income may be three times your income, will not be disturbed. We will not allow you to draw your retired pay as an officer because you are working for the Government." To my mind that is not the way to reach the vice in the emergency officers' retirement act. I think there is a way to reach it. I think the way to reach it is for Congress now to effectuate what it thought it was doing when it passed the act; that is, that all emergency officers on the retired roll shall be men who are retired for service-connected disabilities, and that the other officers on that roll should be automatically placed on the compensation list of the Government and draw their compensation as any other veteran, because the other way results in rank discrimination. We have four or five retired emergency officers in this Congress; at least one or two of them are retired for battle disabilities, disabilities received in the service of their country. I see my friend from Nebraska, whom I followed in the matter of the retired officers' legislation, on his feet, and I yield to him.

Mr. SIMMONS. Would it not be better for the Congress to repeal the bill for retired pay rather than to attempt now to make a separation between one class of officers and another?

Mr. WOODRUM. Well, what is the gentleman's idea, if I may answer the gentleman by asking a question? To put these men on the compensation list?

Mr. SIMMONS. Put them on the compensation list as they were before Congress passed the emergency officers' retirement act.

Mr. WOODRUM. That is one thought, but I feel this way, gentlemen. I feel that an emergency officer who has a service-connected disability is entitled to his retired pay, and as far as I am personally concerned, I would be glad to see him get it.

Mr. SIMMONS. How are you going to determine what disability is service connected? Presumably, all of them are service connected, otherwise they would not be on the roll.

Mr. WOODRUM. No; that is not exactly it.

Mr. SIMMONS. Yes; before they can be put on the emergency officers' retirement list and paid as officers they have got to establish that they have a physical disability as a result of their service. Are you going to distinguish between battle-disabled men and the others?

Mr. WOODRUM. I would say, in answer to the gentleman, that I would take off of the roll all of the cases that have been put there as a result of the opinion of the Attorney General in ruling that officers were entitled to be retired for presumptive disabilities, and this will take about 3,000 off of the list.

Mr. SIMMONS. That opinion went far beyond anything Congress ever intended.

Mr. WOODRUM. Of course, it did.

Mr. SIMMONS. What is the gentleman going to do with the rest of them?

Mr. WOODRUM. Put them on the compensation list.

Mr. SIMMONS. You propose to take them off of the present list and put them on the compensation list, but what about the rest of them that you leave on the retired list? You leave them on a high pedestal above all the other officers and above the enlisted men.

Mr. WOODRUM. You put them above the enlisted men, but the gentleman knows a distinction was made between the pay and retirement of officers and enlisted men when you passed the emergency officers' retirement law.

Mr. SIMMONS. Oh, no.

Mr. MICHENER. In reply to that statement, that distinction has never been made. It was attempted in the Spanish War, it was attempted in connection with the World War, and this officers' retirement act is the first act ever enacted as substantive legislation by the Congress which differentiated between the volunteer or the emergency sol-

dier, whether he wore shoulder straps or whether he was a private, and may I make this further observation: I predict that if a bill of the kind the gentleman suggests ever comes to the floor of the House the entire emergency officers law will be repealed. [Applause.]

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. McCLINTIC of Oklahoma. Is it not true that the volunteers that now draw compensation have to be reexamined from time to time and when they are reexamined and found to be disabled below a certain percentage their compensation is decreased?

Mr. WOODRUM. Yes.

Mr. McCLINTIC of Oklahoma. And as I understand it, there is now no way prescribed by law to require these emergency officers to be reexamined after they have been granted compensation.

Mr. WOODRUM. That is true.

Mr. McCLINTIC of Oklahoma. Would it not be right to cause the emergency officers to receive the same consideration that is shown to the volunteers?

Mr. WOODRUM. Yes; I think it would.

Mr. GARBER. In that connection, there must be a finding that the emergency officer has been permanently disabled to a degree not less than 30 per cent.

Mr. McCLINTIC of Oklahoma. Yes; but the gentleman knows, as well as I do, that there are many complaints from this source.

Mr. GARBER. The disability must be permanent and must be stabilized as such.

Mr. McCLINTIC of Oklahoma. But the gentleman knows they are not permanently disabled.

Mr. GARBER. The law requires that finding.

Mr. SIMMONS. Will the gentleman yield for a short statement?

Mr. WOODRUM. Yes.

Mr. SIMMONS. As the gentleman knows, I was one of the men in the House who opposed the passage of the emergency officers bill. I still think it was totally wrong. I would suggest that the only possible way that would be fair to work out the gentleman's suggestion would be that these emergency officers be reexamined, and if their disabilities can be proven to have been such that at the time of their discharge they would have been retired had they been officers in the Regular Establishment, then they could be put in the same class as regular officers, but you have a situation where these men did not have to meet the obligations that the officers in the Regular Establishment have to meet. They do not have the obligations that an officer of the Regular Establishment has, even as a retired officer. They have all the benefits and none of the obligations, and they have not met the requirements that the officers in the Regular Establishment have to meet. I think there ought to be something done in this Congress to correct a situation that has become almost a national disgrace as a result of some of the pay, by way of retirement, that emergency officers are getting.

Mr. WHITE. If the gentleman will permit, I would like to ask the gentleman what the differences in obligations are of a man who is an emergency officer and who is in the service in time of war and a Regular Army officer who gives a great deal of his service in times of peace?

Mr. SIMMONS. If the gentleman will take any one of my statements on that subject made when the bill was under consideration he will find a number of distinctions, but briefly, the distinction is this: Your regular officer goes into the service and with him it is a lifetime job. A part of his pay is the right of retirement in the event of his disability. During the period of an emergency their obligations are exactly the same as between an officer who is an emergency or a temporary officer and an officer in the Regular Establishment, with this exception.

Your regular officer held, during the period of the war, a temporary rank higher than his permanent rank and your emergency officer held only one rank. Now, assume that the gentleman from Ohio was a regular officer with the permanent rank of first lieutenant but the temporary rank of major during the war, and assume that I had the rank of major during the war, which I did not. Now, in the event both of us were disabled, I, an emergency officer, would have been retired with the pay of a major. You, a Regular Army officer, with the rank of a major during the war, but with the rank of a first lieutenant in peace time, would be retired as a first lieutenant. You as a Regular Army officer are subject to court-martial, you are subject to military discipline as a retired officer, you are subject to call under certain circumstances. I, an emergency officer, getting more retirement pay than you get, have none of the obligations of a retired officer of the Regular Establishment. These are just a few of the distinctions, and there are many.

Mr. WHITE. The gentleman asked a while ago about what the World War compensation would be as far after the World War as we are now past this Spanish-American War. I have hurriedly made some computations here, which I think are correct, and according to the chart, 78 per cent of the Spanish-American War veterans are alive. Figuring on four and a half million men for the World War, 78 per cent of that would be 3,510,000, and 95 per cent of that number would be 3,334,500, who would be on the pay roll, relatively.

Mr. WOODRUM. Gentlemen, I must conclude. I have spoken nearly two and a half hours. In conclusion let me say that, in my judgment, the Government has been generous to the veterans. It is making every effort to fulfill its obligation to the men who fought for the flag. I hope, in turn, they will not be unmindful of the present sad plight of the Public Treasury. As to this bill, I ask the cooperation of the membership of the House to the end that the economies herein sought to be made may be maintained.

Gentlemen of the committee, I want to thank you very much for your indulgence. [Applause.]

Mr. WASON. Mr. Chairman, in behalf of the minority members of this subcommittee of this House that has reported the bill now before us, I want to compliment the distinguished gentleman from Virginia, the chairman, for the splendid speech he has given us with the brief description of the duties, and explaining matters that this committee has had to deal with.

I want to say that his explanation is clear, accurate, and I think will be interesting to every Member of the House who was not here to listen, and I know that many of the veterans and taxpayers of the country will be enlightened and appreciate the manner in which he has explained it.

Personally I want to thank him and compliment him for his accomplishment and say to this House that the two Republican minority members have the utmost confidence in him and thank him for the courteous treatment of us, and we are with him on everything except political matters. [Laughter and applause.]

Mr. Chairman, I now yield 20 minutes to the gentleman from Washington, Mr. JOHNSON.

Mr. JOHNSON of Washington. Mr. Chairman, the statement just made in detail by the chairman of the Appropriations Committee's subcommittee, the gentleman from Virginia [Mr. WOODRUM] gives the rest of us an idea of the enormous work that has to be done by the various members on different subcommittees of the Appropriations Committee.

This particular committee had to deal with the independent-offices appropriations. The consideration of the doings and the needs of the independent establishments, no one of which is under a Cabinet officer, is an arduous and painful task. Those of us who were in the Chamber during the speech of the gentleman from Virginia may consider ourselves fortunate.

Mr. Chairman, I have asked for time in which to discuss communism and all of its little brothers and sisters. At this point, Mr. Chairman, I wish unanimous consent to extend my remarks at a later date by introducing portions of certain documents and comment thereon.

The CHAIRMAN. Without objection, it is so ordered.

Mr. JOHNSON of Washington. Mr. Chairman, I must disagree with the gentleman from Virginia in one statement just made by him. He wondered why it was necessary for the Army to be paraded to-day, and complained that it might cost $3,000 or $4,000.

Mr. Chairman, this is Army Day. Fifteen years ago to-day the Congress of the United States, at 3 o'clock in the morning, after a tense all-day session, cast a vote for war, a vote which no conscientious man can cast without intense mental suffering. All who were then Members of Congress know what I mean.

In my opinion, gentlemen, conditions confronting this country and its leaders now, the President of the United States, the Vice President, and the Speaker of the House of Representatives—that is in the order in which they stand—are so tremendous it is hardly possible to comprehend them. When they speak, they speak for all of us in Congress, all in high governmental places, and all the people in such alarming days as these.

This military parade to-day is because this day has been designated as Army Day, which is being observed all over the United States. Why? To help keep up interest in the United States and its flag. Mr. Chairman, it was but 15 years ago last month the Czar of Russia abdicated. His place was taken by Kerensky, who ruled for a short time, when he was overthrown by the communists, who had connived and schemed for 20 years for just that opportunity. Toward the last the Czar gave away most of his private fortune in an effort to educate his people.

He was too late. His empire held many groups of different kinds of people, living in Provinces not closely bound to his Government. Under the strain Kerensky could not hold the country and its people together. Lenin and Trotsky came in with a people's dictatorship, the most brutal thing in a thousand years of history.

This parade, I hope, will create in the minds of the people of the United States and its great citizenry the necessity for a nation of the size and dignity of the United States to have always sufficient military and naval forces to warrant it in guaranteeing the protection of the people at home and abroad. [Applause.]

We are in more danger than many of you imagine. The time has come to tell the whole truth.

I will quote from the Bible, Matthew xx, 6-7:

> And about the eleventh hour he went out, and found others standing idle, and saith unto them, Why stand ye here all the day idle? They said unto him, Because no man hath hired us.

There is my text. There is no need for me to preach a sermon. Think it out for yourselves. Figure that seven-eighths of all the people want this Government to endure. But half of that number are in distress, one-tenth of them unemployed, another tenth losing out at farming, tenant farming played out, State taxes being but half paid, and communist agitators everywhere.

The communists want force, violence, and revolution, and they want our forces, from the police to the Army and Navy, weakened, to help their cause. The pacifists want Army and Navy reduced because they abhor war and violence. The churches want peace. The communists are taking advantage of all these and others. See how so many unintentionally become brothers of the communists.

It will be impossible for me to take the time to outline even roughly the A B C of communism, but I can show you something about the communist organization in the United States. There are only 30,000 to 35,000 dues-paying communists. But there are many hundreds of workers' clubs—some 240 in New York alone—that are so lightly connected with the Communist Party of America that they can claim they have never been connected with it. There are all kinds of outposts.

These card communists are working many churches; they are working the good women of the country. They furnish fuel for the pacifists. The internationalists are their pride and delight.

I have here portions of an address delivered in the Ingram Memorial Congregational Church, at Tenth and Massachusetts Avenue NE., last Sunday night, to which I believe Members of the House were invited. Four Members attended.

The speaker was Rev. Dr. Edmund B. Chaffee, of the Labor Temple, New York City. The subject was "Capitalism, Communism, and Christ." He undertook to show that in his opinion communism is a religion in the same way that capitalism and Christianity are religions. He described the terms used when the communists have to kill off their enemies, including many enemies among the body of the people, and those who personally disagreed with the leaders. The communists do not say they have killed their opponents. They say that they have "liquidated" them. The Rev. Dr. Chaffee has given to me his full set lecture on the subject. Later I shall put parts of it into the RECORD—enough to show you the sly way that the Communist Party, through the ministers, is slipping these doctrines into the Protestant churches of the United States. Tuesday night the same gentleman delivered a lecture on the Industrial Crisis. I presume the thought was to slip the same poison in soft and gentle words to those who do not really believe in communism, but who are discontented, disturbed, and unemployed.

The day after the sermon I sent up a few questions through one of my clerks to be asked of the Reverend Chaffee. I heard him say in his lecture that the communists were divided over their two theologies. I asked the question:

> Are the communists divided over their theologies? What are the two theologies?

He answered:

> Yes. There is the so-called orthodox group in Moscow, represented in this country by William Z. Foster. This is the Third International. There is the second group, the followers of Trotsky, cast out by Stalin. Eighteen months ago, following the expulsion of Trotsky, there was a second expulsion in this country, the United States, by direction of Moscow, for heresy. The group expelled in this country was accused of acceptionalism, declaring that in America capitalism was more strongly intrenched than elsewhere, and that different tactics were required in the fight. This American group was headed by J. Lovestone.

Think of it—heresy to communism! It is a religion with no God. And theologies? Why, all religions are called illusions by communists. So far as I have been able to read, all religions of all time have had a belief in a future. They call communism a religion. Think of it!

Now, as to their split on theologies, they got Trotsky expelled and made him an Ishmaelite around the country. He used to live in New York.

He was accused of believing in acceptionalism. That is a new one to me. I shall guess what it means. One J. Lovestone was accused of declaring that in America capitalism was more strongly intrenched than elsewhere and that different tactics were required in the fight. In other words, he accepted a doctrine false to communism.

Now I go on with the questions:

> Are you a communist?

That question was put to the Rev. Edmund B. Chaffee, director of the Labor Temple, in New York City, which is a church organization with a big sign on it to the effect that "American International Church" holds its meetings there. The answer to that question was:

> If you ask that question, you apparently are not familiar with my remarks in the pulpit Sunday night. No; I am not a communist. They hate me like poison. Some years ago I wrote a pamphlet entitled "Capitalism and Communism—Brothers Under Their Skins," which drew an attack on me from Moscow.

Nonconformity to the doctrine of acceptionalism, I suppose.

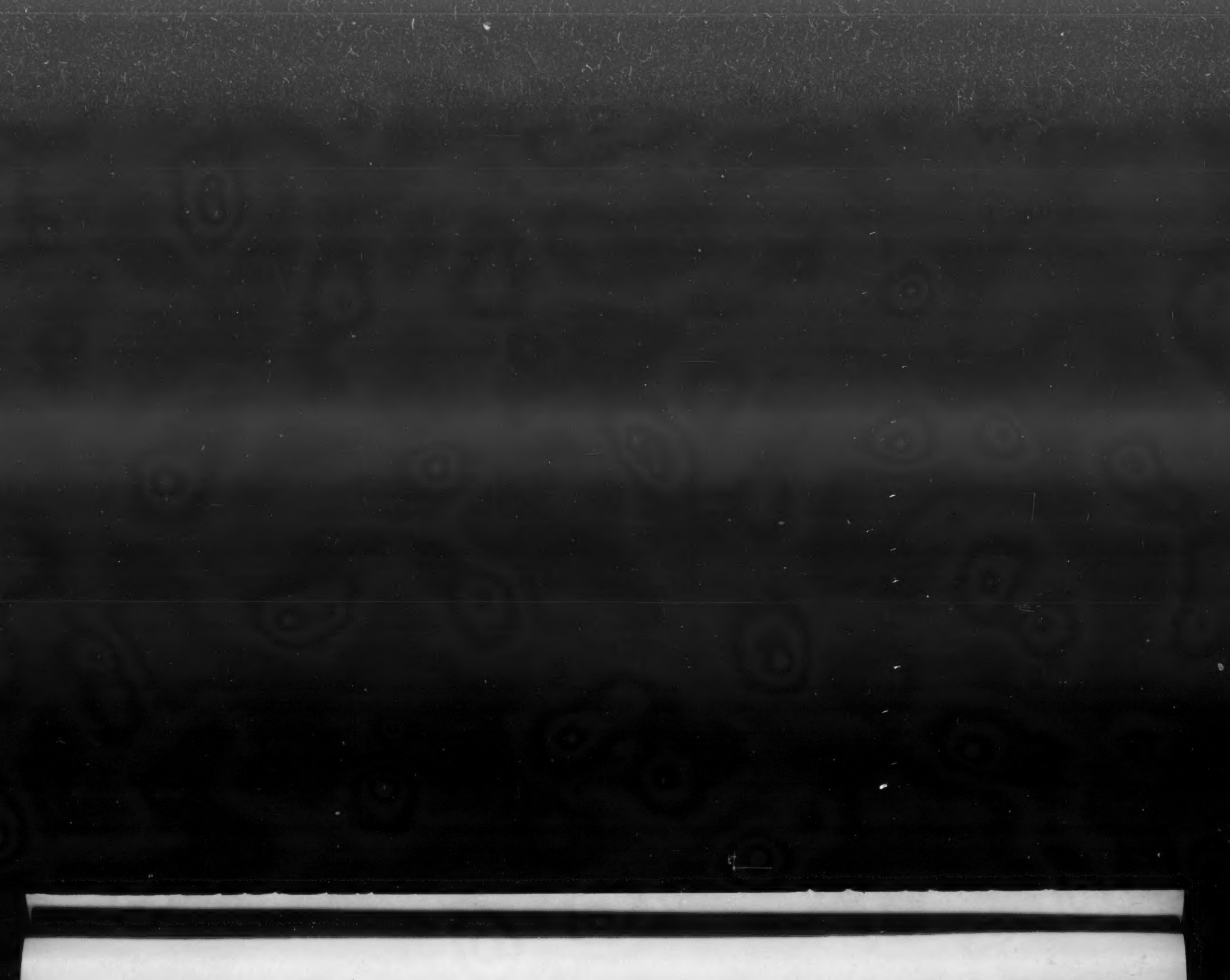
The next question was:

> Just what is Labor Temple, in New York City, of which you are a director? Is it affiliated with any other society or organization?

The answer to that:

> It is a church, supported largely by the Presbyterian Church, in which I am a regularly ordained minister of the Gospel.

Mr. Chairman, I desire now to go back to March 1 and March 15, this year, 1932, and discuss hearings—hearings





held in the House Committee on Immigration and Naturalization, not yet printed, where nearly two whole days were devoted to witnesses some of whom were card communists. I hope the hearing will be printed. I wish I had time to read portions to you, but in the hearings you will learn that a card communist, a regular member of the Communist Party of the United States, becomes a member of the party only after he has filed an application and has been put on probation and tested for a long time. When it is ascertained that he is working day and night for the party and is not a spy he is made a member of the Communist Party.

Outside of the party are circles which lead up to the inner circle or executive council, of which William Dunn is a member. He testified at great length, and with many sneers.

The minister, Mr. Chaffee, in his sermon last Sunday, gave a very nice explanation of why a communist is always permitted not to pay any attention to an oath, not to tell the truth in such inquiries as that held by the Immigration Committee, to jump his bail, whenever he thinks it advisable for the good of the cause.

Therefore, our committee is justified in taking their evidence with suspicion and doubt. But with the aid of the several skillful lawyers on the Immigration Committee, we have secured a great deal of information through cross-examination.

I would like to say now that the chairman of the committee [Mr. DICKSTEIN] in the conduct of this hearing with many unruly and evasive witnesses, was both patient and fair. He is not in sympathy at all with their destructive views. I shall print in the RECORD two or three of Chairman DICKSTEIN's statements to that effect. I want to pay him that compliment.

On other matters we have not agreed so well. I am the minority ranking member, and have been a member of the committee for more than 19 years, and it is a very unfortunate situation to be on a nonpolitical committee like that with the chairman and the ranking minority member with such divergent views on many questions affecting immigration and naturalization. I do not want the present laws weakened a single notch. I think I can see some nibbling going on.

Among the witnesses we found at least two who were openly very much against this Government. One is a young man who came here from Russia six or seven years ago, almost immediately applied for his first papers for naturalization; yet in less than two years he was a member of a workers' club, one of the outposts of the Communist Party, all organized in such a way that they can deny affiliation. This young man studied communism in that club, perfected himself in English, and so on, and was naturalized only a year ago, with his mind full of intent and purpose literally to overthrow this Government. He took the oath of allegiance to the United States and I do not believe that he meant a word of it.

He was asked in this hearing in case of war between this country and another country or in case of great disturbance at home which flag would he follow, the Stars and Stripes or the red flag. He said that while the red flag was nothing but a symbol to him, he would not follow the Stars and Stripes to shoot down his fellow workmen here or in any part of the world.

The second case, the witness following him, was that of a negro organizer of the Communist Party who has been all over the South getting up strikes, which they call "lessons in communism." This negro citizen when asked the question, "What flag would you follow?" stated: "I would not follow the American flag." I believe I have quoted it correctly, but will correct it if I am wrong.

Mr. GARBER. Will the gentleman yield?

Mr. JOHNSON of Washington. Certainly.

Mr. GARBER. The gentleman from Washington has made a thorough study of the immigration and naturalization laws. As the former chairman of the Immigration Committee, he was instrumental in giving to the country our present laws restricting immigration on the quota basis as embodied in the act of 1924, now so generally approved by the country. Would not the gentleman favor an amendment to the existing law, of which he is the author, authorizing a revocation of naturalization and deportation of the alien upon confession of refusal to recognize the flag of our country.

Mr. JOHNSON of Washington. Yes. The Labor and State Departments have been fighting for years for an act which would, first, define citizenship, and, second, permit the demoting or taking away of citizenship. However, the trouble the departments have experienced is this: When a man, whether he means it or not, holds up his hand and takes an oath of allegiance to the United States he at the same time foregoes allegiance to any other country, king, prince, or potentate, and so on. Once he has so sworn, the other country will never take him back. That is the trouble faced by the Labor Department, but we should have an act which would permit the demoting of citizens who misstated their positions at the time they took their final examinations or the oath. To build such a law is a hard task in addition to the many other heavy burdens of the Immigration Committee.

I would like, if I had time, to discuss an amendment proposed to the Bachmann bill, which bill was written as a result of the Fish committee's investigation, that would add to the act of 1918, as amended by the act of 1920—I always call it the enlarged deportation act.

I will discuss the question of forbidding the arrival of communists as such, with no further definition, and the deportation of communists, with no definition as to whether that bill should be passed in exactly that way. We can authorize the United States consuls to forbid the arrival of communists on the consul's belief that the applicants are communists. We can do that through what I call the "hook-up" clause in the 1924 act.

But should we add a second paragraph to the Bachmann bill to the effect that a so-called alien communist can only be deported if he is an international communist or international political communist? In other words, should there be a definition? It is my belief that if you provide, without a definition, for the deportation of alien communists, although we will know what we mean and so will the enforcing officers, we are likely to create a reaction in the country among our own people that we are after a man because he is an alien in my district or yours, a fairly well meaning but more or less ignorant alien, who says aloud in these fearful times:

> I have had no pay check for two years; I have had no work; the capitalistic system has played out; I will try anything; I believe in sovietism; in fact, I am a communist.

Now, he is not a member of the Communist Party. He is being fed the dope of the Communist Party and the dope of sympathizers of one or more of the communistic principles. Could we afford to have a law that will grab up a man like that under such a blanket clause and deport him? I doubt it. And if we did try to do such a thing as that, we would not have the machinery by one-third to carry out its enforcement.

Mr. GARBER. Based on his own confession of disloyalty to our flag and country, he would be deported.

Mr. JOHNSON of Washington. I am not talking about the actual known disloyal who preach, teach, or advocate the physical overthrow of organized government.

Mr. GARBER. I have that type in mind.

Mr. JOHNSON of Washington. Of course, I know what the gentleman has in mind; we have laws to reach that kind now. There is a real demand for the Bachmann bill. I know what every Member here who would support the Bachmann bill, immediately when it comes to the floor, has in mind. The bill will be up before long. And when we do pass it, let us be sure that it will do more good than harm. Remember the text from Matthew with which I began these remarks. It is a real problem. We can not let the foundations of this Government be gnawed at by vicious alien agitators who are living with us. But can we afford to deport

the alien who says that he is turning to the communistic views?

But let me get back to the minister and his sermon. The statement is made by this minister that the communistic religion is one religion, capitalism is another religion. The religion of Christ is a religion superior to both of them, if I have him right. "All religions have their own gods. The god of capitalism is money. Money makes the mare go," and so on. "The question is not how you got it, but have you got it, or how much?" All religions have their sacred books. The sacred books of the religion of capitalism have been written by economists and professors in the colleges and the manufacturers. Opposing capitalism we have the communist state. Its bible is the book of Karl Marx. In communism nothing counts but the state. The ethics of communism is that anything is right that tends to uphold the communist state. All else is wrong, says the minister.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JOHNSON of Washington. Then he goes on to explain the communistic belief is that the means justify the end. Throw the bomb if necessary. He devotes some time to the departure for Russia of John Reed, who was America's communist martyr and he is buried in the Kremlin. He started from Washington, D. C., from a French restaurant down here, and this Rev. Mr. Chaffee bade him Godspeed.

Mr. GARBER. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. GARBER. I believe this observation is material in the discussion the gentleman is making in relation to communism and its causes. On the one hand, I believe that American labor in steadfastly and consistently opposing communism has contributed an invaluable service to the country and our institutions.

Mr. JOHNSON of Washington. Yes; it has. It has held the line wonderfully.

Mr. GARBER. On the other hand, at the very present moment capital is contributing more to communism in the policy it is pursuing in taking advantage of the emergency acts of Congress, in its avariciousness and greed, than perhaps any other influence. The gentleman is rendering a great service to the country with his usual ability in pointing out the subtle influence of communistic propaganda.

Mr. JOHNSON of Washington. Oh, if the gentleman will only make such a speech! That is the very claim I make, and I am trying now to warn those who are in the high places in business, in finance, in leadership, and in thinking, whether they have capital, property, or not, that while we who have paid some attention to this thing, they had better be paying much attention to the slippery methods which are aimed not at those particular capitalists but at the physical overthrow of this great Government of ours.

I tell you, my colleagues and friends, that before we know it we will have five or six countries in middle Europe right over in the soviet system. Its the black Danube now. That is the danger. Besides we are making "near" communists here right along of our own people on account of the mishaps and misfortunes of our people. We will have to clean house or it will be done for us in a mighty rough and dangerous way.

I will quote here from Alexander Berkman, and I take particular pride that these amendments in 1920 to the 1918 war-time deportation act were in a bill that it was my pleasure to bring out as the first bill from the committee of which I had then become chairman.

Under that bill we secured the deportation of Alexander Berkman and Emma Goldman, two dangerous anarchists who should have been deported 10 years before because they had committed crimes. Berkman stabbed Frick 29 times and called the whole attack an "attendat," which means something startling to attract attention.

Of course, he wanted to kill him if he could. He was deportable for that under the laws as they then existed; but after imprisonment and parole, he was allowed to go around selling his damnable books and permitted to hold midnight meetings with those who then called themselves anarchists. Here is a line from him:

Employ tyranny to secure liberty and you harvest despotism.

This statement from an anarchist, and there is truth in it. It is right in line with what the gentleman from Oklahoma has said.

Now, more than 25 years ago I published a pamphlet called the "Anti-Socialist Textbook." I did not copyright it. I did not sell it, but gave quantities away, and I do not now have a copy of it. But no matter. A lot of it is out of date. The country has advanced and law has advanced. Any government that does not progress some is dead.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JOHNSON of Washington. In those days the socialists had 13,000 votes in the district I represent. They had 50 questions which they claimed could not be answered. The answers were in the booklet. In my idle moments here, and I do not have many of them, I prepared and had ready for printing, three or four years ago, a book on communism. You see, most all socialists have now gone into communism. The trouble with the old socialists was that they always had two wings.

Certain socialists were considered too polite; they were known as polite socialists, as parlor socialists, and yellow socialists, while those belonging to the other wing were called red socialists. They were for direct action. Poor old Victor Berger, twice or three times a Member of this body, was finally charged with being a polite and yellow socialist, not red enough, and he was discredited by the radical part of the Socialist Party.

But all socialism, all over the world, has, generally speaking, gone into communism. The book which I prepared came about largely from reducing this "religion" of communism into simple words and small space. I succeeded in reducing that into words of one syllable and equivalent to about three small chapters—all the stuff in Karl Marx's voluminous books. I can not print the book just yet, because I want to see, if I live, just how far this communistic notion of everybody working for the state will go. We are the fourth nation in the world in population. China is first, then India, then Russia, and then the United States. Russia claims to have no person unemployed. We have millions. In which country would you rather live?

Nobody should attempt any prophecy, but the grips will come between that system of all hands working for the state or going without a meal ticket as against the system in this and other countries. The struggle will go on; the battle must be fought.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. HOGG of Indiana. I am interested in the gentleman's remarks and the study the gentleman has made. I would like to ask if he does not think if Congress does not materially cut down the appropriations, everybody in America will be working for the Government?

Mr. JOHNSON of Washington. Well, too many; yes. I would like to say a word about that. Did you ever stop to figure how all of us, in both political parties, high and low, just waved along right after the armistice into the high, wide, and handsome going up to the fall of 1928? Cities put up fine community hotels. Rich men in big cities put up office buildings, saying the going was good. The going was good here in Congress, too, and you can not blame either party for going along in expenditures with the general wave.

Why, what was the Florida boom? The probabilities are that a large number of those who invested in Florida had made some easy money, either in Wall Street or in manufacturing or in taking advantage of high prices, and had a hazy notion that it was not going to last, but if they could just get down in Florida and buy a home and some land under the beautiful skies by the blue ocean and the soft sand, they would get out of it all and would be able to live happily

ever after. Most of them got caught, and were caught ahead of those in other parts of the country. We are all caught now and the Federal Government is spending about $6,000,000 a day more than it is taking. Even Dicken's famous character, Micawber, discovered that if he took in 20 pounds and spent 20 pounds, 6 pence, the result was trouble and "demnition."

Mr. HART. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. HART. What is the difference between the gentleman's definition of socialism and cooperative marketing as fostered under the cooperative marketing act as administered by the Federal Farm Board, which is a Government institution? What is the gentleman's distinction between socialism and that form of marketing as directed by the Government?

Mr. JOHNSON of Washington. I think they are akin. You can grade it off, and it is just like looking in a dictionary of synonyms, and marking off just the word you want. Why, when the United States got out its first bulletin from the Department of Agriculture 50 years ago, telling how to swat the fly, or telling about almost anything you wanted to know, we started paternalism and a little bit of socialism right there.

Mr. HART. We are doing a lot of it now.

Mr. JOHNSON of Washington. I thank you very much. [Applause.]

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from New York, Mr. FISH.

Mr. FISH. Mr. Chairman, I have never spoken on the question of communism in the House of Representatives since I happened to have been selected as chairman of the House Committee to Investigate Communist Activities and Propaganda in the United States.

I rise for the purpose of calling the attention of the Members who are here and to put in the RECORD the fact that Representative BACHMANN, of West Virginia, a member of our committee, has placed on the Clerk's desk a bill providing for the exclusion and deportation of alien communists, and I join with him in asking the Members of the House to sign this petition to bring it up for a vote of the House at the earliest possible moment.

I do not desire to make any speech on communism until legislation comes before the House. It must be self-evident to the Members that if these alien communists who come here of their own free will and accord to enjoy the equal opportunities afforded in the United States under the protection of our laws do not like our laws, our ways of doing things, our free institutions, and our country, all they have got to do is to go back home [applause], where they can enjoy the lamentable wage scale and the miserable standards of living and the lack of freedom of speech that they have been accustomed to in the past. But if they insist on remaining here and spreading this doctrine of poison and hatred against our free institutions and our Government and urging the overthrow of our republican form of government by force and violence, then it is clearly the duty of the Congress of the United States to enact laws to deport all alien communists.

They are not afraid of our police, our courts, or our jails. The only thing they are afraid of is being deported back home. So I hope the Members will take occasion to sign the petition on the Clerk's desk to bring up Representative BACHMANN'S bill for a vote in the House.

I do want to take this opportunity to refer to the remarks just made by the gentleman from Washington [Mr. JOHNSON] because I agree with him thoroughly when he refers to a smattering of Protestant ministers in the United States who seem to uphold and commend communism, and to confuse communism of the early Christians, which was a communism of love, based upon the Kingdom of God, with the communism in Soviet Russia, which is a communism of hate, based on hatred of all religious beliefs and on hatred of God. Yet this smattering of Protestant ministers and pink intellectuals go around the country confusing this issue and saying, "Oh, the communists are only against the old Greek Orthodox Church, which was filled with abuses and evils."

But they are not only against that, they are against all religions—Protestant, Catholic, Jewish, and every religious belief—and I say to you, gentlemen, the most tragic aspect of communism to-day is the fact that 12,000,000 helpless school children in Russia are being taught—and it has been made mandatory there in the last two years—hatred of God and of every religious belief, even to the extent that they must hold their parents in contempt and disobey their parents at home if their parents have the hardihood to maintain any religious belief whatever. This is exactly what the communists want to do in every country of the world. There is an irrepressible conflict between Christianity and soviet communism.

I agree with the gentleman from Washington when he denounces and shows up and exposes Protestant ministers who compromise with Russian communism that teaches hatred of God. I do not claim to be a very religious man, and I am frank to say I do not care much about the differences between religious creeds, but I do believe that religion is the greatest moral force in the world, and if you permit it to be wiped out, you go back 2,000 years to barbarism and paganism. [Applause.] This is what the communists are trying to do. Therefore, for one I have no patience with that type of Protestant minister that the gentleman refers to, who goes around upholding communism, which is the bitterest and most determined foe of all religious denominations and of every religious belief. [Applause.]

Mr. WASON. Mr. Chairman, I yield one minute to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I had one statement that I failed to make in my speech and which I wish to make part of my remarks. Perhaps all of you saw a week ago to-day the newspaper pictures in connection with the communist strike in front of the Japanese Embassy. You saw the picture of a young slip of a girl lying face down and helpless on the ground and policemen standing about looking bold and fierce, with drawn clubs. I immediately made inquiry as to why and how such a thing as that could happen. Things like that grate on the sensibilities of all of us. The whole thing was a communist plot. The girl stood on one side, and others of her crowd ran against the policeman, tripped him so that he fell against her and knocked her down, completely stunned. A trick. Then the photographers rushed in, and cried, "Let us have a picture," and so the police officers posed with the girl lying there, creating a picture that will be printed in Buenos Aires, in Lisbon, in Berlin, in Moscow, and everywhere in the world where communism is flourishing. The communists have a name for that sort of propaganda. I believe it is called an "attendat."

Mr. WOODRUM. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON of Georgia. Mr. Chairman, the agricultural marketing act, commonly known as the Federal Farm Board act, occupies a unique place in legislative history. There is no other measure enacted by Congress within recent years that has so completely failed to accomplish the purpose that Congress had in mind when it passed the law.

Not only has it completely failed to achieve the good results that Congress intended it should achieve and the entire Nation had hoped would be accomplished, but, in my judgment, it has been a tragic failure. Instead of the Federal Farm Board being a "pillar of cloud by day and a pillar of fire by night," it has blasted the hopes in the breasts of a vast majority of those who cultivate the soil.

Since the enactment of the law creating the Federal Farm Board and establishing the marketing act the farmers have witnessed the price of wheat fall from $1.35 per bushel to a price which was the lowest that has ever been recorded. They likewise have witnessed the price of cotton drop from 18½ cents per pound to 5½ cents per pound. They have seen the damaging effect of the policies of the board and have suffered the disastrous consequences wrought by those policies.

Believing as I do that the Federal Farm Board has been weighed in the balance and found wanting, that it has been of no appreciable benefit whatsoever to the farmers of the Nation, that its policies have been ruinous, and that it contributed largely to help place agriculture in the deplorable condition that it now finds itself, I shall, Mr. Chairman, when the section relating to the Federal Farm Board is reached in this bill, offer an amendment to abolish it; to turn over its entire affairs to the Secretary of Agriculture, with directions to liquidate its holdings over a period of time so as not to disturb the market condition; and to turn back into the Treasury of the United States the unexpended balance.

The only plan that the Federal Farm Board has offered to the cotton farmer has been to reduce acreage, and during last season it advised him to plow up every third row of cotton.

Now, let me say to you that in my judgment we do not need eight high-priced officials drawing salaries amounting to $96,000 a year from the Treasury and an attorney drawing $20,000 a year, and a board whose total pay roll, including those affiliated with it, amounts to $2,759,000 a year, to tell the farmers to reduce acreage and to plow up every third row of cotton.

A board that has no more conception of its duty than to recommend to plow up every third row of cotton is not entitled to be supported by the taxpayers' money.

Bear in mind that this recommendation to destroy every third row of cotton was issued in late August, after the crop had been made, and when a large portion of the cotton crop was ready to be picked, and not a man within the sound of my voice can justify such an assinine recommendation.

Not a single effort has been made on the part of the Farm Board to find a greater use or demand for cotton. They have contented themselves with these two recommendations.

On one hand we have the Department of Agriculture teaching the farmers how to make larger yields per acre than ever before, to "make two blades of grass grow where one grew before," and on the other hand we have the Farm Board telling the farmers to reduce acreage and to destroy every third row of cotton. The Department of Agriculture and the Federal Farm Board are both financed by the Government with the taxpayers' money.

The Agricultural Department says to the farmers of the Nation, "Learn better farming and increase your yields," and on the other hand the Federal Farm Board says, "Cut down your yield and destroy every third row of your cotton."

There is no use to finance both of these institutions—one certainly must be wrong.

Times are serious, and the people of this Nation are in a serious mood. The people in every walk of life are demanding of Congress that we eliminate useless boards and bureaus and abolish for all time these countless commissions that have sprung up like mushrooms, for these governmental agencies are sapping the stamina of our citizens and endangering every form of business.

The expenses of the Government must be reduced; they must be cut to the bone. The people of the Nation are to-day groaning under a $4,000,000,000 annual Federal expenditure. It is destroying business, and the greatest obstacle to business recovery to-day is taxation and the fear of higher taxes. The only way to relieve the people of the enormous cost of Government is to abolish bureaus, boards, and commissions and reduce governmental expenses.

There has been ample time for trying out this experiment. Experience in the operations of the Farm Board are of such distressing moment as to impel action for its abolishment without longer permitting it to prey upon the confidence and welfare of American agriculture.

A quarter of a billion dollars admittedly lost, unknown millions dissipated or wasted, the generosity of a Nation to aid our basic industry poorly administered, mounting distress and continued financial difficulty among farmers, leave us with only one sensible course to pursue—abolish this instrument of inefficiency and contributory distress.

It is amazing and alarming to study the operations of the Farm Board and the dire results of these operations.

I tell you the story is a sordid one. I can see no more intelligent course to pursue than dispense with an institution which has so perverted the noble purpose for which it was created and has proven such an inexcusable failure to improve the lot and life of our farmers for whom we all have the utmost concern, as on their welfare rests the safety of our representative form of government. [Applause.]

Oh, I know that whenever anyone rises on this floor and offers to abolish some bureau, board, or commission, some plausible excuse can be offered for its existence; but let me drive this point home to you, the breaking point is at hand—the Government's expenses each day are $7,000,000 more than its income.

I challenge anyone to go over the records of the board, scrutinize its operations, and then not agree, if he would be honest with himself, the Government, and the people, that not only is this the place to begin abolishing boards, but that a distinct service to the country would be rendered by its abolishment.

The Farm Board is not the only governmental activity that this Congress should wipe out of existence before we adjourn. There are other bureaus that should be eliminated. Almost everything from childbearing to military operations is to-day sought to be regulated by some bureau, board, or commission. The people have grown sick and tired of the Government seeking to regulate everything from the cradle to the grave. [Applause.]

Mr. Chairman, it will be contended by some that they are not in favor of the abolishment of the Farm Board and turning its activities over to the Department of Agriculture, but that they desire to amend the marketing act by eliminating the stabilization feature.

Let me say to you that whenever you take from the agricultural marketing act the stabilization feature, then there is nothing left in the act which could not be better administered by the Department of Agriculture than by the Farm Board.

Everyone who is conversant with the stabilization of commodity prices knew that it was doomed to failure when it was inaugurated. It has been tried many, many times, and has always been a complete failure. For a generation or more, private and governmental enterprises the world over have sought to advance the price of some particular commodity of which they were the principal source.

The Japanese Government tried to stabilize the price of silk and as a result it drowned the silk producer in a surplus of silk and the price fell from $16 a pound to $2 a pound. The British Government attempted to stabilize the price of rubber. Its method was considered almost perfect. The price advanced to $1.03 per pound. Within six years the price has fallen to 5 cents a pound.

The Brazilian Government sought to peg the price of coffee. Within seven years the price of coffee has dropped from 23 cents a pound to 6 cents a pound. The experiment of the Canadian wheat pool brought disaster to Canada's greatest industry.

The recent adventure of the Farm Board with $500,000,000 of taxpayers' money embarked upon a program which brought the Government into business as a merchant, speculator, and banker. The price of wheat declined from $1.35 per bushel down to 30 cents, and the price of cotton went from 16 cents down to 5 cents per pound.

The effort of man to effect stabilization of commodity prices, which are both elastic and uncontrollable in production, has always been written in failure.

All these artificial attempts at price-fixing or stabilization, or pegging the price, are bound to fail, as they are in violation of the fundamental economic laws which alone determine the price of any commodity—the law of supply and demand.

There is no commodity the price of which can be stabilized by artificial means. The Farm Board, in my judgment, has been one of the main causes of bringing on the depres-

sion in this country, even more so than the passage of the Smoot-Hawley tariff bill, which has practically ruined our foreign commerce.

Unduly rising prices create opportunity for forcing into the picture processes for reclamation, substitution, and adaptation, and bring into cultivation more marginal lands than ever before. And right here let me call your attention to the fact that during the past cotton season for the first time since the invention of the cotton gin (except for the Civil War period) the consumption of foreign cotton has exceeded that of American cotton by the substantial total of 506,000 bales, 11,134,000 bales of American to 11,700,000 of foreign, and in spite of the depression the consumption of foreign cotton, 11,700,000, was the highest figure ever known.

In 1926–27 the consumption of American cotton exceeded that of foreign-grown cotton by 6,000,000 bales.

In 1927–28 the consumption of American cotton exceeded that of foreign-grown cotton by 5,700,000 bales.

In 1928–29 the consumption of American cotton exceeded that of foreign-grown cotton by 4,600,000 bales.

The world was stimulated to increased production to such an extent that the consumption of American cotton in the season of 1929–30 declined to 3,200,000 bales, whereas the consumption of foreign-grown cotton increased 1,100,000 bales, and in the season of 1930–31 the consumption of American cotton declined 2,000,000 bales and the consumption of foreign-grown cotton remained stationary.

The Farm Board should have known that for every 5 bales of American-grown cotton sold to mills in this country 6 to 7 bales must be sold abroad, hence the price of cotton depends more upon the foreign than upon the domestic buying power.

The defenders of the marketing act maintain that without the stabilization effort by governmental purchase of cotton and wheat prices would have fallen still further.

Their arguments are specious and not susceptible of proof. On the other hand, it is fair to assume that the purchase and accumulation of huge surpluses of both wheat and cotton destroyed trade psychology, which had effectively accommodated the carry-over in previous years.

Heretofore the carry-over of cotton has been distributed in the hands of the producer, the cotton speculator, the mills, and others. Being so widely distributed it could not be such a menace to the market, but if you concentrate the surplus in the hands of a few, it then becomes a menace.

David F. Houston, former Secretary of Agriculture, said:

> The Government has undertaken to stabilize agriculture or a part of it, especially to stabilize the price of wheat and cotton. Anyone familiar with economics or with economic history, or with the American farmer, knew from the beginning that the undertaking was doomed.

In my opinion, studying the question as I have, I am forced to conclude that we shall never again have a healthy grain or cotton market until the Government has taken its hand out of the business. I want the Government to take its hands out of all business. It is not the function of the Government to be the merchant, speculator, and the banker. The true principle which will help the people out of economic depression and stimulate them to create and maintain a new prosperity is an absolute divorcement of Government from the common, daily business of the people. [Applause.]

Mr. Chairman, I desire to briefly make reference to the operations of the Federal Farm Board dealing with cotton. There was created what was known as the American Cotton Cooperative Association, which is a corporation formed under the Capper-Volstead Act, incorporated under the laws of the State of Delaware. That corporation had an authorized capital stock of $30,000,000, of which approximately $800,000 has been subscribed by affiliated associations in the 13 cotton States. Of that $800,000 which has been subscribed, only $79,500 was paid in cash.

The head of that corporation is E. F. Creekmore, who is vice president and general manager, and who draws a salary of $75,000 a year, and whose maximum salary prior to his present employment was about $12,000 a year.

At this point, let me briefly make reference to the testimony of Mr. Creekmore when he was appearing in November before the Senate Agricultural Committee:

> Senator WHEELER. What is the average income of the farmers raising cotton, of these 185,000 farmers?
>
> Mr. CREEKMORE. Well, that would be rather difficult. I would say about $300 a year.
>
> Senator WHEELER. About $300 a year. As the representative of these poor farmers making $300 a year you are drawing down a salary of $75,000 a year?
>
> Mr. CREEKMORE. That is correct.

This association is composed of about 185,000 farmers, and it handled approximately 2,100,000 bales of cotton during the last season. It borrowed from the Federal Farm Board $63,000,000, and yet there had only been paid into its treasury $79,500 in cash from its affiliated associations.

The Farm Board also established what is known as the Cotton Stabilization Corporation, which was created under the laws of Delaware. This corporation is financed entirely by the Farm Board. Its membership is made up of various State cooperative associations, and its policies are directed by the board. The Stabilization Corporation handled approximately 1,200,000 bales of cotton, and the American Cotton Cooperative Association, as I have just stated, handled approximately 2,100,000 bales, or a total for both corporations of 3,400,000 out of a crop of 16,000,000 bales. Instead of keeping this cotton off of the market when there existed a surplus, the policy of the board was to sell to the mills in direct competition with the cotton farmers and then to go into the future market and speculate. While the very purpose and object as set out in the beginning of this law creating the Farm Board was to "minimize speculation," yet under the sanction and with money borrowed from the Federal Farm Board, these corporations—creatures of that board—engaged in the most gigantic speculation in the history of the New York Cotton Exchange. It paid one firm of brokers $450,000 in commissions for transactions on the exchange.

Now, Mr. Chairman, I desire to call the House's attention to the salaries that are being paid from money borrowed from the Federal Farm Board by these organizations which are subsidiaries of the Farm Board.

There is George S. Milnor, president and general manager of the Grain Stabilization Corporation and vice president and general manager of the Farmers' National Grain Corporation, receiving a salary of $50,000 a year;

J. M. Chilton, vice president and general manager of the Farmers' National Grain Corporation, drawing down $25,000 a year;

W. I. Beaman, treasurer of the Farmers' National Grain Corporation, $27,500 a year;

William Engle, vice president of the Farmers' National Grain Corporation, $27,500 a year;

W. B. Joyce, district manager of the Farmers' National Grain Corporation, $20,000 a year;

F. M. Lake, vice president of the Hall-Baker Grain Corporation, owned and operated by the Farmers' National Grain Corporation, $25,000 a year;

Henry G. Stafford, general sales manager of the American Cotton Cooperative Association, $35,000 a year; and

Stanley Reed, general counsel of the Federal Farm Board, $20,000 a year.

Mr. BOYLAN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. BOYLAN. Is it not a fact that while the Farm Board advised the farmers to hold their cotton, the board itself was selling cotton?

Mr. VINSON of Georgia. That is true.

Mr. MAY. Will the gentleman yield further?

Mr. VINSON of Georgia. I yield.

Mr. MAY. By what authority does the Farm Board claim the right to organize these independent corporations under the laws of Delaware?

Mr. VINSON of Georgia. We gave the Farm Board unlimited jurisdiction, and it has done everything it could, including the ruining of the farmer.

Here you have 10 employees whose salaries are being paid by money from the Federal Farm Board—taxpayers' money—money which was wrung from the pockets of the people by the taxgatherers, drawing $340,000 a year, or an average of $34,000 each.

The distinguished Senator from Idaho [Mr. BORAH] characterized these high salaries as "legalized graft." These men took office to aid a struggling, failing industry; to be of some assistance and benefit to the farmers and help to rehabilitate agriculture—and to exploit those farmers when they were supposed to help amounts almost to a crime. These salaries are unconscionable; it is an extravagant waste of funds—almost public funds.

Governmental extravagance is only a short step this side of corruption; they are both plants which spring from the same putrid soil and thrive in the same infested atmosphere.

Mr. Chairman, we were told that this act creating the Farm Board would strengthen farm organizations. Such an end was viewed most commendably, for all people everywhere recognize the importance and value of effective organization among those people in a common industry.

Not only have farm organizations not been strengthened, but there is not a legitimate national farmer organization in the United States but what has suffered increased hardships in sustaining membership since the marketing act entered the picture. I must confess alarm at the figures these various organizations display of jeopardized organization ranks. Not one great organization but what has felt the distressing and baneful effect on organization morale and strength.

We are compelled to view with grave concern the fact that the machinations of the Farm Board have brought dissension and split the ranks of some of the most beneficent and effective farm organizations of the Nation. Where once there was united front, division and dissension have spread. Distrust and bitter animosity entered where prior to the manipulations of the Farm Board, organization ranks were battling wholesomely and unitedly against the common foe.

Prior to the Farm Board, with its hosts of salaried emissaries, farm meetings and conventions were held, with farmers convening to study their problems, plan their programs of operation, and lay their strategy for the combat they constantly faced and they did this without interference or meddling by the Government. They enjoyed the privilege and rights of running their own affairs in their own way.

But that suffered a most unfortunate change when the Farm Board began functioning. Assuming from its inception a dictatorial attitude, the Farm Board set up its program. Unfortunately for the welfare of agriculture and the Nation as well, this program was set up by a board of political appointees, some of whom had no experience in cooperation, and, as results have shown, no adequate conception either of the problem confronting them nor of the farmer factors with which they had to deal and whom they were supposed to serve rather than command.

We were informed that the marketing act was to develop cooperative marketing and the Farm Board as the directing agency would soon and efficiently solve the problem of cooperation among American farmers. It is a fact of distressing record that there is less cooperation to-day after three years of Farm Board operation than there was before it was created to blight the progress of sound farmer cooperation in this country.

From time to time when I read statements from members of the Farm Board laying farm distress to general economic conditions, I writhe under the brazen effrontery of this dictatorial and seemingly conscienceless group which has permitted the dissipation of funds provided to aid in this very emergency, and while commodity prices kept sinking lower and lower the Farm Board and its agencies built up and condoned an army of high-salaried satellites whose toll on the distressed producer can only be measured by the perfidy of the abuses.

In view of the pitiful failure of the Farm Board, the damaging results of its program, the inexcusable burden of an extortionately paid army in the Farm Board set-ups, the duty we owe both to the farmers of America and the citizenship of the country, I feel it as a serious obligation that we remove this travesty on the farm organization and farm cooperation, that we lift this burden from the backs of American agriculturists, that we take the hand of the salaried parasite out of the pocket of the farmer, whose 6-cent cotton and 40-cent wheat leave nothing to pay just obligations, without an overhead not only useless but so great as to wreck any industry.

It was Victor Hugo who said:

> There is one thing that is stronger than armies and navies, and that is an idea when its hour has come.

I say to you here to-day that the hour has come when the people of this Nation in every walk of life are demanding as never before that these useless boards and bureaus be abolished, and there is no better place for Congress to start than with the Federal Farm Board. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Idaho [Mr. FRENCH].

THE FEDERAL TRADE COMMISSION

Mr. FRENCH. Mr. Chairman and gentlemen of the committee, within the last several days two communications of diametrically opposite tenor have come to my desk bearing upon the Federal Trade Commission. In one appeal is made to abolish the commission, alleging that it is ineffective and that its work is useless. In the other appeal is made for broadening the scope and powers of the commission because of the splendid service it is rendering to the people of the United States.

Both of these representations can not be correct. It is criminal for the Congress to appropriate moneys for carrying on any activity that is useless. It is worse than criminal to appropriate moneys for such an institution at a time when financial distress is on every hand.

The Federal Trade Commission is included among the independent offices cared for in the pending bill, and it is because of the challenge that has been made that I rise to make brief inquiry into the worth-while character of this institution.

Going back a little more than 40 years ago, the country realized that a very rapid change was occurring in certain of the economic factors in America. Instead of the small individual producer, manufacturer, and business man of the preceding generations, the people had come to realize that capital was being massed as never before. Companies and corporations were springing up and expanding to carry on the activities in all important lines that for centuries had been carried on either by individuals or partnerships or by companies of small capital. It was a disturbing phenomenon.

There were fewer concerns manufacturing farm machinery in 1890 than there had been in 1870, fewer sawmills, fewer factories for the fabrication of cotton and woolen goods, boots and shoes, and many of the essential commodities of life. On the other hand, measured in capital, there was the reverse. Business was expanding and capital was increasing by leaps and bounds. Trade was being stifled, competition was being driven out, and a condition was being brought about through which a few concerns of great wealth and power were threatening domination of what had theretofore been a free market.

The answer was the Sherman Antitrust Act of July 2, 1890. The object of this law was to prevent the control of trade through combination. The act provided that—

> Every combination in the form of trust or otherwise or conspiracy in restraint of trade or commerce among the several States or with foreign countries is hereby declared to be illegal.

The law has been amended in some particulars, but what I have quoted continues to be the heart of the legislation. Other language of the act provides details of administration and fixes penalties. But it soon appeared that we were going through a change that had not been wholly met by

the enactment of this legislation. It was discovered that there were some types of combinations that were not inimical to the welfare and highest interest of the public. For instance, no one can contend that if we had six or eight independent, competing telephone companies doing business in the city of Washington, or any small city of five or ten thousand people, we should have the efficiency and service that we have to-day.

Anyone to have the accommodations he now has would need to subscribe for the telephone service of each one of these separate institutions that might be in his city. It was apparent that we could not apply the principle that combination in itself is wrong and antagonistic to public well-being. Indeed, here was a type of combination that was in the interest of economy, in the interest of efficiency, provided some way could be found by which it could be controlled. Carrying the principle still farther, it was soon apparent that there was a group of public-service activities wherein it was felt that, instead of preventing combination and amalgamations, the interests and the economies of the country could be better served by permitting organization, coupled with regulatory control through State or Federal Governments. But there were other exceptions.

It was soon apparent that the farming interests of our country, if they were to attempt to meet wealth organized for the manufacture of farm machinery or lumber or other products, would themselves need to combine. Labor soon learned that in order to meet this greater combination of wealth and industry it too would need to act in concert, with the result that you and I both have had a part in placing in the appropriation bills for many years restrictions upon the use of moneys for the enforcement of the Sherman antitrust law against farmer and labor groups who were carrying forward cooperative programs that unquestionably were not in the minds of the Members of Congress when the Sherman antitrust law was enacted, in 1890.

If we were not satisfied with the law touching the factors to which I have just referred, we were not satisfied with its enforcement against the groups to which, by common consent, it was felt it should apply. We were groping. Just when was an agreement in restraint of trade? Lawyers and courts were not agreed. Decisions that were rendered seemed not always in accord with prior decisions.

Could we not set up a body that could take leadership, that could point the way—a body that, first of all, would seek ways by which business could be brought to conform itself to the public interest through the observance of the law?

The answer was the act creating the Federal Trade Commission, September 26, 1914. By this act unfair methods of competition in commerce were declared unlawful.

Under this act it is the duty of the Federal Trade Commission to prevent persons, partnerships, or corporations (except banks and common carriers, which were under other laws) from using unfair methods of competition in commerce. When it believes that such persons are engaged in unfair practices, it is the duty of the commission to make complaint and to conduct hearings. It may order persons found violating the laws to cease and to desist from using unfair methods. It may modify its orders up to the time it files its transcript of the record with the circuit court of appeals. It may apply to the circuit court of appeals for enforcement of its orders; and those who are cited by the Federal Trade Commission may themselves make their appeals to the circuit court.

The Federal Trade Commission was given power to gather and to compile information touching business excepting as to banks and the common carriers; power to require concerns to file with the commission reports. It has power to investigate the violations of the antitrust acts; it has power to investigate trade conditions generally; it may act as a master in chancery for a court in determining facts under the law.

The prime purpose, in other words, of the Federal Trade Commission, is to prevent lawbreaking. It was not given power to punish; it was not given the power of a court; but it was given authority, rather, to prevent violations of law, and to take leadership in finding ways by which the institutions of trade and commerce could serve best the public dependent upon their services.

The law was premised upon the theory, that I believe is sound, that most people want to do the fair thing and want to conform to law; but on the other hand, that even such people as those to whom I have referred are constantly under the handicap of unfair competition upon the part of a limited number who do not have regard for the ethics that ought to control in the conduct of business of any kind. It is, then, upon that theory that the Federal Trade Commission has sought to lead the way.

Let me point out a few illustrations of the activities of the Federal Trade Commission, and then we may ask ourselves whether or not this institution ought to commend itself to the support of Congress and its activities ought to be continued.

I have said that most manufacturers, most merchants, most business concerns, of whatever character, desire to do the right thing. The concern that has no regard for sound business principles is the one that wrongs the public first of all by its own practices and makes it difficult for other concerns to sustain themselves in business without resorting sometimes to practices that can not be defended.

Two great groups or kinds of cases in the administration of the work of the Federal Trade Commission come before that body:

First. Those relating to combinations for price fixing and the suppression of competition; and

Second. Those that relate to unfair practices in advertising, imitations, and misrepresentation.

Let us consider the two types for just a moment. Consider, first, price fixing and the suppression of competition. One of the outstanding cases under this head is known as the "Pittsburgh-plus" case where a concern, the United States Steel Corporation, was attempting to establish the policy of right to fix a flat price for its bulky commodities that would rest upon the price at Pittsburgh but that would include also the freight from Pittsburgh to any place in the United States regardless of whether or not any freight had been paid or whether or not there was a subsidiary branch of the corporation adjacent to the place where the commodity was sold which could supply the commodity with no freight whatever.

Commissioner William E. Humphrey, formerly a member of this body, in a recent address pointed out an illustration that is so pertinent I am going to use it here. Suppose a contractor, or a county, in building a bridge near Gary, Ind., bought a ton of steel at that point. The Gary plant would produce the steel. The company claimed the right to charge the purchaser the price of the steel at Pittsburgh plus the freight from Pittsburgh to Gary, although no freight had been paid. As a result of the activities of the Federal Trade Commission, this practice was overturned.

Here was a decision that affected the entire Middle West. It affected agriculture in astounding degree. When the practice was definitely abolished, its effect upon agriculture was so great that the American Farm Bureau declared that this decision alone had saved to the farmers of our country not less than $30,000,000 every year.

Under this heading I cite another case: The manufacturers of range boilers undertook to crowd out competition by fixing a flat price and paying the freight upon their product from the East to all parts of the United States. Under the plan, upon a commodity so heavy as the range boiler, the freight to distant points was almost equal to the cost of the boiler itself, and yet this concern was proposing to sell the boiler on the Pacific coast or in Florida at the same price that it would sell the commodity in Ohio or West Virginia, near where it was produced. Evidently under such a practice the people of the East would be paying too much while the people of the West would be paying too little upon this particular commodity; that is, the people of

the West would be paying too little so long as under the practice iron and steel works could be prevented from being located upon the Pacific coast.

Turn the question around; what would the East say of a plan by which the great sawmills of the Pacific Northwest could sell lumber from the Northwest with freight prepaid at the same price that the concerns would sell lumber to the local market? Under such a practice the small mills of the East or the South would be crowded to the wall until competition would have been eliminated after which time the larger producers that had gained control of the market could fix their own price.

Time will not permit me to give further illustrations under this head.

May I turn to the other division of the work, that under the head of unfair practices, advertising, imitations, misrepresentations?

[Here the gavel fell.]

Mr. FRENCH. Will the gentleman yield me a few additional minutes?

Mr. WASON. I yield to the gentleman from Idaho five additional minutes.

Mr. ARENTZ. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. ARENTZ. The Senators from Idaho have been fighting that practice on the part of the railroads for a great number of years, and if the measurement was wrong with regard to the case of commodities shipped by a steel company, why is it not wrong when transported by railroad?

Mr. FRENCH. Absolutely. The question that the gentleman refers to has become known as the long and short haul question. It touches railways, and it does not come under the Federal Trade Commission. It is a question of whether or not a railroad should have the right to charge more for transporting goods over the same line in the same direction for a less distance than for a greater distance. So far as the law is concerned, the lines, upon authorization of the Interstate Commerce Commission, may do just that thing. This ought not to be.

A few other illustrations, and then I shall conclude. I was referring to unfair practices in advertising imitations and misrepresentations. Just a few years ago there were those who thought it would be a very excellent thing if they could gather up all the old hats in the country, revamp them, clean them, put new bands on them, put new linings in them, give them new numbers and sell these hats as new hats. There is no one who objects to conservation of any type of clothing; but the people of the United States have a right to resent the renovating of an old hat, the placing of a new band and a new number upon it, and the selling of that article as a new article, bearing the name, maybe, of the original manufacturer, as an original new hat from one of the finest manufacturers of hats within the United States.

Let me cite another case, that involves fake motion-picture films. The case referred to in the report of the Federal Trade Commission cites a concern that was attempting to palm off on the public as a film made in Africa certain fake pictures most of which had been made in so-called studios or grounds within the United States. In the first place, there was no such expedition to Africa as that which was claimed. There was no such explorer as that of the name of the hero of the film. The pretended films of gorillas were faked. In one instance, the audience witnessed the spectacle of a man dressed in a gorilla skin, with the pretense of the concern that the picture of an animal of the jungle was being displayed.

I could cite a multitude of other illustrations wherein the Federal Trade Commission has protected the public or is now protecting the public from outrages performed by unscrupulous concerns—patent medicines advertised under false claims, the employment of workmen to boost the wares, paints, varnishes, and so forth, of some concern upon whose pay roll they were enrolled, yet all unbeknown to their employer.

The schemes attempted are of wide character. Without illustrating them, let me enumerate under a few headings some of the different frauds or practices that have been perpetrated upon the public and of which the Federal Trade Commission is stopping the practice:

First. The misbranding of fabrics or commodities as to their origin, contents, and quality.

Second. The procuring of business or trade secrets through bribery of employees of rivals.

Third. The making of false statements touching rivals.

Fourth. The selling of second-hand or rebuilt articles for new.

Fifth. The alleged indorsement of products by the Government or by nationally known people.

Sixth. The advertisement of articles under such terms as would lead the public to believe that Government tests and approval had been made.

Seventh. The advertisement and sale of foods and drinks synthetically flavored so as to mislead the purchaser into thinking that an article was being purchased that was made in whole or in part of a produce whose flavor had been imitated.

Eighth. The advertising of commodities as though being sponsored by eminent doctors or other special authorities.

There is one other feature of the work of the Federal Trade Commission that I shall omit to discuss at length but you will find referred to in a very illuminating study in the address of Representative LAMNECK that appeared in the CONGRESSIONAL RECORD, House of Representatives, March 3, last. I refer to the Federal trade-practice conferences.

Conferences have been held by something like 45 different industries, and by that I mean the representatives of practically all of the persons or concerns engaged in these industries. A moment ago I said that manufacturers or producers or merchants, generally speaking, wanted to do the right thing but they were handicapped for two reasons: First, in not knowing at all times what the right thing is; and second, by being forced to compete with a limited number of their rivals who did not have regard for ethical practices. A conference is usually held as a result of the wish of those engaged in some particular line of activity.

By way of illustration, let me cite the furniture industry. Not long ago a conference was had of 80 per cent of the 950 concerns represented by this industry. Rules and regulations were worked out. A thorough understanding was arrived at of practices that were wrong and of practices that were sound. The overwhelming body of representatives of the furniture industry undertook to carry out the policies and principles agreed upon, with the result that fraud has largely been eliminated, that gumwood is not sold for walnut, that birch is not sold for mahogany. It is true that the Federal Trade Commission can not control or bring action against a concern whose business is entirely intrastate. But for the most part the businesses are interstate in character. The furniture business alone represents $561,000,000 within the United States.

There is just one other factor to which I would refer in connection with the Federal Trade Commission. Members of the House will recognize from the report that the Bureau of the Budget reduced the estimates for the Federal Trade Commission by $515,266 under the amount carried in the current year. It has been the policy of the Committee on Appropriations in the present Congress not to recommend any increases whatever over Budget items. The policy has been adhered to in reporting the present bill.

Members of the House, however, are confronted with the fact that inquiries have been undertaken at the request of another body for which special appropriations have not been made. Two investigations are under way at this time, the inquiry into power and gas utilities and chain stores. Both of these investigations are of highest importance and should be carried forward. To meet the need the committee has recited that $300,000, or so much thereof as may be necessary, shall be applied particularly for the work under these two headings, work that is already under way. Unless this study may be carried on, there will be rendered useless a vast amount of work that is already far advanced and which has cost the Government a vast amount of money.

In conclusion it is my earnest judgment that an examination of the record of the commission during the 18 years of its operation will justify many times over the amount of money we have been called upon to expend for the carrying forward of that activity, for the protection of the rights and interests and trade conditions of the people of America. [Applause.]

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. AMLIE].

Mr. AMLIE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include with my remarks two graphs showing the price trend of electric current for the last 10 years.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. MICHENER. Mr. Chairman, reserving the right to object, are those graphs the kind that can be printed under the rules of the House?

Mr. AMLIE. They were printed two years ago.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. AMLIE. Mr. Chairman and members of the committee, I want to take this opportunity to express my appreciation for the very fair manner in which the gentleman from Virginia [Mr. WOODRUM] presented the case of the Federal Trade Commission in his discussion this afternoon. I feel that the utility investigation that is going on is by all means the most important investigation that has ever been attempted by the Federal Trade Commission or for that matter by any governmental body at any time.

I was much impressed by the remarks of the gentleman from Idaho, who has just preceded me [Mr. FRENCH]. He has discussed with much care the fine work that was done by the Federal Trade Commission in securing the abolition of the practice known as "Pittsburgh plus." By means of this practice the steel companies charged millions of dollars of fictitious freight upon steel that had never seen Pittsburgh. Just why consumers should be compelled to pay this fictitious freight on steel produced at Gary, Chicago, Duluth, or even in Colorado, was something that they never could understand. This practice was only stopped after the Federal Trade Commission had made an intensive and involved fight on this question which served to convince even the United States Steel Corporation that its ancient practice was not fit to be dragged before the courts of justice. I am quite familiar with the fight, because the Federal Trade Commission, feeling themselves in need of an economist of the first rank, called in Prof. John R. Commons, of the University of Wisconsin, who contributed his services to this fight for more than a year. I mention this because of the fact that it calls attention to the way in which the Federal Trade Commission has gone about some of these matters. They have not only depended upon their own staff, but where occasion has required it they have called in the ablest authorities in the country to aid them.

According to Mr. Howard, who was then the president of the American Farm Bureau Federation, the abolition of this practice on the part of the steel companies resulted in a saving to the people of the West and the Northwest of more than $30,000,000 a year.

It would perhaps be no exaggeration to say that the abolition of Pittsburgh plus alone has meant a saving to the people of the West of more than $200,000,000.

This morning the gentleman from Wisconsin asked why, in three years, have they not gotten further in these investigations? I may say that, despite the fact that this is a congressional investigation, in the case of the Electric Bond & Share Co., no sooner was the investigation started than they immediately commenced a desperate effort to prevent the Federal Trade Commission from having access to their operating-expense ledger, and they have kept the Federal Trade Commission tied up in court three years now trying to prevent them from finding out what is in these records.

Mr. STAFFORD. Will my colleague yield?

Mr. AMLIE. Yes.

Mr. STAFFORD. Were there any court proceedings that prevented them from finishing their job so far as the chain-stores investigation is concerned? That has been dangling in the air for four or five years.

Mr. AMLIE. Well, in another year that will be finished.

Mr. STAFFORD. Oh, another year and then a year hence it will be another year, and then another year.

Mr. AMLIE. We were led to believe when this investigation started that everything was public and available and that nothing was covered. In 1928 the then Secretary of the Department of Commerce, Mr. Herbert Hoover, delivered a speech in which he said in part:

> Beyond this, the majority of the men who dominate and control the electric utilities themselves belong to a new school of public understanding as to the responsibility of big business to the people. The industry does not resent constant inquiry and constant public concern for public interest. Glass pockets are the safety of the industry, as well as the public.

And in his Cooper Institute speech, in his campaign for the Presidency, he used the term again that "glass pockets" were there for the protection of the people, although only 12 hours before, the Electric Bond & Share Co. had refused for the second time to give the Federal Trade Commission access to its books.

If we have glass pockets, all I have to say is that the glass is slightly opaque; that if there are glass pockets, here is one company that has defied the Federal Trade Commission for three years.

When the Seventieth Congress adopted Senate Resolution 83, calling for a complete investigation of the public utilities of the country, it was in pursuance of the purpose stated by Senator WALSH of Montana, namely, first, to protect the 17,000,000 householders who pay for electric lighting, and, second, to protect the great body of our people who are now putting their savings into the securities offered to an investing public by these utility companies. "Everything may be perfectly sound," he stated, "but we owe it to these two classes of representative citizens to ascertain the truth about these matters."

No sooner had this investigation been suggested by Senator WALSH in 1927 than the organized propaganda agencies of the private utilities set in motion all of its machinery to head it off. Throughout the length and breadth of the land this investigation was denounced as un-American—as a form of government ownership, socialism, or bolshevism. Senator WALSH was termed by one utility spokesman "an uneducated member of the proletariat." They said:

> It is like asking the chief vestal virgin in Rome to come out and justify her purity before the Senate.

As a matter of fact, this campaign of abuse that was unloosed upon the land has perhaps never been equaled in peace times.

Under the cover of this barrage there moved upon Washington what has been characterized by one Senator as the most powerful lobby in the history of the Nation. No less than 180 law firms appeared before the Senate Interstate Commerce Committee in opposition to this investigation. This lobby was headed by former Senator Thomas, of Colorado, a Democrat, and former Senator Irvine L. Lenroot, of Wisconsin, a Republican, whose law firm, the record disclosed, received a retainer of $20,000.

Exhibit No. 756, Federal Trade Commission Reports No. 3, shows that a few of the great power companies contributed, beginning June 1, 1927, to the Joint Committee of National Utilities Associations, the sum of approximately $400,000 to be used in connection with this fight.

It soon became apparent to these lobbyists, however, that such leaders as Senator WALSH and Senator NORRIS had at their command such evidence of stock watering and fraudulent and unethical practices on the part of the great utility companies that it would be impossible to prevent an investigation of some kind. The lobby therefore centered its activity upon preventing this investigation from being conducted by Senator WALSH or by any Senate investigating committee, and sought instead to have it conducted by the Federal Trade Commission. In this they were successful.

The Senate voted by a narrow margin to have the investigation conducted by that body. It was generally regarded as a Power Trust victory. The reason why the utilities preferred to be investigated by the Federal Trade Commission was twofold. In the first place the Federal Trade Commission had just completed an investigation of the so-called Power Trust and had disclosed nothing more alarming than the possible danger of holding-company control through the pyramiding of corporate organizations. The report was generally accepted as a clean bill of health for the utilities.

In the second place, the power companies desired, above all things, not to be cross-examined by that relentless investigator, Senator WALSH, who conducted the Teapot Dome and the Elk Hills oil-lease investigations.

The sad case of Mr. James O'Neill and Mr. Blackmer, late of the Continental Trading Co., was perhaps fresh in their minds. The threat of involuntary exile seems to put the fear of the Lord into these big business racketeers. From this standpoint the sum of $60,750 contributed to the general lobbying fund by the Electric Bond & Share Corporation was probably money well spent.

It is to be noted that the Bureau of the Budget reduced the appropriation to the Federal Trade Commission by the amount needed by the commission to complete the utility and the chain-store investigation by July 1, 1933.

In a statement accompanying the President's message on the Budget appears the following:

> Most of the reduction included in the last-mentioned figure was made in the belief that in common with other activities of the Government, some of the commission's work could be slowed down and some of it postponed without detriment to the public interest during the existing depression.

This highly illuminating comment was still further explained this morning when the gentleman from Connecticut [Mr. TILSON] interrupted the gentleman from Virginia, who was speaking, to state that the only purpose that the Federal Trade Commission had ever achieved was to "bedevil honest business," and that during this period of depression business was having a hard enough time without being subjected to further "bedevilment."

I am going to take the liberty now of discussing some of the facts disclosed by the Federal Trade Commission investigation to date, showing just the kind of business that is being bedeviled.

Herewith is a list of some of the companies that have been investigated by the Federal Trade Commission, showing the amount of fictitious write-ups that have been going on in the public-utility field. Please understand that this is not a complete list. This phase of the investigation has been only half completed, and I do not pretend to have found all of the cases of write-ups to date.

These write-ups are important because they have furnished the basis for valuation upon which securities have been sold to an innocent investing public, and also in the main these write-ups have furnished the basis for the fixing of utility rates.

Appreciation (write-ups) developed by Federal Trade Commission in its inquiry under Senate Resolution 83, Seventieth Congress, first session

American Gas & Electric Co. (Senate Document 92, vol. 22, p. 1199):		
Appalachian Electric Power Co.	$66,418,192.80	
The Ohio Power Co.	2,775,371.77	
Indiana & Michigan Electric Co.	5,958,475.29	
Scranton Electric Co.	4,426,327.58	
Kentucky-West Virginia Power Co. (Inc.)	3,300,000.00	
Atlantic City Electric Co.	2,212,774.86	
Wheeling Electric Co.	901,518.00	
		$85,992,660.30
Electric Bond & Share Co. Group		
American Power & Light Co. (Senate Document 92, vols. 23 and 24, p. 1096):		
Kansas Gas & Electric Co.	$2,547,542.24	
Texas Power & Light Co.	8,160,000.00	
Nebraska Power Co.	5,866,452.58	
Minnesota Power & Light Co. (November, 1920)	20,251,682.47	
Minnesota Power & Light Co. (May, 1924)	$1,383,246.62	
Florida Power & Light Co.	30,232,007.85	
		$68,440,931.76
National Power & Light Co. (S. Doc. 92, vol. 25, p. 630): Approximate write-up		35,000,000.00
Electric Power & Light Co. (S. Doc. 92, vols. 23 and 24, p. 1183): Approximate write-up		42,341,947.02
Middle West Utilities Co. (report not yet printed)		30,816,770.00
Standard Gas & Electric Co. (report not yet printed)		6,974,253.00
New England Power Association (S. Doc. 92, vols. 31 and 32, p. 636)		41,575,771.00
The North American Co. (S. Doc. 92, vols. 33 and 34, p. 759)		5,040,105.00
North American Light & Power Co. (report not yet printed)		23,180,934.36
New England Power Co. (S. Doc. 92, vols. 31 and 32, p. 511)		2,000,000.00
W. B. Foshay Co., and subsidiaries (S. Doc. 92, vol. 25, pp. 299 and 300)		4,018,953.93
Southeastern Power & Light Co. (Senate Doc. 92, pt. 27):		
Alabama Power Co. (pt. 30, p. 258)	$6,392,241.73	
Georgia Power Co. (pt. 28, p. 140)	33,453,500.00	
Appalachian Development Co. (pt. 28, p. 140)	4,389,679.75	
Mississippi Power Co. (pt. 27, p. 215)	12,724,558.73	
Southern Power Securities Corporation (pt. 27, p. 215)	26,898,275.47	
Southern Fuel Co. (pt. 27, p. 215)	1,799,000.00	
Dixie Construction Co. (pt. 27, p. 215)	1,000,000.00	
Southeastern Realty Co. (pt. 27, p. 215)	175,394.99	
		86,832,650.67
Louisville Gas & Electric Co. (Byllesby group) (report not printed)		2,013,500.00
Mississippi Valley Gas & Electric Co. (Byllesby group) (report not printed)		373,500.00
Electric Power & Light Co. subsidiaries (pt. 23–24, p. 1223) (Electrict bond and share group):		
Arkansas Power & Light Co.	$6,970,601.61	
Louisiana Power & Light Co.	10,076,594.16	
Mississippi Power & Light Co.	10,714,544.37	
		27,761,740.14
Washington Water Power Co. (pt. 29, pp. 92, 97)		2,591,185.30
National Power & Light Co. (old company) (pt. 25, p. 629)		3,723,957.53
Oklahoma Gas & Electric Co. (Byllesby group) (report not printed)		3,263,560.16
Nebraska Power Co., excess of write-ups on operating company books over write-ups on holding company books (report not printed)		2,521,063.35
Pacific Power & Light Co. (not printed)		5,679,427.66
Northwest Electric Co. (report not printed)		5,000,000.00
Idaho Power & Light Co. (report not printed)		9,692,314.99
Tide Water Power Co. (Insull group) (report not printed)		2,714,967.75
Carolina Power & Light Co. (Electric Bond & Share group (vol. 26, p. 90)		22,414,833.79
		519,965,027.71
Electric Bond & Share, on Mar. 13, 1927 write-up, American & Foreign Power Co.		399,200,000.00
Total write-ups or watering of stock		919,165,027.71

It is to be noted in this connection that after these disclosures had been made by the Federal Trade Commission investigations, that the Electric Bond & Share Co., on February 25, 1932, wrote down their assets by $441,388,000.

The Mid-West Utilities Co. has also written down their assets by approximately $40,000,000. It should also be noted that while the Electric Bond & Share Co. has not permitted access to their operating expense ledgers, that nevertheless the Federal Trade Commission has been able to show that in their service charges to operating companies the Electric Bond & Share Co. has been making profits of more than 105 per cent, despite the fact that they have claimed that these charges were purely on a cost basis. Because of this investigation the Electric Bond & Share Co. has reduced these service charges by more than a million dollars a year. This is a direct saving to the consumer, because of the fact that it is an item that is charged back to the operating company as an operating expense.

This item alone would justify this particular investigation being conducted.

The investigations of the Federal Trade Commission to date have covered less than half of the public utility companies. They have disclosed fictitious write-ups in value, or watering of utility stock, to the extent of $915,000,000. It is perhaps safe to say that the Senators who caused this investigation to be made were conservative in their belief that these fictitious write-ups or watering of stock would amount to more than $2,000,000,000.

Upon these fictitious write-ups, stock has been issued and sold to an innocent investing public. Among the worst offenders has been the Insull owned Midwest Utility Co., which has unloaded great volumes of worthless securities upon the people in my district.

Even more callous in their disregard of the rights of an investing public has been the Electric Bond & Share Co. In 1929 when the stock of this company was selling as high as $148 a share, the officials distributed to a small inner circle 480,000 shares at $40 a share. And in addition gave away outright 55,000 shares for no apparent reason.

When the crash came, the price went below $40 a share. Some of the members of the inner circle had held on too long waiting for even bigger profits. To save them from a loss the company reimbursed them at the rate of $40 a share plus interest at 6 per cent and took off their hands these depreciated securities.

These transactions from a moral standpoint are fully as unethical as any of the forgeries perpetrated by Ivar Krueger, the match king. The only difference lies in the fact that the one took a chance by violating the law and paid the penalty. While on the other hand, our great utility magnates have perpetrated on an investing public fraud and deception equally reprehensible though apparently perfectly legal. It is a striking illustration of the contention that we have in this country three forms of theft; petty larceny, grand larceny, and glorious larceny. For the first offense a man is sent to the county jail, for the second offense he is sent to the State penitentiary, and for the third offense he is elevated to the highest pinnacles in our social, economic, and political life.

This work should be completed because it is information that the people should have, and the Members of this Congress should have. It is not a "bedeviling of honest business," and it is not work that "could be slowed down and some of it postponed without detriment to the public interest during the existing depression."

EXCESSIVE RATES

It should, also, be noted that these fictitious write-ups in value, also form in most instances the basis for rate making. At a rate of 8 per cent per annum, a fictitious write-up of $2,000,000,000 would form the basis for charging the people a hundred and sixty million dollars a year in excessive rates. What the facts are in this regard, however, can not be stated until the utility investigation has been completed. These facts, however, are vital to the American people and to the Members of this Congress. Investigations conducted for the purpose of furnishing us with these facts do not constitute a "bedevilment of honest business," nor are investigations of this kind work that "could be slowed down and some of it postponed without detriment to the public interest during the existing depression."

In this connection I want to state that it is quite generally the belief of those who were largely instrumental in securing this investigation that rates are based upon fictitious valuations of operating properties; that the economies resulting from the transmission of current by high-power lines have not been passed on to the consuming public, and that generally the consuming public in the United States is forced to pay for electric current a total annual sum in excess of a reasonable charge for such service; sum of $750,000,000 a year or more. This is the crux of the whole question; this is the issue that must be definitely answered to the satisfaction of the American people. The answering of this question is not a "bedevilment of honest business," nor is it work that "could be slowed down and some of it postponed without detriment to the public interest during the present depression."

In 1927 Senator WALSH said in regard to his resolution:

> I violate no confidence at all when I say that it is the common talk on newspaper row that this resolution will not be adopted by the Senate, because neither party wants it adopted, because it will dry up the source of campaign funds for the next election.

It would likewise be no breach of confidence at this time to say that for the last four months it has been the common talk on newspaper row that the power companies have requested the leaders of both parties to arrange for a moratorium on further investigations until after the November election, and that in case of such a moratorium contributions will be made to the campaign funds of both parties.

It is perhaps significant at this time that the Federal Trade Commission is just now beginning an investigation of the Cities Service Co., the Commonwealth & Southern Co., and the Niagara & Hudson Power Co., the latter commonly known as the House of Morgan Company.

From matters already published it would appear that there is strong reason to believe that there may be at least $40,000,000 of fictitious write-ups to be found in the last-named company. In all probability it will develop that investors who bought utility securities from the house of Morgan will have been about as well protected as those who bought South American bonds from that company. It can be readily understood why investigations into matters of this kind might be regarded in certain circles as work that could be "slowed down and some of it postponed without detriment to the public interest during the present depression."

To make the issue involved more clear I am going to insert herewith a chart used by Senator NORRIS in his speech delivered by him in the United States Senate on May 9, 1930. (See Chart I, p. 7614.)

The matter contained in this chart is, of course, old; it has been discussed for a good many years.

To meet this argument the utilities have caused a number of investigations to be made by, presumably, disinterested scholars.

An "educational foundation" headed by Professor Wyer turned out a study, presumably under the auspices of the Smithsonian Institution; after a long investigation the Federal Trade Commission has been able to demonstrate that Professor Wyer has been paid $25,000 by a private utility for his work in this connection. In another instance an Ontario report was published for which $10,000 was paid by private utilities. In another instance the Federal Trade Commission's investigation shows that $59,000 was paid to a magazine that hired former utility employees and proved thereby that municipal ownership is a failure. In 1927 it was reported by a special committee that the Puget Sound Power & Lighting Co. had authorized an expenditure up to $150,000 for the purpose of disclosing that the Seattle municipal lighting plant in its operations was unsound.

In another instance, we find that a sum in excess of $500,000 was expended in a single power fight in the State of California. I have listed these items because they show the manner in which the utilities operate. They try to secure some one to do their dirty work in the guise of a disinterested scientist—the utilities never show their hands.

A common answer made to the Ontario Power Co. is the fact that this company does not pay taxes. Even if allowance were made for this item, it would not greatly alter the claim of those who have been instrumental in causing this investigation to be made. The argument has, also, been made that while the rate to the consumer is much cheaper in Ontario, this is made up at the expense of the manufacturer. I am, therefore, taking the liberty of inserting, hereafter, another chart used by Senator NORRIS, May 30, 1930. This chart is self-explanatory and shows the comparative rates paid for electricity in the United States and in Ontario. (See Chart II, p. 7615.)

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. AMLIE. The investigation of the Federal Trade Commission shows that in that lobby not less than $400,000 was spent to prevent this inquiry. The Electric Bond & Share Co. put in over $65,000 to prevent this investigation, and all I have to say is it was probably money well spent, because had this investigation been conducted by a Senate investigating committee, I venture to say that the officials of this great company would either have come through with this information immediately or they would have gone to join Messrs. Blackmer, O'Neal, Grover Cleveland Bergdoll, and that other group of notables who belong to the American foreign legion originally founded by the late Benedict Arnold. [Laughter and applause.]

UTILITY PROPAGANDA

It is not the fact they have been stealing the American people blind, it is not the fact they probably sold to the American investing public over $2,000,000,000 of water, it is not the fact they are probably charging in excess of $750,000,000 a year in excessive rates—that is merely stealing from the American people their money—there is something else far more serious, and it is contained in volumes 1 to 25, dealing with the question of propaganda.

To back up this thievery they set out to control public opinion, to control the schools, to eliminate every textbook they objected to, to eliminate certain professors and to subsidize professors who were friendly, and, in short, to prevent any idea being entertained other than the public-utility idea. This is the most dastardly thing that has ever been perpetrated upon the American people by any organization.

I was struck this afternoon by the statement of the gentleman from New York [Mr. FISH] that the tragedy of Russia is the fact that 12,000,000 school children are being indoctrinated and being permitted to receive no information about anything except the teachings of communism. It is a tragedy to indoctrinate the young. I do not care whether it is with communism or whether it is with private utility propaganda.

In a meeting of the American Gas Association convention the utility publicity director of the State of Missouri quoted in 1925—

Give us the child at 7 years old, and we care not who educates him thereafter, he will be ours.

On another occasion this same speaker wrote:

We are disposed to regard work in the high schools as more important than the work in the colleges, because you catch the high-school student who is later to become the college student, and then you reach 9 out of 10 high-school students who never reach college.

This same gentleman made a survey of all school textbooks used in Missouri the year before, and in reporting on them he stated that 97 per cent of the books used in the public schools affecting public utilities were written by socialists and advocates of public ownership; that they were wholly valueless and in many instances poisonous. The records also disclosed that in the State of Iowa a survey was made, and that after cooperating with the high-school authorities, in some cases it being necessary to work with the authorities individually for weeks, they were able to eliminate the obnoxious textbooks in the State of Iowa except in about seven or eight towns, most of them towns in which they had municipal lighting plants.

In the State of Illinois, where the idea of utility propaganda apparently originated with Samuel Insull in 1919, the work had made such progress by 1921 that a news service was going to 900 newspapers, and literature was regularly furnished for classroom use in more than 800 Illinois high schools.

The record further shows that the utilities were able to distribute 29,000 textbooks in the State of Georgia, 200,000 textbooks in the State of Ohio, as well as a catechism on utility matters for smaller children.

In the State of Illinois the purpose of the information committee was stated as follows:

The aim is to fix the truth about the utilities in the young person's mind before incorrect notions become fixed there.

This statement of purpose in education would probably serve just as well in Soviet Russia, if we would strike out the word "utilities" and substitute therefor the word "communism."

In the State of Iowa, in a publication going to the schools and libraries and teachers, it is stated that—

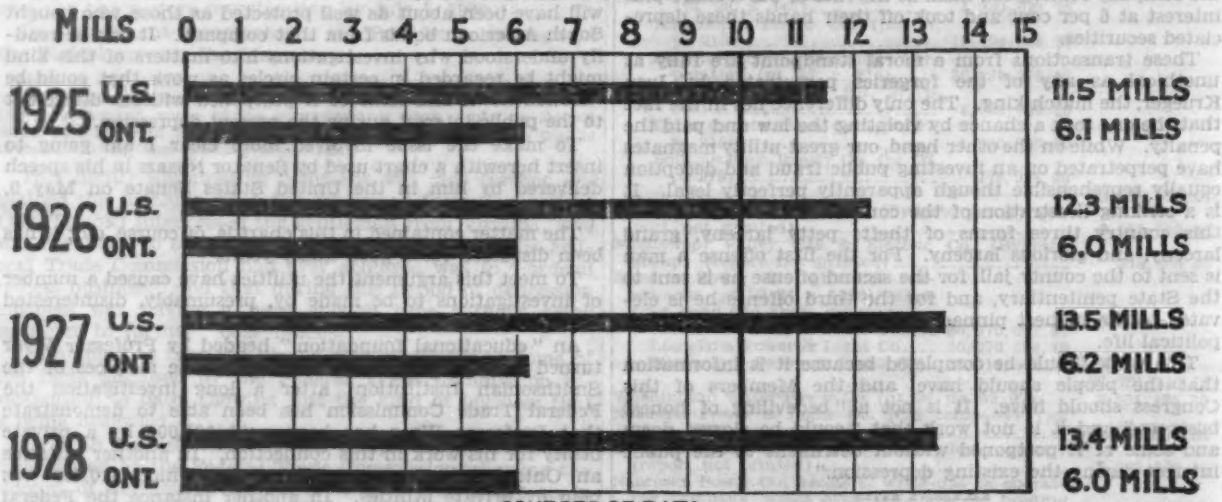
there is no such thing as watered stock in a utility company.

It can be readily seen why this idea should be gotten across to people while they are young. It paves the way for the sale of utility securities later on, and in view of the fact that approximately $12,000,000,000 in securities have been

CHART I

COST OF INDUSTRIAL POWER PER K. W. H.

UNITED STATES AND ONTARIO 1925-1928



SOURCES OF DATA

UNITED STATES — FROM THE ELECTRICAL WORLD OF JANUARY 4, 1930, PP. 22-23
ONTARIO - - FROM OFFICIAL BULLETIN OF THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO, SEPTEMBER 1929

sold to an investing public in the last 12 years, the importance of this type of education needs no further explanation.

These incidents could be continued ad nauseam. The first 25 volumes of utility investigation reports of the Federal Trade Commission speak for themselves.

UTILITY POLITICAL PROPAGANDA

The disclosures here are by far too numerous to mention. They extend into virtually every State in the Union. It is a constant war in so far as the utilities are concerned. Only two weeks ago the Federal Trade Commission, in its hearings, disclosed the fact that the New England Public Service Co., an Insull utility, had spent $200,000 in the State of Maine in an effort to secure, through referendum, the Fernald bill repeal so as to permit the export of power from that State.

In 1926 Samuel Insull contributed $125,000 to the candidacy of Frank L. Smith, who was a candidate for United States Senator from Illinois against William B. McKinley in the Republican primary. At the time of this contribution Mr. Smith was also the chairman of the Illinois Commerce Commission, which had general jurisdiction of rates and service of public utilities in Illinois.

It is incredible that the sensibilities of people in public life in the United States to-day can have become so obtuse as regards the ethics which must govern the conduct of a public employee. In this same campaign Mr. Insull contributed $15,000 to Mr. George E. Brennan, the Democratic opponent of Mr. Smith. This contribution he justified on the ground that Mr. Brennan was an old friend of his.

Another illuminating touch comes from the comment of Mr. Rob Roy McGregor, assistant director of the Illinois Committee on Public Utility Information. His comment on the subject of utility methodology in politics is interesting. In case a candidate should come out for public ownership his way of meeting it is as follows:

My idea would be not to try logic or reason, but to try to pin the bolshevik idea on my opponent. I do not believe the theory of government ownership would be of much use except before a hand-picked audience.

I venture to say that there is no man in either body of Congress who has not had actual experience with the utility political machine if he has dared to take any stand on this important question in opposition to the private utility viewpoint. A classic example is that of the veteran Senator GEORGE W. NORRIS, who has seen through the years the importance of this issue to the American people. At his last election, a preliminary survey was made in the State to determine the possibility of defeating Senator NORRIS. The cost of this survey, it has been disclosed, was financed through the Electric Bond & Share Co. It finally resulted in the entry in the Republican primary of one George W. Norris, a grocer of Broken Bow, Nebr.

Another illustration of the use of information bureaus in politics is set forth in the book Power Ethics, by Jack Levin, on page 63. This communication taken from the reports of the Federal Trade Commission reads as follows:

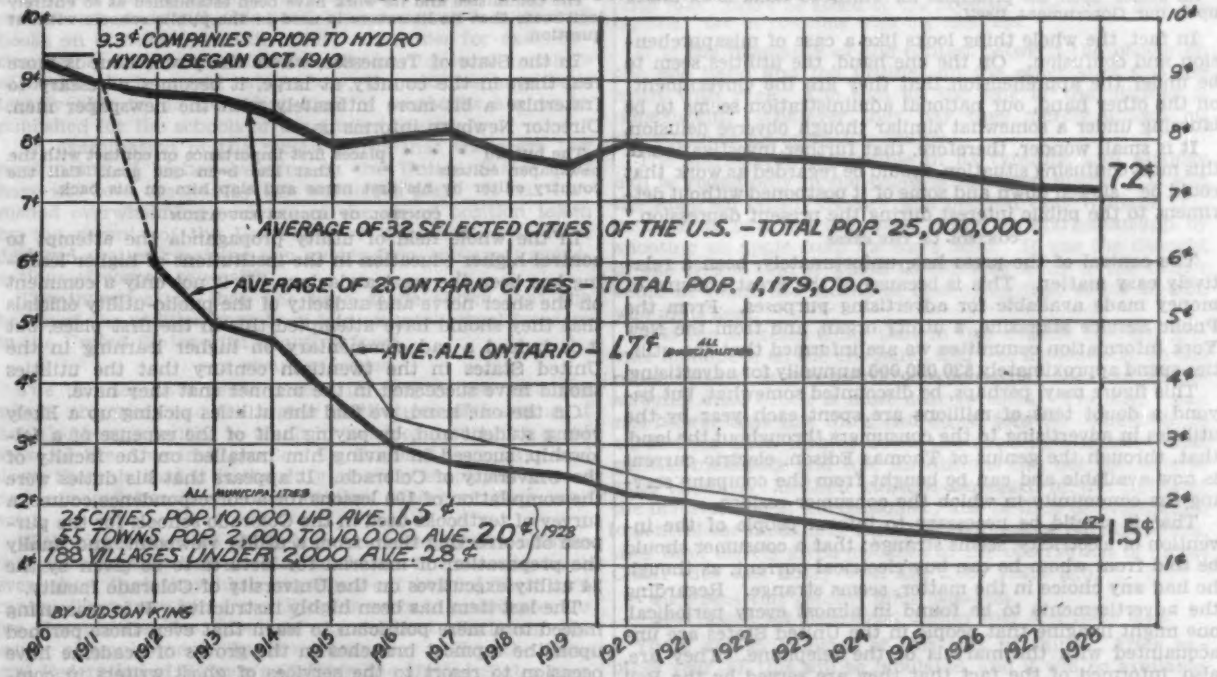
(Confidential)

SANDY, OLE TOPPER: Re your wire about the appraisal engineers. Our State committee is no longer an "information bureau." The politicians grabbed it and have been using it for campaign purposes exclusively in fighting the State ownership bill to be voted on next week. I don't know if the bureau is to die after election is over, or what. I am entirely out of it, for the present at least.

CHART II

COMPARATIVE COST OF RESIDENCE ELECTRICITY PER K.W.H.

CITIES OF UNITED STATES AND ONTARIO



THE UTILITY PUBLICITY DIRECTOR

It was in 1919 that Samuel Insull called together the executives of companies under his direction for the purpose of discussing public relations. He told them to get busy and do something. The Illinois committee was organized. The idea spread quickly throughout the States where Insull companies operated. In 1924, Mr. P. H. Gadsden, vice president of the United Gas Improvement Association, said:

In 1919, there were 12 of us, now it takes a theater to take care of us. From one committee we have progressed to where we now have committees operating in 36 States.

These committee directors in the various States are high-salaried men. Salaries up to $35,000 a year are not unusual. These men are in charge of all the ramification of propaganda in the various States. Naturally, they have to be high-pressure, able men. Commenting on what they had accomplished, in the annual meeting of 1925, Mr. J. B. Sheridan, director of the Missouri Public Relations Committee, declared:

What have the State committees on public utilities information done? In four or five short years they have just about changed the entire trend of economic and political thought in the United States. That's all.

The next year at the annual convention of this organization, Mr. R. H. Ballard, vice president of the Southern California Edison Co., and a member of the National Policy Committee, declared:

At the present time the major policy of our industry has to do with socialism. Like the single tax, it is a pressing menace to our people. So completely has this policy been discredited that almost never, nowadays, does the advocate of a socialistic scheme admit the name.

This is a very interesting statement. I have been convinced for some time that the major part of the business of all public-utility officials was concerned not with the running of the utility business but in trying to run everything else along lines which, in their opinion, is not socialistic. The whole organization has become a supergovernment within the United States.

In 1928, Franklin F. Griffith, president of the National Electric Lighting Association, declared:

An attack upon the principles for which we stand is an attack upon our Government itself.

In fact, the whole thing looks like a case of misapprehension and confusion. On the one hand, the utilities seem to be under the apprehension that they are the Government; on the other hand, our national administration seems to be laboring under a somewhat similar though obverse delusion.

It is small wonder, therefore, that further investigation of this most confusing situation should be regarded as work that could be "slowed down and some of it postponed without detriment to the public interest during the present depression."

CONTROL OF THE PRESS

The control of the press has, unfortunately, been a relatively easy matter. This is because of the great amount of money made available for advertising purposes. From the Public Service Magazine, a utility organ, and from the New York information committee we are informed that the utilities spend approximately $30,000,000 annually for advertising.

This figure may, perhaps, be discounted somewhat, but beyond a doubt tens of millions are spent each year by the utilities in advertising to the consumers throughout the land, that, through the genius of Thomas Edison, electric current is now available and can be bought from the company serving the community in which the consumer resides.

That it should be necessary to inform people of the invention of electricity, seems strange; that a consumer should be told from whom he can buy electrical current, as though he had any choice in the matter, seems strange. Regarding the advertisements to be found in almost every periodical, one might imagine that people in the United States are unacquainted with the marvels of the telephone. They are, also, informed of the fact that they are served by the Bell Telephone Co. as though there could be any supposition in the matter.

The purpose of all this advertising is too obvious to need any explanation. The report shows that in some instances, the utilities companies have plainly told the newspapers that if they expect to get their share of advertising they in return expect the paper to carry some pro-utility news items and editorials. This, of course, is needlessly crude and has not often been resorted to.

In order to furnish the newspapers with proper utility news and editorials, the reports disclose the fact that the sum of $84,000 was paid annually by certain utilities to E. Hofer & Sons, of Salem, Oreg., who, in return, furnished to the newspapers these canned editorials. In one community one utility official states that in checking over a 10-month period the utilities received 556,000 lines of free publicity, worth at least a million dollars. The reports are full of various estimates for various States for this free publicity. What the total may be the records do not disclose, because, as one utility man says, "we discontinued the practice of compiling any figures on the amount of newspaper space obtained, for the reason that it becomes public, and we would be misunderstood."

An interesting comment on the opinion on utility men of the country press is highly enlightening. The publicity director for the State of Missouri in 1925 writes to another utility man as follows:

Gee, Mr. Buck, what the country press is worth to people who are honest and use it honestly is beyond calculation. I have spent as much as $300 in three years entertaining editors, etc. Some of them, too, enjoy a little drink—all of them are God's fools, most grateful for the smallest and inconsequential courtesies.

In the State of Wisconsin it appears that no less than 406 papers use the canned editorials furnished them by the utilities companies.

The reason for this success is well stated by Mr. Mullaney, publicity director for the State of Illinois. In the course of an examination he stated:

If a man is an advertiser, he has got a right to talk to the publisher on matters of mutual interest.

This same gentleman on another occasion commented on the effect of advertising, saying:

Newspapers that were unfriendly have become friendly; helpful editorials have appeared in the State press literally by the hundreds where formerly there were none.

The committee and its work have been established as so entirely legitimate that its literature is used in the public schools without question.

In the State of Tennessee, where the power issue is more real than in the country at large, it becomes necessary to fraternize a bit more intimately with the newspaper men. Director Newburn informs us—

The bureau * * * places first importance on contact with the newspaper editors * * * that has been our goal. Call the country editor by his first name and slap him on his back.

CONTROL OF HIGHER EDUCATION

In the whole field of utility propaganda the attempt to control higher education in the institutions of higher learning has been the most audacious. It is not only a comment on the sheer nerve and audacity of the public-utility officials that they should have attempted this in the first place, but it is indeed a sad commentary on higher learning in the United States in the twentieth century that the utilities should have succeeded in the manner that they have.

On the one hand, we find the utilities picking up a likely young student and, by paying half of the expense of a fellowship, succeed in having him installed on the faculty of the University of Colorado. It appears that his duties were the compilation of 100 lessons for a correspondence course, a survey of textbooks used in the Colorado schools for the purpose of correcting them from a utility viewpoint, and finally the preparation of material for lectures to be given by the 24 utility executives on the University of Colorado faculty.

The last item has been highly instructive. It is reassuring indeed to a mere politician to learn that even those perched upon the topmost branches in the groves of academe have occasion to resort to the services of ghost writers in company with aviators and athletes.

This young man made good with a bang. Shortly thereafter he received a letter from the executive manager of the Rocky Mountain Committee on Public Utility Information, reading as follows:

MY DEAR HUB: You will recall that a short time ago I assured you that Santa Claus might be prevailed upon to visit your squalid hut. That I succeeded in convincing the old boy is evidenced by the check herewith.

This check is in accordance with the arrangements mentioned some time ago for stepping up your income a bit.

Don't spend it all for liquor or ham and eggs.

In this connection the utilities went out and arranged for public-utility conventions to which school-teachers were invited. In many instances they were paid as much as $100 to $150 per day for expenses, with no requirement for itemization. It is quite natural that some of these underpaid professors should begin to see some good points about private utilities. The record also shows that one eminent professor was paid $15,000 for his service during a sabbatical year. It was his job to line up the heads of economic departments in other colleges and universities.

In the introduction of utility courses in the universities they followed a careful course by which they led the

heads of the schools to think that the invitation came from them. A letter written by the director of the Pennsylvania public-service-information committee to the director of the United Power & Light Co. of Abilene, Kans., reads:

MY DEAR MR. BELDEN: I am inclosing outlines of the public-utility courses recently run in the University of Pennsylvania and Temple University. The plan was put across in the usual way. We laid the groundwork circumspectly and with care so that the actual suggestion that such courses be started came from the faculties of the institutions themselves. The rest was routine.

The rest was routine. Any other comment is futile.

The utilities seem to have spent money by the hundreds of thousands of dollars to finance various studies showing the failure of public ownership. In one instance over $100,000 has been spent on a study of this kind for which the utility would not have a single piece of evidence indicating what the result of this study had been, to whom it had been paid, or anything whatsoever.

In their effort to control higher education the utilities realized that it was more important to write the textbooks than to control the teachers. With this thought in mind the record shows that they even established contact with the biggest publishing house in the United States. Arrangements were made with this publishing company to submit all books on utilities to certain utility companies for examination before they were published. By buying large numbers of books which proved satisfactory, the utilities have been largely able to dictate what kind of textbooks are to be published for the schools of the United States.

An examination of the record shows that there are few institutions of higher learning in the United States that have not been reached by this audacious plan. It has furnished overwhelming evidence of the sound position taken by the regents of the University of Wisconsin, who have declared against receiving any money from the great aggregations of corporate wealth.

The investigation that has been made shows that the hands of the utilities have been laid on intellectual freedom in the United States with blighting force.

THE PUBLIC PLATFORM

The utilities have realized that in conjunction with the school, the press and the higher institutions of learning, it has also been essential to reach by word of mouth the great mass of the American people. To this end they have laid down the rule that it is the duty of every employee to correct misapprehensions about utilities wherever they may exist.

With more than 585,000 people employed by the utilities this gives an excellent working nucleus. The records, however, show that they have branched out beyond their own ranks. They have hired prominent lawyers to make speeches for the utilities for fabulous pay without disclosing the source of employment. In three years they paid to the General Federation of Women's Clubs in the United States over $80,000, with the thought that through this organization they could get their propaganda before the women of the land.

In one year the National Electric Light Association spent over a million dollars. In one section a million and a half dollars was spent for good-will advertising.

In another instance a prominent labor leader was paid a salary by the utilities of $10,000 a year for furthering their cause in conjunction with his work as a labor leader.

In 1927 the records show that the public utilities succeeded in having more than 131,000 talks given to various audiences in the United States. They have paid for memberships in luncheon clubs so that these men could go about making speeches to these organizations as fraternal brothers in the Mystic Knights of the Sea (in lieu of the real name of the service club).

In fact it is hard to think of a single agency or instrumentality that the utilities have not prostituted for their own ends. But as to the thoroughness with which they have done their work, I will let them speak for themselves.

Asked by Judge Healey of the Federal Trade Commission whether there was any form of publicity which had been neglected by the National Electric Light Association, its director of public information replied:

Only one, and that is sky writing.

But about all of these items of expense there is one thing that the public must remember. These items are charged back to the consumers as an operating expense. If the consumers in any locality try to force a downward revision of rates by means of legal procedure, they are confronted by a battery of lawyers and technical experts on the other side costing infinitely more than the citizens could ever afford to pay. But the significant fact about this is that it costs the utilities nothing to carry on these fights. All of these items are merely loaded onto the public in higher utility rates. They are operating expenses.

Here is an interesting statement by Mr. Aylesworth, at one time president of the American Light Association and now the head of the National Broadcasting Co. At a national convention he made this illuminating statement:

All the money being spent is worth while. And may I leave this thought with you executives: Don't quit now. At the next convention have more young ladies here so as to do the job right; and let off more men from the departments so they may come here. Don't be afraid of the expense. The public pays the expense. Let us continue with big meetings.

It is the inequality of the contest between the people on the one hand and the utilities on the other that fills the heart with rage. The cost on the side of the utilities is nonexistent. Whatever they pay they merely unload on the public as an operating charge.

The situation is intolerable in its tyranny. An analogy can be found only in the pages of medieval history. It was the Austrian tyrant Gessler who decreed that William Tell, in order to save his life, must prove his marksmanship by shooting an apple from his son's head. It was the thought of the tyrant that it would be supreme irony if the father could be made the means of destroying that which to him was most dear.

It is the supreme irony that in this contest between private monopoly, on the one hand, and free institutions, on the other, that it is the people who must pay the cost of destroying that which is most dear to them. Frankly, I can not believe that this thing can go on forever. The utilities themselves have thrown down the challenge, namely, that private monopoly and free institutions can not continue to exist together. In their ruthless disregard of the rights of the investor and of the consumer; and in their determination to control the thought of the American people, old and young, they have merely given evidence of the observation of Julius Cæsar that was hoary with age 2,000 years ago:

Quos deus vult perdere, prius dementat.
They whom the gods would destroy they first make mad.

There are 25 volumes of this sort of thing. After another year, all this will be tabulated, and it will be available. Now it is there, all contained in 25 volumes, if you take the time and care to examine them.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. AMLIE. I yield.

Mr. LaGUARDIA. Is it not true that in spite of all the opposition to this investigation, the facts revealed by the investigation have stopped the power group from subsidizing schools and colleges for the purposes of their own propaganda?

Mr. AMLIE. I doubt that, if the utilities spokesmen are to be believed, they now control 99 per cent of the papers in the land; those that are left are committed to principle; they are not for sale; they can not be bought. [Applause.]

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CLARKE].

Mr. CLARKE of New York. Mr. Chairman and my colleagues, in the first place, I want to take off my hat and salute the members of the subcommittee, and especially the chairman, for the most clean, forceful, patriotic presentation of an appropriation bill that it has ever been my privilege to witness on the floor of this House. [Applause.]

For a little time I want to direct attention to probably the outstanding American amongst all of the Congressmen and Senators in the United States, a distinguished Representative from the preceding Speaker's own State. He outranks any of the other Representatives in the United States in the amount of appropriation bills he has introduced—$5,750,000,000. Talk about taking money out of the taxpayers and the general public.

There are quibblers on both sides of the aisle when this country of ours and the taxpayers are suffering intolerable burdens of tax bills, and these quibblers, as I call them, belong in both parties.

We quibble when the President of the United States comes here with his message, as he did day before yesterday. The outstanding astral body, I call it, and it does not make any difference how you cut and slice it, it is still baloney. [Laughter and applause.]

Mr. BOYLAN. Will the gentleman yield?

Mr. CLARKE of New York. Yes.

Mr. BOYLAN. The gentleman calls it the outstanding body. I would not admit that.

Mr. CLARKE of New York. The people of this country are suffering from tax burdens and are looking to us, irrespective of party, to carry out the program that will reduce the expenses of the Government all along the line. They are looking for policies, not lobbies, results, not excuses, and the Congress of the United States can perform no greater, no more patriotic service than to join in the constructive and patriotic duty of all of us to reduce expenditures. These quibblers are all properly characterized as belonging in Mr. HUDDLESTON's Demagogue Club; they are in both parties.

These quibblers started out the first week of the Congress of the United States and introduced bills that would call for expenditures of $29,000,000,000.

These quibblers have introduced these bills for home consumption and for political advantage at a time when the taxpayers of the country are finding their backs broken, when 39,000 farmers in dear old Mississippi find the tax gatherer, as in olden times, rapping at their doors and saying, "Come across or your homes will be taken." You want some examples. I shall point them out to you in the astral body—not by name, of course. In this astral body there is one representative who has introduced appropriation bills amounting to $5,750,000,000. There is another one, whom we will designate Quibbler B, who has bills calling for an expenditure of $3,500,000,000. Then, there is another one, Quibbler C, with bills calling for appropriations totaling only $3,126,000,000. To show you that this is a nonpartisan proposition, these fellows are what you call Volstead Republicans. They bear the Republican label, but in party performance they equal the Volstead prescription. They are just about one-half of 1 per cent Republican.

Then we come into our own beloved body, the House of Representatives, and we have an outstanding group around here, a wonderful crowd of patriots. These patriots all qualify for Representative HUDDLESTON's demagogue club. There is Representative A, a Democrat from the sunny Southland. He wants only $5,500,000,000. Then we have Representative B, a Democrat from the Northland. He wants $3,600,000,000 from Uncle Sam. Then there is Representative C, a Republican from the Westland, and he wants only $5,000,000,000. Then we have Representative D, a Democrat from the Southwest, who wants only $2,500,000,000.

What produces these quibblers, and that is all they are in this country? I will tell you from whence they spring. It is from tinkers tinkering with the Constitution. It is the presentation of new-fangled ideas, that a lot of long-haired people get to thinking are going to lead us into some modern Utopia, when the whole history of the world shows that we need more fundamentalists who do not care particularly about their ancestors, but who, nevertheless, are not looking up into the trees and finding them there hanging by their tails. These quibblers are being bred under the Stars and Stripes—monsters that we have raised in this country of ours to destroy us. Who are these patriots? There is a direct primary and the popular election of the United States Senators, and out of those two has grown this great organized group of 57 different varieties of lobbyists here in Washington, scattered around Capitol Hill, whose mission seems to be to bedevil and beseech us, sometimes truthfully to represent us when we have bended our knee to them, but when we have not, then to misrepresent us. Who supports these lobbyists? They are supported by the people back home who are on some sucker list.

We are now electing slivers on 1-plank platforms, thousands of them, to misrepresent us, slivers running on 1-plank platforms that a lot of half-baked people support. Who are they? The first question for qualification is not, Have you character, have you ability, have you integrity?—things that stand for something—but no; the question is, Are you a "wet," are you a "dry," are you for a big Army or little Army, are you a pacificist, or what in blank are you? Those are the tests our own American people are applying in this country. They are on the "sucker list" of some organized lobbyist who is sending back untruthful representations about us, who are the Representatives of the people.

The first thing to do, of course, Mr. Chairman, is to eliminate, if we can, the quibblers; and how are we going to do it? By sending word to the people back home—and that is my little missionary effort to-day—asking the people back home whether they have a quibbler representing them, whether it be in the House or the Senate, introducing a lot of these bills for appropriations running into billions of dollars; and saying to them that if they have, then not to complain, because they are helping carry on the very thing that promises the destruction of this country of ours—more taxes.

Think of the language that was written into the Declaration of Independence, and it is well that we recur back to that. We read there that the king himself has—

> Erected multitudes of new offices and sent hither swarms of officers to harrass the people and eat out their substance.

And that is exactly what the quibblers help to do, along with these organized minorities. It seems to me that we who represent the people to-day can originate and carry through some legislation that will drive every organized group off Capitol Hill and leave us free to carry out the will of our people, to represent them truthfully, to represent them fearlessly, and then go back to our own people and give an account of what we have done, of our sins of omission and our sins of commission. "The truth, the whole truth, and nothing but the truth"—the acid test of our records that will let our own people know exactly what we have sought to achieve for better government. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I intended to call the attention of the House to another subject, but the inspirational talk of my colleague from New York [Mr. CLARKE] I believe calls for some form of reply.

My colleague from New York is somewhat shocked at the bills that have been introduced by some of our colleagues in the House and some of the gentlemen in the other body. The gentleman from New York may scoff at some of these bills to provide and stimulate employment. He may sneer at them to-day; but, gentlemen, just as sure as we are sitting here it will be necessary for this Congress to pass many hundreds of millions of dollars of appropriations to stimulate employment, because industry and the financial interests of the country are doing nothing toward that end. Millions are unemployed and Congress is doing nothing. I have repeatedly urged action on some of the pending bills to stimulate business and afford employment.

My friend from New York was not shocked, nor was he startled, by the magnitude of the appropriation when this Congress passed the Reconstruction Finance Corporation bill authorizing two billions of dollars; and to do what, Mr. Chairman? It was passed because Congress believed at the time, and some of the gullible Members still believe, that that was the means and the agency through which we could





rehabilitate industry and commerce. We thought that we were creating there a hospital for the rehabilitation of commerce and industry. Instead Congress has created an institution for financial incurables. It seems the Finance Corporation are eager to succor private bankers rather than public institutions; they seem to care more for railroad bondholders than for the railroads.

Mr. Chairman, up to date this Finance Corporation has handed out—and when I say "handed out," I use the words advisedly—handed out doles to discredited, incompetent management of financial institutions to the tune of $119,167,000; they have handed out to railroads $54,965,000. Oh, yes; they have handed out to agricultural credit corporations $1,000! They have handed out to joint-stock land banks $775,000.

I will read the whole list:

	Advanced
Banks and trust companies	$125,417,141.01
Building and loan associations	2,430,500.00
Insurance companies	6,635,920.00
Mortgage-loan companies	1,277,000.00
Livestock-credit corporations	470,990.00
Agricultural-credit corporations	1,000.00
Railroads (including receivers)	56,113,757.00
Total	192,346,308.01

It is true that 858 banks and trust companies were aided, but it must be remembered that these banks had frozen assets by reason of having been compelled to buy securities at inflated values. These securities have so fallen in value or rather have now arrived at something like their normal value, and the banks have been compelled to write off the difference. This has caused the banks a great deal of embarrassment. So that again we find that, though the banks were seemingly relieved again, it is a direct relief to those financial institutions which floated the bonds and inflated their values.

From the report it will be seen that the Reconstruction Finance Corporation allocated $50,000,000 to the Secretary of Agriculture, the Secretary of Agriculture in turn is making direct loans to the farmers. But let me point out that this is a direct mandate of the law itself. It is the one direct-relief provision which Congress was able to write into the law. The Finance Reconstruction Corporation can not take credit for that. If Congress had not made that provision mandatory, there would not be that little direct relief for the farmer now.

Section 2 of the law allocates $50,000,000 to the Secretary of Agriculture to be expended by him for the purpose of making loans or advances to farmers in the several States where he finds that an emergency exists. The Reconstruction Finance Corporation can take no credit for this.

Of the loans made to the railroads to date, the loans seemingly were not for the relief of the railroads but for the relief of the bondholders, and in many instances for the direct relief of private bankers. A loan to a railroad for purposes of new constructions or for the acquisition of new rolling stock would, of course, serve a useful purpose.

If the Finance Corporation continues to make loans as it has in the first few months of its existence, the entire amount of $2,000,000,000 will be dissipated without bringing any new industries into being or stimulating existing industries.

Some of us at the time predicted exactly what would happen. The gentleman from New York, my colleague [Mr. CLARKE], was most eloquent in his silence at the time we were considering that bill and when we pointed out that the two billions of dollars was nothing less than a dole for these tottering financial manipulators, the very people who unloaded billions of dollars of so-called bonds on the American people.

The gentleman quotes from the Declaration of Independence and he talks about the "King" having instituted new offices. Let me say to this House that the Reconstruction Finance Corporation bill had written into it as the maximum salary that could be paid $10,000. Every Member of this House remembers that. I think it was the gentleman from Texas [Mr. BLANTON] who called the attention of the House to the fact that here was a maximum beyond which they could not go; yet we find 11 employees receiving over the amount of $10,000. To date nothing that the Reconstruction Corporation has done reveals any unusual talent. The suggestion of the gentleman from New York [Mr. CLARKE] as to unnecessary employees might well be made applicable to this latest creation of Congress.

Mr. Chairman, these men are on the pay roll as counsel, and special counsel, assistants to the directors, when everybody in the country knows that the direct wire from J. P. Morgan & Co. to the headquarters in Washington dictates the policy of the Reconstruction Finance Corporation. It is no longer a secret that when a certain railroad applied for a loan and the loan was considered and the Reconstruction Finance Corporation suggested an extension of time for one-half of the bonds and a loan from the Government for the other half, J. P. Morgan issued the fiat, issued the order, and the Government Finance Corporation meekly complied. In reply to the suggestion of the Finance Reconstruction Corporation the answer was "no," and the money was turned over to the railroad. For the upkeep of the railroad? Not at all; for the purpose of obeying the mandate of J. P. Morgan & Co., private bankers in my city.

I insist that the purpose of the Finance Reconstruction Corporation is to finance railroads and financial institutions for the general welfare and to rehabilitate industry and commerce and not to secure usurers and loan sharks and speculators.

It little behooves any Member who voted for that bill to take the floor to-day and criticize other Members of Congress who have vision, who can see ahead, who are seeking to bring relief to millions of our needy fellow citizens.

What is going to happen in this country unless we do something constructive? What is going to happen to the millions of unemployed? That $100,000,000 already handed out by the Reconstruction Finance Corporation has not put one man to work; and unemployment continues throughout the country. We must consider and study the various bills introduced by thinking Members of both Houses of Congress for the purpose of relieving distress and ending unemployment. The gentleman from New York [Mr. CLARKE] has no justification to criticize these bills.

Instead of criticizing attempts to do something, it seems to me that perhaps it might be better and more useful that we should hear from the gentleman from New York [Mr. CLARKE] a suggestion from him as to his idea of pulling the country out of debt. Mr. Chairman, we talk about the deficit; what and who has created the deficit? One billion nine hundred million dollars of long-term bonds issued in the latter part of last year, 1931, and the early part of this year. That adds over $54,000,000 in itself to our annual budgetary requirements.

When Mr. Mellon was issuing $1,900,000,000 of long-term bonds to meet the current expenses of the Government you heard no cry from Wall Street then of balancing the Budget. Not at all, because they wanted this additional issue of $1,900,000,000 of long-term bonds.

The gentleman from Virginia to-day pointed out our commitment to the veterans, amounting to $1,000,000,000. It takes $1,000,000,000 to meet the interest requirements on our national debt; $750,000,000, plus, for the Army and Navy; about $270,000,000, which we do not receive from our foreign debtors by reason of the moratorium; $2,500,000,000 for the Reconstruction Finance Corporation. Then the floor is taken by gentlemen who are supposed to be serious statesmen and who suggest that we should start economies. Balance the Budget, they cry, by cutting the salaries of letter carriers and charwomen. That has been the only suggestion I have heard from the gentlemen who sneer at the progressives.

Mr. CLARKE of New York. The gentleman knows that is not so.

Mr. LAGUARDIA. I have not heard anything else.

Mr. CLARKE of New York. That is just a demagogic statement.

Mr. LaGUARDIA. The gentleman's statement just made was constructive, was it not? In the gentleman's own home town of Binghamton men are walking the streets out of employment. I receive letters every day from Binghamton saying, "For God's sake, is not Congress going to do anything?" I will send them a copy of the speech which the gentleman made to-day in response to their plea for work and bread. I will send them a copy of the first quarterly report of the Reconstruction Finance Corporation and see how much solace the unemployed of the gentleman's district can get out of these activities.

I say, Mr. Chairman, it is a wonder the American people have the patience they have. These supposedly serious statesmen talk about quibblers. You have had an exhibition of quibbling to-day in the statement just made by my colleague from New York. Every one of us who voted against the Reconstruction Finance Corporation is justified in our stand after reading the first quarterly report. I think it would be far better if Congress put a halt to this home for financial incurables and turn part of the unexpended money over to only such industries as would immediately resume industrial or commercial activities and put American workers back in employment. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, you have heard two prophets speak and it is up to you to take your choice. I am not going to take sides. [Applause.]

What I want to speak to you about for a few minutes is the work done by our committee. I have the good fortune to be a member of this subcommittee, and I join with you in commendation of the splendid explanation of the bill made by our distinguished chairman. Of course, there were other members of the committee who did a little work. You know, we have on the subcommittee HASTINGS from Oklahoma, WRIGHT from Georgia, WASON from New Hampshire, SUMMERS from Washington, and myself. We tried to do a little of the work, so, of course, we want a little of the credit that has been given to the chairman of the subcommittee to fall on our shoulders, because we, too, did our little bit. [Applause.]

I want to say that the public as a whole does not appreciate the work that we do in committees. Most of the heavy work of the Congress is done in the committees. Promptly at 10 o'clock in the morning we are in our seats in our committee rooms and we work until the House convenes, and frequently we hold sessions after the House adjourns. It is in this committee work that you get a knowledge of what this Government is doing. You get a knowledge of what is going on in the various departments. I will say that in this committee on independent offices you particularly get a good knowledge of what the Government is doing because there are so many different activities of Government that have come to us for their appropriations.

There is one thing I would like to stress. It was brought out this afternoon but I would like to again speak about it, and that is that absolutely no coordination exists between the Director of the Budget and the Appropriations Committee. This is something that should be gone into in order to facilitate the better functioning of the Government. [Applause.]

Whatever hearings are held by the Director of the Budget are not disclosed to the Committee on Appropriations, and the members of the Appropriations Committee are in the dark when these same officials come before the subcommittees to explain their estimates as to what evidence has been presented by them to the Director of the Budget in support of their estimates. We know nothing about the basis of the report that is made to the Congress by the Director of the Budget. We know absolutely nothing as to what reasons have been presented to the director by the department heads in support of their applications for funds to run their departments.

We have to start in as a new proposition and by interrogating the representatives of the different departments try to shed some light or gain some information about the problem that confronts us. I believe there should be some coordinating medium between the office of the Director of the Budget and your Appropriations Committee, and until this is done no substantial progress can be made or real economies effected. You do not realize the importance of this connecting link so much until you are actually engaged in this Appropriations Committee work, and then it dawns upon you after a while and you realize that you are entirely in the dark when the officers come to you in order to justify the appropriations they seek.

Our chairman has given you the high spots in the bill and I will take up some of the less-important ones, but at the same time very necessary ones.

We have, as you know, a Federal Board for Vocational Education, which does a vast amount of good in cooperation with the States in furthering agricultural and commercial training.

We have the General Accounting Office, which does a splendid work, and whose efforts have resulted in the cutting down of many overlapping appropriations that have heretofore been made.

We have the National Advisory Committee on Aeronautics that is doing real substantial work. They are distinguished, experienced men of our Nation who are giving their time unstintedly in order that developments may be made in this important field.

We have commissions in charge of the Washington Monument and the Lincoln Memorial. We have the Public Buildings and Parks Commission, taking care of all the parkings around the executive buildings in Washington.

We have the Arlington Bridge Commission, under whose direction that splendid span has been thrown across the Potomac, and which has brought forth such wonderful favorable comment from visitors from all parts of the world.

We have the commission that is regulating the Mount Vernon Parkway between the city of Washington and the home of our first and most illustrious President.

We have many other departments under our jurisdiction. How many of you men know that in this Smithsonian Institution we have what is known as the Astrophysical Observatory? You may ask, "What does the Astrophysical Observatory do?" They are making a special study of the physical and chemical constitution of the heavenly bodies. Well, you say, why are they making this particular study? They are making this study in order to lay the foundation for weather predictions. There is not a similar institute in any country of the world comparable with this institute that you appropriate for year after year under the direction of the Smithsonian Institution. Ultimately the work done at this observatory will enable the Weather Bureau to predict weather as far in advance as two years. So you will see that the particular observatory known as the Astrophysical Observatory, under the direction of the Smithsonian Institution, is doing a splendid and a very helpful work.

Now, we have a little board and I doubt whether many of you have ever heard of it, and yet it is doing a wonderful work. It is known as the United States Geographic Board. You may say, What do these fellows do to justify their being on the pay roll? Well, they have a mission in life and a mission in our scheme of government. What is it? This board passes on the spelling and the pronunciation of names throughout the United States. Suppose there is a controversy between the residents of a certain town in a State and the Post Office Department as to how a name should be spelled and pronounced. This is referred to the United States Geographic Board, and after they make their decision, that decision is final. Not even the Supreme Court, gentlemen, can overrule a decision rendered by the United States Geographic Board.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. JOHNSON of Washington. But Congress can.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JOHNSON of Washington. I desire to ask the gentleman if, with the influence that I know he must have with the Geographic Board, he will not suggest to the members of that board that when they try to name an Indian town in the third district of Washington, "Kalaloch," that they use not the Scotch ending but the Indian ending, which is "lock"—making the name "Kalalock."

Mr. BOYLAN. The gentleman overwhelms me in attributing to me such powers as I may have; but, be that as it may, I would assume from the ancestry of the gentleman that he would be inclined to the Scotch pronunciation rather than the Indian.

Mr. JOHNSON of Washington. The gentleman pays me a compliment.

Mr. BOYLAN. That would be the gentleman's native pronunciation rather than his adopted one.

Mr. JOHNSON of Washington. I thank the gentleman for his compliment, and he is correct as to the ancestry part of it, but I am quite serious in my question. Why not give the Indian name, that should end in "lock," not meaning a lake at all, instead of giving it the Scotch ending of "loch"? Why should such a board, with all its study and wisdom, come to a wrong conclusion?

Mr. MILLARD. Will the gentleman yield?

Mr. BOYLAN. Wait one minute. I have not answered the gentleman yet.

That may be due, of course, to the studies they have made on collateral subjects. They might have considered the Indian nomenclature together with that of the Scotch, and, perhaps, their final decision might be a compromise between both of them. However, I am not familiar enough with this particular instance to say that happened in this case.

Mr. JOHNSON of Washington. You can not compromise on names that come down from early tongues. This board has had an awful struggle with the names of rivers, such as Humptulips, Docewallops, Quinault, and Skokomish, but has managed to get along fairly well as regards the correct spelling of Hellroaring Creek. And we would add the Indian name of Kalalock.

Mr. MILLARD. Does not the gentleman think it is unfair of the gentleman from Washington to ask the gentleman from New York, an Irishman, a Scotch question of that sort?

Mr. BOYLAN. I suppose the gentleman thinks there is some of the blood in common to both races.

Mr. MICHENER. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. MICHENER. Getting back to the serious subject which the gentleman took the floor to discuss as a member of the subcommittee, I have been very much interested in his statement in reference to these boards. Does the gentleman advise the abolition of these boards to which he has referred?

Mr. BOYLAN. I have not advised the abolition of any board; I have not gotten to that point yet.

Mr. MICHENER. Does the gentleman expect to get to that stage where he will advise the committee as to whether or not the activities he has commented upon should be abolished?

Mr. BOYLAN. The activities I have named should be continued, for they are doing a useful and necessary work.

The gentleman has raised the issue of the abolition of some boards. That brings me back to the Federal Farm Board. A representative of the Federal Farm Board appeared before our committee, and judging from the gentleman's manner it would give one the impression that it was temerity on the part of the committee to ask him any questions as to the conduct of his board or to explain any of his requests for appropriations.

Then he was followed up by a high-power publicity man, whom I questioned as to whether or not he was the chief publicity agent, and he said, "No; I am the director of education." Why, he says it is almost sacrilege for you to question anything the Farm Board has done. I must say, however, that looking over the testimony afterwards I found that he had toned down his statement. I will not violate any secret of the committee when I tell you that I was in favor of giving them an appropriation of $80,000 instead of $1,000,000, for that would be enough to wind them up. [Laughter and applause.]

Of course you will notice that we have made a final appropriation for the American Monuments Commission that will complete the building of the memorials to our boys resting in the fields of France, Belgium, and England. We have also made a final appropriation for the contracts for the United States Supreme Court. This, as you know, will be a monumental and a most necessary work.

It is really regrettable that when a visitor to our Capitol comes here and goes to the chamber of the United States Supreme Court, to see in what a small, cramped quarters we have housed that high court. It is fitting, just, and proper that we should erect some building in fitting dignity with the great powers that that court exercises in our country.

Now, I do believe, gentlemen, that we all ought to take particular credit and give considerable praise to the reports of our various committees. Of course, the committees are the mere instruments or servants of the House. Committees are designated and delegated by you to take up the special work which you are not able to perform collectively. In carrying out your instructions the committees act to the best of their ability and exercise their very best judgment.

As one who has had experience in other legislative bodies, together with this body, I have always found that the committee can prepare a bill better, that it brings you in a finished product that has been carefully thought out, and I have always regretted, in any legislative body, to see an attempt made from the floor to write an important bill, especially an appropriation bill of a highly technical character.

Why? Because the committee has had the benefit of expert knowledge. They have had the benefit of listening to men and women who are experienced in the problems that they have under consideration, and the final result will be something embodying the knowledge that they have acquired through the various persons they have heard as they went along. Therefore the committee's report should, in my judgment and opinion, be treated very carefully and with the greatest consideration by any legislative body.

Of course, I know it has been the practice in some legislative bodies, if, for instance, you wanted an appropriation of $250,000, to make an application for $500,000, or if you wanted an appropriation for $500,000, to make an application for a million dollars. Such practices as that leave the committee entirely at sea as to the proper amount necessary to be appropriated. If we get down to rock-bottom basis, where the departments will give a fair, clean estimate of how much money they need, then that will be of the utmost value to the committee in deciding on the amount of appropriation. Let us see what happened in the last year. A year ago the Committee on Appropriations of this House met, and various amounts were allotted to the different departments. Early last fall somebody elsewhere than here got out a big stick and brandished it over the heads of these departments and said to them, "Come on, you have to turn something back; how much will you turn back?" and nearly every one of them got cold feet and turned back something into the Treasury. What is the result of that? The Government saves money, but that action put the Appropriations Committee in a ridiculous light. It put it in the light of having appropriated too much money at that time. Yet we proceeded according to the light we had, and tried to be as economical as we could and to cut the appropriations as much as possible.

Nevertheless, when the big stick was yielded over these fellows they came through with four or five or six hundred thousand dollars each less than what we had allotted them a year ago. That is not fair. It does not play fair with the committee or with the House. If we make an appropriation, and the President sees fit to say, "Here, fork back something; we have to have it," and they yield, where do we

get off? It shows that their original estimates were not fair; that they were not fair with themselves or with the committee or with the Government. Every one of these departments should be told to put in a correct estimate of what they actually need; and if they do not do that, they ought to be penalized, and the penalty ought to be severe enough so as to secure the filing of an approximately correct estimate.

Mr. BACON. I hope the Committee on Appropriations have provided themselves with several big sticks of their own, and I hope they will wield them mightily.

Mr. BOYLAN. Yes; but nevertheless, with all the sticks that we had, the President was able to get more out of them than we were. In all fairness to the Committee on Appropriations, we ought to have honest estimates; and if they are not honest, then the responsibility should be placed where it belongs. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. STAFFORD.]

Mr. STAFFORD. Mr. Chairman, the gentleman from New York [Mr. LAGUARDIA], a moment ago, the illustrious leader of that group of patriots among the 55 who showed such rare courage in voting against the Reconstruction Finance Corporation bill, saw fit to utter a diatribe against the administration of this most commendable activity that sought to suspend the breakdown of the financial institutions of this country. It was stated on the floor in justification of that act that it was for the relief of the distressed banks throughout this country—not for the relief of Wall Street or J. Pierpont Morgan, or Kuhn, Loeb & Co., or of the Chase or National City Banks, and the like, but for the relief of small banks throughout the country. The directors of this corporation sent a report to Congress under date of April 1 which is a confirmation of the fact that this Reconstruction Finance Corporation was for the relief primarily of the small banks of the country. More than 150 banks that were tottering in the South have been rescued by this corporation. Throughout the country distressed banks have been rescued by loans secured by good collateral to the extent of $119,000,000, including over two millions to aid in reorganization of banks that were closed. What is a fair recital of the work of this great constructive corporation that was advocated by the President of the United States and supported loyally by the Democrats to rescue this country from financial distress? Here we have it. It has come to the relief of a total of 858 banks and trust companies in 43 States of the Union. There was only one in the State of Wisconsin, the banner State of the Union.

I did not rise at that time and support that bill because I knew the conditions were sound in my State, but I had been authoritatively informed that institutions in the South and West were tottering and needed financial relief. The big banks could not come to their rescue. They were sound financially, but they had frozen assets, and the facts in their report show that the Finance Corporation did come to their rescue. Let us see what was done. In Iowa 91 banks were rescued. Are there any large Wall Street banks in agricultural Iowa? Everyone who knows conditions there knows that the small banks were in distress. The same is true of Illinois. In Georgia there were 26 banks, Arkansas 20, Alabama 21, and so on right down through the list. Two million four hundred and thirty thousand dollars were advanced to building and loan associations. Oh, the gentleman emphasized in his cunning way that only $1,000 had been advanced to the Agricultural Credit Corporations, but the gentleman failed to call attention to the fact that there had been advanced to mortgage-loan companies $1,277,000, and he failed also to call to the attention of the House the fact that there is pending, under consideration, a loan of $5,240,000 additional to mortgage-loan companies, $2,449,000 to building and loan associations, and $775,000 to joint-stock land companies. It is also disclosed that the bonds that have been issued by these joint-stock land banks are being taken up at par by the Reconstruction Finance Corporation.

Mr. SIMMONS. I suggest that in addition to that the gentleman get the accurate figures and put them in the RECORD of the loans made by the Secretary of Agriculture in amounts under $400 direct to farmers in order to enable them to operate.

Mr. STAFFORD. Yes; under that bill we advanced $50,000,000 to farmers, and the Secretary of Agriculture on most liberal terms is passing out that money throughout the country.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. LAGUARDIA. The act provided for the allocation of $50,000,000 for the aid of farmers, to be administered by the Secretary of Agriculture.

Mr. STAFFORD. It was provided; yes; and it was provided that four times that amount of $50,000,000 also should be advanced.

The talk of the gentleman as to salaries that are being paid. There are 33 agencies of this Reconstruction Finance Corporation in all throughout the country, located in the principal cities, and in these 33 agencies there are managers, who pass upon the loans in their respective districts. They must necessarily be high-grade financial men. One only of those men, and limited to Philadelphia, receives a salary at the rate of $16,000. There are three receiving compensation at the rate of $15,000 and the other six are receiving salaries of $12,000 and below.

The gentleman has the excuse in his defense that he comes from a district where they do not have any $10,000, or even any $5,000, men employed, when he complains that these salaries are too high. I am somewhat acquainted with the district around One hundred and third Street and Third Avenue, in the heart of the gentleman's district, where they sell their wares out on the streets, along the curb; I am somewhat acquainted with the character of that great commercial mart represented by the gentleman; but it is not fair for him to come here and attempt to convey to the country, not alone to the House, that such worthy financiers and patriots as Charles G. Dawes, who is head of this corporation, who are drawing only $10,000 a year as directors for full time are guilty of malfeasance or misfeasance in office or going beyond the express powers of the act. They are men of great financial ability, well able to properly do the work of their respective positions.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. STAFFORD. Yes; I yield.

Mr. LAGUARDIA. There is no one who is more of a stickler for the clarity of the law than the gentleman from Wisconsin, and the gentleman was under the impression that we had written a $10,000 maximum in this bill. That is what I am calling attention to.

Mr. STAFFORD. I was not under that impression at all, because in the framing of the Muscle Shoals bill we followed the identic language; that if we are going to create a socialistic corporation under the Government to operate Muscle Shoals to manufacture fertilizer if no lease can be made it will be necessary to pay more than $10,000, and we used the Finance Corporation bill as a guide and placed merely the $10,000 limit on the salaries of members of the board, and the gentlemen who may be charged with the responsibility of performing the duties of these high, responsible positions of directing the management of this million-dollar fertilizer business are not limited to $10,000.

Here is the report of the directors, and if you would scrutinize the records of this Reconstruction Finance Corporation you would find that they have come to the relief of these banks in the hour of their distress. The gentleman says, with much gusto: "What has the administration or the Congress done toward bringing relief to the distressed?" Does he not know that in October last, when the President summoned the leaders of both parties to the White House, the financial fabric was in danger of being torn asunder? And even when this Reconstruction Finance act was under consideration bank after bank was being threatened with closure, to the further utter demoralization of the industrial

and mercantile concerns of this country; and if this Reconstruction Finance Corporation has rescued and steadied the thousands of banks, building and loan associations, mortgage-loan companies, and insurance companies throughout the country, then, I believe we have done something really constructive and helpful in staying and removing the destructive arm of fear, want of confidence, and utter ruin.

[Here the gavel fell.]

Mr. STAFFORD. I ask for two additional minutes.

Mr. WASON. I yield the gentleman from Wisconsin two additional minutes.

Mr. STAFFORD. It is generally understood that since we passed the Reconstruction Finance Corporation act there has been a better spirit in financial circles, in banking circles; credit throughout the country has been strengthened. It is generally accepted all over the country that conditions are much better than they were a month or two ago; and yet the gentleman rises here without knowledge of the real economic and financial conditions and makes an attack upon this high-grade board composed of members who are doing loyal work patriotically for the best interests of the public, $50,000, $100,000 men—yes; Charles G. Dawes, I say, and I think it will be agreed, is a $100,000 man who is doing the work at $10,000 a year for the benefit of our people.

The steps that have been and are now being taken under the corporation are working for the rehabilitation of the financial and industrial structures of our country and the saving of the entire fabric from ruin; and in magnifying possible small defects you are creating an imaginary situation where you can not see the woods because of the trees. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman and members of the committee, a few weeks ago the Committee on Agriculture reported a bill to this House which provided for the distribution of 40,000,000 bushels of wheat for the benefit of our citizens who find themselves unemployed. This was not only a humanitarian measure, but at a time when there is so much discussion about economy, and at a time when economy should be practiced, this was a real measure of conservation.

The bill disposed of 40,000,000 bushels of wheat which would have been eaten up with storage, salaries, and extravagances of the Farm Board and their allies.

Mr. Chairman, the subcommittee on independent offices will, of course, present to the committee appropriation bills covering various bureaus and commissions, but I desire to confine my talk to the activities of one of these bureaus, namely, the Federal Farm Board. Great crimes have been committed in the name of the farmer as in the name of religion. I propose to discuss the crime committed in the name of the American farmer.

My reason for giving special consideration to the activities of the Federal Farm Board is because of my deep interest in agriculture; because of the plight in which my fellow farmers now find themselves and because there is no shadow of doubt in my mind that this Federal Farm Board has contributed in a large measure to the demoralization in agricultural prices. I have arrived at these conclusions as a result of 30 years' experience in farming and in the distribution of farm products. These activities have brought me into direct contact with the farmers and with people who deal with the farmers and with all the various agencies for distribution of farm products. I have come in contact with the work of the Farm Board, its agencies, and its subsidiaries.

When the farm marketing act was passed I was asked to address a meeting of a local Grange lodge near my home. I was specifically requested to discuss the farm marketing act and the effect it would have upon farm prices. In that address I predicted that the result of this Government entering into business and the attempt of this law to set up an agency which was to obviate the law of supply and demand would prove a disastrous failure and would not only be a costly experiment for the Government but would prove disastrous to American agriculture. I think my prediction has come to pass.

By reading the hearings before the Senate Committee on Agriculture and Forestry, held in November, 1931, and from press releases from the Farm Board, and from statements made by their members before other committees, I have come to the conclusion that the Farm Board has given up the idea of obviating the law of supply and demand and that they now propose to assist the farmer by the elimination of the middleman and through some hocus-pocus reduce the cost of the distribution of many farm products. Accepting this from their own statements as the reason given for their existence, let us examine how they are going about eliminating the middleman.

A few days ago the distinguished Member from Indiana [Mr. LUDLOW] called the attention of this House to the enormous pay roll and the size of the salaries paid by two of the subsidiaries of the Federal Farm Board. I say subsidiaries advisedly, because in a circular letter issued by the Federal Farm Board to Members of Congress Mr. Stone, who is now head of the Federal Farm Board, insists that these farm organizations are farmer owned and farmer controlled. I will later discuss this angle of the Farmers' National Grain Corporation and the American Cotton Cooperative.

The monthly salaries paid by the Farmers' National Grain Corporation total $195,789.83. The monthly salaries of the American Cotton Cooperative total $92,373.92. This would total for the year for the Cotton Cooperative $1,108,479.12. To this amount, however, should be added the $50,000 which Mr. Creekmore draws as a commission and the $450,000 paid out for commissions. The total salaries for a year for the Farmers' National Grain Corporation are $2,349,477.96. This does not include other expenses or operations. It does not include the salaries of the members of this supercorporation, the Farm Board, nor the cost of handling, loading, and shipping, which are done by other small operatives in the country. The point to which I wish to call your attention is, these farm leaders, including Mr. Stone, Mr. Creekmore, the American Farm Bureau Federation, that what they desire to do is to get rid of the middleman. I submit to the Members of this House that we have here two pretty good-sized middlemen, drawing salaries which would enable them to lives of luxurious Eastern potentates. Their incomes come either directly from the farmers' pocket or the United States Treasury. You can satisfy yourselves as to the source, but you must agree that these gentlemen who appear here and shed crocodile tears for the farmer are amply cared for, and considering the plight in which the farmer finds himself you must agree that his spokesmen are treating themselves liberally enough.

Another argument of these gentlemen, who are drawing enormous salaries, is that the farmer, notwithstanding that these corporations have to pay high salaries to obtain what they call "talent," is benefited, even though the cost seems high. Now let us examine the record and see whether these statements are true or not. On page 267 of the hearings before the Senate Committee on Agriculture and Forestry in November, 1931, we find Senator WHEELER examining this $50,000 executive, Mr. Milnor. He asked the following questions:

> Senator WHEELER. Has any profit made by the Farmers' National Grain Corporation ever gone back to the actual farmer rather than to the politician—I mean the man who may be at the head of the organization?
>
> Mr. MILNOR. Do you mean in the way of dividends?
>
> Senator WHEELER. Yes.
>
> Mr. MILNOR. I do not think so.

I think that when the history of the Federal Farm Board is written not one dollar of the half billion that was appropriated by the Congress will ever be left in a farmer's hand. True, they held up the price of wheat for a short time, and a few farmers may have benefited, but this Farm Board caused cooperatives that were getting along all right to store and speculate in wheat, the Farm Board advancing the money, and these cooperatives are now insolvent. The

same is true of the cotton cooperatives. I understand that most of them were insolvent to begin with, but if the Farm Board should now call their loans and liquidate them, then the country would know how much money has been lost by the farm cooperatives under the guidance of these executives who have been paid these enormous salaries.

Referring again to Mr. Stone's letter, which I received yesterday morning: On page 2 he emphasizes the fact that the Congress should not attempt to control the salaries of these organizations and says "they are in fact farm owned and farm controlled." This statement is an insult to the intelligence of the Members of Congress. These two corporations which I have been discussing are children of the Farm Board. They are legal fictions.

I again refer to Mr. Milnor's testimony before the Senate committee to which I referred earlier. This will be found on page 276.

Senator GORE. But very few private concerns could operate on a paid-in capital of $76,000, as your organization did, without vast reserves of credit.

Mr. MILNOR. Quite right.

The total paid-in capital of the Farmers National Grain Corporation, although I understand incorporated for $10,000,000, was $76,000. The total amount loaned this corporation by the Federal Farm Board or its subsidiary, the Stabilization Corporation, was $38,000,000. Which would control; the $76,000 or the $38,000,000? Do you believe this is a farm-owned and farm-controlled organization with this set-up?

The paid-in capital of the American Cotton Cooperative, which was organized for $30,000,000, is only $79,500. The Farm Board or its subsidiary, the Stabilization Corporation, has loaned this American Cotton Association and its members a total of $198,253,104.27, of which amount has been repaid $112,966,748, leaving the cotton cooperatives owing the Federal Farm Board $85,286,235.80. Bear in mind that the total paid-in capital of this thirty-million organization was only $79,500 and that the losses on this cotton will run forty or fifty million dollars; probably more. Who is going to pay the loss, the taxpayer or the farmer? This operation has been conducted by these high-priced gentlemen whose salaries Mr. Stone does not want disturbed.

After reading the testimony before the Senate Committee on Agriculture and Forestry given last November, my private conclusion is as follows: That the Farm Board is now in the hands of the so-called farmers' lobby, the American Farm Bureau Federation. Two of its former officers—Mr. Sam H. Thompson, president, and Mr. Evans, its former secretary—are upon the board. That the Farm Board is being used to build up the lobby, and the lobby is being used to obtain funds for the Farm Board, a vicious circle, to say the least.

The Farmers' National Grain Corporation endeavored to justify their existence by claiming that they had made a profit. But Mr. Milnor has testified that none of the profits ever got back to the farmer. However, let us examine the opportunity they had to make a profit. Mr. Milnor is the head of the Stabilization Corporation. He is also the head of the Farmers' National Grain Corporation. Both are speculating in grain. His testimony before the Senate Committee on Agriculture and Forestry, to which I have referred, shows their dealings in grain in one day ran into millions of bushels. The fluctuations in grain during the day are several cents a bushel. When the operations are concluded at the close of the day Mr. Milnor can then decide how much grain the Stabilization Corporation owns and how much grain the Farmers' National Grain Corporation owns. If the market has gone down, it is possible that the Stabilization Corporation owns all the grain that was purchased. If the market has gone up, the Farmers' National probably owns a nice portion of the day's receipts.

Let me read to you some more testimony from Mr. Milnor. Mr. Milnor had been asked by Senator GORE to furnish the profits made by the Farmers' National Grain Corporation, and he objected. The chairman of the committee, Senator MCNARY, had taken time to make a decision, and made the statement at the beginning of the day's hearing as follows:

Inasmuch as you have stated the salaries of the officials and have given a general idea of their transactions, the amounts of money they have borrowed from the Federal Farm Board, a purely governmental institution, if the Senator from Oklahoma [Mr. GORE] desires the information, or any member of the committee, I think it properly should be held that you should answer the question.

Mr. MILNOR. All right. The profits of the Farmers' National Grain Corporation, which began doing business in November or December, 1929, up to October 31, 1931, amounted to $2,418,300.32.

Senator GORE. Now, during that time the Grain Stabilization Corporation lost $110,000,000.

Mr. MILNOR. Quite right.

Senator GORE. And these corporations are Siamese twins, aren't they?

Mr. MILNOR. No, sir.

Senator GORE. You are president and general manager of the Grain Stabilization Corporation, are you not?

Mr. MILNOR. That is right.

Senator GORE. And you are the vice president and general manager of the Farmers' National Grain Corporation?

Mr. MILNOR. That is quite right.

Senator GORE. That is a pretty strong ligament, is it not?

In this case the Stabilization Corporation furnished the money for both its own operations and those of the Farmers' National Grain Corporation. Mr. Milnor was the trader; he was the experienced grain man who draws $50,000 a year for his knowledge of the handling and speculating in grain. He had the sole right to decide whether he was purchasing for the Farmers' National or whether he was purchasing and selling for the Stabilization Corporation. I want to ask each Member of this House if the funds which this man Milnor was using belonged to him, would you allow one man to speculate for you and to speculate for himself and decide, unknown to you, on whose account he was trading? I claim this is nothing short of a national scandal.

I want to call your attention now to some of the operations of the American Cotton Cooperative. On page 306 of the hearings before the Senate Committee on Agriculture and Forestry, held November, 1931, Mr. Creekmore testified with reference to his operations upon the cotton exchange. He stated that he had paid brokerage for a turnover of 1,500,000 bales of cotton. He thought the turnover was twice, but it might have been more. The cost of these sales was $15 for 100 bales. If the turnover were 3,000,000 bales, then he paid out over $450,000 in commissions, practically to one concern. He had testified earlier in the proceedings that he owns a seat on the New York Cotton Exchange, and that the price of the seat was $27,000. Senator THOMAS of Oklahoma, endeavoring to find out why they paid out this enormous amount of money when they could purchase a seat for $27,000, asked some questions, which I quote:

Senator THOMAS. Could you have an agent there to represent you?

Mr. CREEKMORE. We could.

Senator THOMAS. Could you not have somebody there at a much less figure than $450,000 to do the things that this agent has done for you?

Mr. CREEKMORE. Well, I don't know whether they would be done as well, Senator.

Senator WHEELER. A half a million dollars is a lot of money to save for them if you could save it, it seems to me.

Mr. CREEKMORE. It is a great deal of money and we have considered the possibility, but that will take time. It takes a good deal of time to build up an organization such as we have to take care of all the various transactions.

Looking at the payment of this half million—and I am inclined to believe from the testimony that it ran up to $600,000—in a cold-blooded manner, I believe that the salaries paid to these executives of these cooperatives is a mere bagatelle in this game. The other opportunities to profit, whether honestly or dishonestly, appear to me to be exceedingly great. I think it is time that this House, before it appropriates more money for the conduct of this kind of business should investigate the activities, not only of this Farm Board but of every local entity that has been set up and operated by these gentlemen. Here are $12,000 executives managing $50,000 to $75,000 executives. Did you ever hear of a comparable situation in private business? In other words, do you believe that the tail is wagging the dog?

In view of the many questionable acts of the Federal Farm Board and the question of the enormous salaries which are being paid by its subsidiaries and of the damage which it has done to the American farmer, it is imperative that this House pass the Fulmer House Concurrent Resolution 16, providing for the investigation of the Federal Farm Board.

That those who passed the farm marketing act never intended that their acts should see the light of day is apparent by reading section 15, subdivisions B and C of the original farm act, which provides a fine of from five to ten thousand dollars should an employee disclose any information either in the Government-owned corporation or in those owned by the farmer, known as cooperatives.

History records two great betrayals, and another will be added to the record. Joseph was sold into Egypt as a slave by his brethren. Pontius Pilate, who presided at the trial of Christ and should have rendered substantial justice, abandoned Him to the mob. The American farmer has been sacrificed upon the altar of a high protective tariff, and his remaining carcass has been thrown to these vultures operating under the farm marketing act, who have picked his bones clean. [Applause.]

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. Mr. Chairman, I had not expected to speak at length this afternoon. We all wish to concur with the desire of the chairman of the subcommittee [Mr. WOODRUM] to expedite the passage of this bill, so I am going to venture to speak this afternoon and may ask your consent to insert in the RECORD certain statements and documents, with the hope that that will shorten the debate on the subject of the Farm Board appropriation to-morrow.

It is time the American people and the American farmer began to think through some of the propositions that are now before the Congress. We are constantly receiving, in the parade of letters that go across the desks of Members, demands for the abolishment of governmental activities, but the strange thing is that those demands come not from the beneficiaries of the activities but from those who are opposed to the purpose of the activities which it is proposed should be abolished.

A number of matters have been before us where I think we should weigh pretty carefully the requests for economy through the elimination of certain governmental activities, lest it be that activities intended for the protection of the great mass of the people be wiped out in an economy drive. The American people will not approve the elimination of protective activities of the Government. Certain interests are trying to do that thing.

In my judgment, the move to abolish the Farm Board comes not because the Farm Board has failed and not because the agricultural marketing act has been a failure, but the demand in its original inception for the abolishment of the Farm Board and the repeal of the agricultural marketing act comes from those who know it has succeeded. They started it. Then there are others who along the way have given it impetus.

Let us review briefly something of the history of the act. Through all the time of recorded history the farmer has been the producer of food, but never the marketer of his commodity. The cooperative-marketing movement in the United States is only about 50 years old. There are only a few cooperatives of that age in existence. Many started and failed. The cooperative marketing movement had impetus given to it along about 1918 and again about 1925, when cooperative-marketing agencies all over the United States began to take on a direct and distinct strength. After eight years of discussion of farm legislation in the Congress cooperative marketing received the recognition of both legislative bodies and the approval of the President in what is known as the agricultural marketing act. In that act Congress set up not only the legislative machinery by which national cooperative marketing organizations could be formed but set up a financing system to aid and encourage cooperative organizations and directed the Farm Board to encourage cooperative marketing organizations.

The agricultural marketing act provides that it shall be the policy of our Government to assist in the development of a farmer-owned and farmer-controlled cooperative marketing system and to give it financial assistance if necessary. The right of the farmer to market his own products has never belonged to anyone else, but others long exercised that privilege until they assumed it to be a right.

The agricultural marketing act was the farmer's guarantee that this right was his, and since its passage there has been increased interest and great development in cooperative marketing organizations. Bitter attacks and insidious propaganda has been experienced, but despite that fact the Federal Farm Board has been unswerved in its determination to assist those farmers who want to market their products cooperatively and develop under their own control a national system of marketing and financing their own products. A system that they themselves will own and operate. Bear in mind always that the Farm Board is but the administering body of the agricultural marketing act. The Farm Board is not the issue—the agricultural marketing act is the issue. The agricultural marketing act is a cooperative marketing act. The fight against the Farm Board is a fight against cooperative marketing. Nothing more—nothing less.

Remember also that cooperative marketing seeks always to bring the producer the highest possible price rather than the lowest. It is a system with that purpose that is being fought in this fight against the Farm Board.

The enactment of the agricultural marketing act marked the acceptance by Congress and the public of the principles of cooperative marketing. It was the culmination of the efforts of farmers, farm organizations, and agricultural economists, through a crusade extending over a generation, to convince the Nation that it was to the best interests of agriculture to market its products in a manner designed to return to the producer the greatest possible share of the consumer's dollar through collective handling.

The Farm Board is interested in all the problems of the cooperatives, just as any commercial bank would be concerned with the problems of its borrowers. In addition to this, however, the board has a far deeper concern because of the duty laid upon it to assist in the development of an effective marketing system. Because of its position as a lender and because of its duty to assist cooperatives in their general marketing problems, the board, of necessity, has made a study of the financial structure, not only of cooperatives to which it has made loans, but of all organizations which are engaged in collectively merchandising the products of their members.

Undoubtedly, interests opposed to cooperative marketing will continue their attacks upon the movement and particularly upon the board, which has come to be the target for the opponents of the system.

Permit me to refer to the results achieved by the cooperative grain farmers of my own State. The farmer elevator associations of my State organized what is known as the Farmers West Central Grain Co. to act as a cooperative marketing agency in the Omaha market. This cooperative agency holds membership on the Omaha Grain Exchange. Every dollar of its capital stock was furnished by the cooperative elevators who are its stockholders. This cooperative grain agency holds stock in the Farmers National Grain Co. It opened its grain office in Omaha about April 1, 1930. It borrowed $100,000 through the Farmers National Grain Co. from the Farm Board. This money was used as a revolving fund for the merchandising of the grain of its members. Its business was so successfully managed that when its $100,000 note to the Farm Board became due at the end of the first year it promptly repaid its loan to the Farm Board with interest, and since June 1, 1931, this regional cooperative has not borrowed a single dollar from the Farm Board. They have made substantial profits for their members and no complaint has been received from any of its stockholder members, either as to the service rendered or the financial returns to the members. The only difference between this grain corporation operating on the Omaha market and any old-line grain company with which it competes on this

market is that the stock is owned by organizations of actual producers of grain and that the substantial earnings of the corporation revert to the producers of grain rather than into the pockets of the private grain traders.

That is why the shoe pinches. That is why Congress and the public is being flooded by the organized propaganda of the private grain traders and elevator operators in the terminal markets demanding the repeal of the marketing act and the abolishment of the Farm Board. The cooperative grain producer is building a marketing agency out of the earnings on grain which he never did receive but which formerly swelled the profits of the private grain trader and out of which great fortunes have been built up. If the independent farm home is to be maintained, the farmer must have a greater share of the consumer's dollar. This the farm marketing act is accomplishing. Substantial progress is being made in carrying out the instruction of Congress as expressed in section 1 of the act, and that is why it is being so bitterly condemned by the private dealer in the products of the farm.

One phase of the work of the Farm Board of which little is heard is the assistance given to both borrowing and nonborrowing cooperatives in improving management, membership relations, and business policies and given to new associations in the development of the organization plans. The latter includes conducting preliminary surveys of the local needs, conferring with committees of producers to work out articles of incorporation and by-laws, and helping in the development of general policies.

The advisory and investigational services to existing cooperatives have included surveys and analyses of particular cooperative organizations, followed by recommendations as to desirable changes and improvements in financial and marketing policies and practices or in the management of the business of the association or in its relationship to its members.

The board has made surveys of particular areas in which an association or several associations operate or plan to operate, to provide a complete economic picture of the outside factors which would influence the success of the organization, the problems involved, the need for an association, the area that should be served, and the business structure that would most adequately and successfully meet the needs of producers.

The cooperative project work of the board has been carried on in every State and with producers of nearly all agricultural commodities.

A major activity of the Farm Board has been to assist cooperatives in centralizing or coordinating their sales activities along national, regional, or State lines, depending on the marketing requirements of the particular commodity.

During the first year of its operation the board assisted producers and their associations in the organization of six national cooperative marketing agencies: The Farmers National Grain Corporation, the National Wool Marketing Corporation, the American Cotton Cooperative Association, the National Bean Marketing Association, the National Live Stock Marketing Association, and the National Pecan Marketing Association. During its second year it has assisted in setting up two more national agencies—the National Beet Growers' Association and the National Fruit and Vegetable Exchange (Inc.). Also, during the year the board has given assistance in setting up State or regional associations as follows: Seven dairy and poultry or poultry associations; 7 sugar-beet associations; 3 truck-crop associations; 3 associations for marketing livestock; 2 for wool, and 1 for potatoes.

The activities of the board in aiding cooperatives must be curtailed if its appropriations are cut. Get this—no farmers' organization asked that the funds of the Farm Board be reduced, no farmer asked it—but the representatives of a group of brokers of farm commodities asked it, frankly as the best method to kill the whole thing. The enemies of farmers' cooperatives have created the situation presented to-day and have persuaded the committee to make these reductions. There are no facts in the hearings justifying these cuts.

The extent to which aid has been given to cooperatives is well evidenced by this set of figures. Just a few minutes ago we had on the floor of the House a discussion regarding the loans made by the Reconstruction Finance Corporation and the extent to which the Government has aided the industries named in that act, some 10 of them. Now, get this figure: The United States Government, operating through the Farm Board, has loaned farmer cooperative organizations in the United States alone, that one line of activity, approximately 50 per cent more than the Reconstruction Finance Corporation has loaned to all the activities it has been aiding up to date.

Mr. FRENCH. How much in figures?

Mr. SIMMONS. In figures, the Farm Board has loaned cooperative farm organizations in the United States $341,055,949.50. This money has gone to cooperatives—farmer-owned and farmer-controlled marketing organizations in every State of the Union.

I can not give you the exact number of them, but thousands of them have been benefited by the act. So let those who would be led to believe that the agricultural marketing act has been a failure go to the cooperatives and the farmers of the country who have been able to finance the sale of their own commodities by governmental aid and find out whether or not it has been a failure.

I have great respect for the gentleman from Michigan [Mr. HART]. The one fine thing about him is he is absolutely frank in his opposition to the Farm Board and his reasons for it. He operates his own farms. In addition to this, he operates his own elevators. He raises his commodity, he sells it on the primary market, and he is able to do for himself that which cooperative marketing does for the farmer of limited means who is not able to do this on his own initiative and on his own finances, and I take it, sir, there is no reason why we should not aid a group of farmers to do for their benefit what the gentleman, because of his extended resources, is able to do for himself.

Mr. HART. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. HART. I just want to make this short observation.

Mr. SIMMONS. Pardon me; but I yielded for a question and not for an observation.

Mr. HART. I just want to say a word. The farm which I operate is not in red ink. The marketing end of it has lost $10,000 a year for four years.

Mr. MICHENER. Will the gentleman yield there?

Mr. SIMMONS. Yes, sir.

Mr. MICHENER. I do not want the gentleman to underestimate my colleague from Michigan. In addition to that, the gentleman not only operates one elevator, but he is a real elevator man and operates a number of them. He is a big bean-elevator man in his community, and if his farm does not pay, I am sure that his elevators always do pay.

Mr. HART. I have just made the statement here, and I shall furnish an affidavit if the gentleman wants it, that the operating concern which does the primary marketing has lost $10,000 a year for four years, and the farm is not in red ink. The farm has made a profit.

Mr. SIMMONS. And because the gentleman has been unable to operate his own sales agency at a profit, he criticizes the other groups of men in this country who have been unable to do the same thing. May I suggest to the gentleman that while his private marketing organization has been losing money cooperative marketing organizations, efficiently managed, have been making money.

Now, I repeat that the gentleman has been able to do for himself, as a big operator, that which cooperative marketing is able to do for groups of farmers. I see no reason why the Government should not aid these farmers in marketing their own commodities, and if cooperative marketing be socialism, then, sir, make the most of it.

The statement was made here this afternoon that because certain commodities with which the Farm Board has had something to do through the aid it has given to cooperatives handling those commodities have gone down in price, there-

fore the Farm Board is to blame for all the evils connected with it; but get also this fact. The commodities in the United States, the sales of which have had no assistance whatever from the agricultural marketing act and where the Farm Board has not entered the picture in any way, have likewise had a decrease in prices, and, certainly, the Farm Board can not be charged with responsibility for the drop in agricultural commodity prices throughout the nations of the world. That statement that the agricultural marketing act is to blame for the economic situation of the world is too absurd to be discussed further.

So we get back, finally, to the proposition I started out with that the opposition to the agricultural marketing act comes from those groups who know it has succeeded and not from those who think it has failed.

I have on the charts in the lobby three maps prepared not by the Farm Bureau or any of its men but by the Grain Futures Administration of the Department of Agriculture. The maps require some study. I at first had contemplated discussing them on the floor of the House, but, Mr. Chairman, rather than take the time of the committee to do that, I ask unanimous consent to extend my remarks, as descriptive of the charts and explanatory thereof, a letter from the Chief of the Grain Futures Administration of the Department of Agriculture with an explanatory statement, in order that it may be in the RECORD, and then I shall place on the charts in the lobby the original statement for the benefit of those who desire to read it.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

DEPARTMENT OF AGRICULTURE,
GRAIN FUTURES ADMINISTRATION,
Washington, D. C., January 11, 1932.

Hon. ROBERT G. SIMMONS,
House of Representatives.

DEAR MR. SIMMONS: In keeping with your request I am transmitting herewith three reproductions of the charts presented before the Agricultural Appropriation Committee showing the price spreads between Chicago and Liverpool wheat futures, as affected by the supporting influence of the agricultural marketing act and the price-stabilization operations thereunder.

Chart No. 1 (GF 514), which is based on the average of the prices of all futures combined, shows the average yearly spread for the 11 years, 1921 to 1931, inclusive. The Liverpool price average is taken as a basis and the Chicago price is shown as below or above the average price of the Liverpool futures. Eliminating the years 1921 and 1922, which were years of very high ocean freight rates, the average spread for the six years, 1923 to 1928, was 16½ cents, i. e., the Chicago price averaged below the Liverpool price by 16⅛ cents per bushel or approximately the cost of transportation and other necessary charges. The average spread for the three years, 1929 to 1931, was 3.7 cents per bushel—Chicago under Liverpool—thus making the Chicago price around 11 cents per bushel above a world parity. You will note that in 1931 Chicago prices averaged 1½ cents per bushel above Liverpool, or approximately 16½ cents above a world parity.

Chart No. 2 (GF 515) shows the Chicago and Liverpool price curves based on an average of all futures combined, together with the price spreads for 1926 to 1931, both inclusive. This chart also shows how the spread narrowed in 1928 at the time consideration was being given to the McNary-Haugen relief measures and how the spread widened following the veto. Also how the spread narrowed in anticipation of an extra session of Congress to consider agricultural relief legislation. The influence of the first stabilization operations in 1930 and of the second stabilization operations from November, 1930, to May, 1931, stand out very distinctly.

Chart No. 3 (GF 510) shows a more detailed comparison covering the second period of stabilization. This covers the markets at Chicago, Liverpool, and Winnipeg and is restricted to single futures—the May and the December. Buenos Aires prices (not shown on the chart) during this period ranged, for the most part, from 12 to 15 cents per bushel below Liverpool prices. During the main part of the stabilization period the Chicago price averaged 20⅛ cents over Liverpool. Making a reasonable allowance of 15 cents per bushel for freight and other costs incident to transportation, Chicago prices from January to May, inclusive, averaged about 35 cents per bushel above a world parity.

I am also inclosing a more detailed statement supplying the important figures in support of these charts in keeping with your request. If these figures are not in sufficient detail to meet your needs please advise me.

Very truly yours,

J. W. DUVEL, *Chief.*

Inclosures.

WHEAT PRICES AS INFLUENCED BY THE AGRICULTURAL MARKETING ACT

The effect of the agricultural marketing act on domestic wheat prices is very well shown by a comparison of the yearly average spreads between prices at Chicago and Liverpool. Using the average of all active futures prices, the average spread for the year 1921 was 21⅞ cents, i. e., the average of the prices of the Chicago futures was 21⅞ cents below the average price of the Liverpool futures. In 1922 the Chicago futures averaged 23½ cents under Liverpool. These were two years of abnormally high transportation costs, especially in the item of ocean freights. During the six years 1923 to 1928, both inclusive, all Chicago futures combined averaged 16½ cents, 15⅛ cents, 16⅛ cents, 16¾ cents, 18 cents, and 14½ cents, respectively, below the average prices of all Liverpool futures, or a 6-year average spread of 16⅛ cents.

Early in 1929 Congress assembled in extraordinary session to consider farm-relief legislation. The agricultural marketing act was passed by the House April 25, by the Senate May 14, and approved by the President on June 15, 1929. Late in 1928, when it was evident that Congress would be called in special session, the price spread between Chicago and Liverpool began to narrow. For the month of November, 1928, the spread, based on the average price of all futures, was 16 cents per bushel, and for December, 13¾ cents. The spread for the month of January, 1929, was 11⅞ cents; for February, 7⅜ cents; and for June, 6⅛ cents. For the week ending June 28 the average price of the Liverpool July future was only 4 cents over Chicago.

The Farm Board was formally constituted July 15, 1929. On August 28, 1929, the policy of making loans to cooperative organizations was inaugurated. The spread between Chicago and Liverpool, based on the average price of all futures combined, was only 3¼ cents. For the entire year the average price spread was only 7 cents per bushel against an average spread of 16⅛ cents for the six years 1923 to 1928. At the solicitation of representatives of the administration, reduced freight rates were made applicable on wheat for export during June, July, August, and September, 1929. This, too, undoubtedly supplemented the influence of the agricultural marketing act in narrowing the price spread between Chicago and Liverpool. The average Chicago-Liverpool spread for these four months was 5.3 cents per bushel against 14.3 cents for the corresponding period in 1928 and 18.3 cents for the corresponding period in 1927.

The effect of the agricultural marketing act in keeping wheat prices at Chicago above a world parity during 1930 is more pronounced than during 1929. The average spread between Chicago and Liverpool futures prices for the year 1930 was 5⅝ cents, making the average price at Chicago approximately 10 cents per bushel above a world parity. In March, 1930, the Stabilization Corporation, under the direction of the Federal Farm Board, began operations in support of higher prices through the purchasing of futures. This was followed by a very distinct narrowing of the spread between Chicago and Liverpool. For the month of January, based on the combined futures, the spread was 10⅛ cents and for March only 2¾ cents. A comparison of the prices of the May futures alone shows a Chicago-Liverpool spread of 11 cents per bushel for the week ending January 10, 1930, whereas the average for the week ending March 1 shows the price of the Chicago May future 1 cent per bushel over the Liverpool May future.

These stabilization operations were suspended with the expiration of the May future, with the result that the average all-future spread widened to 12⅝ cents per bushel for July. Beginning about the middle of August, 1930, support was again given to the market and the spread narrowed to an average of 2⅛ cents for October, the weekly average spreads between the May futures ranging from 1 to 2 cents. The world-wide depression resulted in the sinking of prices to lower levels and stabilization operations were again put into effect on November 15, 1930, and continued through May, 1931, with the result that prices at Chicago were maintained well above a world parity.

As already stated, the average spread for July, 1930, was 12⅝ cents, the monthly average price of the Chicago futures being below the average price of the Liverpool futures. For December the spread was what might be designated as minus 8⅛ cents per bushel, i. e., the Chicago price was 8⅛ cents over Liverpool. For January, 1931, the average of all Chicago futures was 16 cents over the average of the Liverpool futures. Stabilization operations, however, were primarily in the May future and the full effect of the agricultural marketing act can be shown only by a comparison of prices of the May futures at Chicago and at Liverpool. From the 1st of January, 1931, until the end of May the weekly price differences ranged from 16 to 23 cents in favor of Chicago. The average difference for the five months was 20⅛ cents per bushel, Chicago over Liverpool. Adding to this a conservative allowance of 15 cents per bushel to cover transportation costs makes the Chicago price around 35 cents per bushel above a world parity, all of which accrued to the benefit of producers who marketed their wheat during that period.

Following the discontinuance of stabilization prices declined further, and by July, 1931, the Chicago-Liverpool spread, based on an average price for all futures, had widened, with Chicago being 6¾ cents under Liverpool, as against an average of 16 cents over Liverpool for January. Taking the year as a whole, Chicago futures averaged 1½ cents per bushel over Liverpool, whereas under normal conditions Liverpool prices would have averaged about 15 cents per bushel over Chicago, making the Chicago price for the year average about 16½ cents per bushel above a world parity.

Summarizing the wheat price situation during the past three years, we find that in 1929 prices of Chicago futures averaged 7 cents under Liverpool, and in 1930 the Chicago prices averaged only 5⅝ cents under Liverpool, while in 1931 Chicago prices averaged 1⅛ cents per bushel over Liverpool. Combining the figures for the three years, we have an average price spread of 3.7 cents per bushel, i. e., Chicago prices averaged 3.7 cents per bushel under Liverpool prices, whereas under normal conditions, based on transportation and other costs prevailing during that period, the spread should have been about 15 cents per bushel. In other words, for the past three years prices at Chicago averaged little more than 11 cents per bushel above a world parity.

The wheat crop of the United States in 1929 was 909,000,000 bushels, in 1930 it was 858,000,000 bushels, and in 1931 it was 892,000,000 bushels. The total production in the United States for these three years was 2,563,000,000 bushels. At 11 cents per bushel this figures to a total of $282,930,000. This wheat, of course, was not all sold, but after making due allowance for the amount used for feed and seed still leaves an amount which resulted in increased returns well above $200,000,000.

The fact that the agricultural marketing act has been the major factor in maintaining domestic wheat prices well above a world parity with increased returns to our growers completes only a part of the picture. The support given to wheat prices in turn helped the prices of other grains and livestock, especially hogs.

A few additional specific comparisons will show even more clearly the marked benefits of the agricultural marketing act during the period of active stabilization operations the latter part of 1930 and the early part of 1931. The Liverpool May wheat future came on the board on September 19, 1930, the closing price on that date being 96⅝ cents against a closing price for the Chicago May of 91⅝ cents, or 5 cents under Liverpool. About three months later, or on January 2, 1931, after stabilization operations had become fully effective, the May future at Liverpool closed at 61⅝ cents against 81 cents at Chicago.

The Chicago price at this time was 19⅜ cents higher than the Liverpool price as compared with 5 cents lower on September 19. During this period of approximately three and one-half months the Liverpool price declined 35¼ cents against a decline of only 10⅝ cents at Chicago. During the five months immediately following—January to May, inclusive, 1931—while stabilization operations under authority of the agricultural marketing act were in full effect, the average closing price of the May future at Chicago was 83⅛ cents and at Liverpool 63⅜ cents, or an average spread of 20⅛ cents in favor of prices at Chicago, whereas under normal conditions in the absence of the influence of the agricultural marketing act the spread should have been around 15 cents per bushel in favor of Liverpool, i. e., the Liverpool price would have been 15 cents per bushel higher than the Chicago price. Stabilization operations, as previously indicated, resulted in the price of wheat at Chicago being maintained at an average of 35 cents per bushel above a world parity, and our growers who marketed their wheat during that period benefited accordingly.

Another even more striking comparison covering the four important markets of the world—Chicago, Liverpool, Winnipeg, and Buenos Aires—might well be made in this connection. On April 1, 1931, the May wheat future at Chicago, under support of the Federal Farm Board, closed at a price of 84⅛ cents per bushel. On the same date Liverpool May wheat closed at 61⅛ cents, or 22⅞ cents per bushel under the Chicago price. Winnipeg May closed at 57⅛ cents, or 27 cents per bushel under Chicago. Buenos Aires May closed at 46¼ cents per bushel, or 15 cents under the Liverpool price and 37⅞ cents per bushel under the Chicago price. Had the Farm Board not supported the market under authority of the Agricultural Marketing Act, it seems certain, in view of the then burdensome supplies and the world-wide depression, that wheat prices at Chicago would have been depressed to a world parity and reached approximately the same price level as obtained at Buenos Aires.

Mr. SIMMONS. These charts and the above statement is offered to show the benefits to the wheat price by the agricultural marketing act and the stabilization activities.

So much has been said about the stabilization activities under the act that many have lost sight of the fact that stabilization was incidental to the purposes of the act, intended for emergency situations. The real purpose of the act was to build permanently the cooperative marketing of agricultural commodities. Those who want cooperative marketing killed talk loudly about and against stabilization, but it is cooperative marketing that they aim to destroy and not stabilization work.

A number of things have been said here to-day also to the effect that we ought to get the Government out of business. I wonder how many Members are receiving the same type of communications that have come to me. They are form letters with three propositions in them: Government economy first, and I am for it—real Government economy. Then they say, let us get the Government out of business. They say, let us abolish useless boards and commissions. They do not mention the Farm Board, but every one of them that comes from my district comes from operators of elevators where cooperative marketing is cutting in on their business.

Now, where does the demand come that we get the Government out of business? It comes from those agencies, and they are largely impelled by commission men in the terminal markets who want the aid that the Government has been willing to give cooperative marketing organizations throughout the United States stopped.

My district is larger than many of your States. Is it not passing strange that the same printed form letters should come the same day from points several hundred miles apart and always from operators of grain elevators, but never saying anything directly against the Farm Board or the agricultural marketing act?

Let me give you an illustration in an experience I had the last few weeks. I received one morning a telegram asking me to state my position on the Farm Board. It was sent by a so-called group of independent farmers, signed by a man in my district as secretary of the committee.

The first interesting thing about it was that that telegram, so I am advised, was published in a large number of newspapers before it was delivered to my office. The Associated Press spread it throughout the country that outraged farmers were demanding that their Congressman state where he stood on the marketing act. I told them. Afterwards investigation disclosed that, instead of a group of independent farmers sending that telegram, it was a group of grain brokers who came from a community where the marketing act had been eating into the profits of those who heretofore had had a monopoly of the wheat-marketing game.

Now, let us get the facts about the proposition to get the Government out of business. I am not going to touch on all of the businesses that the Government is directly aiding. It is aiding the cooperative-marketing movement. We also have a similar revolving fund to aid the shipping industry, and I, for one Member of the House, have not had a letter in all of these months from anybody demanding that the Government get out of the business of aiding the shipbuilders of the country.

[Here the gavel fell.]

Mr. WASON. I yield the gentleman 10 minutes more.

Mr. SIMMONS. There is a $250,000,000 revolving fund being used now that belongs to the United States, taxpayers' money, for aiding the shipbuilding industry, and nobody wants us to get out of that business—at least no one has said so.

Last week we had a tax bill—it finally became a Democratic tariff bill in part—but a tax bill before Congress. It increased the rate of postage on first-class mail matter over the protest of some of us. Did anyone, did any big business concern, who created the $100,000,000 postal deficit through second and third class mail—did they ask the Government to get out of the business of subsidizing the transportation of their mail? Not at all.

We are subsidizing the commercial air service of this country by air mail contracts and otherwise to the amount of over $17,000,000 a year. I have not had one request come to my office that we get the Government out of that business.

This country has given similar subsidies to aid the automobile industry in the way of aid to building of roads. No one protests against that.

Go on down through the entire category of the big business activities to the aid given by the Reconstruction Finance Corporation activities. Has anyone protested against that? I have not had a one. What difference is there between the Government setting up an agency to loan money to a bank, a railroad, a building and loan association, or a Federal land bank, as has been done through the Reconstruction Finance Corporation, and loaning money to a cooperative farm organization through the Farm Board? I can see none—yet the one is called constructive statesmanship by the same ones who condemn the other as socialism. They center their whole proposition upon the fact that the Government ought to get out of business of aiding the farmer. When you get down to the bottom of it, it is a request that the farmer get out of the business of marketing

his own commodities, and let them continue, as they have done, to take the profits.

I submit to the House that if you will study the circulars that go across your desk, you will find that the whole purpose of a large part of this propaganda we are receiving to get the Government out of business is a movement to get the Government out of the business of aiding the farmer and to get the farmer out of the business of helping himself in the marketing of his commodities. No one has protested against Congress aiding any of these other activities I have named, such as contracts for ocean shipping of the mails, where admittedly we could hire foreign services to do it more cheaply than we are paying our own ships for doing it that carry the American flag. It is a sordid story when you come to investigate it, but back of it all is the desire upon the part of the commission men and brokers in the great terminal markets of the Nation, to continue to control the marketing and the handling of agricultural commodities. Some of them were in my office the other day, fine gentlemen, arguing with me that I ought to favor the abolishment of the Farm Board, the repeal of the marketing act, getting the Government out of business. I said to them, "Gentlemen, is it not a fact that the commission men of Omaha would be entirely willing to have every elevator in the State of Nebraska owned and operated by a cooperative-marketing organization, provided they could handle the grain when it comes to Omaha?" They said, "Yes, Mr. SIMMONS, that is true." What is wrong? About what do they complain? When the farmers owned these little elevators out in the villages and country towns and they were not affecting the terminal markets, cooperative marketing was a fine thing.

It is now because under the agricultural marketing act that there has been set up a system of nation-wide cooperative organizations that are handling the farmers' products through the terminal markets, that this demand that we abolish the Farm Board has come about.

Mr. Chairman, yesterday the former chairman of the Farm Board, Mr. Alexander Legge, made a statement that has been referred to on the floor of the House several times in the debate to-day. I do not like to take time to read it all, but I shall ask unanimous consent to insert it in my remarks at this point.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

Both the agricultural marketing act and the Farm Board since their enactment have been the targets of outrageous misrepresentation. Some of the misrepresentation has been mere partisan politics, but most of it comes from sheer self-interest. Look far enough behind any attack on the act or the board and you will find the politician or the handler or dealer in farm products or the speculator.

Practically all these attacks are aimed at the stabilization of wheat and cotton, but that is a false cry. The real issue is cooperative marketing; the real purpose of the attack is to keep the farmer from marketing his own products. Except where he markets cooperatively, the farmer has no influence over the sale of what he raises. He alone of all producers is at the mercy of the middleman.

Can cooperative marketing of farm products be made to work successfully? The answer is an emphatic "yes." It is working successfully to-day. Long before there was a Farm Board the California citrus-fruit growers and walnut growers had achieved solid success in this field. With the temporary aid of the Farm Board thousands of other cooperatives, with millions of farmer members, have been soundly established and are working toward success.

ADVERTISING ACTIVITIES CITED

Last year the California citrus-fruit organization spent $2,000,000 in advertising to broaden still further the market for its products. Could any commission merchant or any individual producer have done anything like that? Could any individual grower or middleman have set up the by-product plants that have developed new uses and outlets for the California citrus-fruit products?

These two cooperatives have found it comparatively simple to regulate production to the potential demand and thereby insure their members a living profit. Can the same thing be done with wheat, cotton, livestock, dairy products, poultry, and so on? Certainly it can, and certainly it will be done.

Cooperative marketing is already succeeding too well to please Mr. Middleman. You can't blame a man for fighting to protect his business; but which would America rather have—a comparatively few very prosperous middlemen and speculators or several millions of farmers earning a fair living and able to buy freely the products of other industries?

If, when commodity prices started down the toboggan in October, 1929, the Farm Board had failed or refused to recognize the emergency and use the power and the money Congress had put into its hands, it might well have been blamed for the crash that followed, and but for the stabilization of wheat and cotton the crash would have been infinitely worse than it was.

HELPED COTTON MARKET

Stabilization has at least opened the eyes of our people, including the farmers, to the impossibility of artificially maintaining prices, and has made drastic and dangerous legislation for that purpose unlikely, if not impossible. Stabilization of wheat has enabled America's farmers to market two crops at considerably higher prices than they would otherwise have received. Wheat to-day sells in Chicago for as much as in Liverpool, yet transportation from Chicago to Liverpool costs approximately 16 cents a bushel.

The best-posted men in the cotton trade, even those bitterly hostile to the act and the board, agree that to-day's cotton prices, low as they are, are substantially higher than they would be but for the large stocks impounded by the Farm Board, the cooperatives, and a large group of southern bankers.

The real reason for current agitation about the salaries paid to a few managers of large cooperative central organizations is not the size of the salaries but the success of those vast operations under competent leadership. Some of these central cooperatives have earned several million dollars' profit in their brief existence. Incompetent leadership would probably have put them deep into the red.

I can not believe that the self-seeking enemies of the agricultural marketing act and the Farm Board will be able to fool Congress into crippling this great movement, whose purpose is to put agriculture on a plane of equal opportunity with other industries. I am absolutely certain that they can not fool the farmers of America.

Mr. SIMMONS. A number of statements have been made on the floor that the farmers were against the agricultural marketing act and against the Farm Board. I read briefly the statement issued by the three great national farm organizations, the Grange, the Farmers' Educational Cooperative Union of America, and the Farm Bureau of Federation, following the meeting in Washington on January 6, 7, and 8, 1932:

We insist that the agricultural marketing act shall be continued in force as a principal method of stimulating cooperative marketing and advancing the cause of disposing of surpluses so that they will not depress the domestic price.

The marketing act should be amended immediately by the inclusion of the debenture plan, equalization fee, or any other method which will make it effective in controlling surpluses, in making tariffs effective on farm crops and in securing for American farmers cost of production on those portions of their crops sold for consumption in our own Nation; nothing less is a remedy for the agricultural marketing problem.

In this connection I read from the statement given out by Mr. Taber, master of the Grange, in a national meeting in Madison, Wis., in 1931:

The Federal marketing act was a step in the right direction. The personnel of the Farm Board has been of high character. As this legislation was experimental, mistakes were inevitable. It is too soon to fully appraise the value of this legislation. The efforts of the Farm Board to support cooperative marketing and to reduce the spread between the producer and the consumer have been commendable. The marketing act will not be repealed without further hearing. When amended, it will be amended by the friends and not the enemies of agriculture.

May I state here that I concur fully with those who request an investigation of the Farm Board's administration of the agricultural marketing act. That they have made mistakes is probably true—it is only human. But if Congress is to investigate the Farm Board, then let us get the whole picture and investigate the grain exchanges and commission men, who heretofore have monopolized the business on the terminal markets. They also should have nothing to conceal. Let us get at all the facts; and when we have those facts, then we may decide what should be done. Let us also investigate the source of the opposition to the Farm Board, the amount of money that has been expended in an effort to make it unpopular, the sources from which those moneys came, and whether or not the Farm Board has been hampered materially in its policies by such opposition.

They do not propose to amend the agricultural marketing act, but the proposal now before the committee is that it be starved to death. I am ready to meet on the floor of the House any time the question of repeal of the agricultural

marketing act, if the Committee on Agriculture submit such a bill, but I think it is neither the proper time nor the place for us to come here as the Committee on Appropriations does—and I am a member of it, but I do not approve of that which they are doing here—and attempt to reduce the funds for the administration of the act by 45 per cent. No other agency in all the Government is so treated. One member of the committee who voted against the act when it was passed commends the country and the committee upon the fact that they have given the Smithsonian Institution its appropriation for astrophysical investigations, in order that, forsooth, some time in the future they may be able to prophesy two years in advance whether it is going to rain on the opening day of the ball season. That is the kind of economy that the Tammany Representatives from New York recommend to the country, but the appropriations to aid the farmer cooperative movement must be slashed unmercifully.

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. SUMMERS of Washington. Mr. Chairman, I yield five minutes more to the gentleman from Nebraska.

Mr. SIMMONS. The legislative program of the National Grange for the year 1932 contains this statement:

The Grange reaffirms its faith in the legislation establishing the Federal Farm Board. The cooperative marketing machinery which has been expanded and developed under the agricultural marketing act should be further extended and strengthened and the act should be so amended as to make more adequate provision for controlling and disposing of the farm surplus. The Grange stands ready to support all sound and constructive policies the board may adopt in carrying out the provisions of the act.

The National Cooperative Council, made up of cooperative organizations throughout the United States, met in Washington again in January, 1932. They passed resolutions regarding the Farm Board, as follows:

We are opposed to the repeal of the agricultural marketing act.

We are opposed to any amendment to such act providing for the abolishing of the Federal Farm Board.

We are opposed to any amendment to such act transferring the functions of the Federal Farm Board to any other Government official or department.

We are opposed to repeal of the provisions of such act that authorize loans from the revolving fund to cooperative marketing associations.

The other day the statement was made on the floor of the House that the cattlemen were against the agricultural marketing act and the Farm Board and wanted it repealed.

The American National Livestock Association met in San Antonio, Tex., in January, 1932. President Henry G. Boice, of the association, in his annual address, stated:

Since the organization of the Federal Farm Board about three years ago the Government has been legally and financially promoting the organization of producers into producer-owned associations for the control and marketing of their products.

As a result of the activities of the Farm Board this western territory is now served by both a national association and local associations, which are attempting to assist the producer in the marketing of his livestock. The accurate and comprehensive information which is being made available by these organizations is of great value to the livestock industry and will contribute to more intelligent handling of our product in the future. The teaching of the principles of cooperation, the working together one with the other and each for all, is going to be a benefit to all producers which will be realized more and more as time goes on.

This association has been for many years in active support of all things which would bring about a more direct method of moving livestock from the producer to the feeder. We hope that the Federal Farm Board's program will provide its help in promoting the more direct methods of handling our products. This is economically sound and should be the goal toward which all livestock organizations should work, to eliminate all economic waste by moving our product, which is extremely perishable, in the most direct way from the producer to those who process our cattle, and on to the consumer's table.

The attitude of this association toward the Federal Farm Board has been that of support in order that it might have ample opportunity to work out its principles and its program, to see if benefit can be derived for the livestock industry. That is still the policy of this association, and it is ready now, as it has been in the past, to assist the Federal Farm Board to carry out its program.

The association also adopted the following resolution on the same subject matter:

FEDERAL FARM BOARD

Whereas the passage of the agricultural marketing act was the most important forward-looking step taken in behalf of agriculture in many years; and

Whereas this act has already been of substantial benefit to the livestock industry, through making available, in times of emergency, broader lines of credit and a comprehensive marketing plan: Therefore be it

Resolved, That we heartily indorse the action of the Federal Farm Board in establishing a cooperative marketing system, designed most fully to protect the agricultural and livestock producers.

May I offer also the following letter from Mr. F. E. Mollin, secretary of the American National Live Stock Association:

DENVER, COLO., *March 9, 1932.*

Hon. ROBERT G. SIMMONS,
House of Representatives, Washington, D. C.

DEAR MR. SIMMONS: We have noticed reports as to the action contemplated in Congress making a very material reduction in the appropriation for the Federal Farm Board. While the livestock industry of the West has been somewhat disappointed because the National Live Stock Marketing Association has so far devoted very little time to working out a scheme for the direct marketing of feeder animals, nevertheless we feel that the agricultural marketing act deserves a permanent place on the statutes of our country, and that it is up to us to help shape the policies along the lines which will do the most good. The question of the direct marketing of feeder animals is one of the major ones for discussion at the annual meeting of the National Live Stock Marketing Association in Chicago this month.

For the immediate future the important thing is the matter of finance, and certainly the livestock industry would to-day be in a deplorable condition had it not been for the help rendered by the credit corporations established under the agricultural marketing act at Salt Lake City, Denver, Fort Worth, St. Louis, and San Francisco. In addition, considerable money has been loaned direct in other sections of the country, pending the establishment of credit corporations similar to those now functioning. New Mexico took steps for the establishment of such a corporation last week, either in conjunction with or independent of a similar movement in Oklahoma.

I hope you will do everything in your power to keep the appropriations for the Federal Farm Board from being reduced to a point which will cripple it.

Yours very truly,

F. E. MALLIN, *Secretary.*

Further, may it be said of my own State that the Cattlemen's Association in 1930 approved the agricultural marketing act and the Farm Board.

As a result of a bill that was introduced in the Senate by Senator THOMAS and a bill in the House by Mr. SWANK, of Oklahoma, the country has gotten the direct understanding that the Farmers' Union of the United States are against the Farm Board. If I understand the position of the Farmers' Union as explained by its national president, Mr. Simpson, while there are certain parts of the agricultural marketing act that they do not like, the thing the Farmers' Union wants is more governmental regulation and more activities, not less. And yet the Farmers' Union is being quoted by those who oppose the agricultural marketing act as against the Farm Board. Those opposed to the agricultural marketing act want the Government to get out of business. Mr. Simpson wants the Congress to set up an agency whereby the Government would fix a minimum cost of production price on the domestic consumption of wheat, cotton, wool, beef, pork, dairy and poultry products, and other major agricultural products.

I think it a fair statement that Mr. Simpson, of the Farmers' Union, feels that the agricultural marketing act does not go far enough along the line of Government control. Would those who are fighting the agricultural marketing act be willing to support the bills advocated by Mr. Simpson? Most assuredly they would not. And yet they have attempted to put the Farmers' Union in the position of aiding them in this fight.

Let me now call your attention to the statement of Mr. Simpson regarding the Farm Board. You will find it on pages 3 and 4 of the hearings before the Committee of Agriculture of the Senate, with reference to that part of the Swank-Thomas bill that calls for the abolishment of the Farm Board. This colloquy occurred on page 3:

The CHAIRMAN. Mr. Simpson, will you discuss all three parts of the bill as you proceed?

Mr. SIMPSON. Oh, yes. But I am not going into detail as to the other two parts of the bill.

The first part of the bill calls for the abolishment of the Farm Board and the transfer of its jurisdiction to the Secretary of Agriculture. Mr. Simpson said:

Now, the first part of the bill, administration of the marketing act, is not a vital part, so far as we are concerned.

Then, on page 4 there is the following colloquy:

The CHAIRMAN. So you are not affirmatively requesting this committee to report on the abolition of the board?
Mr. SIMPSON. No. We are saying that we do not consider that a vital proposition to the farmers of this Nation or to a return of prosperity in the matter of agriculture.
The CHAIRMAN. You do not care whether the theory you have be enacted into law to be administered by the Federal Farm Board or the Secretary of Agriculture; is that it?
Mr. SIMPSON. That is our position.

Mr. Simpson testified before the House Committee on Agriculture regarding the same bill, and there, again, as shown on page 36 of the House hearings, Serial C, February 4 and 5, 1932——

[Here the gavel fell.]

Mr. SIMMONS. I ask for five additional minutes.

Mr. SUMMERS of Washington. I yield the gentleman five additional minutes.

Mr. SIMMONS. On page 36 Mr. Simpson is shown to have made this statement:

The first part of this bill, this feature of it, is unimportant. You gentlemen of the committee can change it as you see fit, and it will be all right with us. The first part of this bill is the part that provides for the Department of Agriculture to administer the provisions of the law. Now, that is unimportant, and I am going to pass over it without discussion.

And again on pages 45 and 46 is the following:

The CHAIRMAN. Mr. Doxey.
Mr. DOXEY. I do not quite understand, Mr. Simpson, your position in regard to section 2. Are you in favor of abolishing the Farm Board?
Mr. SIMPSON. We say that is one of the points that is not vital, and one that we passed over.
Mr. DOXEY. I was just asking your opinion.
Mr. SIMPSON. Yes. The Grange and the Farm Bureau agree that the heart of this is in the section that gets the cost of production for the farmer. That is the heart of this bill.
Mr. DOXEY. I judge that from your statement.
Mr. SIMPSON. Yes.
Mr. DOXEY. You do not know whether there is division of opinion, not in regard to what this committee should do, but in regard to the abolishing of the Farm Board?
Mr. SIMPSON. Our group, as a group—the Farmers' Educational and Cooperative Union of America—in its last annual convention, by a resolution unanimously adopted, says:
"We do not want the marketing act repealed, but we do want you to amend it to get the cost of production."
We do not want to say who should administer it, and for that reason we who are representing the nine States that are represented here to-day from nine Farmers' Unions States decided in our little conference before we came up here that we would say to the members of the committee that we did not consider this a vital part of the bill.

Those who have made the statement that the Farmers' Union is demanding the abolishment of the Farm Board should take the testimony of their president, Mr. Simpson, in that regard. A goodly number of Farmers' Union cooperatives are affiliated with the farmers' West-Central Grain Co. and are marketing their grain through the Farmers' National Grain Corporation.

A question has been asked here regarding the matter of salaries; and there, again, may I ask this question: Why is it that the salaries paid to farmer-owned and farmer-controlled organizations are the only salaries questioned in this House? The salaries paid to the men handling the affairs of corporations receiving loans through the Reconstruction Finance Corporation are not questioned. Why pick out the only organization that directly is aiding a farmer movement in this country to limit salaries and reduce appropriations? I am not going to discuss that angle of it. I ask unanimous consent to extend in the RECORD a letter addressed to our colleague, Mr. LOUIS LUDLOW, of Indiana, by Mr. Stone, of the Farm Board.

Mr. STAFFORD. Reserving the right to object, and I shall not object, what is the length of the letter?

Mr. SIMMONS. Four pages; but it sets out the decision of the Farm Board.

Mr. WOODRUM. Mr. LUDLOW is not a member of this subcommittee.

Mr. SIMMONS. He is a member of the Appropriations Committee.

Mr. STAFFORD. The gentleman's fine speech is just being burdened with these letters.

Mr. SIMMONS. I think it is perfectly proper that the House should have the information that is contained in the letter.

Mr. STAFFORD. Will this be the last offense?

Mr. SIMMONS. That is the last request for extensions that I am going to make this afternoon. Mr. Chairman, I ask unanimous consent to extend this letter in my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SIMMONS. The gentleman from Indiana [Mr. LUDLOW] informs me that he will extend his remarks and include this letter therein in to-day's RECORD. Accordingly I shall not avail myself of the permission just granted to extend it here. It will be found in Mr. LUDLOW's remarks hereafter.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. STRONG of Kansas. I would like to say that I have made some investigation regarding the amount of money paid by farm cooperative associations in the way of salaries; and while they seem high, I have been advised that in nearly every instance the amount of salary paid is less than the amount the men formerly received in other employment.

Mr. SIMMONS. While we are on that subject, may I say this, that repeatedly the statement has been made in the press that the president of the Farm Board gets $75,000 a year? Those who have been instrumental in trying to break down this act have attempted to tell the country that the Government of the United States is paying these salaries, when the truth is that the Government of the United States is not paying the salaries, and is paying no salaries except those salaries fixed by law, which are $12,000 a year for the members of the Farm Board.

Mr. STRONG of Kansas. And some months ago they all voluntarily cut their salaries.

Mr. STAFFORD. Will the gentleman yield?

Mr. SIMMONS. The gentleman was gracious to me a moment ago and I gladly yield to him.

Mr. STAFFORD. I was informed very authoritatively when I took occasion last year to attack what I regarded as the outrageous salaries paid to some of these persons that a salary of $25,000 was being paid to a former divine from Kansas, who knew nothing at all about business. Is the gentleman acquainted with that gentleman of the cloth?

Mr. SIMMONS. The gentleman probably refers to a former national president of the Farmers' Union, who has always been a cooperative friend and whose salary is not $25,000 a year but $13,500. Let us keep the record straight.

Mr. STAFFORD. A minister? It is proverbial that a minister is the most gullible of all in any business venture.

Mr. GOSS. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. GOSS. Can the gentleman inform us if there is any place where we can get accurate information as to the salaries that are being paid by these cooperatives as well as by the board?

Mr. SIMMONS. I understand those figures have been put in the record at different time and in different hearings before the Senate Committee on Agriculture.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. GOSS. Can the gentleman tell me where I can get that information?

Mr. SIMMONS. I understand that information is set out in the hearings before the Senate Agricultural Committee held last fall. If we are going to attempt to do that, why

not also attempt to control the salaries paid the beneficiaries of other loans made by the United States Government?

Mr. GOSS. That is perfectly agreeable to me.

Mr. SIMMONS. We are aiding the shipping industry, but do we attempt to control their salaries? We are aiding ocean mail, but do we attempt to control their salaries? We are aiding the railroads, but do we attempt to control their salaries? Not at all. So why pick out the farm organizations?

Mr. GOSS. Can the gentleman tell me where I can get the information I have asked for?

Mr. SIMMONS. Regarding the cooperatives?

Mr. GOSS. Yes.

Mr. SIMMONS. I think the gentleman can get that information from the Agricultural Committee of the Senate.

Mr. LUDLOW. Will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. LUDLOW. I may say to the gentleman that I had intended to make the same request that the gentleman has made in regard to printing the letter from Chairman Stone, but I intended to couple with that a request that my letter to him be printed and also my reply to his letter. I wonder if we could not arrange to have those letters printed together? There are only three letters and they are not explanatory unless they run together. Will the gentleman make that request?

Mr. SIMMONS. I yield to the gentleman to make that unanimous-consent request.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that the letter which I wrote to Chairman Stone, the reply which Chairman Stone sent to me, and my brief reply to his letter be printed in the RECORD. This is all very illuminating of this subject, and Chairman Stone, I may say, requested in his letter to me that I give the same publicity to his letter that I have given to my discussion of the matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. STAFFORD. Mr. Chairman, I think that request should come in the House.

The CHAIRMAN. The Chair thinks that request should be made in the House.

Mr. SIMMONS. In the minute or two that are left—and I shall not ask for more time—may I suggest this to the membership present and to those who may undertake to read any part of what I have had to say:

As I see it, the issue in this matter now is not stabilization activities. The charts I have on the boards will show that they are not quarreling about stabilization; they are quarreling about the fact that the Government of the United States is aiding in the cooperative-marketing movement in this country, and the purpose of all this fight on the Farm Board is to check the growth of cooperative marketing, to kill it, and this is the issue that finally will go to the country. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 20 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I am going to speak to-day as a farmer in behalf of the dirt farmers of America to advise the House and the country that while there is much to be desired in respect to the dirt-farming situation in this year of our Lord 1932 the gentlemen who farm the farmers—the high-salaried executives—are doing very well, thank you.

The gentlemen who belong to the swivel-chair managerial branch of our agricultural industry, who have the soft snaps in the large cooperatives, as differentiated from the great dirt group, are flirting with prosperity. They are in a position to acquire all of the automobiles and some of the yachts they need. They are on easy street and have no kick coming. So I arise to challenge and repel the iniquitous error, the monstrous falsehood which we so often hear expressed these days both on this floor and elsewhere that all farming is flat. The sun shines benignantly on that part of the industry which is devoted to farming the farmers.

Deep and impenetrable gloom fills dirt-farming circles in the Hoosier State. One old and respected farmer has sworn to high heaven he will not have his hair trimmed until the price of a bushel of wheat will pay for a hair cut, and he is beginning to resemble a walking mattress. His spirits sink as his hair grows, for there is nothing in the market forecasts to indicate that some time he will not resemble an entire mattress factory. Another Hoosier farmer flatly refused to take his family to the Bartholomew County fair last fall when he learned that a bushel of wheat would not pay for four bottles of pop. His jaw was set and indignation flashed from his eye when he declared that wheat would have to go up or pop would have to come down before he would ever attend another county fair. The pop market in Indiana is firm and the wheat market is weak, and as long as the purchasing power of a bushel of wheat is limited to three bottles of pop our farmers are going to stick to well water. Every dirt farmer in Hoosierdom has got the shimmy-shaking blues. [Applause.]

I am one of the Hoosier farmers whose activities are confined exclusively to the dubious financial zone known as "the red." I am doing my part to swell the profits of a manufacturer I heard about the other day. Jerry Dugan was talking to Bill Jones about a manufacturer that Jerry knew and Jerry was declaring that the manufacturer was making so much money he could not count it.

"I can not believe it," said Bill. "Every manufacturer I have talked to tells me he has lost his shirt in the last year. What does this friend of yours manufacture?"

"Ah," said Jerry, smiling sweetly, "if I told you what he manufactures you would know why he is getting rich. He manufactures red ink."

As I said before, I am managing successfully in my farming operations to swell the profits of Jerry's friend, and so are my neighbors and fellow farmers in all of the rural districts of Hoosierdom. We are all consumers of red ink. We are all working hard for Jerry's manufacturer. Like thousands upon thousands of my friends on the farms, I am unable to meet taxes and interest charges from farm income, and I fall back heavily on my personal note as my means of balancing the budget.

My farming operations, which are helping to give tone to the market for red ink, are carried on in Fayette County, Ind., where my two sisters, my brother, and I inherited a splendid farm of 240 acres when our beloved parents passed on. This farm was hewed by my father out of the wilderness. As the mists of years clear away I can see myself sitting under a shade tree while father did the hewing. We thought times were hard then, but I do not remember a time in my youth—and that was pretty close to primitive days, when the hardships of pioneer life were still more of a fact than a memory—when prices for farm produce were as low as they are now. Every time I receive a letter from home I utter a Methodist prayer before I open it because I know it is going to bring some new tale of tough luck. When I complete a hog for the market and bid him an affectionate farewell as he leaves for the slaughter pen at Indianapolis I admire him for his architectural beauty, but I weep softly when I think that everything I have put into him is a dead loss, except, perhaps, the squeal. I do not find any balm in Gilead anywhere. Every time one of my hens cackles after conferring an egg on me she seems to boast brazenly over adding one more link to my deficit. Every evening the bullfrogs in the fishpond just east of the barn lot, where as a boy I used to swim in the garb that nature gave me, get busy and start up an anvil chorus, and for an hour or longer they split the air with their infernal din while they broadcast the depressing slogan:

"Tough luck! Tough luck!"

Think how sad it is when even the bullfrogs turn against you and you have to go to bed with that dolorous message ringing in your ears! The sign manual of my calling—the symbol that looms up like a lighthouse in a fog on every page of my farming transactions and stands out like a sore thumb before every item in my profit account is the minus sign.

Years ago before our farmers had fallen upon such evil days there was a railroad wreck at Monon, in the heart of

the Indiana corn belt, and one of our lady farmers was caught in the wreckage and severely injured. One of the several hundred thousand Indiana poets, James Buchanan Elmore, whose muse works on a hair trigger, happened to be at the scene and he immediately arose to the occasion, as he always does, by writing a famous poem vividly descriptive of the plight of the agonized woman, one stanza of which bloodcurdling effusion runs as follows:

She was heard fer to say,
Cut, oh, cut, my leg away.

All of that has changed. There is no longer any likelihood that any Indiana lady farmer will have her leg caught in the timbers of a wreck. As far as I can give an impression, based on cursory observation, the leg that might have been so pinioned has been pulled by adversity until it has been pulled off. I know positively that as far as our Indiana male farmers are concerned not one of them has a leg left to stand on. [Laughter.]

It is very dull on the old home farm these days. My duties hold me here, but I can imagine the listlessness, the ennui, the sighing of the winds in the few remaining sugar trees. I can close my eyes and visualize what is going on down on the farm. There is not a great deal to disturb the slumbers of the big yellow dog, the inherited family pet, as he lies stretched out on the front porch of our ancestral home. The droning of the flies does not bother him. He wakes up momentarily when a $50,000 a year farm cooperative executive whizzes by in his Packard on the way home from his winter resort, or perchance he may be disturbed by the thrumming of the motor overhead when a $75,000 a year farm cooperative executive passes by in his trimotored Fokker airplane for an outing at the lakes, followed by several $30,000 and $35,000 a year farm cooperative executives flying in wild-goose formation. But the excitement does not last. He takes a savage bite at a flea that is performing on his hip and goes easily back to sleep.

But while everything is quiet down on the farm the deficit continues to work. It is like a popular brand of medicine and keeps busy while I sleep. And in that respect I am like all other dirt farmers I know. We are all troubled by an overdose of active deficit and we would be supremely happy if we could just be guaranteed some income above outgo—as much, for instance, as a $35,000 a year farm cooperative executive pays for gas. We are all suffering from a disease called taxitis, an appropriate spelling of which is tax-eat-us.

Agriculture should be the noblest of all callings, but conditions in that industry are so discouraging and the future is so black that it makes no appeal to ambitious youth. The other day one of our young Hoosier farmers, sitting on the edge of the horse trough and ruminating over the prospect while he picked a chunk of liver out of his only bad tooth, was temporarily overcome by the muse. This disciple of Agricola is a good deal of a philosopher and he got to thinking. It seemed to him there was something lacking in life. As he sat there on the horse trough he began to have his doubts as to whether he was having a good time. On long and mature reflection it seemed to him that he was not. Now, every Hoosier is innately endowed as one of two classes. He is either a natural-born politician or a natural-born poet. This young Hoosier farmer had never suspected that there was anything wrong with him until the muse began to work in much the same way that a spirit overcomes a medium. He rushed into the house, grabbed a discarded paper sack and a lead pencil, and wrote on the sack the following descriptive poem, entitled "Down on the Farm," which I think is pretty good stuff even if it is homespun:

Down on the farm, 'bout half past 4,
I slip on my pants and sneak out of the door;
Out of the yard I run like the dickens
To milk 10 cows and feed the chickens,
Clean out the barn, curry Nancy and Jiggs,
Separate the cream, and slop all the pigs,
Work two hours, then eat like a Turk,
And, by heck, I'm ready for a full day's work.

Then I grease the wagon and put on the rack,
Throw a jug of water in an old grain sack,
Hitch up the horses, hustle down the lane,
Must get the hay in, for it looks like rain.
Look over yonder! Sure as I'm born,
Cattle on the rampage and cows in the corn!
Start across the medder, run a mile or two,
Heaving like I'm wind-broke, get wet clear through.
Get back to the horses, then for recompense
Nancy gets straddle the barbed-wire fence.
Joints all a-aching and muscles in a jerk,
I'm fit as a fiddle for a full day's work.

Work all summer till winter is nigh,
Then figure up the books and heave a big sigh.
Worked all year, didn't make a thing;
Got less cash now than I had last spring.
Now, some people tell us that there ain't no hell,
But they never farmed, so they can't tell.
When spring rolls 'round I take another chance,
While the fringe grows longer on my old gray pants.
Give my s'penders a hitch, my belt another jerk,
And, by heck, I'm ready for a full year's work.

[Applause.]

My faltering tongue gropes in vain for language to depict the tragedy and pathos of farm life, and this poem describes more graphically than can any feeble words of mine the actual conditions on the farms of America. It does not apply to the men who farm the farmers—men who, according to testimony brought out by this Congress, receive and accept salaries ranging from $20,000 to $75,000 a year from cooperative associations and thus add to the distress of the farmers who have to bear the load and whose tragic plight ought to appeal to the sympathy of every person in the world. The best way to help the farmer is to cut the cost of government and relieve him of some of his burden.

A little while ago, when I first attacked these big salaries, the editor of the Lafayette Journal and Courier, one of the leading Republican newspapers of Indiana, did a little figuring on his own hook and wrote an editorial entitled "Farming the Farmer," in which he said:

Bring the thing close home to this corn country: With No. 3 yellow corn selling as it now sells locally for 24 cents a bushel it would take 141,667 bushels to pay one of those average salaries. Oats sell here at 18 cents per bushel for No. 2 white. So it would require 188,889 bushels of oats to pay one of the 10 expensive salaried magicians of farm relief for a year. Those 10 fancy salaries, totaling $340,000 annually, would consume 1,416,670 bushels of corn or 1,888,890 bushels of oats.

In fixing salaries the rule of reason should prevail. None of us should object to reasonable salaries, but all of us should feel a burning indignation when we think of the extortion that is now practiced on the farmers of America. Such extortion, wherever it may be found, is indefensible, and if it exists in other activities that are financed by the Government, it should be stricken down there also. In the name of the plain, honest farmers of Indiana, from whom I sprang, who strive "to live and let live" and who ask nothing more than that others will do unto them as they do unto others, I protest against these salaries which, regardless of who may defend them or of what may be said in their defense, are grossly unfair and unjust.

If we really love the farmer, let us enact legislation striking down these excessive salaries. Let us do this in the name of common decency. I have introduced a bill, H. R. 10328, now pending before the House Committee on Agriculture, that will do the business. It is short and sweet, the full text of it being as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Farm Board shall not make any advance or loan (except in pursuance of existing contracts) to any stabilization corporation or cooperative association, any of whose officers or employees receives as compensation or salary an amount in excess of $15,000 per annum.

My bill is not intended as a handicap or hindrance in the slightest degree to the Federal Farm Board. It will not operate in that way, and it should receive the approval of the board, as it will strengthen the board's hand in dealing with the cooperatives, giving to the board exactly the congressional backing that is needed to force down these outrageous

salaries. I want to help the board to use its influence, with Congress squarely back of it, to wipe out these salary grabs which are now gouging the farmers of the country. I appeal to every Member of this House to think of conditions down on the farm, the insulting bullfrogs, the disconsolate poet sitting on the old horse trough, and then show his sympathy for the dirt farmers by voting for this bill. [Applause.]

By unanimous consent of the House I incorporate in my speech correspondence between Chairman Stone, of the Federal Farm Board, and myself, as follows:

MY LETTER TO CHAIRMAN STONE

FEBRUARY 8, 1932.

Hon. JAMES C. STONE,
Chairman Federal Farm Board, Washington, D. C.

DEAR CHAIRMAN STONE: I have been greatly surprised, as I think others have been, to learn of the enormous salaries paid to executives of marketing organizations which, although not strictly governmental agencies, nevertheless have a very direct relationship to the Federal Farm Board under its sphere of influence and which are financed, or in the past have been financed, from Federal appropriations through the Federal Farm Board.

I believe these salaries are ridiculously high; that they are indefensible from the standpoint of public morals; that they are a severe and unjustifiable infliction upon the farmers of the Nation to the extent the raising of the money to pay them falls upon the cooperatives, and a severe and unnecessary infliction upon the general taxpayers, including the farmers, to the extent that the money to pay these salaries has come, or is coming, from the United States Treasury

I refer, for illustration, to such salaries as the following:

E. F. Creekmore, vice president and general manager of the American Cotton Cooperative Association, $75,000 a year.

George S. Milnor, president and general manager of the Grain Stabilization Corporation and vice president and general manager of the Farmers' National Grain Corporation, $50,000.

J. M. Chilton, vice president and assistant general manager of the Farmers' National Grain Corporation, $32,500 a year.

W. I. Beam, treasurer of the Farmers' National Grain Corporation, $30,000 a year.

Henry W. Collins, vice president of the Farmers' National Grain Corporation, $25,000 a year.

William Engel, vice president of the Farmers' National Grain Corporation, $27,500 a year.

W. B. Joyce, district manager Farmers' National Grain Corporation, Milwaukee office, $30,000 a year.

F. W. Lake, vice president of Hall-Baker Grain Co., owned and operated by the Farmers' National Grain Corporation, $25,000 a year.

Henry G. Safford, vice president of American Cotton Cooperative Association, $35,000 a year.

Stanley Reed, general counsel of the Federal Farm Board, $20,000 a year.

The 10 employees mentioned above draw $340,000 a year, or an average of $34,000 per annum. Space will not permit me to set forth the names of all those who are drawing from $7,500 to $20,000 a year. The annual pay roll of the Grain Stabilization Corporation is about $420,000; of the Farmers' National Grain Corporation about $2,242,000, and the American Cotton Cooperative Association nearly a million dollars a year. The American Cotton Cooperative Association has 56 employees to whom it pays salaries ranging from $3,000 to $4,000 per annum, 16 who receive from $4,000 to $5,000 per annum, and 23 to whom it pays $5,000 to $7,500 per annum. I can not escape the conclusion that this makes it look more like a cooperative for the job holders than for the farmers.

The Farmers' National Grain Corporation had been financed to the extent of $47,000,000 by the Federal Farm Board up to June 30 last year and the American Cotton Cooperative Association to the extent of $63,000,000. Altogether $110,000,000 has been drained from the Federal Treasury to these activities, and it is to be assumed that part of it has gone to maintain these long and luxurious-pay rolls.

To the extent these salaries paid are excessive this is a shocking and an indefensible burden on the farmers and taxpayers in general, especially in times of acute distress like the present, when so many of our farmers are unable to meet their taxes and interest charges and are in the depths of despair. It is noted on page 289 of the hearings before the Senate Committee on Agriculture and Forestry last November the following dialogue occurred:

"Senator WHEELER. What is the average income of the 185,000 farmers comprising the American Cotton Protective Association?

"Mr. CREEKMORE. I would say about $300 a year.

"Senator WHEELER. About $300 a year. And you as the representative of these poor devils making $300 a year are drawing down a salary of $75,000 a year?

"Mr. CREEKMORE. That is correct."

Speaking merely as one Member of Congress, I do not intend to sit idly by and permit this sort of thing to continue with my sanction. I propose to offer the following with a suggestion that it be incorporated in the act which carries the appropriation for the Federal Farm Board for the next fiscal year:

"No part of the money appropriated by this act shall be paid or loaned to any cooperative association that has in its employ any person who receives more than $15,000 a year for his or her services in connection with the activities of said association."

The salary I propose as the limit for an executive of a cooperative association receiving Federal benefits is the salary paid to the Speaker of the House of Representatives and the Vice President of the United States. It is $5,000 more per annum than the salary of a Senator or a Representative. Members of Congress are heavily burdened, some dropping in their tracks from overwork, but they do not complain of their salaries. Executives of cooperative associations should be just as patriotic. They should not overlook the fact that they are public servants, and should be content to accept as part of their reward the consciousness that in times of deep trouble like the present they are permitted to be of service to their distressed fellow men. Why should a cooperative executive, performing public duties, receive several times the salary paid to the Chief Justice of the United States? Please understand I am not writing this letter in a spirit of captious criticism but because I believe a wrong exists for which a remedy should be found.

For you, Mr. Chairman, I have the highest respect. You were not chairman of the Federal Farm Board when these huge salaries were fixed, nor can I believe that if you had your way you would approve them.

I am writing to tell you candidly about the legislation I have in mind and to ask your opinion in regard to it. If you can not speak for the Federal Farm Board in this matter, I would be greatly obliged if you would give me your personal opinion, with such suggestions and advice as you may be prompted by your good judgment to give.

May I hear from you soon?

And oblige, very sincerely yours,

LOUIS LUDLOW.

CHAIRMAN STONE'S REPLY

FEDERAL FARM BOARD,
Washington, February 29, 1932.

Hon. LOUIS LUDLOW,
House of Representatives.

DEAR MR. LUDLOW: Due to my absence from Washington and to the press of urgent work of the board when here, I have been compelled to neglect my correspondence to some extent, which explains why your letter of February 8 was not answered promptly. I hope you will be good enough to accept my apology for the delay.

You asked my opinion as to whether Congress should take action limiting to $15,000 the salaries that may be paid by cooperative associations borrowing money from the $500,000,000 revolving fund set up by the Agricultural Marketing Act. While I know your purpose is to do something you believe will be helpful, my best judgment is that such legislation would work irreparable harm to the cooperative movement, and I am therefore against it.

For cooperative marketing to succeed, the thing most needed is competent and honest management, a management equal to or better than that of the association's competitors in the private trade. The only way a cooperative can get such management is by paying salaries comparable to those offered by private business institutions engaged in the same line and handling a comparable volume of the product. In business, whether cooperative or private, brains and ability are sold to the highest bidder, and in most instances, I believe you will agree with me, they command pay in proportion to the services rendered. Those who object to farmers marketing their products in their own interest because it will interfere with huge private profits they have made in the past would like nothing better than for Congress to place large-scale cooperatives in a position where they can not compete for the caliber of men needed to run their business.

I can not agree with you that cooperative executives should be regarded as "public servants," for the function of cooperatives is to merchandise the products of their members and not to perform a public service. It is, therefore, hardly fair to compare the salaries of cooperative employees with those of Government officeholders or to try to put the two on the same basis. Honor and glory are generally regarded as part of the compensation in Government service. It is possible to appeal to patriotism when an outstanding individual in his line or profession is asked to accept office at only a small part of what he can earn in private life, but generally speaking when the directors of a cooperative, especially a large-scale organization, try to hire men competent to handle the business of their members, it is hard cash, not sentiment, that talks.

The cooperatives themselves, not the Farm Board, elect their officers, hire their employees and fix the compensation paid them. They are in fact farmer owned and farmer controlled. In making them loans, the board has not felt that it should go beyond the requirement that their management be capable, honest, and efficient, and their business policies sound.

I do not want to be construed as approving all of the salaries of all employees of the cooperatives that have borrowed money from the revolving fund. In the rush of getting started quickly on new enterprises, some of which involve yearly turnovers of more than $100,000,000, overpayments may have been made in a number of instances, but for every man overpaid in cooperative marketing it is safe to say a hundred are underpaid. Directors of the co-



operatives are giving this matter the serious study it deserves, and I feel sure that steps are being taken promptly to correct mistakes where it is discovered they have been made.

On the subject of cooperative salaries, I would like to bring to your attention the views of a prominent Nebraska farmer, a man who has been in the cooperative movement for years and who is now president of the Farmers Westcentral Grain Corporation and also secretary of the Farmers National Grain Corporation, Mr. Charles B. Steward. Writing to one of your colleagues in the House recently, Mr. Steward, who, I am sure all agree, has the interest of the men and women on the farm at heart, told of the difficulties confronted by cooperatives in building efficient marketing machinery. Among other things, he said:

"I am assuming my share of the responsibility for the salaries paid by the Farmers National Grain Corporation to its employees. I will state frankly that as I became conversant with this movement I was somewhat astonished at the salaries paid by competing private grain firms. As a business cooperative it was necessary that we secure the very highest type of expert grain men to direct the marketing and distribution of the grain of our cooperative members. I think you will agree that we, as individual farmer producers, are not conversant with the technical details essential to a successful marketing program. Naturally we must go to the regular grain trade, where men have had a lifetime of experience in this business. There are plenty of men who have had this experience and who are honest and efficient and who will serve a farmers' organization just as faithfully and loyally as they will serve a privately owned corporation, but we found that in our effort to secure such men we had to compete with the privately owned grain companies, who, because of the profits of their business, had established a high level of salaries to their key men.

"Permit me to suggest that it would be very unfair to handicap the business organization of a nationally organized cooperative association handling grain, in the salaries which they shall pay to their technical men unless there can be found some way of limiting in an equal manner, the salaries paid by our competitors. Unless this can be done, I think you will agree that we might have some difficulty in securing the type of men necessary to successfully market the grain of our cooperative members.

"I am more familiar with conditions on the Omaha market and with salaries paid on this market by various members of the grain exchange.

"There has been some criticism, for instance, of the fact that we pay Mr. Otis Smith, who is the manager of the Omaha branch office of the Farmers National Grain Corporation, a salary of $15,000 per year. The facts are that Mr. Smith was getting this salary in addition to a bonus from a private grain corporation operating on this market before we induced him to take the management of our branch office. He has managed the office and merchandised the grain in such an efficient manner that the profits of the Omaha branch office have been of a very substantial nature after paying all expenses.

"Now, I happen to be personally acquainted with several other grain experts who occupy similar positions upon this market as that occupied by Mr. Smith and whose responsibilities are about on a par with those of Mr. Smith. While these men did not agree with me as to the Federal farm marketing act, still they are personal friends of mine, and we have frequently discussed these matters. They have told me what their salaries are. I do not care to specifically give the names of the firms which they represent, but one of these gentlemen was president and general manager of the company and receives a salary of $32,000 a year besides being a holder of a substantial amount of the company's stock, which has also been a good dividend-paying proposition to him.

"Another gentleman who is managing one of our competing privately owned grain companies on this market receives a salary of $25,000 per year. I have discussed this matter of salaries with these men, and both of them have expressed to me their opinion that the salaries we pay our expert grain men are not unreasonable, considering the volume of grain and type of service they render.

"As an executive officer of the Farmers Westcentral Grain Co., of Omaha, Nebr., and of the Farmers National Grain Corporation, of Chicago, I would welcome some practical means of keeping these salaries within what we consider reasonable bounds. But so long as the grain business is conducted as it is, we would be very seriously handicapped by any legislation definitely limiting the salaries of our employees unless such legislation would cover the entire field of both cooperative and private grain handling agencies."

Without expressing an opinion as to whether the salary is justified, I cite to you the fact that one of the outstanding successful cooperatives has paid its manager in excess of $50,000 a year since the date of its organization in 1921. This association (I will be glad to furnish you its name if you desire it) has only about 2,700 members and handles only about one-tenth the volume of business handled by one of the large cooperatives mentioned in your letter. The directors of this association are actual farmers and are as conservative and hard-headed business men as any who have come before our board.

Under the agricultural marketing act farmers have made great strides organizing their business on a sound and efficient basis. It would be a most serious mistake for Congress to do anything that would turn back this progress. In my opinion, that would be the inevitable result of the legislation you suggest, and that is just what the enemies of cooperative marketing want to see done.

Certainly such action against agriculture would be thoroughly indefensible unless Congress were prepared to impose similar restrictions on all other beneficiaries of Federal aid. This would mean putting the same provision in the Reconstruction Finance Corporation act, so that banks, railroads, and other borrowers from the $2,000,000,000 fund could not pay salaries to officers and employees in excess of $15,000 (a thing which Congress already has refused to do); it would mean that shipbuilders borrowing Government funds for construction purposes could not pay salaries to their officers and employees in excess of $15,000; it would mean that airplane and shipping companies receiving millions in direct Government subsidies through mail contracts could not pay salaries to officers and employees in excess of $15,000; it would mean that great industrial concerns receiving tariff protection could not pay salaries to officers and employees in excess of $15,000; and it would mean that newspapers and magazines participating in the ninety-odd million dollar annual subsidy to second-class mail users could not pay salaries to officers and employees in excess of $15,000.

Even these measures, however, would not place large-scale cooperatives on a basis of equality with private distributors of farm products, with whom they must compete in the employment of men qualified to handle their business. Congress might meet this situation to some extent if it were to declare that all individual incomes, including salaries, commissions, and bonuses, of more than $15,000 earned by those privately engaged in the marketing of farm products were unwarranted and should be subject to an excess-profits tax of at least 80 per cent.

In closing I wish to emphasize with all the force at my command that the proposed discriminatory salary restriction would be a most serious blow to the cooperative-marketing program which the Farm Board is helping farmers to develop under the provisions of the agricultural marketing act, a program that for the first time offers agriculture an opportunity to gain economic equality with other industries.

Since you gave wide publicity to your letter addressed to me, I hope you will do me the courtesy of giving equally wide publicity to my reply.

With kind personal regards, I am, very truly yours,

JAMES C. STONE, *Chairman.*

MY REPLY TO CHAIRMAN STONE

MARCH 2, 1932.

Hon. JAMES C. STONE,
Chairman Federal Farm Board, Washington, D. C.

DEAR CHAIRMAN STONE: I have received your letter in reply to my complaint about the enormous salaries, ranging as high as $75,000 per annum, that are paid to executives of affiliates of the Federal Farm Board, and I wish to say frankly that I am disappointed by it.

I had hoped you would disclaim participation in fixing these salaries and that we could count on having the assistance that you, with your high character and great influence, could bring to bear toward relieving the heavily burdened farmers and taxpayers of this unjust imposition. I am therefore surprised to learn from your letter that you defend and seek to justify these supersalaries, which means that unless Congress takes the matter in hand the farmers and taxpayers will have to continue to bear the burden of paying them, as the reform of these salary rolls can not be expected through any action of the Federal Farm Board.

As a Member of the House I voted for the agricultural marketing act and in speeches at the time of its passage expressed the hope that it would be the agency that would lift the farmers out of the slough of debt and despondency and start them once more on the road to happiness and prosperity. I challenge the right of anyone to claim that he is a better friend of the farmers than I am. I was born and brought up on an Indiana farm when the hardships of pioneer life were still more of a fact than a memory. I have tried all of my life to help the farmers in every possible way, because I am bone of their bone and flesh of their flesh. I began to lose confidence in the Farm Board when it engaged in the fatuous undertaking of manipulating the wheat market, thus assuming the impossible task of setting aside the natural law of supply and demand at the expense of multiplied millions of dollars of the taxpayers' money, and when I learned that the board had countenanced—if in fact it had not authorized—these enormous salaries my confidence was still more shaken. I have not one word to say against you, Mr. Chairman. I know your splendid record of service, your sincere devotion to the farmers, and your desire to help them, but if all of the enemies of the Farm Board combined had tried to conjure up a way of injuring the board and bringing it into disfavor I doubt whether they could have accomplished as much in that direction as the board itself unintentionally has done by its defense of these outrageous salaries. I submit there is no defense for them.

I know the intense feeling among the farmers against these salaries, as well as the opinion of farm publications in reference to them, because I have been deluged with letters approving a speech I made in the House the other day attacking the salary

roll of cooperative executives. The farmers are making themselves heard in no uncertain language. If I had space I would like to quote to you some of these letters and also an editorial from the Breeders Gazette on these big salaries which shows the temper of the agricultural press.

No statement of your letter surprises me more than your assertion "I can not agree with you that cooperative executives should be regarded as public servants" and your further declaration that it is not the function of cooperatives "to perform a public service."

In this I believe you are dead wrong. If there was not a public interest involved, why, pray tell me, did Congress pass legislation making it possible for cooperatives to be created and to function? If there is no public interest involved, why did Congress create the Federal Farm Board and authorize it to lend millions on millions of the people's money to the cooperatives? The whole system is shot through with the public-service idea. The cooperative executives, like the Farm Board executives, are men who are serving the public in a large way and should be content with emoluments that are comparable with the salaries of our best-paid public servants. Certainly it is no greater task to run a cooperative association than it is to run a great governmental establishment with widespread business ramifications like the Treasury Department, the Post Office Department, and the Department of Commerce. What possible justification is there for paying to a cooperative executive a salary equal to the combined salaries paid to the Secretary of the Treasury, the Postmaster General, the Secretary of Commerce, the Secretary of War, and the Secretary of the Navy? I do not think you can give any justification for this, because, in my opinion, there is no justification. In these times of great distress I do not see how any man who loves his fellow creatures could bring himself to accept one of these enormous salaries, even if it were offered to him.

You will pardon me for speaking so earnestly. I know that you and I both want to serve the farmers, though we would go about it in different ways. I believe I am giving to you good, sensible counsel when I say that there is real danger that the Farm Board will lose all of its opportunity to be useful and will collapse unless it changes its attitude toward these indefensible salaries and refrains in the future from such unjustifiable undertakings as the squandering of millions in futile efforts to manipulate the wheat market.

These salaries can be reduced without in any way impairing or handicapping the activities of the Federal Farm Board. Action by the board toward reducing them will commend the board to the confidence of the people and improve its position before the country, and it will be surprised by the favorable reaction.

With highest personal regards, sincerely yours,

LOUIS LUDLOW.

Mr. WASON. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman, I do not wish the debate this afternoon to close without putting in the RECORD some of the facts regarding the loans made by the Reconstruction Finance Corporation.

I find in the report that was quoted from this afternoon to the effect that only $1,000 was loaned to agricultural-credit corporations that there has been authorized to agricultural-credit corporations $21,000, to livestock-credit corporations $496,000, to joint-stock land banks $775,000, and that there has been paid to the Secretary of Agriculture, to be loaned to the farmers for crop production this year, $50,000,000.

The loans made by the Reconstruction Finance Corporation cover 46 States and comprise 939 loans to 858 banks, mostly to small country banks on which farmers and small merchants are dependent for loans. The loans have not by any means all been made to the big banks of the country.

I also want to call attention to the fact that this year there has been loaned by the Federal Farm Loan Board to farmers' cooperative associations the sum of $341,055,949.50, and lest some one should say that these loans are lost, I want to call attention to the fact that $183,778,371.74 has been repaid by these cooperative farm organizations.

Mr. KELLER. To whom?

Mr. STRONG of Kansas. To the Federal Farm Loan Board.

Mr. KELLER. And we have it in the Treasury?

Mr. STRONG of Kansas. We have it back with the board.

I now ask unanimous consent to have published in the RECORD at this point page 4 and part of page 3 of the report referred to, setting forth the loans and the States in which they were made by the Reconstruction Finance Corporation, so that the people of the country may know the facts.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The matter referred to follows:

Number of borrowers, by States and classes, February 2 to March 31, 1932, inclusive

	Total	Banks and trust companies[1]	Building and loan associations	Insurance companies	Joint-stock land banks	Livestock-credit corporations	Mortgage loan companies	Agricultural-credit corporations	Railroads (including receivers)
Alabama	24	21	1	1					1
Arizona	3	3							
Arkansas	22	20		1					1
California	41	38	1		1				1
Colorado	3	2							1
Connecticut	11	11							
Delaware	1	1							
District of Columbia	5	3							2
Florida	2	2							
Georgia	27	26							1
Idaho	7	7							
Illinois	81	76		3					2
Indiana	32	31	1						
Iowa	96	91		5					
Kansas	12	12							
Kentucky	14	14							
Louisiana	18	18							
Maine	2	2							
Maryland	5	4		1					
Massachusetts	11	11							
Michigan	9	9							
Minnesota	18	17							1
Mississippi	9	8							1
Missouri	41	39							2
Montana	14	14							
Nebraska	27	27							
New Hampshire	4	4							
New Jersey	25	22	1	1			1		
New Mexico	3	3							
New York	27	21	1				3		2
North Carolina	20	15	2	2	1				
North Dakota	11	10						1	
Ohio	37	15	21						1
Oklahoma	28	28							
Oregon	21	21							
Pennsylvania	46	45					1		
South Carolina	9	8		1					
South Dakota	15	15							
Tennessee	13	13							
Texas	34	27	1	3			3		
Utah	13	13							
Vermont	3	3							
Virginia	31	30	1						
Washington	47	46						1	
West Virginia	5	5							
Wisconsin	1	1							
Wyoming	7	6				1			
Total	935	858	30	18	2	1	8	2	16

[1] Includes 7 loans to aid in the reorganization or liquidation of closed banks, as follows: 1 each in Kansas, Kentucky, Louisiana, Nebraska, New Jersey, South Carolina, and Texas.

[2] According to location of main offices.

Statement of condition as of the close of business March 31, 1932

ASSETS

Cash		$116,278,163.72
Allocated to Secretary of Agriculture		50,000,000.00
Loans:		
Proceeds disbursed (less repayments)—		
Banks and trust companies[1]	$119,167,598.65	
Building and loan associations	2,430,500.00	
Insurance companies	6,561,520.00	
Mortgage loan companies	1,277,000.00	
Livestock credit corporations	470,990.00	
Agricultural credit corporations	1,000.00	
Railroads (including receivers)	54,965,805.00	
Total		184,874,413.65

[1] Loans to banks and trust companies include $2,173,000 to aid in reorganization or liquidation of closed banks.

Aggregate loans to each class of borrower, February 2 to March 31, 1932, inclusive

	Authorized [1]	Advanced	Repaid	Outstanding
Banks and trust companies [2]	$158,182,242.06	$125,417,141.01	$6,249,542.36	$119,167,598.65
Building and loan associations	4,879,750.00	2,430,500.00		2,430,500.00
Insurance companies	7,089,000.00	6,635,920.00	74,400.00	6,561,520.00
Mortgage loan companies	6,517,000.00	1,277,000.00		1,277,000.00
Joint-stock land banks	775,000.00			
Livestock credit corporations	496,900.00	470,900.00		470,900.00
Agricultural credit corporations	21,200.00	1,000.00		1,000.00
Railroads (including receivers)	60,787,757.00	56,113,787.00	1,147,932.00	54,965,855.00
Total	238,730,939.06	192,346,308.01	7,471,894.36	184,874,413.65

[1] The corporation agreed to take all or any part of the Feb. 15 and Mar. 15 issues of Federal intermediate credit bank debentures, aggregating $47,345,000, which might remain unsold on the dates indicated. As all the Federal intermediate credit bank debentures were sold in the market, it was unnecessary for the corporation to take any part of the issues in question. These agreements are not included in the above figures. In addition, the corporation had outstanding on Mar. 31, 1932, agreements to make loans (not included in the above figures) upon the performance of specified conditions, as follows:

Banks and trust companies	$6,202,500
Joint-stock land banks	615,000

[2] Loans to banks and trust companies include $2,173,000 to aid in reorganization or liquidation of closed banks.

Mr. WOODRUM. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SWANK, chairman of the committee of the Whole House on the state of the Union, reported that the committee, having had under consideration the bill H. R. 10022, the independent offices appropriation bill, had come to no resolution thereon.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that when the House resumes consideration of the bill tomorrow general debate on the bill shall be concluded in 30 minutes, the time to be equally divided between the gentleman from Tennessee [Mr. DAVIS] and the gentleman from Mississippi [Mr. COLLINS].

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BEERS (at the request of Mr. MICHENER), indefinitely, on account of sickness.

To Mr. SANDLIN, for three days, on account of illness in his family.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. SIMMONS. Mr. Speaker, some days ago the gentleman from South Dakota [Mr. JOHNSON] spoke over the radio on the matter of the payment of adjusted-compensation certificates. A number of Members have requested copies, and I ask unanimous consent to extend my remarks in the RECORD by including that address.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SIMMONS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address, delivered on the evening of April 4 last over the radio, in the National Radio Forum of the Washington Star, by the gentleman from South Dakota [Mr. JOHNSON]. I secured the leave to extend my remarks at the request of many Senators and Members of the House of Representatives.

ADDRESS OF HON. ROYAL C. JOHNSON, OF SOUTH DAKOTA

Ladies and gentlemen of the radio audience, because of the economic situation in the United States, legislation affecting either taxation or appropriations for the expenditure of public funds is being carefully considered, not only by the Congress but by economists and citizens. It is for that reason that I have been requested to discuss this evening the question of whether or not the Government shall at once pay in full the amount of the adjusted-service certificates now held by service men of the World War.

Some ill feeling has been engendered, some bitterness has crept into the discussion, not only in Congress but in veterans' organizations, some veterans contending that the Government owes the money, that it is due, and ought to be paid. Another group believes that the balance of the bonus certificates is not due, and that the Government is financially unable to pay them at the present time without causing another economic crisis, adding to the economic difficulties which we now have. Bitter partisans on either side will probably not be willing to concede that there is any justice whatever in the motives or views of those who disagree with them.

I shall discuss the problem without any personal feeling whatever. I have an adjusted-service certificate, which is about the average certificate of men who saw service overseas. I happen to be one of the group of men, both Representatives in Congress and service men, who, in 1919 and up to the time of the passage of the law in 1924, thought that there should be an adjustment, and drafted the three original Republican caucus calls which made it possible for the law to be finally passed. Incidentally, I was chairman of the subcommittee on the payment of the bonus at the Minneapolis convention of the American Legion, and was one of two of the seven members of the subcommittee who believed the law should be enacted.

Those who formerly believed the bonus ought to be paid now are divided in their opinion as to how the money should be raised, one group contending that the Government ought to issue bonds. The other group believes the Government should start the printing presses in the Government Bureau of Engraving and issue Government currency. Due to the condition of the bond market, it is clearly evident that bonds can not be issued and sold, and those who propose to pay the bonus now have settled on the latter plan of issuing currency.

Many other groups of citizens are demanding that currency in the amount of billions of dollars be issued to help them.

If the bonus were paid now, approximately $2,423,000,000 in money would have to be issued. If the farmers, under the Frazier bill, are to secure the money they deem necessary to take up their mortgages, about nine billions in currency must be issued for that purpose.

Although not pertinent, it might be interesting to know that the original bonus plan was suggested in December, 1919, by a sergeant of the American Army, named Schafer. He noted that Government employees had received a bonus of $240 per year, and it was clearly evident that many individuals had become immensely rich from profits growing out of war activities. I do not think the reasoning which led to the passage of the law is faulty, and I still believe the certificates or insurance policies should have been issued.

These insurance policies, averaging $1,000 each, were insurance that every veteran would leave some estate for his dependents.

Personally I should like to see them paid now, if it could be done. It would remove from public discussion an element which makes some men feel that their Government has not treated them fairly. Such a feeling is not good for the Government, and it does not make any happier the citizen who must spend his life as a part of the Government. I have no thought in this talk that I can change the minds of men who already have their minds made up, and have no desire to do so. My intention is simply to state the facts and the law, so that every service man holding one of these certificates, and the citizens who must pay them if a payment law be enacted, will know what the facts and law are.

I am not making a speech, because this discussion is not a flag-raising, hair-turning, gesticulating affair, but rather a desire on my part to sit down and talk it over with the folks who are listening, just as I would if you were sitting in my office or I were with you in your home, or wherever you are. Incidentally, I know that a great many of the men who served with me in France, both in the line and in hospitals, are now in hospitals listening, and would like to secure facts, if they can secure them.

The great majority of service men, excluding the fanatics, do not want the Government to pay these certificates, not now due, if it would hurt the Government; on the other hand, if the Government could issue the money and pay them, most of the men and women holding certificates could use the money to good advantage.

The whole question, then, resolves itself into this: What did the Government promise the service men? Is the money due? If it is due, could it be paid now by starting the printing presses; and if it were paid in that way would it injure the Government?

For a clear understanding of the answers perhaps the best method would be to read the law and see what the Government promised. We all concede that the Government ought to keep its promise, but nine-tenths of the service men and others now demanding payment have not gone back to the original promise found in the original law of May 19, 1924. I am going to give it to you, and here it is:

The law provided that every service man who had more than $50 coming to him should receive an adjusted-service certificate, and here are the exact words of section 201 of the law, which states the promise made by the Government to the soldier:

"The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service, in excess of 60 days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of oversea service and $1 for each day of home service, but the amount of the credit of a veteran who performed no oversea service shall not exceed $500, and the amount of the credit of a veteran who performed any oversea service shall not exceed $625.

Now, let's get it clear. That law—and I voted for it as a Member of Congress—said and promised only that every man should secure a dollar a day for service on this side of the water and $1.25 a day for every day overseas; that the soldier who served on this side could not secure more than $500 and the one who served overseas could not secure over $625. That was the only promise ever made by Congress. Moreover, that was what was requested by service men.

That being the case, anyone who asks more than that is doing so simply because he happened to have been in the service and is hard up to-day and feels that he should be given a gratuity or gift or bonus of whatever amount of money he can secure in addition to the promise originally made. I think every one of you, whether service men or not, will agree with me on that.

Now, you are going to be surprised to know that every service man who borrowed on his certificate 50 per cent of its face value, as provided by the law of February 27, 1931, has already been paid his one dollar a day in full for every day he served on this side of the water and his one dollar and a quarter a day for every day he served on the other side of the water. If he never secures another cent from the Government, he has been paid every cent the Government promised him. Most service men never thought of that because they have been listening to people who have not stated facts with reference to the law.

If any of you service men have a pencil and paper with you, you might use it while I give you some figures.

Take the average case of the average man who served 178 days in the United States and 176 days overseas, serving 354 days in all, in excess of the 60 days for which a cash bonus of $60 was paid at discharge. Had the Government paid him a dollar a day for home service and a dollar and a quarter a day overseas service, he had due $398. That is all that the man who died in 1923, before the certificates were issued, received. Because the Government did not have the money at the time, however, and wanted to defer payment, it took the $398 due this man and arbitrarily added 25 per cent to that amount. It then took the total amount and added 4 per cent annual interest to it for 20 years, which made the face of the policy. In other words, if this soldier who had $398 due under the law had been paid in cash right then and had deposited that money in a bank at 4 per cent interest from the date his certificate was issued until the day he secured the 50 per cent loan, his certificate of deposit in the bank would be approximately $524. That is all the Government ever promised him.

If he borrowed to the full amount, however, he secured $519. This apparently leaves this soldier with $5 coming to him under the promise made in the bonus act. That is more than offset by the fact that he had the insurance for seven years which, bought from a private company, would have cost at least $20. Remember, my figures are based on an average case, and the amount received by a borrowing veteran on an interest basis would depend on the date of his certificate. To save interest computations the law simply provided that the veteran could borrow 50 per cent of the face of the policy.

Again let me make it clear. Every soldier who borrowed on his certificate has secured his dollar a day for home service and his dollar and a quarter a day for overseas service and $15.

What Congress is asked to do now, however, is to pay a balance of interest not now due on an amount of money which the Government has already paid, plus 25 per cent additional for deferred payment. That interest is not earned and not due for 20 years from the date of the face of the policy.

My own judgment is that the law of 1924 was an adjusted-service certificate statute. But this proposed plan properly deserves to be called a bonus. Notwithstanding, I would like to see it paid if the Government could pay it, and I would vote for it if the Government could pay it. It will not be the law of this country, however, because there are too many of us in Congress who feel (as much as we would like to help the service men) that we can not jeopardize the financial condition of the country to pay a promise never made.

It is easy to talk about running the printing presses and printing two and a quarter billion dollars. It would immediately take the country off the gold basis, which might not be so dangerous if we were like foreign countries that can go off the gold basis and not be forced to pay their debts in gold. This country must pay in gold. After the campaign of 1896, bonds of the United States Government, State, county, city, municipal, and private, were written with a clause stating that the debts were to be paid in gold. Other countries can pay in legal tender, and even if their money is worth nothing, they can pay their bonds with it. This country has billions of dollars of outstanding bonds which somebody must pay, and that somebody will be Mr. Average Citizen, who, if the House tax bill becomes law, from now on pays a tax every time he buys a radio; one extra cent every time he sends a letter; 3 per cent every time he buys an automobile, or she buys a lipstick or face powder; pays a tax every time a piece of land is sold, and pays and pays and pays.

If this currency were issued, American money would be like Canadian currency—worth about 85 cents on the dollar; so, every time Mr. Average Citizen pays a dollar bond due in gold he will pay a dollar and fifteen cents.

This country can not spend money without money coming in, any more than the States of South Dakota, Mississippi, Texas, or New York can expend money when they do not have it. The cow that has no milk can not be milked, and none of us can spend a dollar unless we have one.

The great city of Chicago can not pay its teachers, and it would be just as sensible to say that Chicago can issue money, with nothing back of it except the city with its property, as to say that the United States Government can issue money without the gold backing.

A great many people seem to think the United States is just a great big entity that can do anything; but, as a matter of fact, it is only a large municipality. If some little town in Texas or in my State does not have money in its treasury, it can not pay, and this country is not different from the small towns.

The Census Bureau tells me that since the World War approximately 30,000,000 boys and girls have become of age and are now voters, and from now on are going to pay the bills, including the war debts and this bonus, if it is paid. It has always been apparent that unborn generations pay the expenses of war, and it is just as apparent to me to-day that these 30,000,000 boys and girls ought not to be compelled in the years to come to make up this deficit of $2,423,000,000 of printing-press money.

Particularly is this true because the service man has been treated decently by this Government, far better than any other group of war veterans in history. The Government to-day is spending a billion dollars annually for compensations, pensions, and hospitals, which means just this, that out of every $100 the Government collects in taxes $25 is expended for the service man. It means that every boy and girl who buys a radio for $100 will pay $1.25; that every person who pays this extra cent postage, pays one-quarter of a cent. Every person who buys an automobile pays one-quarter of 3 per cent of the price of the car—all for the service man.

I am not complaining about this because, with other Members of Congress, I drafted nearly every one of the laws that made this possible.

If we are totally disabled, the Government gives us $100 a month; if any of our comrades die from a service-connected disability, his widow receives a pension of $30 per month. If a World War veteran is run over by an automobile or contracts heart disease or any other nonservice-connected disability that totally disables him, he gets $40 a month from the Government. He secures hospitalization, such as has never been given any group. Somehow the service men do not seem to realize that these 30,000,000 boy and girls who did not fight in the war and have grown up since the war are not warming up to these expenditures, when to-day 25 cents out of every $1 they pay in Federal taxes goes to service men.

Particularly are they not warming up to the proposition for the payment of the other half of this bonus, when every man who has borrowed on his policy has been paid, and if he has not borrowed, he can borrow if his policy has been in effect two years. It is said there is a drive on among people of the United States to cut compensation, and instead of securing more from the Government it seems probable that they may secure less.

Before closing I want to repeat the law, which is:

"SEC. 201. The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service, in excess of 60 days, in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of oversea service and $1 for each day of home service; but the amount of the credit of a veteran who performed no oversea service shall not exceed $500, and the amount of the credit of a veteran who performed any oversea service shall not exceed $625."

I again want to call attention to the fact that every soldier has secured, or can secure, to-morrow if he desires it, provided he has had his certificate two years, his dollar a day for every day he served on this side of the water and his $1.25 a day for every day he served on the other side, and those who want money now to be issued to pay the balance of the bonus are asking something that was never promised by the Government.

Again, I suggest that if any of you service men who are listening in will take pencil and paper and put down the date you enlisted or entered the service, put down the date you were discharged, find out how many days you served on this side and overseas, you will find that you have been paid or can be paid your $1 a day and your $1.25 a day, which was promised you.

The law being as I have stated, the facts being what you can figure out with pencil and paper in a moment, it is inevitable that this money not due will not be paid. I believe it is better to tell service men the truth about it than to have them think they are going to secure something which they will not secure.

REDUCTION OF SALARIES AND OTHER LEGISLATION BEFORE CONGRESS

Mr. KERR. Mr. Speaker, I ask unanimous consent to put in the RECORD the extension of remarks of my colleague [Mr.

ABERNETHY] on reduction of Federal salaries, which were prepared by him several days before his recent severe attack of influenza.

The SPEAKER. Is there objection?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, I wish to take this opportunity to discuss more fully and in detail certain subjects discussed by me heretofore on the floor of the House.

Several days ago I expressed myself on the floor of the House as being opposed to a reduction of Federal salaries. I am sorry that the statement I made has been misunderstood by some of the people in my district. The program outlined for the House to follow at that time was to reduce all Federal salaries, and while I was willing to make any personal sacrifice in the interest of economy and to have my own salary cut, yet I took this position to fight the entire bill, because there are many thousands of Government employees who are hardly earning enough to have the bare necessities of life. The program of the House at that time was not limited to a curtailment of the higher salaries. I feel that any Representative who serves his district faithfully earns whatever salary is paid him, but there are few, if any, Members of Congress who are not willing to make whatever personal sacrifice that will best serve the interests of their districts. It would not have helped the present depression to have reduced the buying power of thousands of small wage earners in the District of Columbia and throughout the country.

There was also grave danger in the Government setting an example for all other industries throughout the Nation to further cut wages. Many of these industries have already cut wages to a point where the workers have lost their economic independence. Discouragement and debt staring them in the face, they have little inclination to buy, and instead of the depression being relieved it is prolonged by the curtailment of the buying power of hundreds of thousands of wage earners throughout the Nation. My speech was an effort to defeat the program as then outlined.

Hon. William Green, president of the American Federation of Labor, in a statement of March 22, 1932, said the following:

> One of the most stabilising influences in this distressing period of our history has been the fact that the Government has steadfastly maintained wage standards whenever possible.

The special Economy Committee selected from members of the Appropriations Committee of the House of Representatives, after a thorough study of this subject will, I believe, abandon the idea of general wage cutting and will work on a program by which there can be a consolidation of the many bureaus and commissions, and an elimination of those that render little or no service to the country. The past Republican administrations have created a large number of these bureaus and commissions which should be abolished. Mr. Hoover speaks of them as the "less important governmental functions."

I opposed vigorously the manufacturers' sales tax, which was decisively defeated in the House of Representatives, because I felt that that provision in our revenue bill was placing the main burden of the upkeep of our Government on the backs of the poor. There is too much hoarded wealth in this country among the rich, and there is an unfair distribution of wealth in this Nation.

We are bound to suffer in a great depression so long as a handful of individuals dominated by Wall Street and other big interests control 80 per cent of our Nation's wealth. This group should be heavily taxed so as to relieve the overburdened citizens in our country who live in modest circumstances. I shall continue to fight to place the bulk of our taxes on the shoulders of those most able to pay them. Our present revenue bill, which has not yet passed the Senate, reaches this class more than the revenue acts have done heretofore. In my many years in Congress I have consistently placed human rights above the rights of vested interests.

I have without hesitation voted for every bill during my 10 years in Congress which concerned the welfare of our soldier boys who served their country in time of war. I have favored every bonus proposal, and I now stand committed to the full payment of the present obligation that is due the soldiers. I favor an inflation of currency to the amount necessary to pay off the bonus. Under the present arrangement the average veteran loses whatever benefit the bonus may have for him in the future, as the principal is consumed by the interest over the long period for which the payment is extended. This payment, now paid in this manner, will not increase taxes at all and will, I think, do much to encourage the thousands of veterans who are either jobless or suffering in this depression.

President Hoover has very kindly provided a Reconstruction Finance Corporation, which will materially aid railroads, banks, and other large interests, but the assistance given the farmers through the seed-loan office, has been totally inadequate. Through these long years I have consistently fought for some definite and tangible relief for the farmers of my district. It has taken these 10 years of service to acquire sufficient seniority to gain a place on the Appropriations Committee of the House of Representatives. I consider this the most powerful committee in Congress, and should my people sustain me and keep me as their Representative in Congress, I shall put my heart and soul in an effort to pass some constructive legislation with adequate appropriation to properly finance the farmers' crops. My district can not prosper under a banking situation where the farmer, entitled to credit, can not secure the financing for his crop. During my 10 years of service it has been a pleasure to serve personally the people of my district. The humblest friend could always, and can now, command my every energy and consideration. I hold no higher duty or interest than the service of my district, State, and Nation.

I have secured many large appropriations for my district. I have tried to answer every call made upon me. I want to be sustained on my record of 10 years in Congress. I hope to continue in the service of my people.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Thursday, April 7, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, April 7, 1932, as reported to the floor leader by clerks of the several committees.

PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

H. R. 9975, relating to contracts for the erection or alteration of public buildings.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

518. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the Legislative Establishment, office of the Architect of the Capitol, fiscal year 1933, in the sum of $62,000 (H. Doc. No. 292); to the Committee on Appropriations and ordered to be printed.

519. A letter from the Chief Scout Executive, transmitting a copy of the twenty-second annual report of the Boy Scouts of America (H. Doc. No. 38); to the Committee on Education and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mrs. KAHN: Committee on Military Affairs. H. R. 995. A bill authorizing the President to order William H. Sage, jr., before a retiring board for a hearing of his case and upon the findings of such board determine whether or not he be

placed on the retired list with the rank and pay held by him at the time of his resignation; without amendment (Rept. No. 1009). Referred to the Committee of the Whole House.

Mrs. KAHN: Committee on Military Affairs. H. R. 1536. A bill to provide for the appointment of a military storekeeper; without amendment (Rept. No. 1010). Referred to the Committee of the Whole House.

Mr. PATMAN: Committee on War Claims. S. 2531. An act for the relief of the Union Shipping & Trading Co. (Ltd.); without amendment (Rept. No. 1011). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10959) granting a pension to Mary E. White; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 10071) granting a pension to Elijah Bolin; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KELLY of Pennsylvania: A bill (H. R. 11152) to amend section 293, title 39, of the United States Code, Supplement V, to promote parcel-post service; to the Committee on the Post Office and Post Roads.

By Mr. DEROUEN: A bill (H. R. 11153) to extend the time for commencing and completing the construction of a bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH: A bill (H. R. 11154) to reduce the rate of interest on loans upon adjusted-service certificates; to the Committee on Ways and Means.

By Mr. DAVIS: A bill (H. R. 11155) to amend the radio act of February 23, 1927, as amended (U. S. C., Supp. V, title 47, sec. 85), and for other purposes; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. GARBER: A bill (H. R. 11156) to provide emergency financing facilities to aid in the financing of agriculture, and for other purposes; to the Committee on Banking and Currency.

By Mr. CHRISTOPHERSON: A bill (H. R. 11157) to provide emergency financing facilities to aid in financing agriculture, and for other purposes; to the Committee on Banking and Currency.

By Mr. BLANTON: A joint resolution (H. J. Res. 355) to repeal certain and to amend other provisions of the law granting retirement privileges to officers in the United States Army, and to require the War Department to change its regulations governing retirement of officers in the United States Army; to repeal and amend similar provisions of law relating to retirement age and pay of officers in the United States Navy and the United States Marine Corps; and to repeal Public, No. 506, Seventieth Congress; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AMLIE: A bill (H. R. 11158) granting an increase of pension to Fidelia L. Mitchell; to the Committee on Invalid Pensions.

By Mr. BLAND: A bill (H. R. 11159) for the relief of the Newport Contracting & Engineering Co., Lee Hall, Va.; to the Committee on Claims.

By Mr. BOWMAN: A bill (H. R. 11160) for the relief of Olive Parsons; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 11161) for the relief of Virgil N. Moore; to the Committee on Naval Affairs.

By Mr. HORNOR: A bill (H. R. 11162) granting an increase of pension to Keziar Dennison; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 11163) granting an increase of pension to Sarah J. Blair; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 11164) granting a pension to Matilda Winckler; to the Committee on Pensions.

By Mr. McREYNOLDS: A bill (H. R. 11165) for the relief of George B. Beaver; to the Committee on Claims.

By Mrs. NORTON: A bill (H. R. 11166) granting a pension to Thomas McLaughlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11167) for the relief of Lawrence A. Callahan; to the Committee on Naval Affairs.

By Mr. PARKER of New York: A bill (H. R. 11168) granting an increase of pension to Eliza Hoag; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 11169) authorizing the continuance of Francis A. Sebring as clerk of the police court of the District of Columbia; to the Committee on the Civil Service.

By Mr. STRONG of Pennsylvania: A bill (H. R. 11170) granting a pension to Mazie W. North; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 11171) granting an increase of pension to Samantha Rhodes; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 11172) for the relief of George Hall; to the Committee on Military Affairs.

By Mr. TIERNEY: A bill (H. R. 11173) granting a pension to Louis Zeller; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5566. By Mr. BACON: Petition of the Merchants' Association of New York, opposing the immediate payment of adjusted-compensation certificates at face value; to the Committee on Ways and Means.

5567. Also, petition of sundry residents and veterans of Glen Cove, Long Island, favoring the immediate payment of the adjusted-service compensation certificates; to the Committee on Ways and Means.

5568. By Mr. BOHN: Petition of Michigan State Senate, protesting against the proposed excise tax on motor cars; to the Committee on Ways and Means.

5569. By Mr. BURTNESS: Petition of 24 citizens of Rocklake, N. Dak., protesting against the passage of the Sunday observance bills, S. 1202 and H. R. 8092; to the Committee on the District of Columbia.

5570. Also, petition of 33 citizens of Steele, Driscoll, Tappen, Coleharbor, Menoken, and Bismarck, N. Dak., urging support of the eighteenth amendment and its enforcement; to the Committee on the Judiciary.

5571. Also, petition of 22 citizens of Mapleton, N. Dak., urging support of the eighteenth amendment and its enforcement; to the Committee on the Judiciary.

5572. By Mr. CAMPBELL of Iowa: Petition of 42 members of the Guthrie Post, No. 470, of the American Legion at Melvin, Iowa, favoring the immediate cash payment at full face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

5573. By Mr. COCHRAN of Missouri: Petition signed by several hundred citizens of St. Louis, commending Representative J. J. COCHRAN for his opposition to the bill to place a 1-cent tax on shells to be used for conservation purposes and protesting against the enactment of such legislation, holding it unfair, discriminatory, and excessive; to the Committee on Ways and Means.

5574. By Mr. CULLEN: Petition of the Great Lakes Regional Advisory Board, an organization of shippers and commercial associations, urging the repeal of section 15a of the interstate commerce act dealing with the recapture clause; to the Committee on Interstate and Foreign Commerce.

5575. Also, petition of the Merchants' Association of New York, urging drastic reduction of Federal expenditures, and that provision be made at this session of Congress for a reduction in Government expenses far more comprehensive and far-reaching than at present indicated by the appropriation bills for the fiscal year 1933 or by the Ways and Means Committee of the House in introducing the revenue bill and more nearly equaling the retrenchment which has been forced on commerce and industry; to the Committee on Expenditures in the Executive Departments.

5576. By Mr. JAMES: Petition of L'Union des Sociétés Canadienne Française des Etats Unis, a fraternal insurance society, of Lake Linden, Mich., by its secretary, Emil F. Prince, of Branch No. 8, favoring a tariff on copper; to the Committee on Ways and Means.

5577. Also, letter from William Yauch, pastor, First Presbyterian Church, Calumet, Mich., in behalf of the congregation of the First Presbyterian Church, favoring a tariff on copper; to the Committee on Ways and Means.

5578. Also, telegram from Paul Michetti, president, Christopher Columbus Society of Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5579. Also, resolution from George Miller Auxiliary, No. 40, United Spanish War Veterans, Houghton, Mich., Mayme L. Glanville, president, and Virginia Monroe, secretary; to the Committee on Pensions.

5580. By Mr. JOHNSON of Texas: Petition of Mr. Rufus H. Brown, route 1, Buffalo, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5581. By Mr. KELLER: Petition of the Franklin County Council of the American Legion, Christopher, Ill., asking for the defeat of any and all legislation that is aimed at the destruction of the citizens' military training camps and the national defense of our country; to the Committee on Appropriations.

5582. Also, petition of the Trades and Labor Council of West Frankfort, Ill., urging defeat of the bill to reduce wages of Government employees; to the Committee on Expenditures in the Executive Departments.

5583. Also, petition of the American Legion Auxiliary, Williamson Post, No. 147, Marion, Ill., asking that a Government hospital be erected and maintained in the vicinity of Marion, Ill.; to the Committee on Military Affairs.

5584. Also, petition of Local Union No. 4069, United Mine Workers of America, of Zeigler, Ill., urging defeat of bill to reduce wages of Government employees; to the Committee on Expenditures in the Executive Departments.

5585. Also, petition of the Central Labor Union of Benton, Ill., urging defeat of bill to reduce wages of Government employees; to the Committee on Expenditures in the Executive Departments.

5586. Also, petition of Branch No. 1197, National Association of Letter Carriers, Carbondale, Ill., urging defeat of bill to reduce wages of Government employees; to the Committee on Expenditures in the Executive Departments.

5587. By Mr. KLEBERG: Petition of 42 members of the American Legion, Nueces County, Corpus Christi, Tex., asking for immediate payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5588. Also, petition signed by 39 citizens of the fourteenth congressional district, favoring cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5589. Also, petition of 48 home owners of Corpus Christi, Tex., asking for the passage of the Luce home-owners' bank bill; to the Committee on Banking and Currency.

5590. Also, petition signed by 75 citizens of Corpus Christi, Tex., urging passage of the Watson-Luce home owners' bank bill; to the Committee on Banking and Currency.

5591. By Mr. KVALE: Petition of Malta Local Farmers Union, No. 158, Clinton, Minn., urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

5592. Also, petition of the executive board of the System Federation, No. 75, Chicago, St. Paul, Minneapolis & Omaha Railway, protesting against any reduction of salaries and wages in Federal Government; to the Committee on Expenditures in the Executive Departments.

5593. Also, petition of Samuelson-Healey Post, No. 1845, of the Veterans of Foreign Wars, Minneapolis, favoring the Army appropriation bill; to the Committee on Appropriations.

5594. Also, petition of Chippewa County division of the Farmers Union, Minnesota, urging enactment of Senate bill 1197; to the Committee on Banking and Commerce.

5595. Also, petition of Chippewa County division of the Farmers Union, Minnesota, urging enactment of Senate bill 2487 and House bill 7797; to the Committee on Agriculture.

5596. Also, petition of Minnesota Egg, Butter, and Poultry Association, favoring abolition of the Farm Board; to the Committee on Agriculture.

5597. Also, petition of 37 members of the American Legion of Graceville and Clinton, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5598. Also, petition of 20 citizens of Minnesota, urging enactment of House bill 1; to the Committee on Ways and Means.

5599. Also, petition of Post No. 420 of the American Legion, Raymond, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5600. Also, petition of Postal Laborers Union, No. 17924, St. Paul, Minn., protesting against cuts in Government salaries; to the Committee on Expenditures in the Executive Departments.

5601. Also, petition of Post No. 31 of the American Legion, Mahnomen, Minn., urging enactment of House bill 1; to the Committee on Banking and Currency.

5602. Also, petition of Post No. 31 of the American Legion, Mahnomen, Minn., urging enactment of House bill 8578; to the Committee on Pensions.

5603. Also, petition urging enactment of legislation calling for higher rate on air mail; to the Committee on the Post Office and Post Roads.

5604. Also, petition of Freeborn County Farm-Labor Party, Minnesota, urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

5605. Also, petition of Palmyra local of the Farmers Union, Hector, Minn., opposing any retrenchment which would invalidate, jeopardize, or destroy the agricultural marketing act; to the Committee on Agriculture.

5606. Also, petition of United Union Card and Labor Council of Minneapolis, unanimously indorsing La Follette public works bill; to the Committee on Labor.

5607. Also, petition of St. Paul chapter of Reserve Officers' Association, Minnesota, opposing any change in the national defense act; to the Committee on Appropriations.

5608. Also, petition of Minnewaska Post, No. 724, Veterans of Foreign Wars, Glenwood, Minn., urging enactment of House bill 1; to the Committee on Banking and Currency.

5609. Also, petition of Malta local of the Farmers Union, No. 158, Clinton, Minn., urging enactment of House bill 7797 and Senate bill 2487; to the Committee on Agriculture.

5610. By Mr. McREYNOLDS: Petition of 155 citizens of Rhea County, Tenn., protesting against House bill 8092, compulsory Sunday observance; to the Committee on the District of Columbia.

5611. By Mr. MEAD: Petition of residents of Buffalo, N. Y., and vicinity, protesting against the cent-a-shell tax proposed in House bill 10604; to the Committee on Ways and Means.

5612. By Mr. MILLARD: Telegram signed by Emmons Bryant, commander, and Ralph C. Hawkins, adjutant, Alan F. Waite Post, No. 299, American Legion, Yonkers, N. Y., stating that on April 5 that post voted unanimous indorsement to its national commander in pledging the opposition of the American Legion to legislation proposing to pay adjusted-service certificates at the present time; to the Committee on Ways and Means.

5613. By Mr. PARKS: Petition of the Senate of the State of Arkansas; to the Committee on Ways and Means.

5614. By Mr. PRATT: Petition of 32 World War veterans of Liberty, Monticello, Parksville, and Roscoe, Sullivan

County, N. Y., praying for immediate cash payment of the balance of the face value of adjusted-compensation certificates, with a refund of interest charges on pending loans; to the Committee on Ways and Means.

5615. By Mr. RAINEY: Petition of C. E. Baxter and 80 other citizens of Roodhouse, Ill., favoring Government economies, etc.; to the Committee on Appropriations.

5616. By Mr. RUDD: Petition of the Merchants Association of New York, favoring reduction of Federal expenditures; to the Committee on Appropriations.

5617. By Mr. SELVIG: Petition of Carlson-Hillerud Post, No. 402, Halstad, Minn., favoring payment of adjusted-compensation certificates in full now; to the Committee on Ways and Means.

5618. Also, petition of St. Paul (Minn.) Chamber of Commerce, urging early enactment of legislation to provide for completion of upper Mississippi River 9-foot channel; to the Committee on Rivers and Harbors.

5619. Also, petition of Henry Wichern, Edwin Larson, and 18 other legionnaires of Twin Valley, Minn., and vicinity, urging cash payment of face value of bonus certificates; to the Committee on Ways and Means.

5620. Also, petition of E. C. Karwand, Albert Olson, and 18 legionnaires of Twin Valley, Minn., and vicinity, urging payment of face value of bonus certificates; to the Committee on Ways and Means.

5621. Also, petition of American Legion Post, No. 304, Gonvick, Minn., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5622. Also, petition of Bennett Jorgenson, of Twin Valley, Minn., urging full cash payment of the bonus; to the Committee on Ways and Means.

5623. Also, petition of Adams Post, No. 436, Waubun, Minn., urging immediate cash payment of bonus certificates; to the Committee on Ways and Means.

5624. Also, petition of Joe Paul Post, American Legion, Red Lake, Minn., urging enactment of Rankin bill without pauper clause and without dependent-parent clause; to the Committee on Ways and Means.

5625. Also, petition of citizens of Badger, Minn., urging enactment of bonus bill; to the Committee on Ways and Means.

5626. Also, petition of Kaleb E. Lindquist Post, No. 24, Roseau, Minn., favoring immediate cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5627. Also, petition from New York Mills, Minn., favoring cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5628. Also, petition of citizens of New York Mills, Minn., urging enactment of bonus bill; to the Committee on Ways and Means.

5629. Also, petition of 22 veterans of Fertile, Minn., urging enactment of immediate cash payment of bonus certificates; to the Committee on Ways and Means.

5630. Also, petition of C. V. Peterson, of Detroit Lakes, Minn., urging enactment of payment of bonus bill; to the Committee on Ways and Means.

5631. By Mr. SHOTT: Petition of Logan County unit of the Railway Employees and Taxpayers Association, protesting against the passage of Senate bill 2935, commonly known as the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5632. Also, petition of D. E. Matthews, general manager and treasurer Lewis, Hubbard & Co., wholesale grocers, Charleston, W. Va., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5633. Also, petition of the employees of the Appalachian Electric Power Co. and the Logan-Williamson Bus Co., opposing the passage of the Kelly-Davis bill to control the coal industry; to the Committee on Interstate and Foreign Commerce.

5634. By Mr. SWING: Petition signed by 43 citizens and sportsmen of Los Angeles County, Calif., protesting against the cent-a-shell tax as proposed in House Resolution 10604 to be imposed upon shotgun shells; to the Committee on Ways and Means.

5635. By Mr. TIERNEY: Petition on the eighteenth amendment; to the Committee on Ways and Means.

5636. Also, petition favoring antikidnaping measures; to the Committee on Interstate and Foreign Commerce.

5637. By Mr. WATSON: Resolution passed by the Federation of Sportsmen's Clubs of Northampton County, Pa., opposing the shotgun-shell tax; to the Committee on Ways and Means.

5638. By Mr. WEST: Petition of citizens of Ohio, protesting against passage of any Sunday observance bills; to the Committee on the District of Columbia.

5639. By Mr. WILLIAMS of Texas: Petition of Texas Wholesale Grocers Association at its annual meeting at Houston, Tex., March 10, 1932, urging passage of House bill 9928 and Senate bill 4034; to the Committee on Banking and Currency.

SENATE

THURSDAY, APRIL 7, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, by whose breath the face of the earth is renewed in the burgeoning of spring; quicken in us the good that lies hidden beneath all the contrary influences of life, making us duly alive, and open our minds to the message of each passing hour, our hearts to the knowledge which passeth knowledge. Quicken us from cold indifference to glowing ardour, from smallness of vision to largeness of understanding, from faith that is feeble to the faith that overcomes, renewing us with confidence and courage that we may meet the demands of our high calling, yielding always to those nobler and higher impulses through which Thou seekest to have Thy way in us, till having finished the work Thou hast given us to do we commit our spirit into Thy hands, whose offspring we are and in whom is our trust. We ask it through Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, April 4, 1932, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cousens	Hull	Reed
Austin	Cutting	Johnson	Robinson, Ark.
Bailey	Dale	Jones	Schall
Bankhead	Davis	Kean	Sheppard
Barbour	Dickinson	Kendrick	Shipstead
Black	Dill	Keyes	Shortridge
Blaine	Fess	King	Smoot
Borah	Fletcher	Logan	Steiwer
Bratton	Frazier	Long	Thomas, Idaho
Brookhart	George	McGill	Thomas, Okla.
Broussard	Glenn	McKellar	Trammell
Bulkley	Goldsborough	McNary	Tydings
Bulow	Gore	Metcalf	Vandenberg
Byrnes	Hale	Morrison	Wagner
Capper	Harrison	Moses	Walcott
Caraway	Hastings	Neely	Walsh, Mass.
Carey	Hatfield	Norbeck	Walsh, Mont.
Connally	Hawes	Norris	Wheeler
Coolidge	Hayden	Nye	White
Copeland	Hebert	Oddie	
Costigan	Howell	Pittman	

Mr. FESS. I wish to announce that the senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] have not yet returned from attending the funeral of the late Representative Vestal.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is still detained from the Senate by illness.

I ask that these announcements may stand for the day.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. LOGAN. I wish to announce that the senior Senator from Kentucky [Mr. BARKLEY] is necessarily detained from the Senate on official business.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

REPORT OF THE BOY SCOUTS OF AMERICA

The VICE PRESIDENT laid before the Senate a letter from the chief scout executive of the Boy Scouts of America, transmitting, pursuant to law, the twenty-second annual report of that organization, which, with the accompanying report, was referred to the Committee on Education and Labor.

FINANCE COMMITTEE HEARINGS ON REVENUE BILL

Mr. SMOOT. Mr. President, I ask unanimous consent to have printed in the RECORD, for the information of the Senate and the public, a notice of hearings on the revenue bill to be held before the Finance Committee.

Mr. McNARY. Mr. President, I suggest to the Senator from Utah that the notice should be read at this time for the information of the Senate. With his permission I ask unanimous consent that that may be done.

The VICE PRESIDENT. Without objection, the notice will be read.

The Chief Clerk read the notice, as follows:

NOTICE OF REVENUE HEARINGS

UNITED STATES SENATE,
COMMITTEE ON FINANCE.

In connection with the revenue bill of 1932, which has recently passed the House of Representatives and which has for its purpose the equalization of taxes and the providing of additional revenue through increased and additional taxes, the Senate Committee on Finance announces to all concerned that it will hold public hearings at Washington, D. C., beginning April 6, 1932, at 10 o'clock a. m.

A tentative schedule of hearings has been arranged as follows:

General statements: Wednesday and Thursday, April 6 and 7.

Income tax rates: Monday, April 11.

Income tax, general and supplemental provisions: Tuesday, April 12, 10 a. m. to 12 noon.

Estate and gift taxes: Tuesday, April 12, 2 p. m. to 4 p. m.

Sales tax: Wednesday, April 13.

Postal rates: Thursday, April 14.

Miscellaneous taxes: Friday, April 15; Monday, Tuesday, Wednesday, Thursday, April 18 to 21, inclusive.

Administrative and general provisions: Friday, April 22.

Hearings will be conducted in the hearing room of the committee, room 312, Senate Office Building, Washington, D. C. Sessions will begin at 10 o'clock a. m. and 2 o'clock p. m. unless otherwise ordered by the committee.

Persons desiring to be heard should apply to the clerk of the committee at least one day prior to the date of the hearings on the subject concerned, in order to be assigned time on the calendar for that day. In making such application the following information should be given: Name; business address; temporary address in Washington; business or occupation; the person, firm, corporation, or association represented; subject concerning which testimony will be given; number of the section of the revenue bill or number of the section of the revenue act of 1928 or other act to which it relates, if any; and the amount of time desired.

In order to avoid duplication of arguments or suggestions it is requested that persons having the same problems to present agree upon one representative to present their views. So far as practicable, the committee will seek to recognize witnesses who are qualified to give first-hand information.

Briefs may be submitted in lieu of or to augment oral testimony, but if such papers are printed on both sides of the sheet, two copies must be filed with the clerk for printing in the record.

ISAAC M. STEWART, *Clerk.*

PETITIONS AND MEMORIALS

Mr. ROBINSON of Arkansas presented a letter, in the nature of a memorial, from Walter A. Hardy, of New York City, N. Y., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

He also presented a letter from J. Herbert Watson, of Brooklyn, N. Y., relative to taxation and related matters, which was referred to the Committee on Finance.

He also presented a letter from William J. Smith, of Battle Creek, Mich., in reference to taxation, which was referred to the Committee on Finance.

Mr. WALSH of Massachusetts presented a memorial of 65 citizens of the State of Massachusetts, remonstrating against the imposition of a cent-a-shell tax upon shotgun shells, which was referred to the Committee on Finance.

He also presented letters, in the nature of memorials, from 270 citizens of the State of Massachusetts, protesting against the imposition of a tax on sales of securities, which were referred to the Committee on Finance.

Mr. BARBOUR presented a resolution adopted by Branch No. 25, Fleet Reserve Association, of Rahway, N. J., protesting against the passage of the bill (H. R. 409) to provide for the payment of a discharge gratuity to enlisted men of the Navy and Marine Corps, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by Branch No. 25, Fleet Reserve Association, of Rahway, N. J., favoring the passage of the so-called Hale bill, being the bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented a resolution adopted by Branch No. 25, Fleet Reserve Association, of Rahway, N. J., protesting against the passage of legislation to establish a unified air force, a consolidated department of national defense, or any other proposal that might tend to weaken the national defense, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of the State of New Jersey, praying for the passage of legislation providing for immediate cash payment, at full face value, of adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented memorials of 124 citizens of the State of New Jersey, remonstrating against the imposition of a cent-a-shell tax upon shotgun shells, which were referred to the Committee on Finance.

TRANSFER TAX ON STOCKS

Mr. COPELAND. Mr. President, I have stated to the Senate on several occasions the numbers of letters I have received relating to a transfer tax on stocks. I have this morning received a letter from a friend of mine, a noted writer, which I ask may be included with these remarks in the body of the RECORD without reading.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

APRIL 4, 1932.

MY DEAR SENATOR COPELAND: I read in the newspapers that you have received many protests against the proposed tax on stocks. I am sure you will not mind receiving another one. Who knows but what it may make an appeal to the legislative mind that other protests fail to make?

First, to make my own toga clean: I own 80 shares of stock, divided among 3 companies. Fifty of them I bought years ago on the advice of my bank. To-day they are not worth a damn. The other 30 shares I bought on my own venture. I assure you that their ownership does not concern me to the extent of trying to influence national legislation.

Furthermore, if quite a number of so-called Wall Street brokers were sent to jail for their past misdeeds, I would chortle as I lay me down to sleep. And when anyone heaves a brick at a banker my sympathy goes with the brick. So you see I'm not plugging for Wall Street.

But during the discussion of the tax measure in the lower House there were various utterances, according to newspaper reports, that convinced me that there are legislators who have an erroneous idea of the functions and the value and the importance of the stock exchange. They seem to believe that the stock exchange is an emblem of Wall Street; that it is the meeting place and the playground of New York brokers and bankers. That it is a hotbed of juggling and manipulating. That its operations are against the interests of the American people.

Unfortunately, that is not true. I say "unfortunately" because, if it were true, I would join in the delight of the House of Representatives in imposing a tax upon its operations which would

have a crippling effect. I am strong for taxing the wicked—which is why I would like to see a high tax upon bootlegging.

But the stock exchange is a mere dot upon the map of the United States. Its pulse, its temperature, and its blood pressure are regulated entirely by the whole body politic of the country—the whole body financial of the country. Crops affect it. Exports and imports affect it. Labor conditions affect it. In the face of any widespread disturbance all the scheming and planning of brokers and bankers are of no avail. They are helpless. As witness to-day's conditions.

On the other hand, the fluctuations of the stock market constitute a barometer as valuable to every farmer who is interested in the sale of his produce, to every workingman who is interested in the sale of his labor, to every widow and orphan who lives upon the revenue of property or mortgage or investment, as is the barometer which every ship captain keeps constantly before his eyes to apprise him of coming changes in the weather.

That there have been many artificial fluctuations of the stock market no sane person can doubt. That the market has been "rigged" and even debauched is no secret. Such misdeeds—and personally I believe that in the past they amounted to moral crimes—are a legitimate field for legislative correction. I can not understand why the Congress has not pursued its inquiry into short selling.

But to impose an arbitrary tax upon the legitimate purchase and sale of securities either as a punitive measure or in a desperate attempt to provide revenue is a grave and sad mistake. A tax on stock transactions should not be arbitrary; that is to say, it should not be imposed from the standpoint of balancing the Budget alone. There should be taken into account beforehand the far-reaching effects of whatever tax is imposed.

If the natural flux and flow of investment securities be crippled or even hampered, the disastrous effects will ultimately be felt in every State in the Union. Small banks will feel them, and every farmer will know it. Corporations and manufacturers who wish to raise capital for expansion will feel them, and every workingman will know it.

Regulate the workings of the stock exchange, but do not stop them. Tax all transactions in stocks and bonds, but do not put an end to them. Paste stickers on the barometer, if you like, but don't smash it.

This isn't a matter for farmers, lawyers, or doctors to settle. As you know my admiration for you, I'm sure you will take this in good part. If it were a matter of a widespread, pernicious epidemic of measles, they would flock to you for counsel.

Commissions a la Wickersham are wearisome, slow, expensive, and unsatisfactory. But surely you can get up a committee of four Senators and four Congressmen—50-50 on party lines—who understand the laws of political economy, the cold and cruel workings of finance, the good and the bad of the stock market, who will know just to what extent the stock market can be taxed without harmful results to the country's business, and who will get busy and report promptly. If the members of this committee really understand the part that the stock market plays in the economic life of our country, I should say that four days would be enough to give them for their report.

Sincerely yours,

BRUNO LESSING.

WISCONSIN PRIMARIES

Mr. DILL. Mr. President, the primaries in Wisconsin on Tuesday last brought out such an unusual and tremendous Democratic vote that I ask to have inserted in the RECORD, as a part of my remarks, a portion of an editorial appearing in the New York Times of to-day entitled "Wisconsin Primaries."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WISCONSIN PRIMARIES

Under the hospitable and flexible primary system of Wisconsin and the long shadow of La Follettism, the Democrats are apt to be submerged. Thus, at the special senatorial election in 1925 the Democratic candidate got less than 11,000 votes. In 1926 the Democratic candidate for governor got 13 per cent of the total vote. In 1924 Mr. John W. Davis got 68,000 votes—about 8 per cent of the total vote. But the Democratic wanderers come back to the old home when there is some vivid issue, personality, or party contest to stir them. When there were two rival primary tickets for delegates all pledged to Governor Smith, the vote was more than 100,000. That was taken as proof of unexpected Democratic strength. At the November election Governor Smith got 450,000 votes, only some 3,000 less than the elder La Follette had received in 1924.

On the basis of incomplete returns from Tuesday's primary, the Democrats cast an extraordinarily large vote, as did the Republicans. On the Democratic side there was everything to bring it out—the competition between Governor Roosevelt and Mr. Smith and between the national committeeman and the State organization.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, from the Committee on Appropriations I report back favorably with amendments the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, and I submit a report (No. 514) thereon. I want to give notice that I shall ask the Senate to take up the bill to-morrow for consideration. This is the bill which was recommitted to the committee with instructions to reduce the total amount of appropriations by 10 per cent.

Mr. McKELLAR. And that has been done?

Mr. SMOOT. Yes; and a report is filed showing each item and just what the 10 per cent reduction has been.

Mr. McKELLAR. I wish the report of the committee could be placed on the desk of each Senator to-day, if possible, so they might be apprised of its nature. Of course, I know the committee has done everything possible and has reported the bill, I believe, in accordance with the views of the Senate.

Mr. SMOOT. I intend to have a copy of the report placed upon the desk of each Senator to-day, so that Senators may be fully advised before we take up the bill to-morrow.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. SMOOT. I also ask unanimous consent that a copy of the report may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

[Senate Report No. 514, Seventy-second Congress, first session]

INTERIOR DEPARTMENT APPROPRIATION BILL, 1933

Mr. SMOOT, from the Committee on Appropriations, submitted the following report (to accompany H. R. 8397):

The Committee on Appropriations, to which was recommitted the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, reports the same to the Senate with various amendments, and presents herewith information relative to the changes made:

Amount of bill as passed House	$50,446,432.33
Amount of reductions by Senate	5,047,760.00
Amount of bill as reported to Senate	45,398,672.33
Amount of appropriations, 1932	69,342,606.73
Amount of regular and supplemental estimates for 1933	56,895,854.35
The bill as reported to the Senate—	
Under the estimates for 1933	11,497,182.02
Under the appropriations for 1932	23,943,934.40

In reporting the bill H. R. 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, your committee will state that their action has been strictly in accordance with the motion adopted by the Senate March 17, 1932, which reads as follows:

"That the pending bill be recommitted to the Committee on Appropriations with instructions to report the same back to the Senate with amendments providing an aggregate reduction of 10 per cent in the amount of the appropriations contained in the bill as received from the House of Representatives."

The total of the Interior Department appropriation bill for the fiscal year 1933 as passed the House of Representatives on February 16, 1932, amounted to $50,446,432.33. Ten per cent of $50,446,432.33 is $5,044,643.23.

Your committee has made reductions amount to $5,047,760 in the bill as passed by the House of Representatives for the purposes and in amounts as follows:

	Decrease
Office of the Secretary:	
Salaries	$25,000.00
Office of solicitor	5,000.00
Contingent expenses	4,500.00
Printing and binding	47,000.00
Total, office of the Secretary	81,500.00
General Land Office:	
Salaries	25,000.00
Depredations on public timber	50,000.00
Total, General Land Office	75,000.00
Bureau of Indian Affairs:	
Salaries of Indian Office	72,900.00
Salaries and incidental expenses of field representatives	3,000.00
Pay of Indian judges	3,000.00
Pay of Indian police	13,000.00
Leases, purchase of agency buildings	80,000.00
Expenses of probate matters	13,000.00
Salaries and expenses of attorneys	5,000.00
Purchase of lands for Choctaw Indians	6,500.00
Preservation of timber	25,000.00

Bureau of Indian Affairs—Continued.	
Sale of timber, expenses	$15,000.00
Examination of minerals	15,000.00
Encouraging industry among Indians	25,000.00
Irrigation projects	27,000.00
San Carlos drainage system	25,000.00
Colorado River pumping plant	8,000.00
Fort Hall, Idaho, irrigation system	7,000.00
Fort Hall, Idaho, Michaud division	82,500.00
Fort Belknap, irrigation system	2,500.00
Fort Peck, Mont., irrigation system	8,000.00
Flathead irrigation system, Montana	182,000.00
Blackfeet irrigation system	45,000.00
Crow irrigation system, Montana	2,000.00
Duck Valley, surveys and investigations	5,000.00
Wind River irrigation system, Wyoming	10,000.00
School buildings	55,000.00
Leupp Indian School, flood protection	30,000.00
Support of schools for Sioux Indians	56,500.00
Natives in Alaska	40,000.00
Insane Indians at Canton, S. Dak	10,000.00
General support and administration	196,000.00
Total, Bureau of Indian Affairs	1,062,900.00
Bureau of Reclamation:	
Salaries and expenses	13,360.00
Yuma project, Arizona-California	10,000.00
Orland project, California	4,000.00
Boise project, Idaho	5,000.00
Minidoka project, Idaho	10,000.00
Carlsbad project, New Mexico	5,000.00
Rio Grande project, New Mexico-Texas	65,000.00
Owyhee project, Oregon	500,000.00
Klamath project, Oregon-California	3,000.00
Yakima project, Washington	50,000.00
Yakima project, Washington (Kittitas division)	5,000.00
Riverton project, Wyoming	2,500.00
Shoshone project, Wyoming	2,000.00
Boulder Canyon project	2,000,000.00
Total, Reclamation Service	2,674,860.00
Geological Survey:	
Salaries	25,000.00
Geologic surveys	25,000.00
Fundamental research	10,000.00
Volcanologic surveys	6,000.00
Mineral resources in Alaska	7,500.00
Mineral leasing acts enforcement	25,000.00
Total, Geological Survey	98,500.00
National Park Service:	
Roads and trails	500,000.00
Office of Education:	
Salaries	30,000.00
General expenses	5,000.00
Qualifications of teachers	20,000.00
Sources of school revenues	50,000.00
Total, Office of Education	105,000.00
Alaska Railroad:	
Operation of railroad	50,000.00
Howard University:	
Heat, light, and power building	300,000.00
Library building	100,000.00
Total, Howard University	400,000.00
Total decrease	5,047,760.00
Amount of bill as reported to the Senate	45,398,672.13

MOTOR VEHICLES

Your committee has stricken from the House bill the provision contained therein concerning motor vehicles and in lieu thereof submit the following:

"*Provided*, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, ambulances, and station wagons) at a cost, completely equipped for operation, in excess of $750, except where, in the judgment of the department, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and 'official purposes' shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties make such transportation necessary and then only when the same is approved by the head of the department. The limitations of this proviso shall not apply to any motor vehicle for official use of the Secretary of the Interior."

SECTION 3

This section, relating to compensation and promotions, etc., was eliminated from the bill:

"SEC. 3. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended; (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond, so far as may be practicable, to the rates established by such act as amended for the departmental service in the District of Columbia; (3) to increase the compensation of any position under such act through reallocation; (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation; or (5) to increase the compensation of any other position of the Federal Government under such department. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session."

SECTION 4

Section 4 was stricken from the bill and the following submitted in lieu thereof:

"SEC. 4. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (a) to absolutely essential positions the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or (b) to temporary, emergency, seasonal, and cooperative positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filed, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: *Provided*, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation when, in his judgment, such action is necessary and in the public interest."

Mr. WALSH of Montana. Mr. President, I inquire of the Senator from Utah whether a schedule is filed with the report of the Committee on the Interior Department appropriation bill showing the nature of the changes made?

Mr. SMOOT. The report shows each change and the amount.

Mr. WALSH of Montana. I was wondering if it would show the amount given in the Budget, the amount at which the appropriation was fixed by the House, the amount at which it was fixed by the Senate, and then the amount recommended now by the committee.

Mr. SMOOT. No; when the bill was before the Senate on a prior occasion that information was furnished the Senate. It is not in the report now made. The report merely shows what the committee has done with the bill after it was recommitted to the committee with instructions to take 10 per cent off of the amount fixed by the House.

Mr. WALSH of Montana. Giving the specific items as to which reductions are made?

Mr. SMOOT. Yes; giving the specific items as to which changes are made.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3830) to remove a cloud on the title of certain land in the city of Corpus Christi, Tex., reported it without amendment and submitted a report (No. 515) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 3400) to amend an act of Congress approved June 18, 1898, entitled "An act to regulate plumbing and gas fitting in the District of

Columbia," reported it with amendments and submitted a report (No. 516) thereon.

He also, from the same committee, to which was referred the bill (S. 3472) to amend the act of Congress approved June 26, 1912, entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1913, and for other purposes," reported it without amendment and submitted a report (No. 517) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 1586) for the relief of the estate of Robert J. Franzel, reported it with amendments and submitted a report (No. 518) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 1770) for the relief of Senelma Wirkkula, also known as Selma Kirkkula, Alice Marie Wirkkula, and Bernice Elaine Wirkkula, reported it with an amendment and submitted a report (No. 520).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 2594. An act for the relief of the State National Bank of Wills Point, Tex. (Rept. No. 519);

H. R. 3373. An act for the relief of Fireman's Fund Insurance Co. (Rept. No. 521);

H. R. 3953. An act for the relief of the First State Bank & Trust Co., of Mission, Tex. (Rept. No. 522);

H. R. 4329. An act for the relief of Alton B. Platner (Rept. No. 523); and

H. R. 5272. An act for the relief of Frank Bayer (Rept. No. 524).

Mr. BROOKHART, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1231. An act for the relief of Grina Bros. (Rept. No. 525); and

H. R. 1768. An act for the relief of Alvina Hollis (Rept. No. 526).

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 1523) for the relief of certain tribes or bands of Indians in the States of Washington, Idaho, and Montana, reported it with an amendment and submitted a report (No. 527) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (S. 3879) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," reported it without amendment and submitted a report (No. 528) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 10362) to require the approval of the General Council of the Seminole Tribe or Nation in case of the disposal of any tribal land, reported it without amendment and submitted a report (No. 529) thereon.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mr. VANDENBERG (for Mr. WATERMAN), from the Committee on Enrolled Bills, reported that on the 6th instant that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 3836. An act to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.; and

S. J. Res. 47. Joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

REPORTS OF THE POST OFFICE COMMITTEE

As in executive session,

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LONG:

A bill (S. 4331) to protect trade and commerce against unlawful restraints and monopolies; to the Committee on the Judiciary.

By Mr. BAILEY:

A bill (S. 4332) for the relief of Charles L. Kee; to the Committee on Claims.

By Mr. CUTTING:

A bill (S. 4333) for the relief of Jose Ramon Cordova; to the Committee on Claims.

A bill (S. 4334) granting certain public lands to the State of New Mexico for the use and benefit of the Spanish-American Normal School, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

A bill (S. 4335) to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point in the District of Columbia, as proposed by the National Capital Park and Planning Commission, and for other purposes; to the Committee on the District of Columbia.

By Mr. STEIWER:

A bill (S. 4336) authorizing the Secretary of the Interior to enter into cooperative agreements for the joint leasing of certain lands in the State of Oregon for grazing and range development purposes; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

A bill (S. 4337) authorizing the addition of certain lands to the Chickamauga-Chattanooga National Military Park (with an accompanying paper); to the Committee on Military Affairs.

By Mr. KING:

A bill (S. 4338) providing for specific annual appropriations for expenditures under the Indian Service, requiring Budget estimates of sources of funds, providing for a uniform system of accounts, and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

A bill (S. 4339) repealing certain provisions of the act of June 21, 1906, as amended, relating to the sale and encumbrance of lands of Kickapoo and affiliated Indians of Oklahoma; and

A bill (S. 4340) authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 4341) for the relief of Sam H. Allen; to the Committee on Claims.

REVENUE AND TAXATION—AMENDMENTS

Mr. STEIWER submitted six amendments intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

RELIEF OF THE DEPRESSION AND UNEMPLOYMENT

Mr. THOMAS of Oklahoma. Mr. President, on the 7th of March I introduced Senate Resolution 182. If the order of resolutions coming over from a previous day has been passed, I ask unanimous consent to return to that order so that I may ask unanimous consent to call up the resolution. It merely asks for information. If there is any objection to its consideration, of course, it will go over.

The VICE PRESIDENT. Let the resolution be reported for the information of the Senate.

Mr. THOMAS of Oklahoma. I ask that the clerk read the printed part of the resolution which I send to the desk, and then read the part in writing, which, if I obtain consent for the consideration of the resolution, I shall offer as an amendment.

The VICE PRESIDENT. The Secretary will read, as requested.

The Chief Clerk read the resolution (S. Res. 182) submitted by Mr. THOMAS of Oklahoma March 7, 1932, as follows:

Resolved, That the Federal Reserve Board be directed to advise the Senate what steps it has taken, or proposes to take, to meet the existing depression and consequent unemployment and low prices.

The proposed amendment submitted by Mr. THOMAS of Oklahoma is as follows:

Be it further resolved, That said Federal Reserve Board be requested to advise the Senate what, if any, additional legislation is needed to enable said board to take needed steps in meeting the said depression and consequent unemployment and low prices.

Mr. THOMAS of Oklahoma. Mr. President, all the resolution asks is for information from the Federal Reserve Board. If, in their judgment, they think something should be done, or, if the Federal Board are now doing something, we are asking what they are doing and what they propose to do. It is wholly a matter of information.

Mr. SMOOT. Has the resolution been just offered?

Mr. THOMAS of Oklahoma. No; it was offered on March 7, more than a month ago.

Mr. SMOOT. Has the resolution been referred to a committee?

Mr. THOMAS of Oklahoma. No; it is a simple Senate resolution and is on the table.

Mr. SMOOT. Will the Senator allow the resolution to go over until to-morrow? I dislike to object to the resolution now, but, really, I desire to have an opportunity to examine it.

Mr. THOMAS of Oklahoma. With the understanding that I shall call the resolution up to-morrow, and then ask for its immediate consideration, I will allow it to go over for a day.

Mr. SMOOT. I merely ask that the resolution may go over for one day.

The VICE PRESIDENT. The Senator from Oklahoma withdraws his request for the consideration of the resolution, and it goes over without prejudice.

NATIONAL PROGRAM OF ECONOMY

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 194) submitted by Mr. BYRNES on April 4 (calendar day, April 6), 1932, as follows:

Resolved, That the President of the United States be, and he is hereby, requested to transmit to the Congress his recommendations as to—

(1) What specific items of appropriation heretofore recommended by him for the fiscal year 1933 can be reduced by the Congress;

(2) What specific existing laws require the carrying on of functions not absolutely essential for the present;

(3) What specific departments, bureaus, or independent establishments of the Government should be merged or consolidated; and

(4) What specific legislation should be enacted to establish a complete national program of economy.

Mr. McNARY. Mr. President, on yesterday this resolution was submitted to the Senate. At that time I asked that it go over for a day. I have not really had time to examine it, and I will ask the Senator if he will permit the resolution to go over for another day.

Mr. BYRNES. I should like to say to the Senator from Oregon that I desire to have the resolution acted upon at the earliest possible moment. Will the Senator be prepared to have the resolution considered to-morrow?

Mr. McNARY. I shall not ask further delay than for the day.

Mr. BYRNES. Then the resolution may go over until to-morrow.

Mr. HARRISON. Mr. President, will not the Senator from Oregon agree to unanimous consent that to-morrow, immediately after the convening of the Senate, or, if we shall adjourn, then immediately after the approval of the Journal, the resolution shall be laid before the Senate and action be taken on it?

Mr. McNARY. That would be difficult, I will say to the Senator from Mississippi. I do not know what the order or business will be to-morrow, but I am sure I shall not interfere with the consideration of the resolution on another day.

The VICE PRESIDENT. Without objection, the resolution will go over without prejudice. Morning business is closed.

CAUSES AND CURE FOR THE DEPRESSION

Mr. WHEELER. Mr. President, I have in my hand a pamphlet by William Randolph Hearst entitled "The Prosperity Loan."

While I can not say that I subscribe to all the statements made by him, I am of the opinion that the Government and the people of the country owe it to the citizens to furnish work, and it would be much better to do this than to give a dole. I ask unanimous consent that the pamphlet may be printed in the RECORD.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

WILLIAM RANDOLPH HEARST ON THE PROSPERITY LOAN

[Reprinted from the editorial columns of the New York American and other Hearst newspapers]

(The following signed article appeared in the editorial columns of the New York American and other Hearst newspapers on February 5, 1931.)

EMPLOYMENT, NOT DOLE, SHOULD BE PROGRAM FOR NEEDY, SAYS W. R. HEARST

The Senators who are advocating direct distribution of funds to those who are suffering from financial depression or drought disaster are, of course, animated by the best motives, but are taking an un-American method and a most dangerous and demoralizing method of relieving distress.

Nothing that approaches the European dole should ever be inaugurated in this free country.

The last thing an American Government should do is make dependents of independent American citizens.

Distress should be relieved by employment and not by donations.

In fact, the proper policy of the Government at this time could be summarized in a phrase: "Millions for employment, but not one cent for dole."

The experience of European nations with the dole must be known to men as intelligent and well informed as members of the United States Senate.

The demoralizing effect of the dole in England, among a people similar to our own, must be a matter of knowledge to all Senators.

But even without that knowledge, every intelligent and reasoning American should realize the unavoidable effect upon the morale of a people who become dependent upon Government largess and so gradually relinquish their upstanding dependence upon their own effort.

The excuse for the dole in England was even greater than any possible excuse or reason or argument for anything approaching the dole in America, based on present conditions.

But there is not a wise statesman in England to-day who does not regret the dole and who is not trying to devise means and methods to free the Government from this burden and the people from its demoralizing effect.

Moreover, the dole has a degrading effect upon statesmen, as it has demoralizing effect upon the recipients; and the Government of England, having once begun the dole, is now afraid to stop it.

The statesmen of England are not more worried about the effect of the dole upon the public than they are about the effect of stopping the dole upon themselves.

They all realize that the dole has degenerated into a premium upon idleness, a bonus to nonproducers.

Instead of paying the people to work, the policy has been inaugurated of paying them not to work.

And those of the population who work pay taxes to maintain a part of the population in idleness.

So taxes constantly increase in severity, and the number of those dependent upon the dole constantly increases, and the plight of England constantly increases, and the cowardice of English statesmen constantly increases.

Lloyd George's present policy, however, is to substitute for the dole a program of employment.

Such a program will possibly rescue England from the evils of the dole.

Certainly a policy of public employment in this country would prevent us from incurring the evils of the dole.

The policy of employment for the idle and needy on public works is Mr. Hoover's program; and it is a splendidly sound and effective program—if he would only put it into operation.

For, although Mr. Hoover has a world-wide reputation as an executive, he seems, since he became President of the United States, to have developed a faculty for conversation instead of execution.

His proposals are good; his performances are negligible.

For a year Mr. Hoover has been talking not only about the duty of the Federal Government but of the State governments and of private enterprise to furnish employment.

But he has done nothing of sufficient consequence to accomplish that result.

Before Mr. Hoover went into the White House, and before the Nation became involved in the present financial depression, Mr. Hoover's proclaimed policy was a magnificent series of public works, so coordinated that all sections of the country would be benefited by the program and all sections would harmoniously support the program.

And many of us were won to Mr. Hoover's support by his dramatic relation of that program and by the benefits to the Nation we could foresee as the result of its accomplishment.

But the plan has never been accomplished. In fact, it has never even been proposed in its completeness since Mr. Hoover sat safely in the presidential chair.

The impressive policies which inspired us to become supporters of Mr. Hoover have been forgotten or neglected by him, and instead have been substituted a lot of policies or prejudices of narrow scope and trivial importance.

Perhaps the red tape of Government is responsible for some of this lack of accomplishment on Mr. Hoover's part; but surely he need not add to the red tape of Government by the appointment of so many time-consuming commissions, who not only accomplish nothing of value but report nothing of value.

If Mr. Hoover would outline in adequate detail a plan of public works and public employment of sufficient magnitude to harmonize with the greatness of the country and the greatness of the country's need, and would give some sufficient evidence of desire and intention to put this policy into immediate and effective operation, the people would be satisfied and the Senate would be satisfied and the crying need of the country would be satified, and some definite start would be made toward not only the relief of distress but the restoration of prosperity.

If so many futile and dangerous methods of relieving the acute distress are being discussed, it is only because the President has not proposed his sound plan of Government employment in sufficient magnitude or advocated it with sufficient earnestness and sincerity or executed any part of it with sufficient promptness and effectiveness.

Millions for employment, but not one cent for dole should be the American motto of an American Government.

But, Mr. President, if we are not going to have the dole, let us have the employment.

WILLIAM RANDOLPH HEARST.

(The following signed article appeared in the editorial columns of the New York American and other Hearst newspapers on October 28, 1931.)

CREATE WORK FOR AMERICANS, MR. HOOVER; FORGET EUROPE'S TROUBLES, SAYS W. R. HEARST

President Hoover, speaking to the Methodist Ecumenical Congress at Atlanta, says:

"Unemployment walks before you as something much more real than a specter. It presents not only an economic difficulty but an acute problem for human beings."

The President urges the Methodists to use their influence in overcoming present-day problems in economics.

Why does not the President use his influence to end unemployment and overcome present-day problems in economics?

It is hardly the business of the Methodist Church to do these things.

It is the business of the Government.

Why does not the President use his influence in favor of the prosperity loan?

Why does he not urge the United States Congress to make a loan of $5,000,000,000, and use the money for public construction, and so put the unemployed to work?

That kind of a practical proposal from the Executive would be far better than a lot of sonorous words which mean nothing and accomplish nothing.

Five billion dollars spent over the next three years by the Government would solve the unemployment situation.

It would put money into circulation.

It would make the families of three or four million men comfortable and happy.

It would revive buying at the stores; and that buying would cause millions of dollars' worth of goods to be ordered from the factories.

The factories would reemploy discharged hands.

Raw materials would be ordered from the farms and the mines.

Help would be hired in the busy shops and on the farms and in the mines.

White-collar men would be employed to keep the books in the stores and factories and to add up the profits; for there would be profits then.

Engineers would plan the public works and architects would design the public buildings.

Contractors would undertake the jobs, and all of these branches of activity would require help and would hire help.

The help in every department would get money and spend money; and prosperity would speedily be with us once again.

Then with prosperity back, the income of the Government would be restored, and there would be no need of additional taxes to be piled upon the burdened backs of our already overtaxed people.

We have a deficit now, but we had a large surplus before the depression; and we can have a surplus again to pay off our bonds if Mr. Hoover will only stop talking and do something practical to restore prosperity.

Is it not better for our Government to spend a few billions on America for the benefit of our own people than it is to institute moratoriums for Europe and eventually cancel billions of European debt payments—payments that we need to relieve the distress in our own country?

Is it not better to remove some of the taxation from our own people than to add to their burdens the war debts of other nations?

Can not our own Government, which is so liberal with the American people's money to help foreign nations, spend some money to relieve our own unemployment and restore our own prosperity?

The President states the conditions which prevail here in America without apparently understanding the obligations which the situation entails.

He says to the Methodist Congress:

"Unemployment walks before you as something much more real than a specter."

Mr. President, unemployment walks before you as something more real than a specter.

It is the business of the Government to take cognizance of these critical conditions.

You say, Mr. President, that unemployment "presents not only an economic difficulty but an acute problem for human beings."

Yes, respected sir, and it is your problem.

Conditions here at home are your problem; not conditions abroad.

And conditions here at home are a Government problem; not merely a problem for churches and private charities.

The American people do not want charity; they want work.

The American people do not want a dole, whether it be a Government dole or a dole collected from and distributed by benevolent private individuals.

They do not want the public dole, which you oppose, or the private dole, which you favor.

They do not want alms.

They want wages.

They want to be paid for service rendered.

They want work.

They want the kind of work you promised to give them when you were running for office and which you forgot all about after you were elected to office.

Where are the great projects of Mississippi flood control and water storage which you talked about when you were a candidate?

Give the people this needed work and the country this benefit now.

Where are the Columbia River navigation and irrigation projects?

Where are the east-coast inland-waterways projects and the south-coast waterways projects?

Where are the St. Lawrence River power projects in the North and the great dams to be built for water and power projects all over the Southwest?

Where is this construction?

Where is this employment?

Gone glimmering like the promises of Herbert Hoover when a candidate for the Presidency.

There is public work which needs to be done in every State of the Union, much of it absolutely self-supporting and self-redeeming, like the Boulder Dam project, and all of it benefiting the Nation incalculably, and giving work to millions of independent, sturdy Americans who want work and not charity.

Mr. President, the American people were glad to see you kiss Premier Laval good-by and will be still happier to see you bring your mind home from European entanglements and attend to the problems of the United States of America.

You know what the problems are, Mr. President.

You have stated them beautifully and benevolently.

You have also assured us that "we must keep our physical achievements from mastering us and our material possessions from controlling us," which is not difficult for us to do, Mr. President, considering the reduced amount of our material possessions during the period of the present administration.

You have assured us, too, that "life does not consist in the abundance of things," which we agree is only too sadly true just now.

You have taught us that our "eternal purpose must be to keep the soul of the world alive and pregnant," which we are prepared to admit is sweetly so, if anybody knows what it means.

But, Mr. Hoover, the American people are tired of platitudes and beatitudes.

They want good old-fashioned American action.

They want intelligent and constructive leadership and help from the Government they put in office.

Stop being an international Pollyanna, Mr. Hoover, and be an American President.

WILLIAM RANDOLPH HEARST.

Following is the full text of a radio address delivered by William Randolph Hearst from New York City on June 2, 1931, through station WABC and associated radio stations throughout the United States, and reprinted in the New York American and other Hearst newspapers, June 7, 1931:

MR. HEARST DISCUSSES CAUSES AND CURE FOR THE DEPRESSION

The basis of prosperity is the ability of the public to buy plus, of course, the willingness of the public to buy.

In other words, prosperity is based on the purchasing power of the public. When the public buys from the stores, the stores buy from the factories, the factories buy the raw materials produced by the farms and the mines.

All these forms of activity employ labor, and the money circulates with profits to all classes.

We were in the midst of such a prosperous period. Why did it not continue?

We do not have to go to the war in China and the silver situation in India to find the reason.

There may be contributing causes in those distant regions, but the real reason is right here at home.

The cause is not lack of money here, either. We have to-day all the money we had in the country in times of prosperity.

We have in addition further debt payments to us by foreign nations and we have in addition again all the money that foreign investors from Europe, South America, and elsewhere poured into the booming American stock market and left here when the stock collapse came and wiped them out.

What, then, is the cause of the collapse?

Not merely overspeculation but overcapitalization.

The people were in a speculative mood. They would buy anything. They would absorb any issue, without regard to basic values and dividends.

As a consequence, all sorts of cats and dogs were unloaded on the market and sold to the public, which bit at them like hungry fish at a cotton fly or a tin spoon.

Billions of dollars were taken from hard-earned hoardings of little speculators and stored away in the already bulging vaults of the big speculators.

Not only were companies formed of amalgamated cats and dogs and sold to the public at a hundred times their value but investment trusts were formed, and after the public appetite for cats and dogs had waned, the investment trust, guided by the big speculators, absorbed the remainder of the issue of amalgamated cats and dogs which the public would not knowingly buy.

In one instance 60,000,000 shares of amalgamated cats and dogs were unloaded on the public at $20 a share—$1,200,000,000 worth of worthlessness handed to the public in return for good money.

But all the capitalization that tended to bring about hard times was not overcapitalization, and certainly not all of it wildcat capitalization.

The wildcat capitalization was mainly conducted by the great firms in whose honor the public had misplaced confidence.

Mere overcapitalization, however, was conducted by many institutions with less fame and more morality, and finally a certain amount of legitimate but unwarranted capitalization was practiced by almost every institution.

The marvelous improvements of modern machinery and the wonderful advances in modern methods of mass production have caused almost everything to be produced at, to use a round figure, half its former cost.

But the sales price remained the same or was even higher.

Consequently the profits of industry were greatly increased.

Who should have had the advantage of this improvement in machinery and methods, this enormous increase in products and lower cost of production?

Obviously, some reasonable part of it should have gone to the management of industry, but the greater part of it should have gone to the working masses.

In other words, the increased profits should have been distributed largely in higher wages and shorter working hours.

If this had been done the shorter working hours would obviously have prevented any lack of employment, because a greater number of men would have been employed to fill out the working week.

And if wages had increased in proportion to the productivity of modern machinery and the consequent increase in the profits of industry, the purchasing power of the public would have been enhanced and the consumption of all kinds of goods and products would have been maintained at a high level or raised to a still higher level.

But when profits in industry increased, let us say, from 6 per cent to 25 per cent, labor got but a small and greatly grudged proportion of that increase, with practically no reduction of working hours, and all of the rest of the increased profits were transformed into increased capitalization.

If a business which was making 6 per cent had come, through the use of modern machinery and modern methods, which decreased the cost of production, to make 25 per cent, the main result of that increase of profits was a fourfold issue of stock, or as large an issue of stock as would still keep the business on a 6 per cent basis.

When the business, despite the increased profits, had thus been reduced to a 6 per cent basis, through a fourfold issue of stock, on which the business now had to pay dividends, of course, there was no money left to increase wages and shorten the hours of the employees.

In other words, there was no money left to build up the purchasing power of the masses and maintain the conditions which made for prosperity.

Excess capitalization took money away from the masses when money ought to have been given to them in the way of increased wages and shorter hours.

In fact, the supply of money in the hands of the public, which creates the purchasing power of the community, was sapped by added capitalization and overcapitalization instead of having that supply of the public's money increased by a more liberal distribution of profits in wages.

If profits had been distributed in wages, prosperity would have been maintained and increased.

We would have had for the masses of the public not only a full dinner pail but a full pocketbook.

But when the money in the hands of the public was not increased by higher wages but diminished by the sale to the public of inflated securities, we created what we have now—an empty pocketbook and in many cases an empty dinner pail, and in some cases a bread line.

Gradually, very gradually, conditions such as these mend.

Eventually panic subsides. Purchasing is necessarily resumed. The same clothes, the same gowns, the same shoes, the same automobiles, the same furnishings do not last forever.

Money is gradually withdrawn by those who have it from the savings banks to buy first necessities and then luxuries.

Confidence begins to be restored. Purchases are made at the shops, the shops order goods from the factories, the factories buy materials from the mines and the farms, labor in all these activities is employed, and the cycle is resumed which gradually restores prosperity.

A dominant question before the country to-day is: Can the Government aid in the restoration of this cycle leading to prosperity? Our great Secretary of the Treasury says the Government can do little or nothing. Obviously, the Government has done little or nothing, but obviously it could be a determining factor in the situation.

Anyone who understands the meaning of prosperity and the reason why high wages tend to make prosperity can see at once how the Government could act and why the Government should act.

A gigantic appropriation by the Government, not for a dole but for the employment of a vast amount of labor at the prevailing rate of prosperity wages, would not only stabilize wages but would immediately set the machinery in motion for the restoration of prosperity; provided, of course, that the Government expended the appropriation and did not set on it perpetually like a deluded hen on a porcelain doorknob.

Mr. Hoover realizes how prosperity could be restored. He has discussed the situation understandingly. Still neither the procedure nor the proposals of the administration have been on a scale at all commensurate with the magnitude of the problem.

If at the late session of Congress Mr. Hoover had said not merely that Congress should not appropriate money for the dole but that it could and should appropriate as many billions as it pleased for employment, and if he had taken those billions in sufficient quantity and had hastened to put them into employing labor in sufficient quantity, we would already have prosperity well on its way.

The Government has not been devoid of knowledge. It has merely been inadequate in action.

The whole Nation knows that if sufficient labor were promptly employed at good wages, buying at the stores would promptly be resumed, the stores would immediately order from the factories, the factories would immediately order from the mines and the farms, and the great flywheel of prosperity would be set in steady and sturdy motion.

There is only one objection raised against the Government taking action to employ labor on a great scale, and that is—where is the Government to get the money?

This, however, is not an actual objection, because the Government has shown how easily it can get money even under present conditions.

Recent Government loans have been more than three times oversubscribed.

A $5,000,000,000 loan would be oversubscribed.

There is plenty of money in the country, plenty of money in the savings banks, and the people have as much confidence in Government securities as they have in the savings banks.

Five billion dollars promptly spent in the employment of labor would promptly restore prosperity.

When Mr. Hoover was a candidate for the Presidency he won many to his support by the magnificent program of public improvements which he described as the main feature of his policy.

This program was comprehensive and complete, including highways, waterways, flood control, and water and power conservation.

It covered every part of the country and embraced the inland waterways of the East, the Columbia River development of the Northwest, the water and power dams of the Southwest, and a gigantic plan for both flood control and water and power conservation on the Mississippi River and its tributaries.

Mr. Hoover declared that this scheme, benefiting all parts of the country, would secure the united support of all parts of the country and obtain without difficulty the necessary appropriations.

What a splendid thought was this plan of national development for any time, but what a particularly glorious idea for the present moment of depression, when this tremendous scheme of construction and this immense employment of labor would not only bestow its boon upon the various sections of the country directly affected but would, through the distribution of vast wealth in wages, tend promptly to restore prosperity.

But Mr. Hoover appears since his election to have abandoned to some degree his own ideas and to have adopted an attitude more in conformity with the less liberal ideas of the international bankers.

It is perhaps narrowly natural for the international bankers to prefer to see American money go into foreign bonds, on which these bankers get a heavy commission, than into American bonds, on which they do not get such a commission.

But Mr. Hoover, as President of the United States, should realize and, of course, does patriotically realize, that the money which goes into American bonds goes into building up American interests and prosperity, while the money which goes into foreign bonds goes into building up foreign interests and institutions to compete with American interests and diminish American prosperity.

It is perhaps natural, or at least usual, for the international bankers to be devoid of sentiment where commissions are concerned; but it is eminently proper and patriotic for an American President to think first of American interests and American growth and development and American prosperity, as Mr. Hoover thought of these great objectives when he once outlined his splendid plan for national public improvements.

It would be inspiring if Mr. Hoover would think of these patriotic purposes now, regardless even of Mr. Mellon's ultraconservative plans for the conduct of the Treasury Department.

Mr. Mellon's ideas of what can not be done by the Government to dissipate the depression are not quite as inspiring or convincing as his ideas usually are. The distinguished Secretary of the Treasury seems to be concerned more about his record in reducing the national debt than he is about the far greater question of restoring prosperity.

This is not a time to reduce the national debt through burdensome taxation and thereby reduce prosperity.

It is a time to increase the national debt and increase the expenditure of the Government in public works in the employment of labor and thereby increase prosperity.

Then out of prosperity to pay off the debt.

Prosperity means increased income for the individual, increased value of property, increased taxable national assets. Out of those increased incomes and values the Government would eventually get, even with moderate taxation, its increased receipts.

And if the Government desires further to increase its income, let it end this folly of prohibition which does not prohibit but does corrupt, and substitute Government control of the manufacture and distribution of alcoholic beverages, and so secure for itself, on the basis of the figures of Canada's excise income, an additional income of a billion dollars a year.

That excise income to the United States Government of a billion dollars a year would in itself pay off in five years the $5,000,000,000 borrowed and spent to restore prosperity.

Mr. Mellon is wrong when he says the Government can not do anything in this emergency.

The Government could do everything if it had the intelligence and the activity and the unselfishness and the patriotism to do it—not merely to talk about it, but to do it.

WILLIAM RANDOLPH HEARST.

(The following signed article appeared in the editorial columns of the New York American and other Hearst newspapers on February 8, 1932.)

TO CURE HOARDING REVIVE PROSPERITY, SAYS W. R. HEARST

Of all the feeble and futile messages which have emanated from the White House in regard to the Hoover depression, the recent pronouncement against hoarding is undoubtedly the most feeble and the most futile.

Everybody knows that hoarding is due to alarm on the part of the public concerning the safety of their jobs or their bank deposits, or their income from investments, or concerning anything which constitutes a menace to their means of existence in these precarious times.

But Mr. Hoover, in discussing prevailing conditions, sententiously declares that confidence will restore prosperity.

Unfortunately, Mr. Hoover has shown the same "abysmal ignorance" in regard to economics that he has exhibited in regard to the Nation's defense, or any other matter upon which he has expressed his prescribed opinion.

But assuming even that confidence will restore prosperity, nevertheless, Mr. Hoover must admit that it is difficult for a man without a job and with a needy family dependent upon him to be exuberantly confident, or for a man whose income has been cut to one-fifth or one-tenth of what it was and who has had to sacrifice his home and take his children out of school to be as smilingly confident as he was before Mr. Hoover became President.

Over 7,000,000 citizens of this country who are able and willing to work are out of employment.

How can the public exhibit any especial confidence over that?

Two thousand banks failed in the United States during the past year of the Hoover black panic.

What is there about that to give the public an excess of confidence?

Stocks have fallen to little or nothing, dividends have been cut or eliminated, wages are being reduced even by the Government, and at Mr. Hoover's suggestion.

More men are being laid off every day; more families are being made dependent.

Where and from what is the public going to get the sublime confidence which Mr. Hoover so optimistically recommends as the solution of all their problems?

If Mr. Hoover wants the public to be confident, would it not be well for him to give them something concrete to be confident about?

Superheated atmosphere in presidential messages will not make the public confident.

Exhausting all the Nation's resources in giving first aid to foreign countries, and in financing speculative financiers in our own country, will not give the public confidence.

Continual evidences of unresourceful apprehension on the part of the Chief Executive of our Nation will not stimulate public confidence, nor will lack of independence and of intelligent initiative on the part of the Democratic Congress.

What is needed to restore confidence is not merely words but works.

What is needed to revive prosperity is thoughtful attention to the problems of the people, and particularly patriotic concentration on the requirements of our own people.

What is needed is immediate recommendation on the part of the Executive, and prompt action on the part of the Congress, to give work to the unemployed, to put money into circulation, to stimulate trade and invigorate industry.

Until such action is taken, there will be no confidence and no cause for confidence.

Mr. Hoover has wasted the three years of his official life in empty utterances and meaningless gestures.

If Mr. Hoover had advocated the five-billion-dollar bond issue for public works even one year ago, he would not now be going out of office with a record of unrelieved adversity such as no President has ever had.

He would be remaining in office as the apostle of prosperity restored through his own constructive policies.

This is not a visionary statement. It is the consensus of opinion of all the scientific economists.

Prosperity must be built from the bottom.

It must be based upon the welfare of the workers.

It must be dug out of the ground, hoed out of the furrows, ploughed out of the fields, woven out of the web and woof of the loom, hammered out of iron, beaten out of bronze, crushed out of the rock.

It must be hewed in the forest and shaped at the mill.

It must be melted in the furnace and wrought at the foundry.

It must be gathered from the farms and the mines and fabricated in the factories.

Prosperity must be painstakingly and painfully constructed by those who labor in the sweat of their brows.

The wealth which our statesmen burned up in war and our high financiers so recklessly threw to the four winds of Europe must, with bent backs and strained muscles, be laboriously rebuilt by the workers.

The first duty of this Government, the first duty of any government, is to give the workers work.

The workers will give trade to the shops and orders to the industries.

The workers will put money into circulation. They have to do so to live.

The workers will pay rents.

The workers will buy shoes and clothes for their families.

The expenditure of the workers will supply the basis for the whole superstructure of prosperity.

The welfare of the workers will be the rock on which wise statesmen will build our house of prosperity; and the winds will blow and the rain will beat upon that house and it will not fall, because it is built upon a rock.

But a house which is built upon the shifting sands of politics, of vain words and timid evasions, of wasteful dissipation of national resources, in favors to the favored, is built upon the sands, and the winds of adversity will blow and the rain will beat upon that house, and it will fall, and great will be the fall thereof.

You gentlemen in public place, whether in the executive or the legislative branch of Government, must proceed without further unnecessary discussion and postponement to build our economic house upon the rock.

You must lay your foundations strong and straight.

You must restore prosperity in the only way it can be restored—by giving work to the workers.

Otherwise you are not worthy to hold the positions you occupy, and if the people do their duty to themselves and their country at the next election you will not continue to occupy those positions.

WILLIAM RANDOLPH HEARST.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

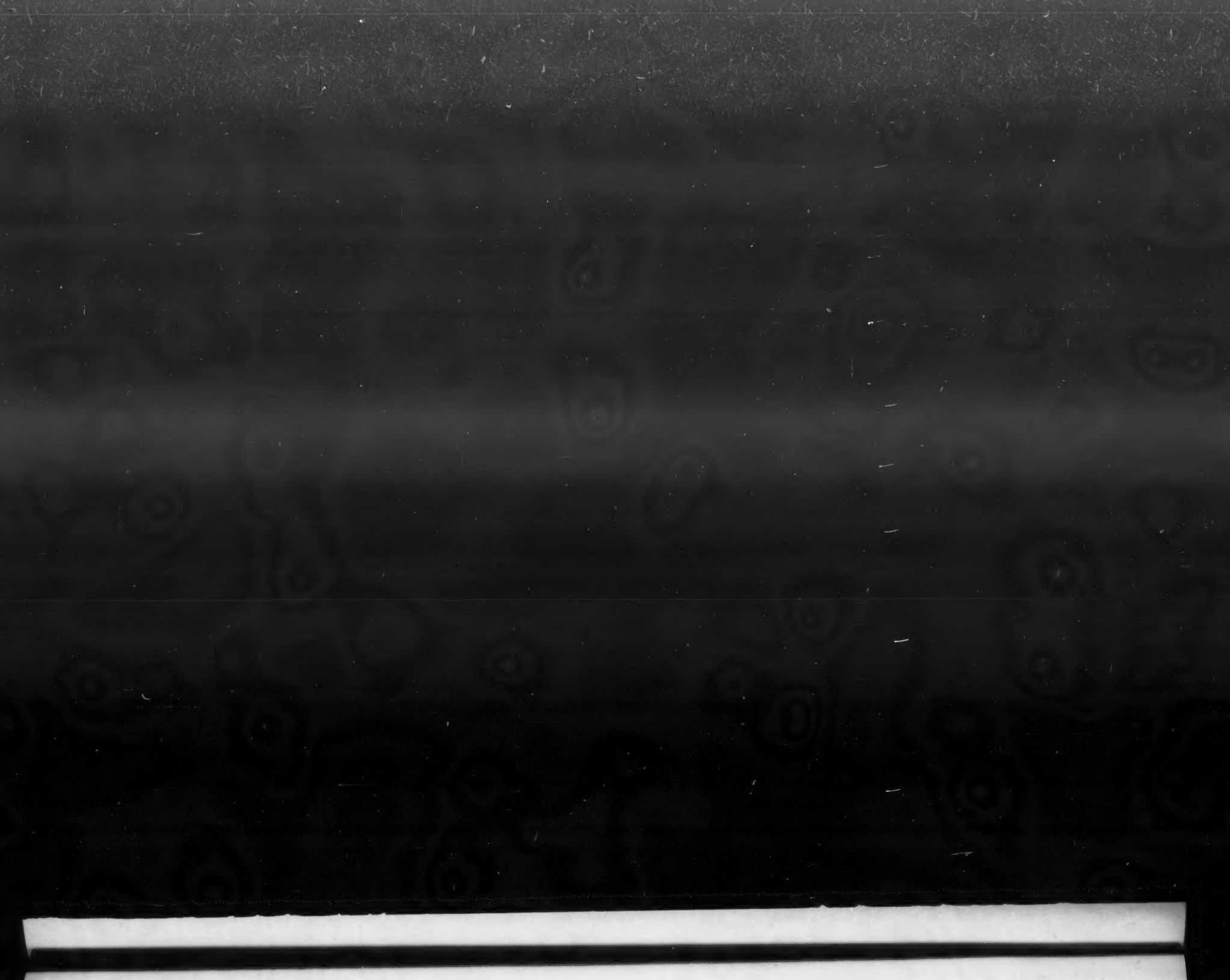
RELIEF OF STORM-STRICKEN AREAS IN THE SOUTH

Mr. BLACK. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 131.

The VICE PRESIDENT. Let the resolution be reported by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama?



Mr. FESS. Mr. President, unanimous consent is asked for the immediate consideration of the joint resolution?

The VICE PRESIDENT. Unanimous consent is requested by the Senator from Alabama [Mr. BLACK] for the immediate consideration of the joint resolution.

Mr. FESS. I object.

The VICE PRESIDENT. The Senator from Ohio objects.

Mr. BLACK. I move that the Senate proceed to the consideration of Senate Joint Resolution 131.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which was read, as follows:

Whereas the States of Alabama, Mississippi, Georgia, South Carolina, and Kentucky are suffering from the effects of recent storms which rendered thousands of people homeless, devastated farms, destroyed houses, barns, and other equipment, and increased unemployment in the storm-stricken areas in such States; and

Whereas the damage caused by the storm was so great as to make it impossible for the governments of those States to give adequate relief in the emergency: Therefore be it

Resolved, etc., That the Secretary of Agriculture is authorized and directed immediately to assist in the rehabilitation of the storm-stricken areas in such States. For such purposes the Secretary of Agriculture shall have power to make loans to persons in the storm-stricken areas in such States upon such terms and conditions as he shall by regulation prescribe, including an agreement by the borrowers to use the loans for the purposes specified by him; except that no such loan shall be made for a period of more than 10 years or in an amount in excess of $5,000 to any one individual. The rate of interest upon each such loan beginning with the fourth year shall be 5 per cent per annum, but the Secretary of Agriculture, in his discretion, may defer the payment of interest upon any such loan for such period of time as he shall deem necessary. All such loans shall be made by the Secretary of Agriculture or through such agencies as he shall designate. All money received during a period of two years from the date of approval of this joint resolution as repayment of principal or interest of any loan made pursuant to this joint resolution shall be held by the Secretary of Agriculture as a revolving fund, which may be loaned on applications or the purposes and upon the terms and conditions herein provided, and all money received thereafter as repayment of principal or interest of any such loan shall be covered into the Treasury as miscellaneous receipts.

SEC. 2. The Secretary of Agriculture shall make an annual report to Congress at the beginning of each regular session and give a complete account of his activities in carrying out the provisions of this joint resolution.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000,000, for the purposes of carrying out the provisions of this joint resolution.

Mr. BLACK. Mr. President, if the Members of the Senate present are not sufficiently familiar with this joint resolution, I shall take a very few minutes to explain the purpose and the necessity for its passage.

It will be noted that it provides an appropriation of $5,000,000, to be used in the rehabilitation of storm-stricken areas of certain States named in the joint resolution. The measure is copied, in the main, from a similar joint resolution passed for the relief of the storm-stricken area of Porto Rico, but certain changes have been made, largely at the instance of the Committee on Agriculture and Forestry, which committee has unanimously reported this joint resolution.

As I originally drafted the measure, it would have provided for the appropriation of $5,000,000 of the sum which has previously been appropriated for the Reconstruction Finance Corporation. That corporation reported to the committee that it objected to the use of the money from that source for this purpose. It did not, however, express any objection to the purposes and aims of the joint resolution itself. The Senate Committee on Agriculture agreed that the joint resolution should be changed so as to provide for an appropriation out of the Treasury.

The measure which was passed for the relief of Porto Rico provided that the maximum sum loaned should be $25,000 for a single individual. As originally drafted, the joint resolution provided a maximum of $15,000 for individual loans. The committee believed that this amount should be reduced, and the joint resolution now provides for a maximum loan to an individual of $5,000. These are the main differences between this measure and the one passed for the benefit of Porto Rico.

The Porto Rican measure carried an appropriation of $10,000,000, $4,000,000 of which sum was an absolute gift to the Government of Porto Rico for the construction of highways and schools. This measure provides for loans to be made by the Secretary of Agriculture to individuals for the rehabilitation of homes and injured property in the storm-stricken area.

In order that the Senate may understand the necessity for this legislation I call attention very briefly to the extent of the damage, particularly in the State of Alabama. According to the best figures computed up to this time there were more than 2,500 people injured in Alabama alone; there were more than 300 people killed. In the farming section of Alabama, according to the latest reports, I find that there were more than 1,700 farm houses and buildings completely destroyed. These figures, it will be noted, refer to the State of Alabama alone, and do not take into consideration the great havoc and destruction that was wrought in other States.

The property loss and damage in the farming areas of the State of Alabama alone were $2,822,000. That figure does not touch the great amount of damage that occurred in the towns and municipalities. I have in my files reports showing that the total destruction in Alabama was between $4,000,000 and $5,000,000, almost $5,000,000. This is not an exaggerated account of damages but a statement of what actually occurred.

Hundreds of people have been rushed from place to place seeking medical aid. The hospitals have not been able to take care of them. The Red Cross, in its usual humanitarian way, went upon the job immediately after the storm. It has done a wonderful piece of assistance in the storm-stricken areas of the South.

This joint resolution is not intended in any way or to the slightest extent to conflict with the work which the Red Cross has done or will do. The situation is, however, that due to the widespread destitution which exists in this country at the present time and the collapse of credit the stricken areas can not supply the money necessary, and imperatively necessary, to rebuild in this area.

I have in my hand a message from the Governor of Alabama. He made a trip of inspection over the entire State in order that he might ascertain conditions. We have from him this telegram:

There is enormous property loss in the area of the State of Alabama, where the recent tornado did its destructive work. Residences, stores, schoolhouses, churches, barns, silos, feedstuffs, food, cattle, and timber have been destroyed. The local banks and financial institutions are not able to furnish anything like the needed financial assistance for restoration and rehabilitation. They are helpless to cope with the situation. Any possible plan for Federal aid will be appreciated. It will assist in permanent restoration, and will enable thousands of good farmers to remain on their land and make crops this year and others to restore their property.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. BLACK. I yield to the Senator.

Mr. VANDENBERG. I have no doubt the situation is precisely as the Senator describes it. I am referring now to the third "whereas," which suggests that the damage is so great as to make it impossible for the governments of the States affected to give adequate relief in the emergency. The governor's message did not touch the question of whether the State of Alabama itself had undertaken relief. Will the Senator discuss that phase of the matter?

Mr. BLACK. I shall be glad to do so.

The Legislature of Alabama is not in session. There is at present a staggering deficit in the State. Many schools have been closed by reason of lack of funds. Many schoolteachers have not been paid over a long period of time. If the legislature should be called in session, I think I can safely state that it would be practically impossible to begin to meet the situation.

The terrible condition which has brought about the closing of the schools and the failure to pay the teachers has in many instances caused communities to take up public collections, and they are exerting themselves to the very maximum extent of their capacity to continue to run the schools, even for a short period of time.

I might state also to the Senator that several of the counties where this storm did the most damage are not the rich agricultural counties of the State. They are counties where there is no wealth. There is practically no reserve. One of them—which happens to be the county in which I was born and reared—is a county where the drought has come for two successive years. Even before this storm struck that county I had received numerous communications from the most substantial people in the county urging that every possible effort be made to prevent the foreclosure of loans made on farms by the Federal land bank. I had been urged to endeavor, if possible, to secure additional funds to lend to the farmers in order that they might make a crop.

I can state of my own personal knowledge a concrete case which will give to the Senator an illustration of the condition of affairs in that county. This man has been a farmer all his life. He depends almost entirely upon his cotton crop. As the Senator knows, cotton sold recently for about 5 cents a pound. Last year this farmer made three bales of cotton in order to take care of himself and his family—about $75!

This is not an isolated case. Thousands of similar instances can be found to exist in that very county, where the storm covered a wide area in its horribly devastating force as it swept through that county.

So far as assistance from the counties is concerned, on account of conditions which are well known, it is wholly and completely impossible for them to begin to take care of the situation. The people in these counties, perhaps to as great an extent as any counties in America, are composed of a citizenship that has descended from the native inhabitants of the State. I do not say this with any idea of instituting invidious comparisons with any other people anywhere, but simply in order that Senators may understand something of the type of people to whom I refer. They are sturdy and self-reliant, as we find people in the hill counties of this country. They are not begging for assistance. They do desire some method of help whereby they can secure sufficient funds to rebuild their homes which have been blown away and in order that they may carry on their work on their farms. Hundreds and hundreds of these homes have been blown away. Thousands and thousands of people are homeless and destitute.

I have in my file a letter, which I am not authorized to read to the Senate, nor am I authorized to give the name of the writer, but the communication is from a man who is intimately familiar with the situation. He is closely associated with relief agencies throughout the Nation. He states to me that it is impossible for the situation to be met in Alabama. I can not, of course, speak with the same degree of accurate knowledge as to the situation in the other States; but I do know that Porto Rico was no more in need of Federal assistance than are the counties in Alabama where the people are to-day homeless, living with their neighbors, in some instances compelled to go long distances from their homes in order to find a shelter over their heads.

It is not proposed in this measure to attempt to duplicate the work of the Red Cross. This is not asked as a gift. It is asked, however, that the Federal Government aid in the rehabilitation of stricken home owners.

The Government has seen fit to lend its credit and the tax-raised money of the people for the purpose of coming to the relief of crippled railroads. Of course, I know that this body will not hesitate to come to the relief of people who are crippled and in misfortune by reason of a storm which has left thousands of people homeless and sent thousands into hospitals all over the storm-stricken area.

Some question has been raised as to the plan proposed in the measure. For that reason I desire to advert to it.

The suggestion was made that perhaps a loan of $5,000 to one individual might not be justified. It has been thought that perhaps the homes were so small that it would not require that much to rebuild any of the places that have been blown away. All of the homes that were blown away were not in the remote country districts. Some of them were in very good-sized towns or cities. One city was practically wiped off the map.

I have in my file a letter from one of the best and most substantial citizens of Alabama, who owns land on which were a number of tenant houses. It was not written to me with any request that anything be done for him, but was simply a statement to me as his friend as to the situation in which he found himself. As I recall the facts of his letter, eight of his tenants were killed. All of the houses on his farm were blown away. In the situation in which he finds himself, although he is a man who is 100 per cent responsible for any promise he makes to any individual, the possibility is that by reason of the collapse of credit in that section, unless some provision is made, he will not be able to secure a loan to rebuild the houses on that farm. How much it would take, I do not know. There is no mandate to the Secretary of Agriculture to lend as much as $5,000 to any one person.

Perhaps I have gone into the measure at sufficient length for the Senate to understand it. If there are any questions in connection with the measure, or as to the extent of damage, or as to the necessity, which any Senator desires to ask, I shall, of course, take great pleasure in explaining it.

ECONOMY IN GOVERNMENT EXPENDITURES

Mr. CONNALLY. Mr. President, I have no desire to delay action on the measure sponsored by the Senator from Alabama, but I must go to a meeting of the Committee on Finance very shortly, and I shall take only 10 or 15 minutes of the time of the Senate.

Considerable time of the Senate and considerable space in the newspapers within the past few days has been consumed in the discussion of measures of governmental economy and the reduction of Federal expenditures. I want to speak to the Senate just a few minutes, and I want to preface my remarks by saying that I rise to attack nobody, and I rise to criticize no one.

Mr. President and Senators, the newspaper reports on yesterday, I believe it was, in rather significant headlines, pointed out that the daily expense of the United States is $6,000,000 over the income each day. This is a United Press despatch to which I am now referring. I have not checked the figures, but I assume they are correct. The article states:

> The Federal Government is spending $6,855,000 a day more than it receives, Treasury figures show.

I ask to have the rest of the statement incorporated in my remarks.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAILY EXPENSE OF UNITED STATES $6,000,000 OVER INCOME

The Federal Government is spending $6,855,000 a day more than it receives, Treasury figures show.

Revenue for each calendar day of the present fiscal year has averaged $5,825,000 as compared with $8,894,000 a year ago. Daily expenditures have totaled $12,680,000 as compared with $11,082,000 during the fiscal year 1931.

During 1931 the daily excess of expenditures amounted to $2,186,000.

Expenses have increased 14 per cent, while revenue has fallen off 34 per cent. This has resulted in a Budget deficit of $1,900,370,786.35—the largest peace-time red-ink total in the history of this Government.

Mr. CONNALLY. Mr. President, I want to point out that every dollar appropriated by the Federal Government for any character of service or any character of merchandise utilized by the departments finally finds its way into some individual's pocket. If we are to cut down expenditures and are to bring about economy measures, somebody now receiving Federal money must have the payments of that money either reduced or discontinued. So at the outset we

have to make up our minds that if we are to reduce expenditures, we shall have to hit somebody.

If we cut off employees, there will be a cry, of course, that we are increasing unemployment. If we cut off great projects which require merchandise and commodities for their prosecution, we shall meet the opposition of somebody, the charge being that that is hurting business and increasing distress in commerce.

I introduced a bill some days ago proposing a graduated reduction of Federal salaries, beginning at $2,000, assessing salaries between that figure and $5,000, 5 per cent; from $5,000 to $10,000, 10 per cent; and above $10,000, 15 per cent.

Of course, it is going to be unpleasant to Senators to vote a reduction of any governmental employee's salary, but we are living in unusual times. These times call for sacrifices by every citizen in this Republic. Under the pressure of these times, the Finance Committee of the Senate is now engaged in considering a tax bill, which, when enacted, will lay upon the people of this country a billion and more dollars annually in addition to the burdens which they are already bearing. While salary reductions alone will not bring about large savings in amount, let me suggest to Senators that they will have one of the most splendid psychological effects upon the country.

There is abroad now in the land a quite widespread view that we are indifferent to the distresses of the people. There is gaining currency all over the land the idea that we are drawing salaries from the Federal Government, and all of the thousands of employees in the vast Federal establishment are drawing salaries, and that the purchasing power of those salaries is higher than it was at the time the salaries were fixed. We are rousing up over the country, not because we will it so, but unconsciously, a spirit of hostility to the Government, a spirit of unrest, and a feeling among the people that we are careless as to their burdens so long as we are enjoying the emoluments of office and the prerogatives of power.

The bill I introduced, to which I have referred, has been referred to the Committee on Civil Service. I did not ask that it be referred to that committee. I requested that the bill be referred to the Commitee on Appropriations, because that committee is now struggling with matters of economy and the reduction of expenses, because it is undertaking, under the direction of the Senate, to reduce pending appropriation bills by 10 per cent, and I thought that my bill ought to go to that committee in order that it might consider it as a part of the program of retrenchment and economy in government.

I apprehend no favorable report from the Committee on Civil Service. The senior Senator from Idaho [Mr. BORAH] has already pending before that committee a serious of bills proposing moderate salary reductions. But I suggest to the Senate the wisdom and the propriety of beginning its economy and beginning its cutting, not only on our own salaries, but on salaries within the ranges where moderate reductions may be accomplished without hardship or without suffering upon the part of those who are receiving those salaries.

Mr. BROOKHART. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I yield.

Mr. BROOKHART. I want to ask the Senator why, in referring to this great agitation about Government expenses, he does not mention the comparison of State taxes and State expenses? He speaks as though all of this trouble were due to Federal expenses.

Mr. CONNALLY. Oh, no. I am speaking of Federal expenses, because that is the only thing of which we have jurisdiction. We are wasting our time when we discuss State taxation. That is not within our jurisdiction.

Mr. BROOKHART. The Senator is speaking of the general situation and the general agitation, and all that. Let us see what the facts are as to the cause of it.

In the State of Texas the State and local taxes are $193,911,000, and that does not include the special city taxes, which would probably add sixty or seventy million more. But in 1928, the year for which I have the figures, Texas paid in income taxes only $45,000,000. So that seven-eighths, or thereabouts, of the tax trouble in Texas is due to the local and State taxation.

Mr. CONNALLY. Mr. President, of course I do not question the figures of the Senator, but does the Senator think the fact that the people are being harassed and burdened with heavy State taxes is any reason why we should not save every dollar we may save in the conduct of the affairs of the Federal Government, so that we may not place added burdens upon the people of any State in the form of taxation?

Mr. BROOKHART. Not at all; but it is such a small fraction, when we get it, that it amounts to little in the situation.

The income tax is what this reduction will affect, and nothing else. In the State of Iowa seven-eighths of the expenses of the Federal Government which come into the State are paid by income-tax payers in New York, where the big incomes are. Only one-eighth of that is paid by my State, and I think there is about the same proportion in Texas. So that when we reduce the Federal employees in Texas the State of Texas will lose seven-eighths of the benefit it is getting and is entitled to get.

Mr. CONNALLY. Do I understand the Senator, then, to oppose any reduction of Federal taxes because it will not amount to anything?

Mr. BROOKHART. No; but I am not in favor of getting up here every day spending the time howling about it and filling the land with a lot of agitation about what we can do, when we can do hardly anything. That is the point about it.

Mr. CONNALLY. The Senator from Iowa complains of Senators getting up and howling on the floor. I think that comes with rather bad grace from the Senator from Iowa. While I would not term any Senator's remarks in the unkind manner in which he describes my feeble effort, at the same time I have sat patiently under the rotund and oratorical effusions of the Senator from Iowa declaiming against the people who live in New York and pay taxes in Iowa, and saying little against the people of Iowa who reside there and pay taxes. I think it is unkind of the Senator to undertake to chastise and discipline a comparatively new Senator, and complain if he is taking up a little portion of the time of the Senate, when he is seeking to restrict expenditures so that they will not bear more heavily on the people, represented by the Senator, who live out in Iowa.

Mr. BROOKHART. I would like to ask the Senator what the price of cotton is in Texas now?

Mr. CONNALLY. It is very low, about 5 or 6 cents a pound.

Mr. BROOKHART. It is too low to pay that vast amount of taxes levied in Texas by the State.

Mr. CONNALLY. Certainly.

Mr. BROOKHART. The Senator voted for $500,000,000 of appropriations——

Mr. CONNALLY. No; the Senator is just as inaccurate about that statement as he is about many others. The Senator from Texas did not vote for the Reconstruction Finance Corporation, if that is the matter to which the Senator refers.

Mr. BROOKHART. That is correct. I am glad the Senator did not. I did not, either. There were only two or three of us who did not. But it was voted by this Congress just the same, and increased the appropriations here $500,000,000 for the benefit of New York banks and railroads and other corporations.

Mr. CONNALLY. So the Senator's idea is that because other Senators have been extravagant in voting appropriations, therefore all the rest of us should assume the same right and vote other extravagances, and make no effort whatever to reduce Federal expenditures. Is that the Senator's attitude?

Mr. BROOKHART. No. Yesterday the Senator from Mississippi pointed out that we could reduce about $2.10 apiece if we got all the reductions the Democratic side had

figured out of this thing for the people of this country. But that would not enable the people of Texas to pay that $193,000,000 of local taxes.

Mr. CONNALLY. It would allow them each to have $2.10 more with which to pay it than the Senator from Iowa would give them.

Mr. BROOKHART. Yes; but if we would raise the price of cotton to 18 cents, as Mr. McAdoo wanted to, they could pay it all.

Mr. CONNALLY. If the Senator will raise the price of cotton, I will help him raise the price of wheat. But I suggest that neither the price of cotton nor the price of wheat can be increased by levying heavy taxes upon the people who produce them.

Mr. BROOKHART. Mr. President, the equalization fee was a tax on them, and I preferred the debenture, which would have come out of the Treasury of the United States.

Mr. CONNALLY. Let me say to the Senator that, strange to say, I agreed with him again on those propositions. I voted for the debenture and against the equalization fee.

Mr. BROOKHART. Then, let us stop this discussion about saving $2.10, or something, for somebody, in Government expenses, and let us see if we can not get some legislation which will increase the price of cotton and the price of wheat and the price of the other farm products in this country, so that we can pay these expenses. These Federal expenses were not high when the farmer got high prices. They are high now because agriculture is put down into a state of bankruptcy, and I want to ask the Senator if he does not think we had better take the time of the Senate in considering that greatest of questions—agriculture depression—rather than saving this little amount.

Mr. CONNALLY. Let me say to the Senator from Iowa that there is no difference between the Senator and me with reference to the desire that something be done to improve the condition of agriculture, that something be done to lift the prices of agricultural commodities. Let me further suggest that if the prices of agricultural products could be raised by speech making, the Senator from Iowa would have had them at the highest rate known in history. But they can not be raised simply by speech making.

The Senator from Iowa is seeking to interrupt me in my very modest discussion of reduction of Federal expenditures when that question is now before the Senate and when that question is now before the country, but he does so by endeavoring to divert me from that discussion to some plan of his own which he has been discussing here ever since he has been in the Senate. Usually whenever he discusses that question prices go lower.

Mr. BROOKHART rose.

Mr. CONNALLY. I yield to the Senator from Iowa.

Mr. BROOKHART. The reason why prices went lower was because the Senator from Texas would not listen to me. [Laughter.]

Mr. CONNALLY. The Senator is again inaccurate. The Senator from Iowa said he voted for the debenture. The Senator from Texas voted for the debenture and was one of the early advocates of the debenture. The Senator from Iowa complains that the Senator from Texas has not been in accord with him on other matters. I voted against the equalization fee, because it was a tax on the farmers and I felt it would be harmful to the farmers. What causes the difference between the Senator from Iowa and the Senator from Texas at the moment? The Senator from Iowa is a member of the Committee on Civil Service. He has before his committee several bills proposing reduction in Federal salaries and the Senator from Iowa is sitting on those bills just as hard as he has been speaking on agriculture and other matters. Every time he gets an opportunity to do so he speaks and no result follows, but when he sits on those bills and keeps them in the committee he is having a very serious effect on the program of the Government to reduce even in a small way Federal expenditures.

Mr. BROOKHART. I have reported all of those bills out but one, and the one would not reduce the expenses of the Government by $4,000,000.

Mr. CONNALLY. Is $4,000,000 an insignificant sum to the Senator from Iowa? The Senator has pointed out that the people of his State are so poor that they pay only an infinitesimal amount of income taxes, and yet he speaks of $4,000,000 as if it were a mere insignificant thing, as if it were a mere bagatelle, as if it were something which was beneath his notice and his consideration when it comes to saving that large amount of money to the taxpayers of the Nation.

Mr. BROOKHART. It would reduce the expenses of individuals of the United States some 3 or 4 cents apiece, and it would cost my State of Iowa about two-thirds of that amount in reduced funds that would come into the State.

Mr. CONNALLY. The Senator from Iowa said that his people pay no income taxes. Let me tell him that when he gets through with the tax bill now pending before the Finance Committee, they may not pay any income taxes, but they are going to be paying a lot of excise taxes. They are going to pay taxes on theater admissions. They are going to pay taxes on their automobiles and on their trucks engaged in agriculture. The Senator speaks for agriculture. The farmers are going to pay excise taxes on a great multitude of things necessary to their comfort and their existence, and yet the Senator is wholly indifferent when it comes to saving, as he says, "only $4,000,000."

Mr. BROOKHART. I said it did not save my State anything worth while. I want to say further to the Senator from Texas that there will be no excise taxes in the revenue bill with my vote.

Mr. CONNALLY. Of course that does not necessarily mean that they will not be in the bill.

Mr. BROOKHART. If I could get the Senator from Texas to listen to me again, he would vote the same way.

Mr. CONNALLY. I have listened to the Senator a great deal. I always enjoy listening to him. If the Senator would only act as he talks, we would have much more concrete results. The Senator is always talking about doing something for the farmer. I am trying to save the farmer now in income taxes, if he pays any. I am trying to save him taxes on his truck, if he has one. I am trying to save him paying additional taxes on his automobile, if he has one. I am trying to save him paying excise taxes on a great variety of things, and the Senator from Iowa is now opposing that position of mine.

Mr. BROOKHART. All the Senator from Texas has proposed would not save the farmers of Iowa anything in the way of reduction of Federal taxes.

Mr. CONNALLY. Is that the only reason why the Senator is against it, because he thinks it will not save the farmers of Iowa anything?

Mr. BROOKHART. No. I am against it for the reasons I have heretofore stated. I want to ask the Senator if it is necessary to balance the Budget with taxes? Every commodity price is too low because the money standard is too high. I ask him if it is not the sensible and sound thing to do to balance the Budget with a money issue that will restore that price level to its previous normal condition?

Mr. CONNALLY. Mr. President, I do not care to be detoured by the Senator from Iowa. Simply because I was discussing a tax on automobiles is no reason why I should be detoured and gotten off into another field of discussion. Regardless of whether we inflate the currency or not, we are still going to have to levy these taxes, and the more currency we issue the more taxes we will have to levy to pay that currency when it matures. I hope the Senator will not get off into a side discussion at this time.

Mr. BROOKHART. Of course, I do not regard it as a side discussion because the whole discussion is on a balancing of the Budget. There are three ways to do that. One way to balance it is by taxes, or we might balance it with a bond issue, or we might balance it with a Treasury note issue. If we do it with taxes the Senator from Texas claims that it will be a burden on somebody. If it is, I want to put it on the people that have the money to pay it. If we balance it with bonds, that is going to put an interest

burden on somebody in addition to the principal of the bonds. If we balance it through a Treasury-note issue, that is the easiest of all, the easiest to sustain in the taxing power of the Government, because we would have no interest and we would have a legal tender.

Mr. CONNALLY. I can not follow the tempting opportunity which the Senator from Iowa offers me of getting off into a discussion of side issues. Whatever we do to balance the Budget, after all we have to resort to the taxing power, and the taxing power, of course, lays the taxes on the people. The more we tax them the more money we are going to extract from them.

What I was undertaking to say is that if we are to have any reform in Federal expenditures at all, we have got to cut somebody's salary, we have got to cut somebody off the pay roll, or we have got to reduce the outlay for goods and commodities consumed by the Federal Government. Where is there a better place to start than in the reduction of salaries? It requires no board to deliberate for months to determine that question. It will not require a presidential commission, which might consume all the time until after the next election to decide the question. It is one that is easy of solution. It starts here at the top. It will have a tremendous appeal to the country and it will produce a psychological effect which will be most wholesome and most stimulating upon the public opinion of the country. Of course we do not like to reduce salaries. I can ill afford any reduction in mine and I know Government employees in many cases are in the same position. But for this emergency and temporarily we can well afford to reduce salaries in order to meet the emergency.

Mr. President, the President of the United States is filling the press with appeals to the Congress to reduce expenditures. If the President of the United States can point out to the Congress where departments can be abolished, I want to say without any spirit of partisanship that I stand ready to vote for the abolition of those various departments. I know how the President is circumstanced. He may be sincere in wanting to economize, but whenever he proposes economy in any particular department a Cabinet officer rushes over to him and says, "O Mr. President, I am for economy, I am for reduction of expenditures, but do not touch my department. Go out and reduce in the other departments."

When the President offers to reduce in another department, the Cabinet officer at the head of that department rushes over to his chief and says, "Oh, Mr. President, all the services that you are undertaking to abolish are so vital and so necessary that we can not dispense with them. Oh, woodman, spare my tree. Cut off some other bureau or some other department, but do not touch mine." So the result is that all the President can do is to give out a general statement in behalf of economy and retrenchment and do nothing concrete whatever about it.

I accept the challenge of the President so far as I am concerned. If he will point out through his bureau chiefs wherever a department of the Government can be abolished or wherever a bureau can be eliminated, I am prepared to consider it, and I am prepared to vote to sustain such a recommendation.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER (Mr. HASTINGS in the chair). Does the Senator from Texas yield to the Senator from Iowa?

Mr. CONNALLY. I yield.

Mr. BROOKHART. Can the Senator point out any such bureau? I will vote that way, too, if somebody will point out such a bureau or bureaus.

Mr. CONNALLY. Let me suggest to the Senator from Iowa that the House of Representatives has already proposed a number of consolidations and eliminations, for all of which the Senator from Texas will vote and all of which the Senator from Texas will support when they come to the Senate. I am not prepared, and I am sure the Senator from Iowa is not prepared, offhand, to give all the information about the various bureaus; but the executive department, through the Cabinet, knows more about the departments and bureaus than any other arm of the Government. I am willing to abide by the statement I made that when the President recommends specific eliminations and consolidations and retrenchments and abolitions, the Senator from Texas is prepared to support that view and vote to reduce Federal expenditures in that way.

Mr. President, if the House of Representatives can reduce appropriations through its Economy Committee, the Senator from Texas is prepared to support that view. The Senator from Texas is prepared to support the Appropriations Committee of this body, which, under the instructions of the Senate, is undertaking to cut 10 per cent from pending appropriation bills. A dollar has no partisanship. A dollar is neither Democratic nor Republican when it is paid in the form of taxes. For one, I propose to vote to eliminate bureaus wherever they ought to be eliminated, regardless of the source from which the proposal comes.

I accept the challenge of the President, I accept the challenge of the House, I accept the challenge of the Senator from Tennessee [Mr. MCKELLAR], and of the Appropriations Committee of this body that we ought now—not next year, not after the election, but now—to consider these reductions and eliminations. I have introduced a bill that will save not a great many million dollars but it will save several million dollars and will indicate to the country that we are not simply professing economy, that we are not simply talking economy, but that we are practicing it. It will convince the country that we are not simply giving forth these declamations and declarations and statements in the press for the purpose of getting votes, but that we really are in earnest about the proposition and expect to do something rather than merely talk about it all session and do nothing.

Mr. BROOKHART. Mr. President, in the course of my interrogatories submitted to the Senator from Texas I think I stated that Iowa paid $12,000,000 in income taxes for 1928. I have just now received from the Internal Revenue Bureau its statement of the income taxes paid for 1931, and I find that the amount paid by Iowa was only $10,395,000 in 1931. I also stated that Texas paid $45,000,000 in 1928. This corrected statement shows that Texas paid $47,000,000 in 1928; but in 1931 Texas paid only $32,000,000 of income taxes. I think there has been a pretty big reduction of Federal taxes in both Iowa and Texas since 1928. The reason for that is because cotton prices have gone down and corn prices and the prices of other agricultural products have gone down. That is why they have reduced our Federal taxes and why incomes have been reduced also in the State of Texas.

RELIEF OF STORM-STRICKEN AREAS IN THE SOUTH

The Senate resumed the consideration of the joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

Mr. LOGAN. Mr. President, I desire to make a few remarks relative to the joint resolution now pending. I can not support the measure, although my own State is included as one of its beneficiaries. The reason I can not support it is because it is wrong in principle. If it be true that Congress appropriated money to Porto Rico under similar conditions—and at this time I do not recall whether it did or not—that is no justification for the continuation throughout the years of a policy which we know to be wrong. Rather we ought to go back and correct the mistake or cease following the wrong road, and we ought to do it now.

A severe storm recently broke upon the Southern States. It is true that it affected Kentucky somewhat. As a result there was considerable damage and some loss of life; but when Kentucky desires some one to come to the Federal Congress and ask for an appropriation to relieve sufferers from storms, when Kentucky can take care of her own citizens, she will have to secure the services of some other United States Senator than myself. Kentucky can take care of her own; Alabama can do the same thing; so can Georgia and Mississippi, and all the other States that are included

in this joint resolution. Ordinarily there is no limit of the tax rate which may be levied by a State. All the legislature has to do is to impose a tax rate. Conceding everything the Senator from Alabama [Mr. BLACK] has stated to be true—and I do concede it; I do not question any of the facts he has stated—the loss in Alabama has been less, probably, than one-half of 1 per cent of the wealth of the State.

In Kentucky the people, of course, will gladly take this money if it shall be given to them; they will be after it, and probably, when they ascertain the fact, they will raise considerable "cain" with me because I did not help them to get it.

That is one of the reasons why I believe the Senate of the United States should have the courage now to say, "You must not come to this body seeking help every time you suffer from a storm." We have a storm every two or three years down in southern Kentucky, as the result of which there is much loss of property; and it would be very gratifying if we could come to Congress, or have the Federal Government loan us money, which we might or might not ever repay, in order to rebuild our homes, restock our farms, again build our cities, and clean out our streams. That would be a fine thing, but that is not the purpose of government.

There was a time back in the old days, when I began to practice law, when we had in Kentucky what was called a "fiscal court" which was made up of the justices of the peace. They met about once every three months to consider and allow claims. I remember very distinctly that on the day of meeting, the halt, the lame, the blind, the common beggars, and the dead-beats would all come to the fiscal court asking for an allowance. That practice prevailed for many years, but I am glad to say that even the plain old justices of the peace have learned that they can not support the public out of the county treasury, and the States have likewise learned it; but now, if they want anything, they come to the Congress of the United States.

It is true, I am quite sure, as the Senator has stated, that in Alabama 2,500 people were injured, probably several million dollar's worth of property was destroyed, and 300 people were killed. I am very sympathetic, I am too sympathetic, I presume; but if, when that number is injured and killed and that much property is damaged, those who may be thus afflicted have a right to come to the Congress and obtain an appropriation, then would they not have the right to come if only half the number of people or half the amount of property should be involved; and if half the amount of money should be sufficient, then why not one-fourth and on down the line, until, finally reaching the ultimate conclusion to which this policy will lead, every time an old horse of a farmer, or some one else, for that matter, dies he would come here, put in a claim, and ask Congress to make an appropriation to pay for his horse; or, if his house should burn down and he had no home, he would come and ask the Congress to make an appropriation in order that he might rebuild. That is the logical conclusion.

If the argument is good when people lose their homes as the result of a storm, they are no worse off, are they, than the coal miners who, when the coal mines close down, lose their homes and have no homes to which to go? Those who lose their homes as the result of a storm are no worse off than are those who lose them through the sale of their property for taxes. The other day I noticed in the newspapers that the great State of Mississippi, one of the States included in this joint resolution, had sold 7,000,000 acres of farm land for taxes. That is one-fourth of the entire property of the State. The owners of that land are going to lose their homes; so why not make an appropriation to take care of them?

If it be true that we are justified in making an appropriation to take care of those who have been stricken by storms, is it not equally plausible to make an appropriation when there is a fire and people have their property destroyed thereby? We frequently read in the newspapers that a fire has occurred in some city involving as great an amount of property, and sometimes causing as great loss of life as in the instant case; and therefore if we are going to make appropriations for the relief of sufferers by storms and floods, why not make appropriations to take care of the sufferers by fire? In doing that, however, we will have entirely departed from the fundamental principles of government. We ought not to do it.

Mr. President, before the sound of that tornado in the Southern States had died away in the distance there was a resolution introduced here providing an appropriation for the sufferers in the storm-stricken area. I do not blame the Senator for taking that action. It is a wonderful thing to be looking out for the welfare of one's State, but I presume that in the future, if we are to pursue this policy, we will not wait until a storm comes, but some one, having a favorite Senator, when he sees a black cloud rising will send him a telegram and say, "Get your resolution ready; I think we are going to have a storm." [Laughter.]

Representing the great people of America, acting here in a trust capacity, should we not now, with courage, say that this thing shall go no farther; that we are not here for that purpose? If we are going to allow ourselves to be persuaded, because we like a State or we like a Senator, to vote for measures like this, it is about as well for us to fold our tents and quit attempting to carry on a government.

It has been said by some one, "Oh, yes; we made a great appropriation for the Reconstruction Finance Corporation." There are those, of course, who can not see the distinction between that appropriation and the one now proposed. That appropriation may have been wrong; it is no use to argue with one who thinks it is; but it is altogether a different matter. The Government can not afford to go into the business of hunting out men in the valleys and on the hills and up the creeks and making small loans to them out of the Treasury of the Government of the United States.

I, of course, am sorry for the people in my own State who are suffering; I am sorry for people everywhere who suffer—and there is much of it now—but they will suffer more if we destroy this great Government of ours by following such policies and principles as will lead to certain destruction. It is the little leak in the dam that grows so large eventually that the entire dam is washed out.

It is said that we made an appropriation for Porto Rico, and, because of that action, we should make one for the Southern States, and then it will be said we should make another because some town has lost property as a result of a fire or because something else has happened there. There will be no end. Such appropriations are unjust; they are unequal; they are unfair, because it is only in favored instances where such appropriations will be made, while at other times equally meritorious cases will be entirely overlooked or requests for relief refused because, perchance, those in distress have no one to voice their claims in this or the other body of Congress.

I presume, Mr. President, the Senate is going to pass this joint resolution and that there will be very little objection to it. The Committee on Agriculture and Forestry has reported it unanimously. That is a great committee, but it has made a number of reports which it ought to call back and in their place submit others. However, if every member of the Committee on Agriculture thinks this joint resolution proposes desirable legislation, if 95 of the United States Senators think it is a good thing and vote for it, I desire to say here and now that, although my own State is involved, there will be one United States Senator who desires to be recorded as against this and all other similar measures.

Talk about economy! We have worked here for weeks—I do not know how long—and sent back to the Committee on Appropriations the Interior Department appropriation bill, as well as another appropriation bill, with instructions to reduce the amounts carried. We have been boasting about it in the newspapers, particularly we Democrats. We do right smart talking about such things; in fact, there is more talk than anything else. We have been boasting about the fact that we are going to cut $5,000,000 from one appropriation bill, and then, without asking that it take

its regular course, we are called up almost before breakfast, before we have time to consider it or even think about it, and the suggestion is made to us, "Let us appropriate a little $5,000,000, because we have some good people that have been damaged in a storm."

I desire to register my protest, not against this particular bill alone but against all legislation of this kind. I probably stand alone, but I do not care, for I believe my position to be right.

Mr. GEORGE. Mr. President, of course, legislation of this kind, if it is to be of any service at all, necessarily must be emergency legislation and has to be considered promptly if any benefit is to result from it.

Legislation of this kind may be subject to more or less criticism. The wisdom of it is open to more or less doubt, looked at from the standpoint of the General Government. Undoubtedly relief measures of this character should always be first considered and the responsibility met by the State or by the local subdivision in which the catastrophe occurs. Nevertheless, Mr. President, we have followed the practice since I have been a Member of the Senate of making appropriations, not in the form of loans but in the form of gifts, where there have been great catastrophes suffered by a single city or by any considerable number of our people. We have made appropriations for foreign cities and peoples of foreign countries, peoples who have no claim upon us except the claim springing out of sympathy for the suffering people of another country. We made an appropriation for the people of Japan not in the form of a loan, and we have authorized numerous loans.

When I first came to the Senate I myself believed that we ought not to make appropriations of this sort. I questioned it very seriously; but I have seen appropriations made for cities in New England—a single city, as I recall. Whether that was a gift or whether it was in the form of a loan I do not recall. This, however, is a loan. It is a loan of not to exceed $5,000,000 to the people who have suffered storm damage and injury in four or five States.

The chief sufferer is the State of Alabama. Those of us who know Alabama, either because we are neighbors to that State or because we live in that particular part of the country, know very well that the damage of the recent two storms in the State of Alabama has indeed been very great. Something more than 300 lives were lost. I dare say something considerably in excess of $5,000,000 of property was actually destroyed in the State of Alabama alone. In Georgia some 40 people lost their lives, with a proportionate loss of property; not as great, I should say, as occurred in the State of Alabama, but a loss somewhat proportionate, considering the number of people actually and directly affected by the storm.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. GEORGE. I shall be glad to yield.

Mr. VANDENBERG. Does not the Senator agree that the justification for a measure of this character always comes down to the question of whether there has been an exhaustion of local reliance?

Mr. GEORGE. I do, because I said in the first instance that I thought the obligation to furnish relief rested first upon the State, and even upon the political subdivision of the State.

Mr. VANDENBERG. This joint resolution sets forth in its preamble that the governments of these States find it impossible to give adequate relief. Does the Senator say that the government of the State of Georgia has found it impossible to give adequate relief in Georgia?

Mr. GEORGE. I would say this, Mr. President: Of course, the chief injury and damage have been sustained by the people of the State of Alabama. Georgia is much in the same position as the State of Alabama, but perhaps not quite in the same position. Under our constitution the power to tax is limited. The maximum limitation has long since been reached by the State of Georgia, and for some years the State has been accumulating a deficit. The deficit in Georgia is not as great as in the sister State of Alabama, as I happen to know; we are reducing it, but the deficit of the State of Georgia is by no means negligible.

The Legislature of Georgia is not in session. The constitution itself fixes the limit of the tax to be levied by the State for State purposes; and while it does not absolutely fix the limit of the tax to be levied by a county, it does prescribe the particular purposes for which the tax may be levied by a county, and generally places a limitation upon the tax that may be levied, so that it would be very difficult for the State as a political entity to provide necessary relief.

I would not say, of course, that the local communities under ordinary conditions would not be amply able to meet the burden. I do say, however, that under present conditions, with credit agencies, if not destroyed, certainly not furnishing credit; with banks practically in a state of suspension so far as credit operations are concerned, it is quite a difficult thing to meet all of the needs that have arisen as a result of this storm in the State of Georgia, although only a limited area of the State suffered storm damage.

Mr. VANDENBERG. Of course, the Senator realizes that in all of our States we are meeting with extreme difficulty in raising the essential funds to care for welfare needs and to meet the disasters of the moment.

Mr. GEORGE. I do realize that, especially under present conditions.

Mr. VANDENBERG. Precisely; and by the same token it becomes difficult for us to pay our share of the $5,000,000 which is to go through this channel. The point I am submitting to the Senator is, under the universality of this condition: Should we not have a complete demonstration of the breakdown of local ability to meet this situation in the Senator's State before the rule of Federal aid should be invoked at the present time?

Mr. GEORGE. Mr. President, it seems to me there is a practical demonstration of the inability of the States to meet this immediate need in the manner in which it ought to be met; and I think it must be assumed that the committee gave consideration to that phase of the matter before they recommended the joint resolution.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. DICKINSON. I should like to inquire whether or not there would be any objection to adding the proviso that has usually been attached to gratuities of this kind. I am now reading from the agricultural bill for the fiscal year 1929, wherein the States of Vermont, New Hampshire, and Kentucky were favored, which provided as follows:

Provided further, That the amount herein appropriated for each State shall be available when such State shall have or make available a like sum from State funds for the purposes contained herein.

That is a usual condition that is put in what we call gratuity loans of this kind.

Mr. GEORGE. Mr. President, I am not able to answer the Senator's question, because the joint resolution was not introduced by me but by the senior Senator from Alabama [Mr. BLACK].

Mr. BLACK. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Alabama.

Mr. BLACK. Would the Senator object to stating what bill of this character has ever been passed with a provision of this kind?

Mr. DICKINSON. This was a storm, and it was provided for in the agricultural appropriation bill for 1929. For the benefit of the State of Vermont there was appropriated $2,654,000; New Hampshire, $653,300; Kentucky, $1,889,994. It was an amendment to the agricultural appropriation bill. Part of it was put on in the committee and part of it on the floor of the Senate. I remember the provision very well, because in the conference this proviso for the contribution by the States of a like amount for like purposes was included.

In other words, I do not think the United States Government ought to be put in the position where, if a man's house

blows down, and he has no insurance on it, the Government is going to rebuild his house for him by means of a loan that is very liberal in its terms, with practically no pay day to it.

Mr. GEORGE. Let me ask the Senator if that was not a straight donation by the Congress, and not a loan?

Mr. DICKINSON. This was a straight donation.

Mr. GEORGE. That is quite a different case. If this were a donation, I should favor a similar provision, although I am not the author of the joint resolution.

Mr. BLACK. Mr. President——

Mr. DICKINSON. I want to suggest that this is practically a donation, because it has no maturity date. It is a revolving fund that extends itself, with no due date on it.

Mr. GEORGE. Oh, no; the Senator is entirely wrong. It is distinctly and definitely provided that the loans shall not extend beyond 10 years, in the discretion of the Secretary of Agriculture. They are straight loans, with definite maturing dates, of course. The maximum amount that may be loaned to any one borrower and the maximum life of the loan are in the discretion of the Secretary of Agriculture; but, of course, it is not a gratuity. It is a loan.

Mr. President, while I am on my feet, let me say that this is a loan that in all probability will be repaid. In 1928 the Southeast suffered severe storm damage. The senior Senator from South Carolina [Mr. SMITH], who is absent on account of illness, and myself were interested in a bill which finally passed the Congress and had the approval of the President, authorizing a loan of $6,000,000 to the people in that storm-stricken area. That storm was not so severe as the recent storms. The loan was made. Nearly 97 per cent, as I recall, of every penny loaned was repaid, and repaid by the people of these same States.

So this is not a gratuity. It is not a gift. It is intended to be a loan; and if not one dollar of it goes into the State of Georgia—and perhaps little of it will go into the State of Georgia—it does seem to me that the severity of this storm and the extraordinary damage suffered by the people of Alabama, would justify Congress in authorizing a loan not to exceed $5,000,000, in the discretion of the Secretary of Agriculture, for the purposes of general rehabilitation within the immediate storm area.

It may seem easy to deal with a disaster of this kind by State action; but it is quite a different problem when a State, for instance, has a deficit of some $19,000,000, and when its taxing power is limited, as I am advised is the case of Alabama. Then, it may look to Senators who come from different parts of the country as though local communities ought to be able to meet this need. The depression, which registered itself on the New York Exchange in October, 1929, registered itself with equally destructive force on the farms of the southeastern part of the United States in 1921. The neighboring State of Mississippi, as the Senator from Kentucky has reminded you, witnessed the sale of one-fourth of its real estate for taxes within the last few days.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. DICKINSON. The storm did not have much to do with that, though; did it?

Mr. GEORGE. Oh, no. I did not pretend that it had anything at all to do with it. I never suggested that it had anything to do with it, and the Senator from Iowa knows that I did not suggest that it had anything to do with it. I did suggest, however, that since 1921 the farmers of the Southeast have faced a continuing condition of bankruptcy. Year in and year out their properties have been sold, until one State in this immediate section of the country has the unprecedented record of witnessing the sale of one-fourth of its lands for taxes within the last few days. I should not mention the State of Mississippi, but the same general condition exists in my own State.

This is not a plea for a gift or a gratuity. It is a request for a loan from the Federal Treasury of not exceeding $5,000,000 for the legitimate purpose of rehabilitating the homes in a storm-swept area.

As I recollect, we appropriated some $11,000,000 for the rehabilitation of Porto Rico. We have made outright gifts to cities beyond the waters which suffered some great catastrophe. This is a resolution asking for a loan.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield; I was about to yield the floor.

Mr. TRAMMELL. I just wanted to ask the Senator whether the appropriations refered to by the Senator from Iowa were not appropriations for the restoration of highways and roads, and as far as the Federal Government is concerned, were not donations or gifts? That is altogether a different situation from this. In that instance they did require the States to match the appropriation. It was a gift, not a loan at all.

Mr. GEORGE. The Senator from Iowa stated it was a gift or a donation; but the exact purpose for which the money was appropriated I do not know. The Senator, of course, did not himself state.

Mr. President, I have stated the situation, and it seems to those of us from the Southeast, who understand the situation in the States in that section, that this loan might well be authorized. It may not be used to the extent of $5,000,000; it probably will not be, because no loan authorized in the Southeast, so far as I recall, has reached the amount authorized by the Congress. In the first appropriation made, in 1929, for much the same purpose, although the direct purpose was to enable the farmers to plant and to grow a crop, the authorization was for $6,000,000, as I recollect. The entire amount loaned was something like $4,000,000. None of the appropriations for relief in that part of the country, at least for purposes of this character, have been entirely consumed.

Mr. VANDENBERG. Mr. President, before the Senator takes his seat, may I ask him a further question?

Mr. GEORGE. I am glad to yield to the Senator.

Mr. VANDENBERG. Does the Senator know whether any Red Cross survey, or any kindred type of information from an independent source, was laid before the Committee on Agriculture as a basis for this showing?

Mr. GEORGE. Mr. President, I am unable to answer, because while I expected to attend the committee meeting where this matter was being considered, I was kept in another committee on the same morning, and when I finally reached the Committee on Agriculture, it had passed this matter and adjourned. The Senator from Alabama may be able to answer the question.

Mr. VANDENBERG. May I ask the Senator from Alabama whether there was any testimony from the Red Cross available as to this precise type of need?

Mr. BLACK. A survey?

Mr. VANDENBERG. Yes; and a recommendation.

Mr. BLACK. Mr. President, I have talked with the officials of the Red Cross, but I am not authorized to quote what they said, and I would rather not state the conversation I had with them. Of course, if anyone wanted to find out, he could do so by talking with those officials, but I would prefer not to state what the Red Cross officials said to me in a personal conversation.

Mr. VANDENBERG. There were no witnesses before the committee representing the Red Cross?

Mr. BLACK. Oh, no. As I stated in the beginning, this does not conflict with the Red Cross work at all.

Mr. VANDENBERG. I am not thinking of conflict. The Senator understands my position. I would not even argue with him for a moment about the necessity of this matter in the face of proof, first, that local resources are exhausted; and, second, that the ordinary channels through which we serve these disasters, to wit, the Red Cross and kindred organizations, also have exhausted their opportunity of service.

Mr. KEAN. Mr. President, I would like to ask the Senator from Georgia where this money is to come from? The United States at present has an income of $2,000,000,000 and expenses of $4,000,000,000. Where does the Senator expect the $5,000,000 to come from, under those circumstances?

Mr. GEORGE. Mr. President, when we wanted to take care of the bondholders of the Federal land banks and appropriated a hundred million dollars and then increased

it by $25,000,000, I did not hear my genial friend from New Jersey say, "Where is this money coming from?"

When we appropriated $500,000,000 to form a revolving fund to be advanced to the railroads, the banks, the insurance companies, the building and loan associations, and to other like financial organizations, and then threw behind them the credit of the taxpayers to the amount of $1,500,000,000 additional, my genial friend never asked where the money was coming from.

His question is a legitimate one, however; I must confess that. We must, of course, pay our debts, and we must meet these appropriations if we make them. But the Senator knows that the House of Representatives has passed a revenue bill, and the Senate Committee on Finance is now considering the measure. We have done lots of talking on both sides of the aisle about economies in government; that is, cutting down the ordinary, normal expenses of the Government. So I think we may be able to find at least so much of this very meager appropriation of not exceeding $5,000,000 as may be actually called for by the Secretary of Agriculture.

Mr. KEAN. Mr. President, the Senator's statement as to conditions in his own State shows that his State is in relatively much better condition than the United States is. That is the point, that financially they have not anything like the deficit to meet which faces the Government of the United States.

In addition to that, I voted for a 10 per cent cut in all the appropriations which have come before us, and I think the Senator did likewise. We will probably cut $5,000,000 off the Interior Department appropriation bill, and now these gentlemen come forward and ask us, instead of cutting, to appropriate that amount for Alabama and Georgia and these other States.

Mr. DICKINSON. Mr. President, this joint resolution is, as far as I recall, a step in advance of anything the Government has heretofore done with reference to loans of this type. There have been a great many appropriations for seed loans for the drought-stricken areas, and we have loaned for seed purposes, with a lien on the crop production. Those loans have been carried on for a good many years and have been extended to localities where there have been droughts, and storm areas, and so forth. But this is the first time I know of where we have been asked to extend the loan privilege for miscellaneous relief.

I presume that under this authorization we could help a man rebuild his house, could help him dig his well, or rebuild his windmill, or rebuild his outbuildings, or renew his fences, or do anything we wanted to help him do in the locality included in the storm area.

I remember very well the conference report on one of the measures formerly passed in which items relating to Vermont, New Hampshire, and Kentucky were included. It was my impression at that time that the two items for New Hampshire and Vermont were inserted in the committee, and that the item for the State of Kentucky was put in on the floor.

The idea at the beginning in that case was that the Federal highways were to be rebuilt, highways to which Federal contributions had been made. Then that was finally backed away from, and there was put in simply a general provision with reference to roads, bridges, and so forth.

I want to read from the law, as follows:

> Flood relief—Vermont, New Hampshire, and Kentucky: For the relief of the following States as a contribution and aid from the United States, induced by the extraordinary conditions of emergency resulting from the unusually serious financial loss to such States from the damages to or destruction of railroads and bridges by the floods of 1927, imposing a public charge against the property of said States beyond their reasonable capacity to bear, and without acknowledgment of any liability on the part of the United States in connection with the restoration of such improvements, namely—Vermont, New Hampshire, Kentucky—to be immediately available and to remain available until expended.

Then there were the various provisos, to one of which I have referred.

I want to suggest that that has to do with public transportation, and the Government has gone into the seed loan business, but this joint resolution is the first time I have known of the Government being asked to go into a broad extension of this type of relief and provide for loans up to $5,000 to an individual, to run for 10 years, and, if I remember correctly, with practically no interest. How far are we going in these matters?

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. FESS. I do not think there ever was a time when it is so appropriate for us to call attention to this drift we are in. This proposal is obvious proof conclusive that we are not retracing steps we ought not to have taken in the past, but the steps we took in the past are always quoted as the reason for actions like this. This is not only a continuance of a bad practice but it is an expansion of one, including a new field, and there must be a halt somewhere. It seems to me this is the time to make a test of whether we are going unlimitedly into this sort of thing, the Federal Government always to be called upon which some injury takes place, instead of the locality looking after it.

Mr. BRATTON. Mr. President, will the Senator yield to me?

Mr. DICKINSON. I yield.

Mr. BRATTON. Regarding what the Senator from Ohio has just said, I take occasion to say that less than 10 days ago $12,800,000 of money from the Federal Treasury was loaned to pay interest due by a railroad company to the Morgan Co. and Kuhn, Loeb & Co., in New York. The Senator from Iowa says that this is a new proposal. Without agreeing or disagreeing with that, I remind him that we are doing new things. Never before was such a thing as that done. Less than 10 days ago more than twice the sum involved here went directly to those two tremendous financial institutions of Wall Street without an outcry from the Senator from Iowa or the Senator from Ohio.

Mr. DICKINSON. I want to suggest to the Senator from New Mexico that I had about as much to do with that as he did, that it was one of the loans made in the course of the affairs of the Reconstruction Finance Corporation. This is our responsibility, and that loan was their responsibility.

Mr. BRATTON. Will the Senator yield again?

Mr. DICKINSON. I yield.

Mr. BRATTON. Certainly the Senator does not take that position, when we created the Reconstruction Finance Corporation and expressly authorized it to make loans of that character, and appropriated $500,000,000 for that specific, definite purpose. The Senator then knew, as every Member of this body knew, that loans of that character would be made to the extent of $500,000,000. It may be recalled that I voted against that measure.

Mr. DICKINSON. The Senator from Iowa is not taking part in the dispute between the Reconstruction Finance Corporation and the Interstate Commerce Commission with reference to whether or not that loan was in accord with the authorization of the law. It may be that the loan should not have been made. But here we are not only continuing the policy we have had heretofore of making seed loans and repair loans but we are asked to go out far into the field, and I do not know what the limit is to be.

I call the attention of the Senator from New Mexico, if he has not noticed it, to the next vicious thing about this measure, namely, the fact that it establishes a revolving fund in these loans, a practice which I have been fighting ever since I have been a Member of either House of Congress. I maintain that when we establish a revolving fund and say that the loans may be reloaned, we might just as well say it is a donation, because it is never repaid.

The PRESIDING OFFICER (Mr. HASTINGS in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The CHIEF CLERK. A resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. BLACK. Mr. President, it appears as if there is a desire to prevent action on this resolution. I desire to ask unanimous consent at this time, therefore, that the un-

finished business be laid aside and that we continue the consideration of Senate Joint Resolution 131.

The PRESIDING OFFICER. Is there objection?

Mr. FESS. I object.

The PRESIDING OFFICER. Objection is made.

Mr. BLACK. Then, Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 131, and I desire to say a few words in connection with that motion.

Mr. President, the present solicitude of the chairman of the Republican National Committee for the United States Treasury is most marvelous. The statement that the time has come to cease appropriating public money for the purpose which we have had under consideration, coming from the chairman of the Republican National Committee under the present circumstances, is most fascinating and intriguing. The people who are suffering, the homes that have been destroyed, are not in the State of Ohio. The people who have been injured are not the stockholders of the New York Central Railroad Co. The people who have been injured are not the stockholders of the tremendously big business enterprises which his party has been fostering in this Nation.

Mr. President, it is very simple and very easy to secure support for a measure which proposes to dig down into the Public Treasury for $500,000,000 to lend to the railroads of the Nation. I called attention on the floor of the Senate at the time that bill was before us that it was communism turned upside down. It is difficult to understand the logic which prompts one to support that measure and thereafter oppose this one.

What did that bill provide? It provided that the taxpayers of the Nation should dig up $500,000,000 and extend total aid of $2,000,000,000 and give it to those who had the most. It was communism turned upside down for this reason: It proposed to tax the products of the toil of millions of poor people—men who work in the mines, on the farms, and in the factories—and take their money to raise the price of railroad stocks and to pay back money that was owing to J. P. Morgan & Co., Kuhn, Loeb & Co., and others of the centralized banking institutions of the United States. It proposed to take from the many to give to the few. The only difference between that and communism is that communism proposes to take from the few and give to the many.

We heard no cry of economy then from the chairman of the Republican National Committee. The able Republican Senator from the State of Iowa [Mr. DICKINSON] did not raise his voice to find fault with that legislation. It was in line with the old-fashioned policy that "he shall take who has the power, and he shall keep who can."

But now, Mr. President, a proposal comes up for appropriating only $5,000,000 for the needy and homeless. We see Senators on the other side of the aisle on the alert—not many over here, thank goodness. This same alertness did not appear at the time it was proposed to stick the hands of the Federal Government down into the pockets of the millions of taxpayers and take $2,000,000,000 to bolster up the railroads and huge business enterprises.

Since the very beginning of this session of the Congress the theory of the administration has been that the way to make the people happy is to tax them to the limit to keep up the prices of stocks, watered stocks, bonds, many of which are fictitious bonds based upon fictitious values.

The joint resolution provides for $5,000,000 to lend to people in distress. It is true that they are not in the State of Iowa. It is true they are not in the State of Ohio. They may be there the next time such a calamitous event occurs. It is true neither the railroads nor the Morgan interests are involved.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Louisiana?

Mr. BLACK. I yield.

Mr. LONG. I merely wish to suggest that it might not be a bad thing to amend the joint resolution after looking up the matter to see if we could not find some Morgan loans down in Alabama.

Mr. BLACK. I have not the slightest doubt that if the bill had stated on its face that the people who had been injured by the storm owed money to J. P. Morgan & Co. and it was necessary that the taxpayers go down into their pockets in order that J. P. Morgan & Co. might be paid, I would have had the stanch support of some of those Senators on the other side who are objecting to it.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. BLACK. I yield.

Mr. LOGAN. I would like to know to whom the Senator refers when he mentions "those on the other side who are objecting." Does he include me in the list? I am objecting to his measure. Does the Senator's statement include me?

Mr. BLACK. The Senator was not included in what I said. I said "on the other side." I state this, however, that there are those who voted for the $2,000,000,000 measure. The $2,000,000,000 provided for loans to the railroads. That fact was called to the attention of the Senate by myself and others at the time the bill was pending.

Mr. LOGAN. Does the Senator recall a bill which provided for an appropriation to be intelligently handled for the relief of the distressed? I will ask the Senator if it was not largely due to his efforts that that bill was defeated?

Mr. BLACK. I shall be glad to reply to the Senator. There was a bill introduced containing a provision for the intelligent use of money to relieve the distressed. I helped to prepare that bill. That bill was defeated. I voted for it. I did not think there was any other bill that offered a proper administration of public funds for the relief of distress. I stated so then. I state so again now. I do not criticize those who believe otherwise. I have never done so.

Mr. LOGAN. I would like to ask the Senator if he thinks that Mr. Hyde, the Secretary of Agriculture, is better qualified to administer such funds than those named to administer the fund provided for in the Costigan-La Follette bill?

Mr. BLACK. I shall be glad to reply to the Senator. I am very sorry the Senator thinks I referred to him. But I shall come back now to the proposition about Mr. Hyde. I would not vote for a bill which provided that Mr. Hyde might go down into Alabama and administer charity and pass upon the rules for the administration of charity in Alabama. I would fight it to-day just as I fought that one then. My joint resolution makes no such provision. It is not even indirectly or remotely associated with any such idea. The joint resolution provides for a loan to people who are in distress. It does not provide for loans to railroads that are in distress. Perhaps it might have less opposition if I should amend it and ask for $2,000,000,000 and provide for it to be loaned to the railroads and to J. P. Morgan & Co.

If my joint resolution is to do any good to the people in the storm-stricken areas it should be passed now. If the Senate wants to vote it down, it should vote it down now. If it wants to vote for it, it should vote for it now. The Senator from Ohio [Mr. FESS] has taken the position that this is a great and important occasion and a crisis in which it shall be determined once and for all whether we stand for economy or do not stand for economy.

I do not yield to the Senator from Ohio on the question of economy. It is my recollection that two or three years ago when I had up a proposal to reduce an appropriation for one of the departments in this city by more than 50 per cent, a department which was filled up with Republican favorites and unnecessary employees, the Senator from Ohio voted against the reduction. I recall that in spite of that vote we reduced the appropriation. The item went to conference and the Republican conferees of the House declined to permit the $150,000 reduction to stand, but we finally succeeded in reducing it $70,000—$70,000 out of $313,000—as I recall the figures. The department continued to operate. Its efficiency was not impaired.

I stand to-day for the consolidation of bureaus where it can be done and for a lopping off of unnecessary and useless employees who have been piled up in the Government service until one can scarcely move through the various departments and bureaus of the Government. They have been placed there under the present Republican administration. This administration could have stopped such abnormal and unnecessary growth. Now, the chairman of the National Republican Committee proposes to start his crusade for economy, not by lopping off useless Government employees, but by fighting an appropriation which will lend $5,000,000 to stricken people—although he voted for and spoke for an appropriation of $2,000,000,000 for the railroads which is being used to relieve J. P. Morgan & Co. Mr. President, if that is the policy of this Government, let the public know it. I move that the Senate proceed to the consideration of Senate Joint Resolution No. 131.

Mr. McNARY. Mr. President, I very much regret the attitude of the Senator from Alabama in trying to displace the program which was carefully arranged by the steering committee two weeks ago. Last evening purposely, in order that the Senator from Alabama might have an opportunity to be heard to-day, the Senate took an adjournment. The hour of 2 o'clock having arrived, the unfinished business has been laid before the Senate. I hope the Senator will withhold his motion to displace the unfinished business and await until another morning hour is had, which I can assure him will be some day during the week, for the further consideration of this measure.

Mr. BLACK. Mr. President, I always like to do anything which is suggested by the Senator from Oregon. This, however, is a matter of grave importance to the people of my State, and unless this joint resolution shall be put in operation at once it would be just as well not to pass it at all. I have no reason to suspect that the same gentlemen who evidently are determined not to have a vote on this measure would not bring about the same delay in the next morning hour. Personally I believe that it is far more important to continue the consideration of this measure than it is to proceed with the resolution which we have under consideration as the unfinished business. I do not believe that the Senator from Pennsylvania [Mr. REED] will strenuously object to taking up this resolution of mine in place of the other.

Mr. McNARY. Mr. President——

Mr. FESS. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. I will yield in a moment. I can not speak for the Senator from Pennsylvania, but as one who is interested in the orderly procedure of this body, inasmuch as a program has been carefully laid out, and since the Senator from Alabama has been accommodated by speedy action by the committee and also by an adjournment to meet the particular situation, I think he should not at this time insist on overturning the plan heretofore agreed upon, but should wait until another morning some time later when the matter may be considered.

Mr. ROBINSON of Arkansas. Mr. President, from the very nature of this joint resolution, if it is to be enacted, it ought to be disposed of promptly. Much time has been exhausted in the discussion of more or less irrelevant matter since the Senator from Alabama took the floor.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I first yield to the Senator from Ohio [Mr. FESS], who first asked me to do so, and then I will yield to the Senator from Nebraska.

Mr. FESS. Mr. President, what I desire to say is that I wish to have a little time in order to make a statement as to why I think it would be unwise to enact the legislation which the Senator from Alabama has espoused. The Senator from Alabama has suggested that there was a filibuster, but he will recall that he occupied an hour on the joint resolution, that the Senator from Kentucky [Mr. LOGAN] occupied some time, and that then the Senator from Georgia [Mr. GEORGE] held the floor until 10 minutes to 2 o'clock. I was sitting here desiring to make a statement as to why I thought it unwise to go ahead with the measure. There was no filibuster. If the joint resolution shall go over until to-morrow, I desire a little time in which to make my statement. That is all I wish. I intend to make my statement on the motion of the Senator from Alabama if the motion is going to be pressed.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I yield.

Mr. NORRIS. The parliamentary situation is now such that I think to a good many of us here it is rather embarrassing. Personally I have no desire to interfere with the program which the so-called steering committee has prepared. I think they have been acting in perfect good faith, and giving every Senator a fair and honest opportunity. Unless I shall be convinced otherwise from the debate, I expect to vote for the continuation of the consideration of the unfinished business, the resolution submitted by the Senator from Pennsylvania [Mr. REED]; I should dislike to have it displaced; but I do not think we can close our eyes to the condition that has been brought about in Alabama by the terrible hurricane or tornado which has ravaged that State. It is conceded that those people are suffering for the necessaries of life; that there has been terrible destruction there; and that the local communities are unable to take care of the situation. I know to ask the Federal Government for assistance ought to be a last resort; I realize and appreciate that fact; but everybody knows that in the terrible condition in which the country now finds itself suffering caused by a catastrophe, such as has occurred in States in the South, can not be taken care of by the local communities or the States; it is a physical impossibility.

I concede that the Senator from Ohio ought to have the right not only to make the statement he desires to make in regard to the joint resolution but he ought to have the right to oppose it and to object to it. That is true; but the embarrassing situation is that those who do not want to displace the unfinished business must vote to displace it in order to take up the joint resolution of the Senator from Alabama or, in effect, delay that joint resolution, which, if it is going to be of any avail whatever, must be disposed of without delay. I, myself, feel justified in voting for it; it seems to me it is of an appealing nature, and, so far as the information I have been able to get is concerned, no man, in my opinion, can afford to vote against it or to turn it down, even though we concede, which I do freely, that the Federal Government itself is in a terribly bad way financially. However, all that goes beyond the immediate matter in hand.

If we will take up the joint resolution so that it can not be displaced, and there is no inclination on the part of anybody to delay it, within a few minutes, or a short time, the probabilities are we will reach a vote, and I am going to submit a request for unanimous consent now that the unfinished business be temporarily laid aside for the purpose of considering and disposing of the joint resolution introduced by the Senator from Alabama.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I understand the request of the Senator from Nebraska is temporarily to lay aside the unfinished business.

Mr. NORRIS. Yes.

Mr. McNARY. I should like to inquire of the Senator from Pennsylvania having in charge the unfinished business if that meets with his approval?

Mr. REED. I shall not object.

Mr. McNARY. I had hoped that we might continue the discussion of the joint resolution to-morrow during the morning hour. Of course, if the unfinished business shall be temporarily laid aside, upon the objection of anyone, its consideration may be resumed, and consequently the Senate

does not lose charge of the orderly procedure. So, if there is no objection from the Senator from Pennsylvania having the unfinished business in charge, I shall withhold mine.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senate resumed the consideration of the joint resolution (S. J. Res. 131) to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

Mr. FESS. Mr. President, the argument advanced by the Senator from Georgia [Mr. GEORGE] that we ought to do what the joint resolution provides because we have taken similar action in other cases—and he referred to several instances not only where we helped people in distress in our own country but also helped people in Porto Rico and foreign countries that have no relationship with us—is not a convincing one to me. It shows, however, the drift of our practice, and ultimately, just as the Senator from Kentucky [Mr. LOGAN] has stated, if suffering due to a storm in which 300 people are killed is a basis for granting succor by the Federal Government rather than for the State affected to take care of the situation, then if a storm occurs which is only half so fatal there would be justification for a Federal appropriation. It is also true that if we continue to enlarge the functions of the Federal Government in assisting localities in such matters, we are going to reach the point where any injury that is suffered by any locality, no matter how inconsequential it may be, will immediately be made the basis of an appeal for help from the Federal Government.

Members of the Senate will recall that only a short time ago in a case where it was shown that there was some suffering because of drought in two or three counties of a State immediately the situation was called to the attention of the Government. If we pursue the policy which holds that it is a function of the Federal Government to go to the help of any locality, whether it be a State, city, or county, why should it not become the general rule to regard the Federal Government under obligation to extend relief when any community whatsoever suffers?

I can not help but recall the outstanding utterances of the great Thomas Jefferson in opposition to the Federal Government stepping over into the States to perform functions of the States; in fact, I think he took an extreme position, perhaps, in his statement that is so often quoted, to the effect that the function of the Federal Government is to look after foreign relations and not to become the business employer of the people of the United States. I can not but note the attitude of Madison, of Monroe, and, in fact, of all the leading lights in the early history of our Government who came from the section from which the call for relief now comes.

Prior to a comparatively recent era the theory as to the obligation of the States and the powers of the Federal Government within its sphere, strictly construed, came largely from one section of our country until it became almost the historical position of that entire section and was as strongly presented, it seems to me, as could be by statesmen of that section. To-day, however, for reasons which it is difficult for me to understand, the position of the people of that same locality seems entirely to have shifted, so that reliance is placed upon the Federal Government and upon Federal support rather than upon local support.

Senators will recall the Blair educational bill that was also advocated by the famous Chandler, of New Hampshire, looking to the appropriation of $77,000,000 by the Federal Government to be applied to the various States in proportion to the illiteracy in the States. That bill was bitterly and successfully resisted by representatives of the southern section of the country, who maintained that education was a fundamental matter with the States, and that the Government should not extend its functions in that direction over the States along such lines and in such matters.

Even when the vocational education bill came before the Congress as the result of the work of a commission appointed by President Wilson, of which commission I happened to be a member, and proposed to apply Federal funds to the States in a certain proportion, such funds to be matched by equal amounts appropriated by the States, there was some hesitancy on the part of the representatives of certain sections to accept it, because it was feared that if the Federal Government should appropriate the money the authority of the Federal Government must follow the application of the money. I thought that point raised a sound question of doubt, because all of us want the States to remain as entities, uninterfered with by the Federal Government.

It seems to me we are going wrong in establishing the practice that if in a State there is a misfortune, called an act of God, where people have suffered, we should step in and take the place of the State and do what the State itself should do. I may be wrong, but I am of the opinion that if we could get the opinion of the people free from political party—not partisanship, but free from those who are in political life, who naturally are appealing to the people for support—we would find a great mass of the thought of the section against calling upon the Federal Government for this aid. We started in, however—and I think it was a mistake—when the town of Salem, up in Massachusetts, represented to us that it needed assistance because of a disaster by fire. Our hearts went beyond our minds; our emotions took control against our judgment; and the step was taken.

The same thing occurred in regard to the roads in Vermont and New Hampshire, where it was represented to us that floods had torn up the roads; and in view of the fact that the roads were federally aided, the building of the roads originally was part of a Federal function; and, therefore, we ought to respond to the injury and come in with a supply of funds to restore what had thereby been destroyed. There was some force in that contention, on the ground that those were federally aided roads; but I still am wondering whether that is a safe course for us to take.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. FESS. I yield to the Senator.

Mr. NORRIS. I want to ask the Senator if he does not think there is quite a difference in this case from the Vermont case, where we voted to build bridges, and so forth. As I remember, I voted against that proposal. People can get along without bridges for a while, but they can not get along without food. They can not get along without shelter.

We voted public money, however, to build bridges that had been torn out by floods up in Vermont. If this were a question of building some bridges, taking into consideration the terrible financial condition both of the States and of the Nation, I do not think I should favor it. At least, I should not be anxious to crowd it to a vote and dispose of it quickly; but it seems to me that, although we did go that far and build bridges up in New Hampshire and Vermont, there is all the difference in the world between that case and this.

Here we are called upon to use Federal funds to assist people who are absolutely destitute. I can not compare the building of a bridge to the case of a man who has his home blown down, some of his family killed, and no resources whatever on which to live.

Mr. FESS. Mr. President, of course there is a difference between the two cases. The difference, however, is not convincing to me that in the one case we might not be justified in acting, while in the other case we would be justified.

In this case I have no doubt whatever that the State of Alabama could take care of this situation. We have rather a bad situation in Ohio. It is an unemployment situation. Our legislature has just adjourned, having been called into session by Governor White, a friend of ours, and a former Member of the House of Representatives. The legislature passed emergent legislation and made an appropriation of $25,000,000 for purposes for which ordinarily people would be coming to the Federal Government if they operated on the same line that this joint resolution represents; but it is not the business of the Federal Government. It is a matter that belongs to the locality; and certainly nobody is going to plead impotence on the part of a great State like Alabama and say that it is unable to take care of a situation of this

sort. If the State could not do it, and if the localities were entirely inpotent to do it, then, of course, it would be a subject of charity. The Government might exercise that charity, or it would appear to me that the charitable forces organized throughout the country should do it.

I call the attention of my friends to the fact that there certainly must be an ending to this drift. Every incident enlarges it, and in every case we are asked for favor because we did it before; and if we did not do just the same thing before we did something that was somewhat akin to it. We will aid a case that is serious; then later another case that is semiserious; then another case that is not quite so serious; and we are going to be in the position of being constantly called upon by the localities to do this particular relief work. It strikes me that it is the wrong course, that it ought to be retarded, and the present case is one that does not appeal to me as beyond the power of the local people.

The suggestion that we authorize appropriations in the form of loans to industries, the purpose of which is to employ labor, is not on a par with this. It does not appeal to me, and I do not think it appeals to anyone who will think consecutively on what the purpose of that legislation is. There is a world of difference between what is proposed here and assisting responsible organizations in the form of loans with fixed rates of interest and time of maturity for the employment of labor to avoid bankruptcy that otherwise would further the depression.

There are two ways in which we proceed here. One is to assist positively in relieving unemployment. Another, which is much better, is to assist in an indirect way, enabling the employment of labor, not directly by the Government.

Then it strikes me also that it is rather an illustration that is not quite up to the level of the Senate to suggest that the Reconstruction Finance Corporation, which is operating under the authority of Congress, is doing something subject to criticism. I do not know just what my friend the Senator from Alabama [Mr. BLACK] had in mind when he referred to the Senator from Ohio as the chairman of the National Republican Committee, as if that had anything to do with it. If the Senator from Ohio never does anything worse than try to influence the Senate not to take this step, which I think is unwise, the Senator from Ohio will never have very much to account for that will be difficult.

The Reconstruction Finance Corporation is headed by General Dawes, a man who has the confidence of every man in the Senate. By his side sits Jesse Jones. My impression of him is that he is a very high-minded man, of great character and integrity. By their side sit two other men; and while the corporation does represent both political parties, two of the members of it are members ex officio, in that they are members of the Cabinet; and it is certain that if a Republican member sought to take any advantage by making loans to some corporation, the others would prevent it. On the other hand, I do not think anybody ought to think in terms of that kind.

I assume that the members of the Reconstruction Finance Corporation are carrying out to their best judgment the purposes of the legislation, and I am not going to anticipate by criticism what they might do that on the face of it I might consider of doubtful wisdom. They are on the job. They make loans only on the basis of the data presented to them. They are men of such high character that I do not think they would do anything that is against the welfare of the country. So I hardly think that the action of a Senator in voting against the performance by the Government of a function that ought to be performed by local authority is subject to criticism because he voted for legislation that was intended to employ the labor of the country and to prevent the embarrassment resulting from the bankruptcy for the time being of great industries.

However, that is not a feature that appeals to me. I want the sympathetic attention of the membership of both sides of this body to the question whether we are not going too far in this sort of legislation. If we do not close the door somewhere, we are going to come to grief, in my judgment. For that reason I shall vote against this joint resolution, and I am not inconsistent in doing so.

When the proposal was made to give $20,000,000 to the Volga region, I was a Member of the House. I was appealed to by the administration to assist. I asked the administration to permit an amendment that would limit the relief to the stricken section of the Volga region. They refused to do so, and for that reason I voted against the measure.

I want my friends to know, also, that I voted against these loans that my good friend the Senator from Virginia [Mr. GLASS] said I never had had any chance to vote for or against. That was only a lapse of memory. There had been commitments made under President Wilson; and President Harding, desiring to carry out those commitments, sent recommendations to the House and Senate asking that the commitments be carried out. I did not agree with him. I felt that an obligation that was made while the war was on did not necessarily compel us, after the war was over, to do what we were asked to do while the war was in progress.

On that basis I voted against the loan to Greece and against the loan to Liberia and against the loans to some of the other smaller countries. I was perfectly consistent in my view. My only concern is that where our sympathies are appealed to, where the heart is involved and our emotions are stirred, we are very apt to do what our brain says we should not do; and the main question in my mind is whether we should not stop it at this time.

It is said it is in the form of a loan. It is true; but how many Members of this body believe that it will operate as a loan when it is in the form of a revolving fund? I do not believe that many Members of the Senate believe that the fund would be operated or administered as a loan.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. FESS. I yield.

Mr. BLACK. I would like to state to the Senator from Ohio that, so far as the revolving-fund feature is concerned, that is practically immaterial to us. The revolving fund is provided for the period of two years. If there is any serious objection to that feature of the measure, in so far as I am concerned, I am perfectly willing to yield to the views of those who oppose it.

Mr. FESS. The Senator knows why I am opposed to it. It is because it is a continuous affair.

Mr. BLACK. I say to the Senator that the joint resolution provides that it shall be operative for two years. That was put in to provide for a 2-year period, I will say to the Senator; and if there is objection, I am not attached to it to a serious extent.

Mr. FESS. The difficulty is that at the end of two years if the situation is bad and loans difficult to repay, the Senator would almost certainly ask for an extension of the time. I think he would feel obligated to do that.

Mr. BLACK. I may state to the Senator that if he will offer an amendment to strike out that feature, or simply make it three months, or two months, or any length of time so that it would be workable, it will be perfectly satisfactory to us. That is not an important feature of the joint resolution, and we did not consider it so.

Mr. FESS. If the revolving-fund feature were out, it would be considerably improved, in my mind. The removal of that feature would not take away the fear that this would be the wrong course for us to take, but it would remove one very serious element that is objectionable to me.

Mr. BLACK. I understand that, and I would like to state to the Senator that, so far as I am concerned, I am not finding fault with anyone who has an entirely different viewpoint about the principle involved. There is always room for difference of opinion on all questions where there are principles involved; but in so far as the revolving fund is concerned, I simply wanted to call attention to the fact that if a motion were made to strike out that feature, it would not meet with resistance from us. We do not consider it at all important.

Mr. HARRISON. Mr. President, I wanted to ask the Senator from Alabama a question. The newspaper reports

stated that the storm visited my State, as well as Alabama and other States. I may say that it was very gratifying to me to learn that the storm did not hit my State except possibly right along the boundary line. I have had no communications with reference to any need there. The storm hit the Senator's State a thousand times worse than it did any other section, as I recall, and it was a terrible calamity. So I will say to the Senator that before final action is taken, he is at liberty to strike Mississippi from the list of States where the relief will go.

Mr. BLACK. I think that is perfectly appropriate. I may state to the Senator that in drawing the joint resolution we did not want it to be thought that we sought to get something for Alabama that was not granted to other States, and I simply included all the States which I had been informed were injured by the storm.

Mr. HARRISON. The Senator was perfectly right about that.

Mr. WALSH of Massachusetts. Mr. President, I think the Senator has already stated what precedents were followed in the drafting of this joint resolution. Will he kindly repeat what they were?

Mr. BLACK. In the drafting of this particular joint resolution, in the form in which it is now, I followed a measure which was passed by the Congress and approved December 21, 1928, Public Resolution No. 74, a joint resolution for the relief of Porto Rico.

Mr. WALSH of Massachusetts. And this joint resolution is identical with the language used in that resolution?

Mr. BLACK. I might state that the language in this resolution is less liberal than that in the Porto Rican resolution. I have that resolution before me.

Mr. WALSH of Massachusetts. Who presented the Porto Rican resolution?

Mr. BLACK. The senior Senator from Connecticut [Mr. BINGHAM] presented it.

Mr. WALSH of Massachusetts. Was that at the request of the administration?

Mr. BLACK. My understanding is that the Porto Rican measure had the approval of the President. I so understood it at the time. I do know that the Senator from Connecticut [Mr. BINGHAM] offered it.

Mr. WALSH of Massachusetts. What was the nature of the damage to property in Porto Rico?

Mr. BLACK. Exactly the same kind of damage we have suffered in Alabama and other States. There was a hurricane which swept over Porto Rico; and the schoolhouses, the roads, and other improvements were destroyed.

Mr. WALSH of Massachusetts. What was the amount of the appropriation?

Mr. BLACK. The appropriation was $10,000,000; $4,000,000 of it was an outright gift to Porto Rico for the purpose of rebuilding roads and rebuilding schoolhouses.

Mr. WALSH of Massachusetts. And what is the amount in the Senator's joint resolution?

Mr. BLACK. Five million dollars, with no gift for the purpose of rebuilding roads and rebuilding schools.

Mr. WALSH of Massachusetts. So the Senator's position is that he is asking for the residents of the State of Alabama, who are citizens of the United States of America, the same relief that was accorded residents in Porto Rico visited by calamity?

Mr. BLACK. That is exactly correct.

The PRESIDING OFFICER (Mr. DALE in the chair). The joint resolution is still open to amendment.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Austin	Broussard	Coolidge	Fess
Bailey	Bulkley	Copeland	Fletcher
Bankhead	Bulow	Couzens	Frazier
Barbour	Byrnes	Cutting	George
Black	Capper	Dale	Goldsborough
Blaine	Caraway	Davis	Hale
Bratton	Carey	Dickinson	Hastings
Brookhart	Connally	Dill	Hatfield
Hawes	King	Norris	Thomas, Okla.
Hayden	Logan	Nye	Trammell
Hebert	Long	Oddie	Tydings
Johnson	McGill	Reed	Vandenberg
Jones	McKellar	Robinson, Ark.	Walsh, Mass.
Kean	McNary	Sheppard	Walsh, Mont.
Kendrick	Moses	Shipstead	Wheeler
Keyes	Neely	Steiwer	

The VICE PRESIDENT. Sixty-three Senators have answered to their names. A quorum is present.

The joint resolution was ordered to be engrossed for a third reading, and was read the third time.

Mr. BLACK. Mr. President, I desire to amend the joint resolution by striking out the name of "Mississippi."

The VICE PRESIDENT. That is in the preamble and should take place after the vote on the joint resolution. The question is on the passage of the joint resolution. [Putting the question.] The Chair is in doubt.

Mr. FESS. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. Not knowing how he would vote, I withhold my vote.

Mr. McKELLAR (when his name was called). On this vote I have a pair with the junior Senator from Delaware [Mr. TOWNSEND]. Not knowing how he would vote, I withhold my vote.

Mr. TYDINGS (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. METCALF], who is ill. I understand that if he were present he would vote "nay." I transfer that pair to the senior Senator from Missouri [Mr. HAWES] and vote "yea."

The roll call was concluded.

Mr. SHIPSTEAD. On this question I am paired with the Senator from Illinois [Mr. LEWIS]. I am informed that if present the Senator from Illinois would vote as I shall vote. I vote "yea."

Mr. STEIWER. Has the Senator from Colorado [Mr. COSTIGAN] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. STEIWER. On this vote I have a pair with the junior Senator from Colorado [Mr. COSTIGAN]. Not knowing how he would vote, I withhold my vote.

Mr. SHEPPARD. The Senator from Colorado [Mr. COSTIGAN] is unavoidably detained. If he were present, he would vote "yea." He has a pair with the Senator from Oregon [Mr. STEIWER].

Mr. HATFIELD. Has the senior Senator from North Carolina [Mr. MORRISON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a general pair with that Senator. Not knowing how he would vote I withhold my vote.

Mr. TYDINGS (after having voted in the affirmative). The senior Senator from Missouri [Mr. HAWES], to whom I transferred my pair a moment ago, having entered the Chamber and voted, I transfer my pair with the senior Senator from Rhode Island [Mr. METCALF] to the junior Senator from Illinois [Mr. LEWIS] and allow my vote to stand.

Mr. WHEELER (after having voted in the affirmative). I have a pair on this question with the junior Senator from Idaho [Mr. THOMAS]. I transfer that pair to the junior Senator from Oklahoma [Mr. GORE] and let my vote stand.

Mr. SHEPPARD. I wish to announce that the Senator from Arizona [Mr. ASHURST], the Senator from North Carolina [Mr. MORRISON], the Senator from Colorado [Mr. COSTIGAN], the Senator from Oklahoma [Mr. GORE], the Senator from Nevada [Mr. PITTMAN], and the Senator from Tennessee [Mr. HULL] are detained on official business.

Mr. FESS. I wish to announce the following general pairs:

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arizona [Mr. ASHURST];

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. GLENN] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Missouri [Mr. PATTERSON] with the Senator from New York [Mr. WAGNER];

The Senator from Indiana [Mr. ROBINSON] with the Senator from Mississippi [Mr. STEPHENS];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from Indiana [Mr. WATSON] with the Senator from South Carolina [Mr. SMITH];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Tennessee [Mr. HULL];

The Senator from Utah [Mr. SMOOT] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from Maine [Mr. WHITE] with the Senator from Utah [Mr. KING].

The result was announced—yeas 40, nays 17, as follows:

YEAS—40

Bankhead	Connally	Hawes	Oddie
Black	Coolidge	Hayden	Robinson, Ark.
Blaine	Copeland	Johnson	Sheppard
Bratton	Couzens	Kendrick	Shipstead
Brookhart	Cutting	Long	Thomas, Okla.
Broussard	Davis	McGill	Trammell
Bulow	Dill	McNary	Tydings
Byrnes	Fletcher	Neely	Walsh, Mass.
Capper	Frazier	Norris	Walsh, Mont.
Caraway	George	Nye	Wheeler

NAYS—17

Austin	Dale	Hastings	Reed
Bailey	Dickinson	Hebert	Vandenberg
Barbour	Fess	Kean	
Bulkley	Goldsborough	Logan	
Carey	Hale	Moses	

NOT VOTING—39

Ashurst	Hatfield	Morrison	Stephens
Barkley	Howell	Norbeck	Swanson
Bingham	Hull	Patterson	Thomas, Idaho
Borah	Jones	Pittman	Townsend
Costigan	Keyes	Robinson, Ind.	Wagner
Glass	King	Schall	Walcott
Glenn	La Follette	Shortridge	Waterman
Gore	Lewis	Smith	Watson
Harris	McKellar	Smoot	White
Harrison	Metcalf	Steiwer	

So the joint resolution was passed.

The VICE PRESIDENT. The question is on agreeing to the preamble.

Mr. BLACK. I ask unanimous consent that the preamble be amended by striking out the name "Mississippi."

The VICE PRESIDENT. Is there objection? The Chair hears none, and the preamble is so amended. Without objection, the preamble as amended is agreed to.

DEPRECIATION OF FOREIGN CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. DILL. Mr. President, since this is a resolution relating to the subject of currency, although it relates to currency in foreign countries, I think it not inappropriate to say a few words about a new kind of currency which has developed in this country as a result of the shortage of money.

In the State of Washington there is a town known as Tenino, of about 1,000 or 1,200 people. Some months ago the bank there closed; in fact, every bank in the county but one closed. The frozen assets made it impossible for the people of the community to have money with which to do business. They set about creating a medium of exchange. As a result they have created wooden money. This is literally true.

I hold in my hand three different pieces of wooden money, one of the value of 25 cents, one of the value of 50 cents, and one of the value of $1. They are made out of spruce cut from our own forests. They are printed by the local newspaper there. They started issuing this money in the month of December, 1931. On the face it bears the following explanation:

This certificate is redeemable by the trustees of the chamber of commerce, Tenino, Wash., from dividends assigned to it from the Citizens Bank of Tenino, for the amount of $1 in United States currency. This certificate is good only during the process of liquidation or within six months after the reorganization of the Citizens Bank of Tenino. Issue of March, 1932.

It is signed by the three trustees of the chamber of commerce, F. W. Wickman, D. M. Major, and A. H. Meyer.

During the three months since the use of this money was begun, they have issued, in terms of 25-cent pieces, 50-cent pieces, and $1 pieces, several thousand dollars of this money. They have issued some money in the form of a printed scrip, which they have attached to these small pieces of spruce, of a little higher denomination. The total amount of this kind of money now circulating in the community, being used for the purchase and sale of goods, is over $5,000.

The remarkable thing about it is that the people have a currency with which to carry on their business. The security is in the form of an assignment of 25 per cent of the dividends that may be paid by the receivers of the Citizens Bank of Tenino when the assets are made liquid.

I do not care to enlarge upon the subject other than to show that the ingenuity of our people has found a method of supplying currency when the Government has so completely failed them in the matter of providing safe banks in which to place their money. I ask unanimous consent that a copy of one of these pieces of money may be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

This certificate is redeemable by the trustees of the chamber of commerce, Tenino, Wash., from dividends assigned to it from the Citizens Bank of Tenino, for the amount of $1 in United States currency. This certificate is good only during the process of liquidation or within six months after the reorganization of Citizens Bank of Tenino.

Issue of March, 1932.

F. W. WICHMAN,
D. M. MAJOR,
A. H. MEYER,
Trustees.

Mr. DILL. I wish to say further, Mr. President, that we have had many kinds of money in this country that became worthless. In the early Revolutionary days we had continental currency that was so worthless that even to this hour we talk about something not being worth a "continental." We had the greenback currency of the Civil War period. That also became almost worthless, and the use of this wood for money shows that if there be adequate security back of it the medium of exchange makes but little difference, and the fact that this character of money circulates in that community with perfect freedom indicates that in this country we are not necessarily confined to gold as a basis for a medium of circulation.

I should like also to have printed in the RECORD a statement by the Tenino Chamber of Commerce explaining how the creation of this money was brought about, the basis of it, and the conditions under which it is used.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

TENINO'S WOODEN MONEY

Wooden money is a circulating medium in Tenino, Wash., as a part of the plan of its chamber of commerce to thaw the frozen assets held in an insolvent bank. The chamber of commerce is accepting assignments up to 25 per cent of the depositor's account in the bank, that being the expected amount of the first dividend. In return, scrip is issued for the amount of the assignment in denominations of $10, $5, $1, 50 cents, and 25 cents. Most of the business people have agreed to accept the scrip at face value, so it serves as a medium of exchange, doing duty every time it turns over, until the time comes for redemption. In order to protect the scrip from counterfeiting, the signatures of the three trustees are necessary, and the larger denominations are on lithographed forms, while the smaller currency is on 2-ply slice wood of Sitka spruce. This unique Washington timber product is sliced to a thinness of one-eightieth of an inch and is made strong and pliable by a sheet of paper pasted between the two surfaces. The scrip is all printed at the office of the Thurston County Independent, Tenino's newspaper.

The denominations issued on assignments from December 21, 1931, to March 14, 1932, are:

December, 1931, paper: 105 $10, 305 $5, 605 $1, 300 25 cents. Wood: 40 25 cents.

February, 1932, wood: 100 $1, 375 50 cents, 2,600 25 cents.

March, 1932, wood: 2,500 25 cents, 155 $1. Wood, watermarked: 1,000 25 cents.

Tenino is located in the center of southern Thurston County, an area containing thousands of acres of timber, valuable coal lands, sandstone quarries, dairying, and general farming. Over 3,000 acres of strawberries and cane berries have also aided in making the county one of the fastest-growing agricultural districts in the Northwest. It is within easy access of the Pacific Ocean, Puget Sound, the Columbia River, and Mount Rainier National Park. It is on the Pacific Highway and has three transcontinental railroads.

The Tenino Chamber of Commerce offers its plan to combat the depression. It is satisfied that with confidence it can disprove even the old gag, "Don't take any wooden money."

TENINO CHAMBER OF COMMERCE,
Tenino, Wash.

C. S. ARGO, *President.*
DON M. MAJOR, *Secretary and Trustee.*
A. H. MEYER, *Treasurer and Trustee.*
Dr. F. W. WICHMAN, *Trustee.*

RETIREMENT PRIVILEGES OF RESERVE OFFICERS

Mr. KING. Mr. President, there is pending before the Military Affairs Committee of the Senate a bill offered by me several weeks ago, which in effect calls for an examination of more than 8,000 emergency officers who have obtained retirement privileges. As I have heretofore stated, when the measure giving to them retirement benefits was under consideration, it was contended by the proponents of the measure that the number of emergency officers who would be entitled to benefits under the bill would not exceed 1,500. As stated by the Senator from Pennsylvania a day or two ago, there are more than 8,000 on the list. I believe that the law has been misinterpreted, and my information is that there are names upon the list that should be eliminated.

The bill provides a fair and just plan to determine who should remain upon the list, and those who should be stricken therefrom. Complaints have come to Senators to the effect that there are persons receiving retirement privileges whose disabilities were not such as to entitle them to the same, and who, in addition to their retirement privileges, are obtaining compensation. It is also asserted that many who claim disabilities are in Government service, receiving large salaries, and many are engaged in private activities with their ability to earn a livelihood unimpaired. Obviously these complaints should receive the attention of Congress, and the bill which I offered seeks to deal with this entire subject in a just and fair way. Unfortunately there are some persons determined to misrepresent the provisions and object of the bill, and who to that end are carrying on untruthful propaganda in order to mobilize ex-service men against it.

I received a letter to-day from an ex-service man, inclosing a printed form letter received by him, which evidently is being sent through the mails by Charles C. Morrison, of California. I have the letter before me, and it bears every evidence of being a circular letter which is being transmitted through the mails to ex-service men throughout the country. It contains the names of a number of officers of the organization, among them being Charles C. Morrison, the State commander, and reads as follows:

DISABLED AMERICAN VETERANS OF THE WORLD WAR

STATE DEPARTMENT OF CALIFORNIA (INC.)
West Los Angeles, Calif., March 30, 1932.

Mr. WESLEY LAISURE,
646 North Wer Street, Winchester, Ind.

DEAR COMRADE: The King bill, known as S. 3769, introduced in the United States Senate by Senator KING, of Utah, appears to be the opening wedge in a drive to take away from disabled veterans—whether service connected or not—the compensation, pension, and hospital benefits which they are now receiving.

The zero hour has arrived.

Your compensation may be cut off or at least reduced, especially if you "sit tight" and do nothing. If you expect to continue to draw your compensation, act now. Spend a few dollars of the compensation you are now drawing, if you want to draw it in the future.

Wire or write air mail immediately both your United States Senators and Congressman to defeat this unjust and vicious bill.

Time is short. Valuable rights of all disabled veterans, including your own, are at stake. Do it now. Do not fail your disabled comrades nor your own family.

Yours in comradeship,

CHARLES C. MORRISON,
California State Commander Disabled American Veterans of the World War.

Mr. President, the bill referred to in the circular letter refers only to reserve officers who are receiving retirement benefits. It has no reference whatever to the millions of ex-service men who are in different categories. There is no purpose to deprive them of a single benefit they now enjoy under the law. This bill will not affect even a reserve officer who is legally entitled to the benefits he is now enjoying. Perhaps some reserve officer who is receiving retirement benefits, and whose claim to the same is questionable, is supporting this unfounded propaganda. No ex-service man who is entitled to the benefits of existing law will, in my opinion, oppose the bill.

I have received a number of letters from ex-service men approving the bill, which I have offered. One of the letters, coming from California, dated only a few days ago, is, in part, as follows:

I wish to congratulate you on your admirable bill, and also Senator REED and other members of your committee, on favorable action on S. 3769, reference to emergency officers.

This is a distinct step in the right direction toward justice and sensible economy. It is not understood why anyone who bears war disabilities with as low as 30 degrees only should receive up to $556 a month for less than five months' service, which is true in the obnoxious act of May 24, 1928.

Ninety-eight per cent of all the veterans will commend you, Senator REED, and the Military Affairs Committee of the Senate for this first step to bring equality in the relief to veterans.

It is a sad state of affairs to see men who lost both legs in battle to-day receiving less compensation than the thousands of emergency officers who never left their home city in the United States. Keep up the good work against the veteran profiteer. Best wishes.

Mr. President, from another legionnaire I received a letter this morning. He refers to the bill in question and to a circular letter received by him which criticizes it, and states:

You can see what they say about it.

But I take the Stars and Stripes paper, and it reads Retirement Act on Disabled Emergency Officers' Act 3769. Now, what is right? If your bill is like the one in Stars and Stripes paper, I am for you. But if it means veterans with compensation, I don't agree with you.

Of course, it applies only to emergency officers, and if they are entitled to disability allowances and retirement privileges, they need not fear an examination.

The writer further says:

I have drawn compensation since date of discharge, February 22, 1919. Disability, gas, and shell shock, and I get paid only for service connected, and we had to have solid proof of disability, and every time there is a bill made it favors these 60 and 90 day boys, and they take away compensation to do it, like this last pension. These men worked, made good money since the war. * * *

I don't approve of these emergency officers getting $180 per month—three-fourths never saw any war. They are no better than enlisted men. * * * I was in veterans' hospital at Indianapolis for examination March 22, 1932. District manager, I heard, got $10,000 per year and total-disability pay. Doctors get $500 per month—all total disability. They ought to be cut.

All men fill up hospital from that company. We go there for examination and they take from us service-connected disability and put it on themselves to make it good on their part. Now, I never worked since discharge. Not able, and get home treatment from Government. I am getting $50 per month; was reduced from $100 per month to give some one else a pension. * * *

I have before me, Mr. President, a letter from an ex-service man who is editor of a newspaper published, as I understand, in the interest of those who had military service. The writer is a legionnaire. He approves the bill and states that some retired emergency officers are lucratively employed and receive gratuities from the Government amounting to large sums.

Mr. President, no one wishes to deprive ex-service men of any rights or benefits to which they are entitled. It has been my pleasure to vote for the various measures enacted by Congress to give compensation to the wounded and disabled, and to provide hospitalization for those who served





in the military forces of the United States. I have favored a liberal and generous policy by the Government in dealing with them and with the dependents of those who lost their lives in their country's service. There is no danger of Congress failing to deal justly and liberally with all who are entitled to consideration. Propaganda such as the circular letter above referred to should be condemned. Such circular letters, and perhaps others of like nature, account in part at least for the telegrams and letters received by Senators and Members of the House of Representatives with reference to the bill in question. There are many people in the United States who believe that legislation is the product of propaganda, and not infrequently those engaged in various forms of business, who seek favor at the hands of the Federal Government, avail themselves of avenues of publicity in order to secure the desired results.

DEPRECIATION OF FOREIGN-CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

Mr. REED. Mr. President, the pending resolution became the unfinished business on April 1. To-day is April 7, and what I am about to say will constitute the very first mention of the unfinished business that has been made since it was put on the calendar as the unfinished business. It is rather a reflection on the methods adopted by the Senate that such a strange result should be possible.

The resolution, Mr. President, is a matter of comparatively slight importance, it seems to me. What we might do if we should obtain the information for which it calls would, however, be a matter of very great importance. It is not my intention to occupy much of the time of the Senate, but I should like to explain very briefly what the resolution contemplates and what is the occasion for it.

Last September, as we all know, Great Britain went off the gold standard, and the result was an immediate drop of about 30 per cent in the exchange value of the pound. That has been partially made up, but at present, according to the closing quotations of last night, the depreciation in the pound is about 20 per cent. The moment England went off the gold standard her action was followed by the Scandinavian countries, and as a practical matter, the only gold-standard countries left in Europe to-day, so far as I can recall, are France, Italy, Switzerland, Belgium, and Holland, all of which had suffered a very serious decline in the prewar value of their currencies before they stabilized them on the reduced basis.

Since Great Britain went off the gold standard there has been comparatively little change in the prevailing wage scale in that country, and the consequence is that the labor cost of production of manufactured articles in Great Britain has been diminished, first by 30 per cent, and now by 20 per cent under what it was a year ago. With ad valorem duties adjusted to meet the difference in cost abroad and here, as was our effort in the passage of the tariff act of 1930, obviously an ad valorem duty that expressed the difference in the cost then fails to express that difference now, because the spread between the American cost and the depreciated British cost has been increased. As a result, it is my belief that we will find that those ad valorem duties in the main are inadequate.

When this resolution was recommitted to the Committee on Finance, however, it was suggested by my Democratic friends on that committee that probably the converse of the situation was true with regard to specific duties because, with the general decline in the price level, specific duties which were fair in 1930 have probably in many cases now become excessive. As I was trying to be perfectly fair, I was glad to offer in the committee an amendment which Senators will find on the second page of the resolution. It does not appear as an amendment, because I reintroduced the resolution with the amendment in it, asking the Tariff Commission to report to the Senate the present ad valorem equivalents of specific duties.

That, I think, will probably lead to a conclusion that is exactly opposite to our conclusion with regard to ad valorem duties. I think, in other words, that when we get this information we will discover that our tariff bill at the present time is out of line in both ad valorem and specific duties; that the former are probably now inadequate, and the latter perhaps now excessive. That is my expectation; but, of course, we will not know until we do get the information.

Now just a word as to the practical effect of Great Britain and the other countries going off the gold standard. I have a few rather inadequate tables which I managed to get through the Commissioner of Customs, and he gives only a few commodities from these different countries. Let us take Denmark first.

Denmark ships to America a rather considerable quantity of dairy products, as our dairy farmers in this country know to their regret. In December of 1930, when Denmark was on the gold standard, her imports of butter into America for that one month amounted to 12,537 pounds. I am not dealing in dollars at all, because obviously, with the decline in prices, dollar comparisons are not helpful.

Mr. KING. Mr. President, will the Senator pardon me?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. Yes.

Mr. KING. Was that for a year?

Mr. REED. No; for one month.

Mr. KING. Twelve thousand pounds per month?

Mr. REED. That is all.

Mr. KING. That would be 144,000 pounds a year, assuming continuity.

Mr. REED. I do not know; I am taking the first item on the list; that is all.

I find that in December, 1931, that quantity had increased to 18,000 pounds. In spite of the general reduction in business, both in Europe and in America, the lowered costs that the producers in Denmark were enjoying had enabled them to make a 50 per cent increase in their importations.

Mr. KING. Mr. President, will the Senator yield again?

The VICE PRESIDENT. Does the Senator from Pennsylvania further yield to the Senator from Utah?

Mr. REED. Yes.

Mr. KING. Has the Senator there the corresponding imports into Denmark from the United States for the same period?

Mr. REED. No; I have not.

Mr. KING. The Senator knows, if he will pardon me——

Mr. REED. If I may answer the question, that is what I am trying to get by this resolution. The Commissioner of Customs will not know what we exported to Denmark. The Tariff Commission will know; and that is part of the information we ought to get from them. It may prove that I am all wrong. It may prove that my whole hypothesis is wrong, but I am willing to take the chance.

Mr. KING. The Senator knows that by conferring with the Department of Commerce, if they have brought their tabulations down to date—and they are nearly current—we can ascertain exactly what our exports and our imports have been.

Mr. REED. I dare say we can.

Mr. KING. I was about to observe, if the Senator will pardon me—because I am trespassing upon his time—that before the Smoot-Hawley tariff bill went into effect we had been exporting to Denmark a very large amount of agricultural products. They got from us barley and hay and other commodities to feed their cows. They purchased from us very much more than we imported from them. Since the Smoot-Hawley tariff bill was enacted, since we put up the bars, they have turned to Germany and to Holland, and they now buy from those countries much of the agricultural products they formerly bought from us, and our farmers have lost their market in part.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED. For a question.

Mr. ROBINSON of Arkansas. And a brief statement? I do not think I can confine myself to a simple question.

Mr. REED. I always yield to my friend from Arkansas for any purpose.

Mr. ROBINSON of Arkansas. I thank the Senator from Pennsylvania; and I am always glad to accord him similar courtesy.

Mr. REED. I am sure of that.

Mr. ROBINSON of Arkansas. It is upon the very point that is now being discussed by the Senator from Pennsylvania and that was referred to in his colloquy with the Senator from Utah that I wish to make a statement or to ask a question, whichever the Senator prefers.

In illustration of the thought that the present is rather an inopportune time to undertake to adjust tariff rates with a view to permanence, the Secretary of Commerce informed me last evening that since Great Britain and other countries in Europe went off the gold standard there has been a decrease in the amount of importations from the various European countries, excepting perhaps one or two comparatively small countries, of approximately 20 per cent. It was stated that it would be difficult to define all the factors which had contributed to that diminution. I thought it would be interesting to the Senator to know of that at this point.

Mr. REED. I am interested, and I thank the Senator. It is because I was so conscious of my own ignorance, and because I felt that perhaps other Senators were equally ignorant with me, that it seemed to me it was highly necessary that we get what information we could about it. What action that will lead to, I am not going to undertake to prophesy; but I may say to the Senator that I agree with him that any permanent readjustment of our tariff ought by all means not to be made upon the basis of temporary conditions like this. Whether we want to take some temporary expedient, such as lowering the specific duties or raising the ad valorem duties temporarily, is a question for the wisdom of Congress; but I myself should protest against any permanent change based on the ephemeral conditions of to-day.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REED. Gladly.

Mr. THOMAS of Oklahoma. Does the Senator hold that the depreciation of the pound has reacted adversely to our exports to Great Britain?

Mr. REED. Oh, I think so; yes, Mr. President.

Mr. THOMAS of Oklahoma. Does the Senator further hold, then—I think he would—that a further decrease in the pound would further react unfavorably?

Mr. REED. I think so; temporarily, understand.

Mr. THOMAS of Oklahoma. Then the Senator would hold that an increase in the buying power of the American dollar would still further react adversely? Would not that necessarily follow?

Mr. REED. An increase in the buying power of the American dollar? If the Senator means a lowering in American prices——

Mr. THOMAS of Oklahoma. Yes.

Mr. REED. I think that would have a tendency to encourage exports.

Mr. THOMAS of Oklahoma. A lowering of the price of American products?

Mr. REED. Yes. It is easier to sell a cheap product than an expensive one.

Mr. THOMAS of Oklahoma. What point would the Senator suggest our commodities should reach in order to help out our export trade?

Mr. REED. Oh, I am not suggesting that we want prices to go down at all. I should like to see prices about double what they are; and in some cases—and I am thinking of the oil of the Senator's State—I should like to see prices very much higher than they are.

Mr. THOMAS of Oklahoma. Does not the Senator know of a very simple method of doubling the prices of our commodities in this country?

Mr. REED. Indeed, I do. If we resort to inflation, and debase the dollar, we shall very rapidly get an increase in price.

Mr. THOMAS of Oklahoma. Does the Senator hold that putting more money in circulation and bringing down the buying power of the dollar like it was during the war would be inflation?

Mr. REED. It is not inflation if the new money that is put in circulation is properly secured. What I mean by inflation is the issuance of money that is wholly or partly unsecured.

Mr. THOMAS of Oklahoma. The Senator regards the various forms of money that we now have in existence unsecured as being good money, does he not?

Mr. REED. Oh, yes. Our greenback issue is partly unsecured.

Mr. THOMAS of Oklahoma. We have three or four hundred millions of greenbacks with only one hundred and fifty-six millions of gold back of it. That is 50 per cent. There is nothing else back of it except our credit.

Mr. REED. That is true; but the amount is so limited by comparison with the size of our reserves in other respects that everyone knows that its gold-redemption value remains unimpaired. If we were to issue, say, $2,000,000,000 of greenbacks to pay our deficit, and another $2,000,000,000 to pay the soldiers' bonus, and some more for other purposes, it would be perfectly transparent to everybody who had eyes to see that that money was not susceptible of redemption in gold on presentation at the Treasury. Immediately we would have the result that we had in the Civil War, when we did issue that kind of money, and issued it to such an extent that the gold dollar was quoted at 160, a premium of 60 points, as expressed in paper money.

Mr. THOMAS of Oklahoma. I know the Senator remembers the history of money in the Civil War. When we issued the first $60,000,000, and later hundreds of millions of dollars, we had practically no gold to back any money. Now, we have almost one-half the gold of the world; and I remind the Senator further that these greenbacks he speaks about, although issued back in 1862 and 1863, are still in circulation. They can not get them out. They are so good that nobody wants to get them out.

Mr. REED. Ah, no!

Mr. THOMAS of Oklahoma. The Treasury does not want to get them out; and there is practically nothing back of them except approximately 50 per cent in gold—no commercial paper; no bonds. Let me remind the Senator further that our national bank currency is based upon 5 per cent of gold, and the balance is nothing more or less than 2 per cent consols, the credit of the Government as exemplified by bonds; and those bonds are due. They are callable, and they are still out.

Mr. REED. They are not due until they are called.

Mr. THOMAS of Oklahoma. The Panamas were due in 1930. They are not callable; that is true. I simply wanted to get in the RECORD the fact that we have various kinds of money that there is practically nothing back of except the credit of the United States, and it is the best money we have, because it is long past due, still in circulation, and apparently nobody wants to get it out.

Mr. REED. Ah; it is secured by the credit of the Government of the United States, and that credit is good, and there is an assurance given by the Government that it is instantly exchangeable for gold. If, however, we issue all this fiat money, the assurance will cease to have any value, because in its amount it will so far exceed the amount of applicable gold that obviously it can not be exchanged for gold.

Mr. THOMAS of Oklahoma. If the Senator will yield further——

Mr. REED. Mr. President, I am covering a fairly wide field.

Mr. THOMAS of Oklahoma. The Senator has touched upon a question that is the most important in the world. It is a question that in my judgment could be used to solve our present difficulties very largely. I make the assertion that there is no other way to do it except to bring down the buying power of the dollar; and that can be done by putting money in circulation, not credit.

To-day the United States is actually deflating the currency in circulation; for although the Reconstruction Finance Corporation has put out $300,000,000 in credits in the past month or six weeks, at the same time the money in circulation has decreased $200,000,000; and as money becomes scarcer stocks go down, cotton goes down, wheat goes down, and everything goes down.

Mr. REED. I think the reduction in money in circulation is partly due to the disappearance of hoarding—not entirely so, but partly, I think.

Mr. President, to get back to the unfinished business again, I think it is a matter which should attract pretty general interest in the Senate, because the commodities in every section of the country appear to be affected in much the same way. Take the imports from England of upper grains cattle leather in square feet, still forgetting about dollar value. In square feet the importations of that type of leather in December, 1930, were 5,186 feet only. In December, 1931, after Great Britain had gone off the gold standard, the imports rose to 312,979 square feet. Obviously, the process of tanning leather, which uses so much labor, was very much cheaper for the Britisher in December, 1931, than it was in December, 1930.

Take belting leather: Imports in December, 1930, were 8,214 pounds; and they rose to something like nine times that amount in December, 1931, because then the imports were 75,335 pounds.

The importations of the first kind of leather I mentioned rose from 5,000 square feet up to 312,000 square feet, of the second type from 8,000 square feet up to 75,000 square feet. Perhaps that is not due to the fall of the pound; perhaps it is nothing against which we should legislate. But at any rate it seems to me only reasonable that we should ask for the information which will enable us to decide intelligently.

Take the item of herring. That is very interesting to some of our States. I find that in December, 1930, England sent us 423,907 pounds of herring. In December, 1931, in spite of the slump in business there and here, their exports to us of that commodity had risen from 423,000 pounds to 1,411,924 pounds.

Mr. KING. Mr. President, before the Senator leaves the leather schedule, may I interrupt him?

Mr. REED. Certainly.

Mr. KING. I do not want to break into the continuity of the Senator's speech, but with his permission I call attention to some data prepared by the Tariff Commission when we were considering the Hawley tariff bill, which show the ratio of imports to consumption of hundreds of commodities. Among them are leather products.

Take upholstery leather, grains and splits; there were no imports whatever; but the domestic consumption and, of course, the domestic production were valued at more than $86,200,000.

The Fordney-McCumber Act constituted an embargo upon these leather commodities.

The ratio of imports to consumption of bag, case, strap, and football leather was 3.7 per cent.

Glove leather 0.4 per cent only of imports to consumption.

The ratio of imports to consumption of sole leather was but 3.2 per cent. Harness leather, 5 per cent only. Side upper leather—including grains and splits—finished splits, 2.30 per cent.

Mr. REED. That is the commodity the imports of which rose last December to sixty times the imports in the previous December.

Mr. KING. Our domestic consumption in the year for which I have the statistics was more than 167,000,000 pounds, and the imports were, as I stated, 5 per cent only.

The ratio of imports to consumption of men's and boys' boots and shoes was 0.26 of 1 per cent. Women's, misses', and children's, 0.56 of 1 per cent. Infants' and childrens', 0.82 of 1 per cent. Slippers, 1.33 of 1 per cent. There were no importations of athletic and sporting leather; the tariff was a complete embargo. All other footwear, 0.54 of 1 per cent. Leather goods, 0.35 of 1 per cent. Harness, saddles, 1 per cent. Locks and latches, 1 per cent. It appears that our imports were inconsequential measured by the domestic production and consumption.

Mr. REED. Mr. President, let us turn to another commodity. I am sorry my friend the Senator from California is not here. Take dates. In December, 1930, we imported from England 893,000 pounds of dates. I am leaving off the odd hundreds. In December, 1931, the imports rose to 3,928,000 pounds, or practically four and a half times what they had been the year before. The imports of pitted dates rose from 338,000 pounds to 656,000 pounds.

The imports of jellies, jams, and so on, not specially provided for, rose from 144,000 pounds in December, 1930, to 361,000 pounds in December, 1931.

Something must have caused all this. If we would contrast the dollar value of these things that might be susceptible of different construction, but these are the actual quantities of the articles brought from England to this country, in spite of the great slump in business during that time over here.

I find that the imports of fabrics of flax increased from 96,000 pounds in December, 1930, to 134,000 pounds in December, 1931; that the imports of fabrics of other vegetable fiber increased from 148,000 pounds to 342,000 pounds. All these contrasts are between December, 1930, and December, 1931.

I find that the imports of table damask and manufactures of it rose from 143,000 pounds in December, 1930, to 272,000 pounds in December, 1931. That the imports of woven fabrics of flax rose from 219,000 pounds in December, 1930, to 396,000 pounds in December, 1931.

We wonder some American mills are not working. Here is the answer. Somebody else's mills are working.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Pennsylvania yield to the Senator from Nevada?

Mr. REED. I yield.

Mr. PITTMAN. The depreciation of the currency has something to do with these things. We can go into China to-day and exchange one of our gold dollars for four and a half silver dollars.

Mr. REED. Yes.

Mr. PITTMAN. Whereas two and a half years ago we could exchange one of our gold dollars for only two of them. Yet the prices of silk and other products of China have not increased in value over there.

Mr. REED. Ah, but the exports from China to the United States have increased.

Mr. PITTMAN. Undoubtedly the exports have increased, for the reason I have stated, that they can be bought so cheaply.

Mr. REED. Exactly.

Mr. PITTMAN. On the other hand, our exports to China have decreased.

Mr. REED. Exactly.

Mr. PITTMAN. There is no doubt that we should stabilize the exchanges.

Mr. REED. I think that it is of the utmost importance that we get the exchanges on a stable basis. I share that view of the Senator.

Mr. PITTMAN. I call attention to the fact that we are not doing anything toward that.

Mr. REED. I think one of the first things we want to do is to get information to enable us to act intelligently when we do act.

Mr. President, I come now to the items respecting cotton, which will interest our friends from the Southern States.

How does this sound to the cotton factories in New England and the South? In December, 1930, we imported from England 900,000 sheets, pillow cases, towels, and napkins, and in December, 1931, we imported 2,248,000 pieces. The imports of those items went up from 900,000 to 2,248,000. About 1,350,000 of those articles were made in England by British workmen, whose pay had been, unconsciously to them, decreased about 30 per cent by the depreciation in the pound. They got the same number of pounds, but the pounds did not buy as much. So they had had a wage reduction, and as a result of it they were able to increase their exports to us in that single month from 900,000 pieces to 2,248,000 pieces.

Mr. PITTMAN. Mr. President, during the same period of time the exports of raw cotton to England fell off 40 per cent.

Mr. REED. From America to England?

Mr. PITTMAN. Yes.

Mr. REED. Yes.

Mr. PITTMAN. By reason of the fact that the exports of cotton piece goods from England to China fell off during that period of time about 66 per cent.

Mr. REED. Yes; of course. The same conditions were operating in China and India, due to the debasement of their money. Due to the fact that the silver to which they were accustomed went away down, their purchasing power diminished, and, of course, their work people got paid so much less. A Chinaman who was paid in Hong Kong or Shanghai dollars was getting much less in actual wages, although he, poor soul, probably thought he was getting the same.

Mr. PITTMAN. I have no objection to the obtaining of this information, because I have been studying the matter for a long time, and I have no doubt that it works both ways. I think the Senator should add to his resolution where he requests that they make specific investigation as to "the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation."

I think after the words "gold-standard currencies" the Senator should say "the decrease in purchasing power of the currency of other countries' international trade and the general decrease in commodity prices."

Mr. REED. I thought that was what it meant. If it will make it any clearer, of course, I will accept the amendment.

Mr. KING. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. KING. The Senator is, of course, aware of the fact that the total imports from all those countries that left the gold standard have been reduced from 1930 to December, 1931?

Mr. REED. No. I am just trying to show that the imports of many items into this country have been very much increased.

Mr. KING. If the Senator will pardon me, take January, 1930. Our imports, using the numerals, were 18,161.

Mr. REED. What is that—dollars?

Mr. KING. Yes.

Mr. REED. Of course, the dollar value of the imports was reduced.

Mr. KING. And for 1931 they were 10,812.

Mr. REED. Of course, and probably just as many shiploads and just as many articles came in.

Mr. KING. No; the quantity was reduced.

Mr. REED. I am trying to show the Senator that the quantity of imports of many of these articles has very much increased.

Mr. KING. With respect to some commodities there may have been increases in imports, but the Senator will bear in mind also that as to a few commodities our exports may have slightly increased; very few, however; a very limited number.

Mr. LONG and Mr. GEORGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield; and if so, to whom?

Mr. REED. I am going to yield to myself for just a moment, and then I will yield to the Senator from Louisiana. I want to answer the question as to the exports.

My secretary has very kindly gotten some figures from the Department of Commerce while we have been talking. Our exports to Great Britain in December, 1930, were $53,000,000 worth. Our exports in December, 1931, had shrunk to $36,000,000 worth, and in February, 1932, had shrunk to $33,000,000 worth. So that we have not been increasing in our shipments to Great Britain in anything like the way she has been increasing in her shipments to us. Now I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I was possibly confused in connection with the question asked the Senator from Pennsylvania by the Senator from Utah. As I understand it, the imports of cotton competitive goods during the last year have materially increased?

Mr. REED. Very much.

Mr. LONG. And our exports of raw cotton have decreased?

Mr. REED. Yes.

Mr. LONG. That seems to be an answer within itself, so far as the cotton goods are concerned.

Mr. REED. Yes; it takes so many more shillings to buy our cotton than it did before, and it takes so many less dollars to buy their products, that naturally the same process works both ways, and our exports go down and our imports go up.

I have just given the figures for those articles manufactured of cotton, showing the increase from 900,000 pieces in December, 1930, to 2,448,000 pieces in December, 1931. While that was happening the unit invoice price, which, of course, is based on the exchange value of British currency in which those bills are paid, has gone down from 19.2 cents to 12.4 cents. How in the world can American cotton mills compete with that? There is a diminution in price of that manufactured article of 33 per cent or a little more within the year.

Mr. GEORGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Georgia?

Mr. REED. Certainly.

Mr. GEORGE. I just want to remind the Senator that the Department of Commerce has definitely stated that while, of course, the great shrinkage in world trade was due to depreciation in value, nevertheless our exports have fallen off 20 per cent and our imports have fallen off 10 per cent. Of course, there has been a disproportionate increase of imports over exports.

Mr. REED. I think that is true.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. SHIPSTEAD. The Senator said actually wages in Great Britain had dropped 30 per cent.

Mr. REED. Yes.

Mr. SHIPSTEAD. On what does the Senator base that calculation?

Mr. REED. The wage scale in Great Britain has not thus far reflected any results of the decline in the gold value of their currency; that is to say, the same British workman to-day who was receiving such and such a wage a year ago gets the same number of pounds to-day as he did then. There has been no marked movement either up or down in their wages during the past year. But when it comes to the expenditure of those wages for what the British workman needs, he finds that most of his essential needs are for articles whose value is fixed in a world-wide market. If he needs wheat, he has to deal with a price fixed in a world-wide market, and the price of wheat at Liverpool reflected overnight the depreciation in the gold value of the pound the day after Great Britain went off the gold standard.

If the British workman wants to buy a cotton shirt, he has to buy it of cotton that cost him 30 cents more in pence

per pound than cotton cost before they went off the gold standard. Consequently, the actual purchasing power of the British workman's wages is almost exactly reduced by the amount by which the currency went off the gold standard. It would not be so, probably, with home-grown vegetables or some articles that do not reflect an imported material or a world-wide market, but those articles are comparatively few. Every bit of meat that he eats costs him more in pounds because the importer has to pay more to Argentina to get it. I suppose most of the British working people were unconscious of what had happened to them, but they actually suffered a very severe wage reduction when that happened.

If I may go one step farther, I believe we ought to keep in mind always that the first and worst sufferer from our allowing America to go off the gold standard would be the American who works for wages. He would suffer first, and he would suffer worst.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. REED. I yield.

Mr. SHIPSTEAD. I think the Senator and I are in perfect agreement except as to the amount of the decline. According to the Bureau of Labor Statistics the wholesale price level has increased just 7 points since England went off the gold standard.

Mr. REED. I do not know, of course, what articles go into making that composite figure, but let us remember that every particle of meat that is eaten in the British Isles—when I say every particle, I mean the bulk of the meat consumed in the British Isles—comes to them from abroad; all of the cotton they use comes from abroad; most of the wheat they use comes from abroad; most of the wool they use comes from abroad. I have looked at the wholesale prices in Great Britain for such primary articles as these, and in every case they reflected instantly the 30 per cent decline in the purchasing power. It is somewhat less than that now because, as the Senator knows, the pound has risen from about 3.31 to 3.80, so the present decline is about 20 per cent. I think we agree in principle, but perhaps not in exact statement of percentage.

Mr. SHIPSTEAD. With the exception of the 7-point rise in the wholesale commodity price level, I really think labor was more than compensated for that by being able to go back to work.

Mr. REED. Yes; and going off the gold standard is something like a shot of narcotic or stimulant drug. The first reaction is an increase in trade for the country that does it, but that increase is, I think, much more than paid for by the decline in the wages of everybody, the decline in the value of savings accounts, the decline in the value of insurance policies, and all of those incidental disasters that come to people of moderate means. It does not matter to me, if I own a big office building, whether we have wooden money, such as was shown here to-day by the Senator from Washington [Mr. DILL], or whether we have gold money, because the value of my office building will just reflect inversely the value of the money in which we deal.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Oklahoma?

Mr. REED. I yield.

Mr. THOMAS of Oklahoma. The Senator made it clear that going off the gold standard has hurt the wage earner.

Mr. REED. I think so.

Mr. THOMAS of Oklahoma. It has hurt the salaried man and woman. It hurts the holder of fixed investments. I wonder if he took into consideration and gave any thought to the effect of going off the gold standard in Great Britain on folks on the other side of the picture who owe the fixed investment? In other words, what effect has it had upon the debtor?

Mr. REED. Pretty generally speaking the debtor is benefited. I grant that. But for every debtor that is benefited some other human being suffers. The question is, Do we want to take the capital of John Doe and give it to Richard Roe? That happened in France. They cut their currency down to 20 per cent of its previous gold value. Instantly the creditor had suffered a tax of 80 per cent for the benefit of the debtor.

Mr. THOMAS of Oklahoma. As a result of that procedure in France, France has the power to-day to pile up a bigger reserve of gold than has the United States, the richest nation on earth.

Mr. REED. We are covering a lot of ground, Mr. President, but there are two sides to that story about the gold supply of France.

Mr. THOMAS of Oklahoma. I give as my authority the New York Times. If the Senator is inclined to dispute the statement, his quarrel is with the New York Times.

Mr. REED. I do not dispute it. I explain it.

Mr. THOMAS of Oklahoma. In this country we have a total mass indebtedness in excess of $150,000,000,000. We must consider the folks who owe that in addition to the folks who collect on coupons from year to year. Would not the Senator agree that by reducing the buying power of the dollar to make it cheaper we would thereby help the folks who owe the $150,000,000,000?

Mr. REED. Of course. But what is sauce for the goose is sauce for the gander. We did not increase the debt when the value of the dollar went down in 1919 and 1920. The creditor group suffered mightily when that happened, because debts were paid to them in cheapened dollars, but we did not think of increasing the debts to make up for it.

Mr. THOMAS of Oklahoma. This is all going to be gone over later.

Mr. REED. I hope not much later.

Mr. THOMAS of Oklahoma. I do not mean to-day. Does the Senator agree that France's revision of the franc, reducing her many billions of francs down to comparatively few, whereby the value of the franc in gold was reduced from about 19 cents to about 3 cents, saved France in the end?

Mr. REED. Yes. France had a huge internal debt. In effect, she repudiated 80 per cent of it when the franc went down to 3.9, where she stabilized it. In effect, France borrowed gold francs from her people and promised to repay them. In effect, she broke that promise 80 per cent. I do not believe we will ever do that.

Furthermore, when the Senator talks about relieving people of debts, we have to remember that there is a factor in the situation here that does not exist in any other country in the world that I know of, and that is that every public bond, whether issued by us in Washington or by a State or city or county, is payable in gold. Every bond issued by an American corporation since 1896, I think I could say almost without a single exception, has been expressed in gold. "Payable in gold of the present weight and fineness" is the phrase with which we are all familiar. Let us go off the gold standard, if you please, but we are not going to make it any easier to pay those debts by doing it, because the taxpayer of every city and county and State is going to produce more of the debased dollar to buy the gold that is necessary in order to pay the interest and principal of those public debts.

The first effect of going off the gold standard in this country would be the receivership of every railroad company in the United States, unless there be some that I never heard of that do not have large bond debts. No railroad in the United States could possibly pay its fixed charges on its debts in gold when its income was all payable to it in depreciated money.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. REED. I yield.

Mr. SHIPSTEAD. I do not like to interfere with the Senator's argument, but I would like to ask one or two further questions.

Mr. REED. I am glad to yield to the Senator.

Mr. SHIPSTEAD. The Senator will agree, will he not, that the value of the dollar has greatly appreciated?

Mr. REED. Yes; that is the effect of the decline in commodity prices.

Mr. SHIPSTEAD. Whether it is the effect or the cause makes very little difference, but there has been a change in the value of the dollar. The unstability of the dollar, the Senator will undoubtedly agree, is a very sad thing.

Mr. REED. It is a very great misfortune.

Mr. SHIPSTEAD. If we could have a stable dollar, we would be very much better off.

Mr. REED. Of course. I have always a lot of sympathy for economists like Irving Fisher, who dream of a trade dollar which is made stable by its relationship to the great body of commodities. Whether it is a practicable suggestion or not I do not know.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. I yield.

Mr. KING. Assuming some fortuitous event by which our gold supply should be augmented 50 per cent, I think the Senator will agree that that would instantaneously increase the prices of commodities.

Mr. REED. I am not so sure that it would.

Mr. KING. Certainly if it were put into circulation it would, or if it became the basis of currency or credit it would.

Mr. REED. Our trouble is not lack of circulation. We have ample power to issue additional circulation now under the Federal reserve act. The trouble is that there is no need for the circulation.

Mr. KING. The Senator said a moment ago, if I understood him correctly, that if the United States should go off the gold standard all the railroads would go into the hands of receivers.

Mr. REED. I have not any doubt of it.

Mr. KING. Because, as I understand it—and this must be the obvious effect of such a conclusion—the obligations of the railroads are payable in gold and we would be upon a fiduciary or fiat standard, or, at any rate, off the gold standard. Suppose there should be added to the metallic base of the United States 40 or 50 per cent in silver and that were made by law the same as gold, as primary money for the purpose of paying all debts, public and private. Would not that increase commodity prices?

Mr. REED. I do not think it would. Of course, if we debase the value of our money, commodity prices would apparently increase.

Mr. KING. Would it be a debasement if gold should be relegated to the position with relation to commodities that it occupied before gold was so terribly appreciated and commodity prices accordingly suffered a decline? I do not regard that as a debasement.

Mr. REED. I did not rise to-day to dictate a book on economics. I am not capable of doing so. But it seems to me that we often get the cart before the horse in blaming on our currency system the decline in prices, which is really due to an absence of demand and an oversupply of commodities. I think we blame that pretty often on the currency when the poor currency is merely reflecting the result.

Mr. KING. I do not concede, if the Senator will pardon me, that there is overproduction. I think there is an underconsumption; and underconsumption results from a lack of a sufficient medium of exchange, sufficient units of value, in order to carry on the legitimate business of the country.

Mr. REED. We are in pretty deep water, Mr. President, and I hope I may get back to the tariff for a moment.

Mr. KING. Very well.

Mr. THOMAS of Oklahoma. Before the Senator returns to that point, will he not yield to one other question about the joint resolution?

Mr. REED. Yes.

Mr. THOMAS of Oklahoma. I notice when the resolution was introduced on February 1, it fixed January 1, 1932, as the date when ad valorem equivalents of specific duties should be computed. Was that an error?

Mr. REED. No. I fixed the date January 1 when I introduced the resolution on the 1st of February because of a fatuous belief on my part that it would be adopted without a word of dissent or criticism. Then when we got it into the committee, the date of February 1 had gone by; we wanted to get the information as nearly up to date as possible, so we made it February 1. If the resolution shall be adopted, I will ask that this amendment be disagreed to, and that the date be changed to April 1.

Mr. THOMAS of Oklahoma. Is it not a fact that the value of the pound sterling changed between February 1 and April 7?

Mr. REED. Oh, yes; it has risen.

Mr. THOMAS of Oklahoma. Then, if whatever date be fixed, the pound sterling will probably change again.

Mr. REED. Surely.

Mr. THOMAS of Oklahoma. And probably we shall not get a report from the Tariff Commission for several weeks after the adoption of the resolution?

Mr. REED. That is correct.

Mr. THOMAS of Oklahoma. So that when we get the report, it will probably be based upon figures that are in no way in line with the value of the pound sterling at that time? Is not that true?

Mr. REED. We shall have to find somebody who knows how to add and subtract; and if the depreciation has increased, we shall find how much worse it is; and if the depreciation has lessened, then we shall have to do some subtracting. I think, however, it is purely mathematical.

Now, Mr. President, let me turn to one or two other places. Take Norway. Norway went off the gold standard the same day as did Great Britain. The result is that Norwegian cheese and codfish and sardines which we buy cost us very much less as expressed in our gold-standard money than they previously did. We imported from Norway in December, 1930, 56,000 pounds of miscellaneous cheeses. Such importations have increased to 83,000 pounds; and remember this is not all the cheese we get from Norway, but it is the only such item covered by the tariff law as to which I have been able to get the figures. The unit value of that type of cheese has gone down from 18½ cents to 11.1 cents, and some farmer up in Wisconsin begins to wonder why he can not sell more of his cheeses.

Mr. KING. Mr. President, will the Senator from Pennsylvania pardon an interruption?

Mr. REED. Yes.

Mr. KING. The entire imports from Norway in December, 1931, were only 803,000 pounds as against nearly 1,100,000 pounds for the same month in 1930. There has been a constant diminution in the imports in quantity as well as in value.

Mr. REED. Now, let us see about the quantity. The Norwegians send us quantities of codfish. In December, 1930, they sent us 115,000 pounds, while in December, 1931, the imports had increased to 143,000 pounds, though the amount of money paid for codfish thus imported had decreased from $14,000 to $12,000, the effect obviously of the diminished value there.

Take sardines. In December, 1930, the Norwegians sent us 931,000 pounds of sardines; in December, 1931, although there were not so many of our people who were then able to buy sardines as there had been a year previously, the Norwegians sent us 1,572,000 pounds—a very great increase in their importation.

Mr. KING. Mr. President, does the Senator from Pennsylvania have the domestic production for the same period?

Mr. REED. No; I have not, but that is information we ought to obtain under this resolution.

Mr. KING. The Senator does not know, then, whether or not the increased importations resulted from diminished domestic production?

Mr. REED. I think they must have, because turning to Portugal, which also sells us sardines, I find that Portugal sent us 271,000 pounds of sardines in December, 1930, while in December, 1931, they sent us 926,000 pounds. Some Sena-

tors have sardine fisheries in their States. It is perfectly obvious that there is many an American engaged in that industry who is sitting idle to-day wondering why he can not get something to do, while people in Portugal and Norway are catching and preparing fish that otherwise Americans would catch and prepare. It seems to me that is the only lesson that can be drawn from the figures.

Mr. KING. Mr. President, may I ask the Senator from Pennsylvania a question?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. REED. I yield.

Mr. KING. Notwithstanding our diminished exports and diminished imports, it is still the fact that our exports exceed our imports; and, therefore, may it not be the case that a large number of people in other countries are wondering why they do not produce many of the commodities they need instead of importing them, fabricated and otherwise, from the United States.

Mr. REED. The excess of our exports over our imports has been very much reduced, I am sorry to say, in recent months.

Mr. KING. I concede that to be the case.

Mr. REED. Mr. President, let us remember always that this resolution calls for no change in the law; it calls merely for a statement of the information which the Tariff Commission can give us, not only as to ad valorem duties but also as to specific duties, which latter, for all I know, may prove to be too high. It certainly is fair, when we are seeking one kind of information, to ask for the other kind; though I am not sure whether in asking for it I am playing into the hands of our Democratic adversaries or whether I am getting ammunition that I myself may shoot on the subject of the tariff.

Mr. HULL. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Tennessee?

Mr. REED. I am glad to yield to the Senator from Tennessee.

Mr. HULL. The Senator could make a very good guess on that point, could he not?

Mr. REED. Oh, yes; and I have already stated my guess that we will find that the ad valorem rates are inadequate and that the specific duties have become too high.

Mr. HULL. I regret I was unavoidably detained from the Chamber during the fore part of the Senator's remarks——

Mr. REED. The Senator did not miss much.

Mr. HULL. I am sure I missed a great deal from what I have heard since I entered the Chamber; but I notice the exports from the United Kingdom for February, 1931, were 38,000,000 pounds, and for February, 1932, 33,000,000 pounds. The last date was five months after the United Kingdom went off the gold standard in September.

Mr. REED. Certainly.

Mr. HULL. So, no impetus has been given to her export trade and thus far there has occurred no substantial increase in her exports.

Mr. REED. I did not claim that going off the gold standard had increased British exports all over the world. It has only increased British exports to gold-standard countries. British exports to India and China have been shot to pieces, and that is why the figures reflect the large decline indicated by the Senator.

Mr. HULL. Let me ask the Senator, then, about the British exports to the United States. In February, 1931, they aggregated 11,800,000 pounds, while in February, 1932, they totaled 7,727,000 pounds. How does the Senator account for that?

Mr. REED. By the very marked decline in the price list throughout the world. Before the Senator came in, I gave a long catalogue of specific items that have jumped immensely in quantity, and yet the increased quantity sells for a lower price because of the general decline in the price level.

Mr. HULL. Our exports, I think, have fallen now to about $1,800,000,000 worth a year, while our imports have fallen down to about one billion and a half dollars worth a year. Does the Senator think, with that astonishingly low level of foreign trade, we are in any danger of being submerged by anybody from anywhere?

Mr. REED. I just called attention to two or three particular industries that have been badly hit.

Mr. HULL. Did the Senator call attention to our exports in those same commodities?

Mr. REED. In some cases, yes, where I had the information, but this resolution is an effort to secure the information that I am unable to give the Senator in reply to his questions.

Mr. HULL. The Tariff Commission, of course, has authority now to furnish this information.

Mr. REED. Exactly; and the Senate last January adopted a resolution, exactly like the one now pending, calling for similar information as to pulpwood imports. In fact, the Senate has adopted a number of resolutions of this character. I do not remember ever seeing one of them ever held up as this one has been.

Mr. HULL. It is the purpose of the Senator and his associates, as early as possible, to seek increases of tariff rates, if there should be some slight fluctuation anywhere of foreign commodity prices according to the report which may be submitted by the Tariff Commission?

Mr. REED. Before the Senator came in——

Mr. HULL. I am sorry I was not here.

Mr. REED. I stated as my personal belief that we would be entirely unwarranted in asking for a permanent change of any tariff rate based on the temporary dislocation of exchange values, because everyone knows that in the long run the markets readjust themselves to the changes in the value of money. France cut her franc down 80 per cent, and for a time she received a great commercial benefit from it, due to her diminished wage cost; but the franc has long since taken account of that, and every commodity price and every wage scale in France now reflects that diminished value. It is a temporary condition; but if a man is starving temporarily, it is a matter of great importance to him to get temporary relief, and a good many of our industries are starving.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Louisiana?

Mr. REED. I yield.

Mr. LONG. I merely want to suggest to the Senator from Tennessee that what impressed me about what the Senator from Pennsylvania said was this: We know, for instance, that Egypt and India, Russia and Turkey raise, I think, about nine and a half million bales of cotton a year. The statistics which the Senator from Pennsylvania quoted—and I presume they are more or less incomplete—show a material decline in the exports of cotton.

Mr. REED. From the United States.

Mr. LONG. Yes; from the United States, but a material increase in the importation of competitive products against which cotton has to sell, such as flax and, I presume, jute and various other articles, that show an increase which is very substantial, indicates very clearly that in America to-day we are meeting the competition of the cotton that is raised in India, Turkey, and Russia, as the result of its being manufactured and sold in this country lower than the American cotton goods can be made.

Mr. HULL. To what period does the Senator from Louisiana refer?

Mr. LONG. I understand between 1930 and 1931.

Mr. REED. That is right—December, 1930, and December, 1931.

Mr. HULL. That was before England, the Scandinavian, and other countries went off the gold standard.

Mr. REED. They went off the gold standard in September, 1931. The months I have taken are December, 1930, which was before they went off the gold standard, and December, 1931, which was after they went off the gold standard.

Mr. HULL. The Senator is aware, however, is he not, that according to the economic authorities over in the department, I think, as well as generally, the increase in our exports of cotton recently, compared with our exports for the year or two during which other countries supplied the demand abroad more than we did for the first time, I think, was really due to the fact that we had a superior grade of cotton which the world wanted and proceeded to purchase? Is not that the fact, instead of this other phase of the matter?

Mr. REED. I hope that is so; but it is rather a disconsolate thing when we find things like these: Just to go back for a minute and show the Senator from Tennessee how this has worked in two specific items, take cattle leather, upper grains, and so forth, as the item is called in the tariff law. We all know that hides and leather are terribly depressed in the United States to-day. I see the Senator from Wyoming [Mr. KENDRICK] there, and I know he will bear me out in the statement that no industry has been hit harder than the cattle-raising industry.

Mr. KENDRICK. Mr. President, as indicating how badly the values of cattle have been affected by the depression in a general way, the prices received for cattle produced in the West in 1929 were the first reasonably satisfactory prices that had been paid producers of cattle since the World War. In 1930 those prices were reduced to one-half of the 1929 prices, and in 1931 the prices were one-third those received in 1929.

Mr. REED. I thank the Senator. Now, while that is happening——

Mr. HULL. Mr. President——

Mr. REED. Will not the Senator let me finish the thought, please? While that is happening Great Britain is importing Argentine hides, as we know she does; and she is manufacturing leather, as we would like to. I have only two items of the long leather schedule. I do not pretend that this is comprehensive; but the first of the two leather items that I happen to have shows an increase from 5,000 pounds in December, 1930, to 312,000 pounds in December, 1931.

Mr. GEORGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Georgia?

Mr. REED. I do.

Mr. GEORGE. Let me call the Senator's attention—it is a little aside from the point of his argument—to the fact that depreciated currency is not alone responsible for this fact. In September, after the passage of our tariff act, Argentina entered into an agreement with the United Kingdom by which a reciprocal relation was established for the exchange of manufactured articles produced by the United Kingdom for raw materials from Argentina; and while Argentina's general trade has fallen off, like that of every other country, our trade with Argentina has declined about 57 per cent against about 34 per cent with other countries.

Mr. REED. Why, of course. We have shut out one or more of her principal products.

Mr. GEORGE. Yes.

Mr. REED. She had to sell them somewhere else.

Mr. GEORGE. She had to sell them somewhere else. That is true.

Mr. REED. And while I am sorry to see that decline in our trade with Argentina, I would a whole lot rather see that than to see the American market taken from Americans by the Argentines in times like these.

Mr. HULL. The Senator agrees, does he not, that hides, like furs and such other commodities, are bought and sold largely in international trade?

Mr. REED. Certainly.

Mr. HULL. And still the price of hides in this country to-day is not only, as I remember, corresponding to about the world level but the price here is lower than it has been in the history of the hide industry.

Mr. REED. Of course. That is due to the lack of consumptive demand.

Mr. WHEELER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Montana?

Mr. REED. I yield.

Mr. WHEELER. I want to say to the Senator that I very much hope this resolution will pass. I think we ought to have this information. I think the Senate ought to have the information because of the fact that when these other countries had depreciated currencies, while we still remained upon the gold standard, there is not any question but that it is extremely difficult for our people who have to sell their products upon the world market to compete with other countries.

I will give the Senator an illustration. For instance, in the case of copper I am told that by reason of the difference in the rate of exchange to-day, African copper can be laid down in the United States for 5 cents a pound. With reference to wheat, my information is—I do not know how correct it is, but I have been informed of this by people who should know—that when American wheat is sold to Liverpool, while we get the same number of pounds sterling that the Canadian gets or the Argentine gets or the Australian gets, when it comes back to this country it is discounted so much more than it is when it goes to these other places that it is impossible for the American farmer to pay off as much of his indebtedness as does the Canadian farmer and the Australian farmer and the Argentine farmer, and consequently he can not compete.

Mr. REED. That is exactly the way it works, and that is the kind of information that I want to get by this resolution.

Now let us apply to the industries of the Senator's own State. If we can tell how much this general departure from the gold standard in the Eastern Hemisphere has to do with the very low cost of production in the Katanga mines and in the Rhodesian mines that are sending copper here so that it is selling to-day at 5¾ cents in New York, away below any possible cost of production in Montana, I know——

Mr. SHIPSTEAD. Mr. President, will the Senator yield for just a moment?

Mr. REED. At the end of the sentence.

Mr. SHIPSTEAD. I merely desire to say that they did that before they went off the gold standard.

Mr. REED. Ah, but they are doing it so much more easily now. The price of copper yesterday in New York was the lowest ever known in the history of the world, and they are still making money down there in the mines of the Belgian Congo and in Rhodesia. They pay their labor poor enough wages, anyway. When they pay in depreciated money nobody can compete with them.

Mr. HARRISON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Pennsylvania yield to the Senator from Mississippi?

Mr. REED. I yield.

Mr. HARRISON. Suppose the Senator's resolution passes and we get the information. What does the Senator propose to do then? In other words, what is the object of passing the resolution and getting the information?

Mr. REED. I tried to answer that a little while ago.

Mr. HARRISON. I am sorry I did not hear it.

Mr. REED. For myself, I want to disclaim with emphasis any desire to make a permanent change in any item of the tariff law on the information that this resolution produces.

Mr. HARRISON. The Senator says "permanent change." Does he, then, intend to make a temporary change?

Mr. REED. It depends entirely upon the gravity of the case.

Mr. HARRISON. Yes. Then if the commission should send in an opinion that would justify the Senator temporarily in asking for a still higher rate of duty on certain items, he would feel justified in doing it and feel impelled to do it?

Mr. REED. No; I would not ask for any permanent amendment in the tariff act——

Mr. HARRISON. I did not say "permanent"; I said "temporary."

Mr. REED. Temporary, yes; and if, on the other hand, the information that comes in shows that the specific duties

are too high—and it may well show it—then I should expect similar action to be taken temporarily in the other direction.

Mr. HARRISON. I want to express for myself thanks to the Senator for his candor. I thought that was what he was after all the time—to change the tariff rates because of some information he might get as to a condition which is purely temporary or which we hope may be temporary.

Mr. REED. I hope the Senator will be equally candid with me and tell me why he thinks the Congress of the United States and the people of the United States ought not to be trusted to have this information.

Mr. HARRISON. I am going to do that when the Senator gets through with his speech.

Mr. REED. All right. I shall listen eagerly.

Mr. GEORGE. Mr. President, will the Senator yield for a question?

Mr. REED. Gladly.

Mr. GEORGE. Would not the Senator's only purpose be, in any event—I express the hope that he would not go farther than that—to fix the value of foreign currencies as of the date of the enactment of our tariff law, or as of some date, so far as import duties are concerned?

Mr. REED. I should think that some temporary measure to that effect would be the method of relief, although I am aware that it would be very easy to avoid that, if it were expressed in that way, by merely making the invoice in American dollars. Then there would not be any exchange rate to apply. The Britisher would sell us his cotton goods, or his leather products, or whatever they were, in terms of dollars payable in New York; and then, as the Senator sees, that method would not get him.

Mr. GEORGE. Yes; but if there were an amendment providing that all tariff duties should be settled upon a particular basis, fixing the basis of all foreign exchanges as of the date of the passage of the act, we would have a standard, would we not, by which to reach a settlement?

Mr. REED. Yes; that might work, although I think I can see some cases in which it might work an injustice. Nevertheless, we could consider that when we got the information.

Mr. VANDENBERG and Mr. WHEELER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield; and, if so, to whom?

Mr. REED. Just one minute more to finish what I started to say to the Senator from Montana, and then I will yield.

We took copper as an illustration. Now, let us take something that comes quite as close home to him. Take wool, of which his State produces so much.

I find that in December, 1930, England sent us 172,000 pounds of that item in the wool schedule known as carpet wool in the grease—172,000 pounds. In December, 1931, after the pound had gone off the gold standard, they sent us 323,000 pounds of that particular type of wool, and there is just that much wool that the American producers could not sell on that account.

Mr. HULL. Mr. President, will the Senator yield there?

Mr. REED. I yield.

Mr. HULL. It is true that that amount of wool displaced a similar amount in this country, but we are not able so far to produce more than 60 per cent of what we consume, and are obliged to import about 40 per cent.

Mr. REED. I do not believe that is true at the present time.

Mr. HULL. I think the Senator will find it comparatively so.

Mr. REED. That may have been true in years of great prosperity, but I feel very confident that we could produce every ounce of wool we need at this time. The Senator from Montana can perhaps enlighten us as to that.

Mr. HULL. I wish the Senator would insert in his remarks the figures on that point.

Mr. REED. I will if I can get them, but I do not know where I can get the figures.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. WHEELER. I was going to say to the Senator that I can not see how a change in the tariff can remedy the matter, assuming that we find out as a matter of fact that by reason of depreciated currency in some of these countries they have been able to export to this country or, in other words, to dump in this country, because if we should raise our tariff they could further depreciate their currency over there and still get around any tariff barriers that we might interpose. Likewise, if the Senator will pardon me, the fact that we raised the tariff would not help in the slightest degree in a situation where one country is off the gold standard and another country is on the gold standard, provided we are producing in this country more than we are consuming.

In other words, take wheat as an illustration. The wheat farmer is suffering. We have a 42-cent tariff upon wheat; but it does not do the wheat farmer any good, excepting in certain classes of wheat, because of the fact that we produce more wheat than we consume, and the surplus has to be sold on the world market.

Mr. REED. That is true; but just think what would happen if we did not have the 42-cent tariff. The Canadian, with his money depreciated from 12 to 15 per cent, would be very likely to sell his wheat here instead of trying to sell it abroad.

Mr. WHEELER. Yes; but that would not make a particle of difference, for this reason—I happen to know of these instances myself: We have a 42-cent tariff upon wheat; and the farmers in Montana were taking their wheat across and paying a duty in Canada and getting more for their wheat in Canada two years ago than they were in Montana. They were taking it 150 miles by truck. That was because of the fact, however, that they had a cheaper freight rate in Canada at the time and because of the fact that there was a Canadian pool. So that, as a matter of fact, the tariff has never helped the wheat farmer, because when the wheat farmer of Canada ships his wheat to Liverpool, and our farmer does likewise, the market is fixed in Liverpool, regardless of whether the farmer ships a small amount or a great amount.

The point I was trying to get at was this: I agree that we might temporarily help some commodities by raising the tariff on those commodities. Perhaps we could help copper and some other things; yet as to the things which have to be sold on the world market, such as cotton and wheat, we can not help as long as we stay on the gold standard and the other countries go off of the gold standard. It just can not be done. The only way to help is by either going off the gold standard or adopting some other standard.

Mr. REED. Oh, no; the difficulty is a temporary one. There is a considerable lag between cause and effect. But every country that has gone off the gold standard in the past has found that prices of everything, including labor, ultimately adjust themselves to the amount of the depreciation in the money.

Mr. WHEELER. They have not done that at present in England.

Mr. REED. No; they have not yet, but they are just as certain to as the sun is to rise.

Mr. WHEELER. Possibly eventually they may. But it is not simply the labor cost, if I may say so to the Senator, that is affected, and the Senator is speaking of it as if it is just simply a question of labor cost. When France and Germany, for instance, inflated their currency, it was true that labor was temporarily reduced, but the big thing that was accomplished was that the debtor class were able to pay off their indebtedness. The difficulty in this country at the present time is that the farmer here who has to sell commodities and raises wheat, cotton, and other things has to pay his indebtedness in a dollar that is worth two or three times what it was when he borrowed the money.

Mr. REED. That is true.

Mr. WHEELER. And it just is not possible for him to do it.

Mr. REED. But it will not do him any good for us to go off the gold standard, because practically all the farm mortgages out West are payable in gold.

Mr. WHEELER. I beg to differ with the Senator. I say that practically all those mortgages are not payable in gold.

Mr. REED. I was so informed. I am glad to know it if they are not.

Mr. WHEELER. I will say to the Senator that they are not all payable in gold, particularly in my section of the country, and I do not think they are in the rest of the country. So it is an impossibility, if we stay on the gold standard, unless these other countries go back on the gold standard, for the farmer to pay off his indebtedness. Let me say to the Senator in all seriousness——

Mr. REED. Let me answer some of these questions as the Senator goes along.

Mr. WHEELER. I am not asking questions.

Mr. REED. If the Senator will yield to me occasionally in the time I have yielded to him, we can somewhat keep track of the questions.

The Senator did not catch my point. I say it does not matter in the long run if they do go off the gold standard, because when their money strikes its level everything is going to be adjusted to that, just as it is in France now, with the franc adjusted to 3.93 instead of 19.3.

Mr. WHEELER. If the Senator will pardon me just there—and I do not want to take up too much time—the Senator says that it does not make any difference. I say it does make a tremendous difference to the debtor class, and it made a tremendous difference to the debtor class in Germany, because Germany paid off their indebtedness by depreciating their mark or by inflation. Likewise France did the same thing with the franc.

Mr. REED. Certainly. I admit that the debasing of the currency helps the debtor class.

Mr. WHEELER. I am saying to the Senator that it seems to me, if commodity prices remain down where they are in this country at the present time and world commodity prices remain down, it is an impossibility for us to have prosperity return to this country unless we ourselves adopt some method of depreciating our dollar, or inflation. I think myself that has to come. Otherwise we are not going to bring back prosperity, because the farmer will not get more than the cost of production.

Mr. REED. What are we going to do with the $40,000,000,000 of public debts which are all payable in gold? What is to happen to them?

Mr. WHEELER. I answer the Senator and say this to him, that there is going to be repudiation if the present condition continues. I call the Senator's attention to what happened in Mississippi the other day, when 25 per cent of the farmers' lands were sold for taxes. I have been told that in many of the Western States, and I think the same is true in the Middle Western States, not only 25 per cent of the lands of the farmers of those States are subject to be sold for taxes but as high as 50, 60, and, in some instances, 80 per cent of the remaining lands of the Middle West and Northwest are subject to sale for taxes.

Mr. REED. I know that.

Mr. WHEELER. I say to the Senator that there will be a wholesale repudiation of indebtedness in this country unless something is done to bring up the world level of commodity prices. The price of wheat must be brought up, the price of cotton must be brought up, the prices of other things must be brought up, and it can not be done if these other countries stay off the gold standard and this country stays on it.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. THOMAS of Oklahoma. The Senator from Pennsylvania just asked the question, What are we going to do about these mortgages and bonds that are payable in gold? Let me remind the Senator that during the World War we were still on the gold standard, and we had six and a half billions of money in circulation. The money went down in value, so that a bushel of wheat would buy two and a half dollars, a barrel of oil would buy three and a half dollars, a bushel of corn would buy $1.75, and other things in proportion. Does the Senator concede that by putting more money in circulation we can decrease the value of gold as measured by commodities somewhat similar to what was found to be true during the World War?

Mr. REED. If we can increase the demand for commodities to the demand that existed during the World War, assuming the supply to be the same, the prices will be the same.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. REED. I am still in arrears with one of the questions of the Senator from Montana, or perhaps it was the Senator from Georgia.

Mr. VANDENBERG. The Senator was discussing copper with the Senator from Montana. I have been looking at the able Senator's amazingly significant charts and figures, and I am keenly anxious that the RECORD shall show at this point this comparison in respect to imports of copper from Canada.

The imports of copper concentrates increased from 287,000 pounds in December, 1930, to 3,400,000 pounds in December, 1931.

The imports of copper, refined, and ingots, plates, or bars, increased from 769,000 pounds in December, 1930, to 30,225,000 pounds in December, 1931.

I thank the Senator.

Mr. REED. I am very much obliged to the Senator. I had not seen that item.

I think it was the Senator from Georgia who asked me what I would do about it.

Mr. GEORGE. Mr. President, I did not ask the Senator that.

Mr. REED. Then it was the Senator from Montana. It was the Senator from Montana, I believe, who suggested that a correction we might make to-day might prove to be wrong because of a change in the exchange value to-morrow.

It seems to me that the way to correct that would be through a provision of temporary duration stating that the invoice value, no matter in what currency expressed, should be increased by the amount to which the currency of the originating country had depreciated at the date of the invoice, that rule to apply as the exchange value went up or down.

Let me state what they have done in countries where they do not have Democrats to block progress.

Mr. ROBINSON of Arkansas. I suppose we have Republicans to make it impossible.

Mr. WHEELER. I will say to the Senator that if it had not been for the Democrats, Mr. Hoover would never have gotten most of his program over. He could not get it over with the Republicans on the other side.

Mr. REED. Yes; but I wish the Democrats would continue in their good work.

Last January a German presidential decree, effective immediately, authorized the Government to establish compensatory duties to be levied on imports from countries with currencies below gold parity, according to a cablegram from our commercial attaché in Berlin. The decree also authorized increased duties on imports from countries having no commercial treaty, and on those discriminating against German exports.

That was the German reply to the British depreciation in their currency and to the French quota system, which allowed only a certain quota of imports of different commodities to come from particular countries.

We, whose President did not have that power, got very much the worst of it in the allocation of the French quotas as compared with Germany, which had taken this action.

Mr. HULL. Mr. President, the Senator is reaching the point now in which I have been interested from the beginning; that is, I have been anxious to ascertain what his real objective is.

Mr. REED. What my real objective is?

Mr. HULL. Yes. One reason why I was willing to wait patiently was the fact that in any event our imports are down almost to a nominal level compared with what they usually are, and our exports somewhat similar.

Mr. REED. Does the Senator call it a nominal level to have the imports of refined copper increase in the manner that was brought out by the Senator from Michigan, to go up from a few hundred thousand pounds to 30,000,000 pounds for one month? Is that nominal? I venture to say the miners in Butte do not think so.

Mr. HULL. The Senator recalls that our foreign trade was twelve and a half billions in 1920, and it came on down to what seemed to be a normal level, or somewhere near seven or eight billions, but now it is running at the rate of between three and four billions. I stated that, compared to what it had been apparently normally, it is approaching a most discouraging level.

Mr. REED. I agree with the Senator in that.

Mr. HULL. I want to ask the Senator this question. I notice that a bill has been introduced at the other end of the Capitol to do what the Senator has suggested; that is, to correct the exchange situation due to the depreciated currency. For illustration, the customs officers would first assess the standard duty of $4.85. That was the value of the pound last September, before the United Kingdom went off the gold standard. To this they would add the difference between the standard and exchange values of the pound, which, when I made these figures, was a little under 30 per cent, amounting to $1.35. That is the addition to the standard value, which would make the total duty due $6.20. Would that remedy be acceptable to the Senator?

Mr. REED. I do not know. I would want to study it. I would want to know the facts. The trouble is we are very largely in the dark at present, and apparently we are not to be allowed to get any light because of some apprehension that I have a sinister motive in asking for the information.

Mr. HULL. I have not heard of any definite objection to the Tariff Commission doing what they may do anyway, but I was interested as to which of all these remedies the different countries have prescribed and I thought perhaps the Senator had collected statistics.

Mr. REED. No; and I do not want to collect them until I can get information from some one who has investigated the situation and has the definite information. I mentioned Germany. I have been told that Canada has taken some such action against countries whose currencies have depreciated more than hers has. That is another thing about which I should like to know.

Mr. President, may I have the attention of the Senator from Oregon [Mr. McNARY]? Does the Senator from Oregon desire to have an executive session at this time?

Mr. McNARY. No; I merely wish to move a recess until to-morrow noon.

Mr. REED. Would it be agreeable to the Senator to do so at this time?

Mr. McNARY. It would.

Mr. SHEPPARD. Mr. President, will the Senator yield to me a moment before he submits his motion?

Mr. McNARY. Certainly.

POSTMASTER AT BROWNFIELD, TEX.—RECONSIDERATION OF CONFIRMATION

Mr. SHEPPARD. Mr. President, as in executive session, I ask unanimous consent that the vote on April 4 by which Lela T. Toone was confirmed as postmaster at Brownfield, Tex., be reconsidered, and the nomination rereferred to the Committee on Post Offices and Post Roads. I merely wish to secure some additional information.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. FESS in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock p. m.) took a recess until to-morrow, Friday, April 8, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 7, 1932

DISTRICT JUDGES

John Rustgard, of Alaska, to be district judge, district of Alaska, division No. 2, to succeed G. J. Lomen, whose term expired February 16, 1930.

E. Coke Hill, of Alaska, to be district judge, district of Alaska, division No. 4, to succeed Cecil H. Clegg, whose term expired May 18, 1930.

MEMBERS OF THE BOARD OF TAX APPEALS

The following-named persons to be members of the Board of Tax Appeals for terms of 12 years from June 2, 1932 (reappointments):

J. Edgar Murdock, of Pennsylvania.
William D. Love, of Texas.
Ernest H. Van Fossan, of Ohio.
Eugene Black, of Texas.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 7, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, though we can not perceive all Thy ways, and much is hidden because we are so imperfect, yet Thy great brooding soul overhangs us still. We rejoice in Thy supremacy, though it is too wonderful for our self-closed eyes. Hear us, for we approach Thee in the name of Him who so marvelously identified Himself with humanity. Arouse us all with His passion, which was a passion for good upright living; stir us with a holy restlessness with things wrong and unjust, and with a sacred determination to make our contribution toward a better day and a better country. Enable us to so labor and strive for these, that luster shall be added to our patriotic citizenship. Keep us in harmony with that divine order whose chief concern is to save man in a saved world. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE TO ADDRESS THE HOUSE

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House on Tuesday next for 15 minutes immediately after the reading of the Journal.

Mr. BANKHEAD. Mr. Speaker, I hesitate to object to the gentleman's request, but I do not know what the program is with reference to next Tuesday.

The SPEAKER. The Chair will say to the gentleman from New York that in the beginning of this session an agreement was entered into between the gentleman from Illinois [Mr. RAINEY] and the gentleman from New York [Mr. SNELL], and it was tacitly understood that the gentleman from New York would object to Democrats who asked for a future date to address the House, and that the gentleman from Illinois would object to Republicans who did so. In other words, it was mutually conceded and agreed that there should be no fixed date for debate at some future time. The Chair thinks the agreement ought to be kept, and the Chair himself will take the responsibility of objecting. [Applause.]

ORDER OF BUSINESS

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to modify the request made yesterday for closing of general debate on this bill. In explanation of that I should say that I think the House will realize that the committee has tried in every possible way to expedite the consideration of the bill.

It is a large bill, with a lot of controversial items in it. However, two or three gentlemen wanted time yesterday, and we were not able to grant it. I ask unanimous consent that general debate close in an hour and 15 minutes to-day, 45 minutes to be controlled by this side and 30 minutes by the gentleman from New Hampshire.

Mr. SNELL. Why should not we have the same amount of time as the gentleman's side?

Mr. WOODRUM. There is no reason whatever except that the gentleman from New Hampshire did not have any requests for time.

Mr. SNELL. We want the same amount of time over here.

Mr. WOODRUM. That is all the gentleman needed. He stated to me that 30 minutes would be sufficient for him. I modify my request, Mr. Speaker, to make that time one hour and a half, one-half to be controlled by myself and one-half by the gentleman from New Hampshire.

Mr. DICKSTEIN. Mr. Speaker, I want 10 minutes, and I made that request to the chairman yesterday. He could not give me the time. May I have the 10 minutes, or are those 10 minutes included in the time asked for?

Mr. WOODRUM. Mr. Speaker, I am very sorry, but if we are going to finish this bill by Friday night so as to adjourn over Saturday, I can not consent to any further extension of time. I want to be liberal under the 5-minute rule. I hope the gentleman will allow the bill to proceed.

The SPEAKER. Is there objection?

Mr. DICKSTEIN. I object.

Mr. WOODRUM. Mr. Speaker, I move that general debate upon this bill close in an hour and a half, one-half to be controlled by myself and one-half to be controlled by the gentleman from New Hampshire.

The SPEAKER. The question is on the motion of the gentleman from Virginia to close general debate in an hour and a half.

The motion was agreed to.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. SWANK in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, during the last few days a number of my Army friends have brought to my attention two circulars that are being mailed over the country by an organization signing itself "The Citizens' National Safety Committee." Both circulars vigorously condemn efforts by Congress to reduce governmental expenditures, especially those reductions that pertain to the War and Navy Establishments. The principal circular begins by saying that the alleged members of this committee have the finest brand of patriotism. It then names certain organizations, such as the American Jewish Congress, American League to Abolish Capital Punishment, Church League for Industrial Democracy, Federal Council of Churches of Christ in America, Methodist Federation for Social Service, World Peace Commission, and a number of other societies and associations, whose chief purpose is the settlement of international disputes by peaceful methods, which organizations the circular brands as "pacifists, war resisters, atheists, socialists, communists, un-American, and anti-American." It undertakes to impress the reader with the idea that these organizations have as their prime motive the destruction of the Government of the United States, and that the "Citizens' National Safety Committee" has caught them in the act. I do not know anything about these organizations and care less. I am, however, naturally suspicious of an organization that refuses to argue the merits of its proposals but instead calls those who differ with it bad names.

The real purpose of the circular is to lead its readers to believe that these societies have by some mysterious influence persuaded Congress that economy in governmental expenditures is necessary, and that these economies will even reach the War and Navy Departments. This deplored situation, including a reduction in Army and Navy salaries—a sacrifice to be borne equally by all departments—is, according to the circular, the work of Congress, influenced and led by communists, un-American, and anti-American groups.

It is unnecessary for me to enumerate the membership of the Appropriations Committee, of the Speaker's Policy Committee, of the Economy Committee, and of the other committees in Congress that have been laboring to find ways to reduce Government expenditures. These public servants are actuated by the broadest patriotism. They are endeavoring to reduce Federal spending so that our working citizens will not be financially ruined and public credit destroyed. Their work should be encouraged and not condemned.

Yet how is this honest effort on the part of Congress viewed by this self-styled patriotic national safety committee? Its pamphlet advises its readers how to prevent Government saving; in other words, how to block the will of the people. The advice given by this irresponsible committee is as follows:

YOUR FULL AND IMMEDIATE COOPERATION IS IMPERATIVELY NECESSARY

Induce your friends to join you in the following action:

(1) Write or wire your State delegation in Congress.

(2) Write or wire Hon. JOHN N. GARNER, Speaker of the House.

(3) Write or wire Mr. William Randolph Hearst at once.

(4) Cause as many local organizations as possible to forward suitable resolutions to each of the above and copies to this office.

(5) Give widest possible publicity to the campaign through the press, radio, speaker's platform, pulpits, etc.

(6) Mail out the greatest possible number of this folder, $5 per 1,000 prepaid, which is the cost to the committee.

(7) If you have not done so, send a contribution at once to enable the committee to push this nation-wide campaign with vigor. Only sufficient funds have been received to start the fight. Everything received will be used to promote the campaign.

The campaign's success is dependent upon the financial support given it by those who wish to help make it a success. It is not financed by the Citizens' National Safety Committee, nor any other group or special interest. The campaign is carried on in the interest of the whole Military Establishment and the cause of national security. It is worthy your best support and active interest. Much literature is immediately necessary, many telegrams, large quantities of postage, special stenographic service, etc., are vitally necessary. Time is an essential element in the success of the campaign, nearly as important as your check; this we should have by return mail.

The circular concludes:

Make all checks payable to the R. O. T. C. Association of the United States, 618 Shoreham Building, Washington, D. C. Orvel Johnson, lieutenant colonel, IG–Res., executive secretary, March 14, 1932.

This is just another drive inspired by propagandists in Washington to milk the unsuspecting people back home and to flood Congress with meaningless mail. Members may, therefore, expect to get letters hatched by this organization and mailed over the country. They may likewise expect to continue to read Hearst's daily blasts. The circular would have its readers believe that Mr. Hearst is controlling the Speaker and the American Congress.

This alleged committee of "100 outstanding patriotic Americans"—and I am very much surprised that we have only 100 outstanding patriotic Americans—is not content with one circular. It sends along another one printed in red. It reads as follows:

AN EMERGENCY MESSAGE—ALL FRIENDS OF THE MILITARY FORCES OF THE UNITED STATES MUST ACT AT ONCE

Unless immediate action is taken by every citizen of the country who is interested in the Military Establishment of the Nation, nothing less than a catastrophe will result from the present situation in Congress, for it appears highly probable that—

The pay and allowances of all Army officers, along with other Government employees, is to be cut 11 per cent above the first $1,000; and

That 10 per cent is to be deducted from all appropriations passed or to be passed at this session of Congress; and

That 2,000 officers of the Army are to be cut off from the authorized strength of the Regular Army.

To prevent these things your instant action is necessary. Read the inclosed folder and mail your check at once.

The legislative situation in Congress is a challenge to your Americanism. The subversive forces have combined to tear down our Nation's defense forces. Patriotic Americans must stand shoulder to shoulder to defeat them.

The Citizens' National Safety Committee, composed of 100 of the country's leading citizens, appeals to you for aid.

Will you help? Time is as essential as your check.

WASHINGTON, D. C., *March 24, 1932.*

Both circulars indicate that these "100 outstanding patriotic Americans" have their patriotism aimed in the direction of checks, which they say are "imperative."

Ladies and gentlemen of the committee, in times like these, when millions are without employment and the bare necessities of life, when others must beg to exist, when everyone is wondering whether conditions will really improve or get worse, when the Congress of the United States is forced to pass a tax bill laying additional tax burdens upon every household in America to the extent of nearly $1,200,000,000, when everyone is making tremendous sacrifices, I believe the time is ripe for the beneficiaries of Federal Budgets to make some slight sacrifice for the benefit of the rest of our people who are supporting them; and a slanderous campaign to prevent it is not patriotism but dangerous selfishness. The revenue bill was written with the idea that Federal expenditures would be reduced $243,000,000. This little crowd who denominate themselves "The 100 outstanding patriotic Americans," would have the country believe that Congress is under the influence of Russia when it endeavors to save Federal funds. Organizations like this one are the ones that are subversive. They are endeavoring by false propaganda to prevent Congress from doing its plain duty to overtaxed and overburdened American citizens.

Everyone who has sense enough to sit in this House knows that Government expenditures should be reduced. Everyone who has sense enough to get out of the rain knows that Orvel Johnson and his check-hunting crowd of super-"paytriots" do not represent the sentiment of the outstanding men and women of America.

In spite of the unrepresentative character of these letters we are to be flooded with propaganda—not mere propaganda—but communications verging on intimidation. Threats are openly made that unless we yield to this unofficial group seeking to maintain their positions and increase their own salaries in the name of patriotism that they will replace us by those who will be more obedient. This intimidation will reach only weak-minded and unsuspecting public officials.

Ladies and gentlemen of the committee, conditions in our country and throughout the world have never been worse than now. Fortunes have dwindled; savings have been destroyed; values are nothing; jobs are gone, and hungry men and women are everywhere; States are without credit; counties and cities are facing bankruptcy. This is just a part of the picture we are facing. Is it not time, therefore, for the Government to lop off useless expenditures, not only because of the money that will be saved and reflected savings that will come in State, county, and municipal budgets, but because appropriations should be reduced at least to the same level that commodity prices have been reduced, and more, too. Shall Congress treat all alike, go down the line and trim appropriations of all departments, or shall we cowardly evade our duty as Orvel Johnson and his alleged patriotic propagandists would have us do, with their made-to-order sentiment. [Applause.]

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, through the courtesy of the Commissioner of Customs, Captain Eble, there has recently come into my possession one of the most graphic explanations of the financial condition of the country that I have ever seen. It is so simple and plain that I want to call it to the attention of the House. It is the yardstick that every storekeeper, every merchant, every student knows about. This is the Government yardstick [showing it], 36 inches long, divided according to the expenditures, and on the reverse side according to the receipts.

In 1930 at the close of the fiscal year we had a surplus of $183,789,000. Mr. Chairman, I am going to make use of some notes from an address that was made by Captain F. X. A. Eble, Commissioner of Customs. I do not want to take upon myself any authorship, but wish to give credit where credit is due. These are excerpts from an address delivered by the Commissioner before the Federal Business Association of Maryland, at Baltimore, on March 23, 1932, in regard to the present condition of the United States Treasury. The Commissioner recalled that the ordinary receipts of the Government for the fiscal year ended June 30, 1930, were $4,177,941,000. The expenditures that year amounted to $3,994,152,000, leaving a surplus (that year) of $183,789,000.

The following year the report was not so satisfactory. The receipts shrank to $3,317,233,000, or $860,000,000 less than the preceding fiscal year. The expenditures were $4,219,950,000, or $275,000,000 more than they were the previous year; and a deficit was, therefore, created to the extent of $902,716,000.

We are now reaching the end of the third quarter of this fiscal year. Our total receipts to March 18 amounted to $1,510,839,000, and our expenditures for which appropriations have been made are estimated close to $4,482,153,000. We have only one and one-half billions collected to date, and are within three months of the end of the fiscal year. Our total collections will be slightly in excess of $2,000,000,000, with $4,482,000,000 expected expenditures. Therefore our deficit up to July 1, 1932, for this current fiscal year will be over $2,000,000,000.

Mr. Chairman, I hope the Members will disassociate in their minds the work that we have been trying to do in the matter of balanced budgetry. This problem that I am endeavoring to explain a little to you to-day has absolutely nothing to do with the balancing of the Budget. We are going to be over $2,000,000,000 in the red the 1st day of July for this fiscal year. This situation we can not cure, so far as the legislation that we have been considering the past few days is concerned. However, I want to show you of what that consists. Here is our yardstick.

Mr. STAFFORD. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. STAFFORD. Will the gentleman acquaint the House where Members of the House can get those very valuable yardsticks?

Mr. TREADWAY. I am informed that as yet but three of the yardsticks have been made. The United States Chamber of Commerce has shown a great interest in this very clear and easy explanation which I will endeavor to show the House and are anticipating a very broad distribution of them, but they are not as yet ready. I understand that it is expected that the United States Chamber of Commerce will have a very large number made, I can not say how large, but enough, though, that they will be in very general distribution.

Mr. CLARKE of New York. And will that include the gentlemen of the House and Senate?

Mr. TREADWAY. I should undoubtedly expect that it would.

Mr. STAFFORD. We will certainly be on the preferred list.

Mr. TREADWAY. I should think you would be, sir. In any event, I will see that these two gentlemen, at least, have one.

Mr. WASON. I hope you will see that I have one, too.

Mr. TREADWAY. I have no doubt we can dispose of 435 of them.

Mr. Chairman, I will have a photograph of both sides of this yardstick, and I ask unanimous consent that the photographic copies may be inserted in the RECORD at the end of my remarks.

The CHAIRMAN. The request of the gentleman from Massachusetts should be made to the Joint Committee on Printing through the chairman of the House committee.

Mr. TREADWAY. Mr. Chairman, this yardstick is worked on both a percentage basis and on a measurement basis showing the actual amounts involved. For instance, these

are the divisions of expenses, of $4,482,153,400. First, we have the interest item. That takes about 13¼ per cent, amounting in actual dollars to $605,000,000, and about 4⅞ inches of the total of 36 inches. Next is the debt retirement, which is exactly 9¼ per cent, or 3⅜ inches, and amounts to $411,946,000. I am not using the odd dollars. Trust funds and tax refunds are 5¾ per cent, or about 2 inches, and in money amount to $256,784,000.

Mr. KETCHAM. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KETCHAM. Will the gentleman give just a word of explanation as to what he means by trust funds?

Mr. TREADWAY. I could give all of these details if I could secure ample time, but I will be glad to insert them in the RECORD. I have details showing how these are divided, but I will be glad to answer the gentleman's specific question.

Mrs. KAHN. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mrs. KAHN. I saw one of those yardsticks in the Treasury Department, and I think it might help if the gentleman from Massachusetts will tell just exactly how many hundreds of thousands of dollars there are to the inch. That will give the Members some idea just how much is represented by an inch. If the gentleman will give us the unit of measurement per inch, I think we can understand better.

Mr. TREADWAY. The scale per inch is $124,504,261.11. Answering the question propounded by the gentleman from Michigan, the trust funds are divided as follows: Government life insurance, Indian moneys, District of Columbia, and miscellaneous. Refunds are customs and internal revenue refunds. That is the division of the trust funds and refunds. I thank the lady from California for her suggestion, and every time I speak of an inch, bear in mind that it represents $124,500,000. Then the next time is veterans of wars.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. TREADWAY. The veterans of wars have 7⅞ inches, 22 per cent, representing $989,500,000, nearly one-fourth. You will see that out of the 36 inches, 7⅞ inches are in payments to veterans of wars. For the national defense, the Army and the Navy cover 16 per cent, nearly 6 inches, $721,438,000. Public works, $528,231,000, 12 per cent, or 4¼ inches. Special aids, $536,896,000, 12 per cent, or 4¼ inches.

Mr. KETCHAM. Will the gentleman kindly state what special aids represent?

Mr. TREADWAY. I will answer the gentleman's direct inquiry, but I intend to ask permission to insert all of these subdivisions. The special aids consist of aid to agriculture, industry and trade, the merchant marine, aviation, education, public health, and similar items.

Mr. ARENTZ. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ARENTZ. In view of the fact that there is so much discussion about cutting wages and salaries 10 or 15 per cent, can the gentleman show the actual amount of wages and salaries paid by the United States Government, as shown on that yardstick?

Mr. TREADWAY. The next item covers that as closely as I have it, but I am afraid it is not directly separated. The next and final item of expenditures consists of miscellaneous, and under miscellaneous is general administration, including legislative and judiciary, and foreign relations. Of course, a very large portion of that would be salaries.

Mr. ARENTZ. It is surprising how small that amount is when compared with all of the other activities of the Government.

Mr. TREADWAY. I think there are statistics confirming the gentleman's idea that the item of salaries is a comparatively small one in the great big picture we are looking at.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. COLE of Iowa. Salaries are included all through the items?

Mr. TREADWAY. Yes; that is correct. I think there are statistics showing salaries. This miscellaneous item, which consists of general administration, legislative and judiciary, and foreign relations, takes 9½ per cent, or 3½ inches, the amount being $432,355,000.

During the rest of my time, gentlemen, I would like to show you the other side. [Reversing the yardstick.] There are the receipts. The income tax pays $1,076,000,000, and is nearly 9 inches of the total, or one-fourth. Practically a quarter of our income is from the income tax. But I ought to say before proceeding to particularize that the estimated receipts for 1932 are $2,242,000,000, which, compared to the estimated expenditures of $4,482,153,000, shows where we are in the red.

[Here the gavel fell.]

Mr. WASON. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. TREADWAY. The internal-revenue receipts are $526,000,000, 4¼ inches. Customs, $375,000,000, 3 inches. Miscellaneous, $265,000,000.

We now come to the red, which is almost 18 inches. Almost half of our yardstick is in the red up to July 1, 1932.

Mr. Chairman, I have indicated here as briefly as I could the picture of the serious financial condition of the country as of to-day. I think this yardstick measurement is a most vivid expression of this financial condition and the most direct picture of it I have ever seen. It gives you, or at least it did me, the best impression of to-day's finances with respect to the Government I have been able to get, and for that reason I thought it was a matter that should be put before the House.

Mr. KELLER. Will the gentleman yield?

Mr. TREADWAY. If I have any time remaining, I yield to the gentleman.

Mr. KELLER. I just want to ask the gentleman one question. Why the deficit?

Mr. TREADWAY. Largely because incomes have fallen off. That is one of the reasons?

Mr. KELLER. Again, why?

[Here the gavel fell.]

Mr. TREADWAY. My time has expired.

Mr. Chairman, under leave to extend my remarks in the RECORD I am inserting the details of the various items on both sides of the yardstick, as follows:

EXPENDITURES

Interest on the public debt: On bonds, notes, certificates of indebtedness, and Treasury bills.

Retirement of the public debt: Sinking fund. Purchases and retirements from franchise-tax receipts (Federal intermediate credit banks). (No estimate on account of Federal reserve banks for 1932.) Forfeitures, gifts, etc.

Trust funds, refunds, etc.: Trust funds—Government life insurance, Indian moneys, District of Columbia, other. Refunds—Customs, internal revenue, etc.

Veterans of former wars: Administration, medical, hospital, and domiciliary services; hospital and domiciliary facilities and services; military and naval compensations; military and naval insurance; Army and Navy pensions, etc.

National defense: Army, $343,018,200; Navy, $378,420,200.

Public works: Public buildings, good roads, rivers and harbors, reclamation projects, Boulder Canyon project, etc.

Special aids: Aid to agriculture, industry, and trade; merchant marine; aviation; education; public health, etc.

Miscellaneous: General administration, including legislative and judiciary; foreign relations.

RECEIPTS

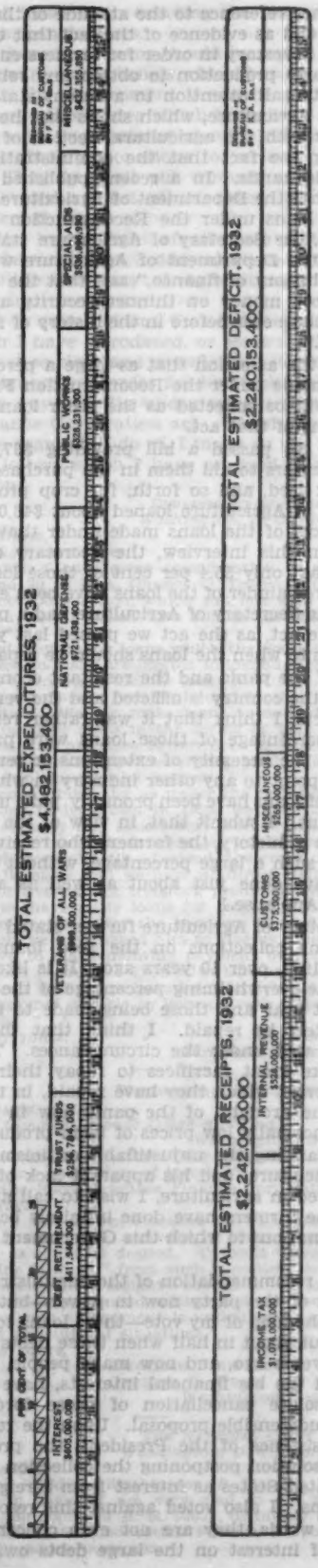
Income tax: Individuals; corporations.

Internal revenue: Estate tax; alcoholic spirits, etc.; tobacco manufactures; admissions and dues; stamp taxes, including playing cards, etc.

Customs: Duties.

Miscellaneous: Sales of Government property; rents and royalties; mint receipts (profits on coinage, bullion deposits, etc.); forest reserve fund; Panama Canal tolls, etc.; fees, fines, and penalties; franchise tax (Federal reserve and Federal intermediate credit banks); assessments and reimbursements; forfeitures; gifts and contributions; interest; tax on circulation; permits and privileges; trust funds; sales of public lands.

[By direction of the Joint Committee on Printing the yardstick referred to is here published in the RECORD, as follows:]



Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman, I have introduced a bill (H. R. 10673) to amend section 2 of the Reconstruction Finance Corporation act, so as to make it clear that livestock and dairy farmers are entitled to obtain loans under the provisions of that act.

The title of this act declares that it is "to provide emergency financing facilities for financial institutions, to aid in financing agriculture, commerce, and industry, and for other purposes." The very first class mentioned is agriculture, and then section 2 provides that $50,000,000 of the amount, which may be expanded to $200,000,000, "shall be allocated and made available to the Secretary of Agriculture and shall be expended by the Secretary of Agriculture for the purpose of making loans or advances to farmers in the several States of the United States, in cases where he finds that an emergency exists as a result of which farmers are unable to obtain loans for crop production during the year 1932."

The bill which I have introduced proposes to amend the last phrase just quoted, so that it would read as follows:

In cases where he finds that an emergency exists as the result of which farmers are unable to obtain loans for crop or livestock production, or to carry on dairy farming, during the year 1932.

And my bill expressly authorizes the Secretary of Agriculture to take a first lien on livestock as well as on growing crops to secure loans or advances to farmers. My bill also proposes to add language as follows:

The Secretary of Agriculture is also authorized, in his discretion, to take such other or additional security as he may deem proper and sufficient for such loan or advance.

The first amendment suggested is to make it absolutely clear that the Secretary of Agriculture is expected to make loans to livestock and dairy farmers, and the other amendments are to likewise make it clear that the Secretary of Agriculture could advance such loans, to be secured by a lien, in whole or in part, on livestock, or to take other security, in the light of the narrow construction placed upon the existing act by the Secretary of Agriculture to the effect that he would only make loans for production of growing crops, to be secured by liens upon growing crops to be marketed.

I am sure that a large number of the Members of this House were prompted to support the Reconstruction Finance Corporation bill because they felt that it held out a real hope to the farmers and reasonably expected that the act would be administered for the relief of all classes of farmers. However, when the Secretary of Agriculture issued his regulations relating to the administration of the farm section of the act, it was quite apparent that he did not contemplate making any loans whatever except for the production of growing crops, the loan to be secured by a lien on the growing crops which were to be marketed. Such an interpretation precluded from the benefits of the act that very large class of farmers who are engaged wholly or partially in livestock raising and dairy production; it ignored all of those farmers who do not market their growing crops but who feed their growing crops to livestock and either market the livestock or livestock products.

In my State a large percentage of the farmers carry on livestock production either exclusively or in connection with their other farm operations; the same is true with respect to a large proportion of the farmers in the country as a whole.

As a matter of fact, a major portion of farm production consists of livestock and livestock products. For the year 1930, the total farm production in the United States amounted to $9,347,000,000. Embraced in this amount were $2,450,000,000 for cattle and hogs, $1,810,000,000 for dairy products, $1,337,000,000 for poultry and eggs, not to speak of the amounts received for sheep, horses, mules, and so forth.

On account of the destructive drought in 1930 and the decreased farm prices, the entire farm production for 1930 was nearly $2,500,000,000 less than for previous years.

Speaking with respect to my own State—Tennessee—the importance of the livestock and dairy industry is shown, in part, by the following figures for the year 1930:

Dairy production	$17,609,000
Cattle	11,209,000
Hogs	18,991,000
Sheep	1,865,000
Total	49,754,000

Because of the continued effects of the 1930 drought, the forced reduction of breeding stock and the very low prices of farm products, the amount received for the 1931 farm production in Tennessee was about one-quarter less than for 1930.

Livestock and dairy farmers have suffered as much from the drought and economic conditions as any other class of farmers. The drought dried up their pastures, and in most instances they were unable to grow enough feed to carry their livestock through the winter. They were compelled to sacrifice their livestock in large numbers, many of them being unable to even keep livestock for breeding purposes. Many of them were compelled to exhaust all of their available resources and credit; and while they grew pretty good crops the past year, yet the prices are abnormally low, and they do not have the means to purchase livestock to which to feed the products they have grown or to graze their pastures, or to otherwise carry on their farm activities.

For years the Department of Agriculture and farm experts generally have advised the farmers to diversify, to feed their growing crops on the farm in so far as possible, and so forth.

Hundreds of thousands of farmers feed their growing crops to livestock instead of selling the crops on the market. There is a very large number of farmers who maintain dairy herds, either in connection with other farm operations or devoting their entire attention to dairying. There are innumerable farmers who, while they market a part of their growing crops, yet the greater part of their farm operations consist of livestock raising or dairying, or both. The amount of a loan which they could procure solely for crop production for the market would be wholly inadequate to meet their needs.

And yet that very large element of our farmers is deprived of the benefit of the act under the interpretation of the Secretary of Agriculture and the regulations which he has issued. The bill which I have introduced is designed to rectify that very inequitable situation. I am not asking for any additional appropriation but am simply asking that the provisions of the act be extended to all classes of farmers, as was contemplated.

The Secretary of Agriculture has placed Dr. C. W. Warburton in charge of the administration of the farm provision of the Reconstruction Finance Corporation act. I called upon Doctor Warburton and discussed the situation at length with him and other officials in the Department of Agriculture, and I have had some correspondence with him. It is quite apparent that he intends to adhere to the position which he has taken in regard to the administration of the act. He maintains that the act really does not authorize the loans for anything except "crop production," which he construes to have reference solely to growing crops. While I do not concur in his restricted interpretation, yet it must be conceded that the language of the act is not as clear and definite as it should be. Certainly, there should be no objection to clarifying the language and the purpose of the act. There is no plausible reason whatever why this should not be done.

I prepared and introduced this bill after conferring with the officials of leading farm, dairy, and livestock organizations, as well as various others interested, and they all approved the amendments embraced in my bill. Since the introduction of the bill I have received numerous letters from various organizations and other citizens interested in livestock and dairy production who recognize the importance of the legislation and approve the same.

I wish to state that the chairman of the Committee on Banking and Currency assured me that he would grant a hearing on the bill, and I sincerely trust that we may have the cooperation of all of you Members of the House who are interested in this very important subject.

With further reference to the attitude of the Secretary of Agriculture, and as evidence of the fact that the enactment of my bill is necessary in order for farmers engaged in livestock and dairy production to obtain any relief under this act, I wish to call attention to a recent statement by the Secretary of Agriculture, which shows that he is wholly out of sympathy with the agricultural section of the act, notwithstanding the fact that the administration thereof is placed in his hands. In a recent published interview, in explaining that the Department of Agriculture was handling agricultural loans under the Reconstruction Finance Corporation act, the Secretary of Agriculture stated that, as a loan agent, the Department of Agriculture was the "prize boob in the history of finance," and that the department is lending "more money on thinner security and sustaining more losses than ever before in the history of money lending in the world."

I venture the assertion that as large a percentage of the farm loans made under the Reconstruction Finance Corporation act will be collected as the other loans made under the provisions of that act.

Last year we passed a bill providing $67,000,000 to be loaned to farmers to aid them in the purchase of seed, fertilizer, stock feed, and so forth, for crop production. The Department of Agriculture loaned about $48,000,000 of that amount. Most of the loans made under that act were due last fall. In this interview, the Secretary of Agriculture complains that only 55.4 per cent of those loans have been repaid; the remainder of the loans have been extended or renewed, as the Secretary of Agriculture had a perfect right to do under the act, as the act we passed last year placed no limitation as to when the loans should be repaid.

In view of the panic and the resultant economic situation with which the country is afflicted and the very low price of farm products, I think that it was rather remarkable that this large percentage of those loans were paid when due, and without the necessity of extensions or renewals. I defy anybody to point to any other industry in which any larger percentage of loans have been promptly paid under the existing conditions. I submit that, in view of the most distressful situation in history, the farmers who received those loans in repaying such a large percentage, without asking for extensions, have done just about as well as anybody else I know of. [Applause.]

The Secretary of Agriculture further stated that they were still receiving collections on the seed loans advanced to farmers in 1921, over 10 years ago. It is likewise doubtless true that the overwhelming percentage of the loans made to farmers last year and those being made to them this year will ultimately be repaid. I think that the farmers did remarkably well under the circumstances. They doubtless had to make great sacrifices to repay their loans or the portions thereof which they have repaid, in the face of the effects of the drought, of the panic now in its third year, and the abnormally low prices of farm products.

Notwithstanding the unjustifiable criticism of the Secretary of Agriculture, and his apparent lack of sympathy for those engaged in agriculture, I wish to call attention to the fact that the farmers have done infinitely better than have the foreign nations to which this Government loaned billions of dollars.

Upon the recommendation of the administration and with the support of the party now in power—but I am glad to say not by the help of my vote—those loans to foreign countries were cut about in half when those debts were refunded just a few years ago, and now many people, including high officials and the big financial interests, have been advocating an absolute cancellation of those foreign debts—an absolutely indefensible proposal. Upon the recommendation and the insistence of the President, the present Congress passed a resolution postponing the collection of $252,000,000 due the United States as interest from foreign governments on said loans. I also voted against this resolution.

In other words, they are not even concerned about the collection of interest on the large debts owing to us from



foreigners but insist upon exacting the last pound of flesh from the American farmers.

If none of these farm loans should be repaid, it would not be as bad as many other things which have been done; and such losses to the Government would be nothing to compare with many other losses which have been sustained. A few years ago an aggregate of about $150,000,000 was appropriated as absolute donations to various foreign people in distress. They were all put through as administration measures. I voted against all of them, but the party in power put them through.

Consequently, in the light of all these facts and others which might be mentioned, I deny and resent the statement given out by the Secretary of Agriculture with regard to loans to American farmers.

However, it is quite evident that it is necessary to enact the bill which I have introduced, or some similar bill, so as to make the act so clear and specific that it can not be misconstrued or ignored, in order for livestock and dairy farmers to receive any benefits under section 2 of the Reconstruction Finance Corporation act. [Applause.]

Under leave granted to do so, I insert in the RECORD a few of the many letters which I have received in regard to the bill in question.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., March 7, 1932.

Hon. EWIN L. DAVIS,
House of Representatives.

DEAR MR. DAVIS: I have given consideration to your letters of February 16 and 20 to Hon. Charles G. Dawes, president Reconstruction Finance Corporation, which you left with me on February 27, at which time I talked with you in the office of Dr. A. F. Woods. * * *

As I explained to you, the loans which the Secretary of Agriculture is authorized to make are limited to loans for crop production and can not be extended to include loans for the purchase of livestock or for the purchase of feed for livestock other than that used in crop production. We can make loans to dairy farmers to aid them in planting their crops in the spring of 1932, financing the purchase of seed, the purchase of fertilizer, if necessary, and the payment of miscellaneous expenses of crop production, such as repairs on tools, implements, and harness.

While the security taken by us under the terms of the act is a lien on the crops to be grown in 1932, we have not found the taking of such security very satisfactory where loans were made to dairymen or other livestock farmers, as little money is derived from the sale of crops directly. Instead, the crops covered by our lien are fed to livestock and we have no direct claim on the proceeds of sales of livestock or livestock products. Wherever practicable, where we have made loans for crop-production purposes, and it has been necessary for the borrower to feed the resulting crops to livestock, we have asked him to give us a lien on the livestock or to agree to make monthly payment out of the proceeds of sale of livestock products. Even with this precaution, however, our repayments on such loans have been far less satisfactory than where we were secured directly by liens on cash crops, such as cotton and tobacco. * * *

Very truly yours,

C. W. WARBURTON,
Director of Extension Work.

WASHINGTON, D. C., *March 31, 1932.*

Hon. EWIN L. DAVIS,
Member of Congress, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN DAVIS: Your bill H. R. 10673, about which you write me under date of March 25, contains amendments to section 2 of the Reconstruction Finance Corporation act which are highly desirable.

When section 2 was drawn, I believe all will agree that it was somewhat hastily done, and, accordingly, its language was not as clear and exact as could be desired. To omit "livestock production" and "dairy farming" from such a section in any national legislation was surely an oversight—not an intention.

Difficult as it will be to amend section 2 of the above-mentioned act, the need for such amendment is undoubtedly apparent to all who understand agricultural situations.

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

THE NATIONAL DAIRY UNION,
Washington, D. C., March 29, 1932.

Hon. EWIN L. DAVIS,
House Office Building, Washington, D. C.

MY DEAR JUDGE DAVIS: I am very glad to get your letter of March 25, inclosing copies of H. R. 10673, definitely extending the loan provision of the Reconstruction Finance Corporation to include loans for livestock purposes.

I am sending copies to the president of the National Dairy Union and to the manager of the American Association of Creamery Butter Manufacturers, urging their interest in this proposal.

Following is a list of names, and I wish that you would send to each of them copies of the bill and your statement concerning the bill if this is not trespassing too greatly on the time of your secretary. The men named are all in very responsible positions in the dairy and the dairy-cattle industry.

I will be glad to do anything that I can in connection with this proposal.

Yours sincerely,

A. M. LOOMIS, *Secretary.*

COOPERATIVE EXTENSION WORK IN
AGRICULTURE AND HOME ECONOMICS, TENNESSEE,
Knoxville, Tenn., March 24, 1932.

Hon. EWIN L. DAVIS,
United States Congress, Washington, D. C.

DEAR JUDGE DAVIS: I noted with peculiar interest in the Knoxville Journal under date of March 23 that you had sought to amend the Reconstruction Finance Corporation bill with a view to making eligible loans to livestock farmers. I want to commend you on this movement and let me say that if you can succeed in getting this amendment it will prove of material help to the livestock farmers of the State of Tennessee. It is badly needed, as livestock has suffered the same depressing condition of markets as cash crops and other farm commodities.

For your information, let me say that livestock production in Tennessee is no small part of the Tennessee farmer's dollar. The estimated value of livestock produced in Tennessee for the past two years was given to me by our crop statistician, Mr. S. T. Marsh, which I quote below and which will serve you as a source of information:

Cattle	$11,209,000
Hogs	18,991,000
Sheep	1,865,000
	32,065,000
Dairy production	17,689,062

Because of the nature, topography, and climatic conditions of Tennessee this State is especially adapted to livestock production, and it is the central part of the Tennessee farm program. This past fall many farms went without cattle to utilize the roughage which the farmers had stocked during the winter because of lack of capital with which to buy some livestock to use the feed grown during the summer. As you know, we have some five or six millions of acres of pasture and thousands of acres will go short of cattle to graze this year in view of the fact that capital is not obtainable to provide livestock through which farmers may market their grass.

I can assure you that any liberty in interpretation which you may add through your amendment to make this money available for the livestock farmers will be duly appreciated on their part.

I sincerely hope this may be passed.

Very truly yours,

L. A. RICHARDSON,
Extension Animal Husbandman.

FARMERS' EDUCATIONAL AND COOPERATIVE
UNION OF AMERICA,
Washington, D. C.

Hon. EWIN L. DAVIS,
House of Representatives, Washington, D. C.

DEAR MR. DAVIS: I have no objection to H. R. 10673. Such a bill would not be necessary if the Secretary of Agriculture would do his duty. I have no faith that he will do any better even if you pass H. R. 10673. * * *

Yours truly,

JOHN A. SIMPSON, *President.*

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I rise here on a matter on which I think the House ought to be well informed. I do not want politics to be played on something that we all might agree on. A petition has been filed by my distinguished colleague, the gentleman from West Virginia [Mr. BACHMANN], to discharge the Committee on Immigration from the consideration of a bill before the committee which is commonly known as H. R. 1967.

The bill, in substance, proposes to exclude from the United States and to deport alien communists. It would appear by the filing of this petition that the committee is in favor of alien communists, and that it deliberately refuses to report out a bill that would destroy the nests of these alien communists. I assure the gentleman who introduced the bill and the House that the committee is almost unanimous on this question of deporting alien communists. The reason that this bill was not reported out is because the committee has serious doubt as to whether

or not the words "alien communists" should be left alone in reporting out the bill. At least I for one feel that the words "alien communists" ought to be surrounded by more language to identify the person sought to be deported or excluded.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. BLANTON. Instead of saying "alien communists," the bill ought to read "communists, alien or otherwise."

Mr. DICKSTEIN. The committee itself is trying to determine what is the best language to use for the purpose of excluding and deporting alien communists who seek to overthrow the Government of the United States. We can not, of course, deport native communists.

I call the attention of the House to a case reported in volume 273 of the United States Reports, page 103. The court there points out that practically there is enough law now to deport any alien who seeks to overthrow the Government of the United States.

The court particularly holds in the case cited that where an individual believed in and advocated the overthrow of the Government of the United States or all forms of law, wrote, published, or circulated printed matter advocating opposition to all organized government, he was clearly deportable under section 2 of the act of October 16, 1918, and that under such circumstances an alien can be deported from the United States at any time.

It is not necessary to pass this particular bill with the words "alien communists," because the fact is, if you are an alien and you by some misfortune happen to be at a public meeting which happens to be communistic, I can then charge you with being an alien communist. You are arrested, and the burden under the immigration law is upon you, Mr. Alien, to prove that you are not an alien communist. Gentlemen can see the danger of reporting out a bill with the words "alien communists" without at least some safeguard or protection to say who constitutes alien communists and what overt act they may have done since their entry into the United States to justify arrest. Somebody may charge another with being an alien communist. We have had a hearing before the committee in which a number of communists appeared. Some say that they are not seeking to overthrow the Government of the United States but they are quarreling with the administration of the Government. Some have other reasons why they are communists, but be that as it may, I want it clearly understood that the House Committee on Immigration is not in sympathy with communism, but is prepared at the proper moment, when a proper definition can be obtained, for the purpose indicated and in accord with the authority laid down by the United States Supreme Court, to vote out a bill to deport all those who advocate the overthrow of the Government of the United States, and it would be the happiest moment of my life to be able to do so.

In the case I refer to, reported in 273 U. S., page 103, the court remarks:

> The following classes are excludable from admission: (a) Aliens who are anarchists. (b) Aliens who advise, advocate, or teach, or who are members of or affiliated with any organization, association, society, or group that advises, advocates, or teaches opposition to all forms of government.

In other words, the Supreme Court does not say that they have to be called alien communists. The Supreme Court says that if they do the things I have just read to you, they may be deported from the United States.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. CHIPERFIELD. Why is it not just as fair a description to say aliens who are communists as it is to say aliens who are anarchists?

Mr. DICKSTEIN. Because the "anarchist" provision of the law has been definitely put in there, and it has already been construed by the courts of the United States, and we know definitely what an anarchist is, but we do not know definitely what constitutes a communist.

Therefore the committee desires for the protection of this Government to determine just exactly what is an alien communist.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. MORTON D. HULL. What is an alien?

Mr. DICKSTEIN. What is an alien?

Mr. MORTON D. HULL. Yes. Is a man who is a citizen here but who was born abroad an alien?

Mr. DICKSTEIN. No. An alien is a person who comes to the United States from another country; and if it can be shown that he advocated in any form the overthrow of the Government or the publication of any form of literature that in any way reflects upon the Government he can be excluded, and he can be deported.

Mr. MORTON D. HULL. I do not agree with that description of an alien.

Mr. BROWNING. You mean an anarchist?

Mr. DICKSTEIN. An alien who advocates the overthrow of the Government, even after he gets into the United States, may be deported.

Mr. COX. He asked you to define the meaning of the term alien communist.

Mr. DICKSTEIN. I understood the gentleman said "alien." I have answered him on that.

Mr. COX. No.

Mr. DICKSTEIN. An alien is a person who comes from a foreign shore to the United States, whether for permanent residence or for temporary residence.

Mr. COX. That is right.

Mr. DICKSTEIN. I did not understand the question. I took the trouble, gentlemen, to communicate with the Attorney General of the United States, and I am happy to say that the Attorney General fully agrees with the chairman and several members of the committee that it would be a dangerous precedent to vote out a bill containing the bare words "aliens who are communists" without surrounding that phrase with some language that would safeguard the word "communists."

The Attorney General's letter is dated April 2, 1932, and is addressed to me as chairman of the House Committee on Immigration. Let me read it to you:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., April 2, 1932.

Hon. SAMUEL DICKSTEIN, *Chairman,*
Committee on Immigration and Naturalization,
House of Representatives.

MY DEAR MR. CHAIRMAN: I refer further to your letter of the 24th instant requesting my comments on H. R. 1967 and H. R. 4579, identical bills, which would amend the immigration laws by including alien "communists" among those undesirable to be deported under the provisions of those laws.

As to whether such a law is necessary, I feel that I should express no views, since the deportation of undesirable aliens is committed to the Secretary of Labor.

An office memorandum, a copy of which is inclosed herewith, contains comments on the definition of the word "communists" which may be of interest to you.

Respectfully,

ATTORNEY GENERAL.

DEPARTMENT OF JUSTICE,
Washington, D. C., March 29, 1932.

Memorandum for Assistant Attorney General Sisson.
Attention: Mr. Caldwell.

I have your memorandum of the 25th instant, referring for recommendation and reasons in support thereof a copy of a letter from Hon. SAMUEL DICKSTEIN, chairman of the Committee on Immigration and Naturalization of the House of Representatives, relative to H. R. 1967 and H. R. 4579, Seventy-second Congress, first session, both of which bills are identical. The bills amend subdivision (a) of section 1 of the act of October 16, 1918, as amended by the act of June 5, 1920, by adding to the words "aliens who are anarchists" the words "or communists." The chairman of the committee suggests that in his opinion it appears on the face of the bill that danger might ensue if it is reported from the committee as it now stands. If the bill is to be reported, the chairman requests the department's definition of the word "communists," and whether the bill is really necessary.

It seems to me that this department should not express an opinion as to the necessity of the bill. The deportation of undesirable aliens under the immigration laws is committed to the Secretary of Labor. That official administers the provisions of the immigration laws and is in a much better position than this

department to express an opinion as to the necessity of legislation of this sort.

With reference to the inquiry as to the definition of the word "communists," I take it that the purpose of the bill is to reach aliens who are members of the Communist Party of America and its affiliated organizations. Under the present law it is necessary not only to prove that the alien is a member of such party but also to show that the party believes in or advocates the overthrow by force or violence of the Government of the United States or of all forms of law, or believes in or advocates other doctrines mentioned in the act of October 16, 1918, as amended by the act of June 5, 1920 (sec. 137, title 8, U. S. C.). The bill, in effect, is a legislative recognition of the character of the Communist Party and makes it necessary for the immigration authorities to show only that an alien is a member of or advocates or believes in the principles of such party.

It is suggested that unless the word "communists" is defined with greater particularity the courts may have some difficulty in construing the word.

The New Standard Dictionary defines the word "communism" as—

"1. A social system in which there is a community of goods.

"2. A theory of government and social order according to which property and instruments of production are held as a common trust and the profits arising from all labor devoted to the general good; in rare cases involving the abolition of the family, as formerly exemplified in the practices of the Wallingford and Oneida communities in the United States.

"Communism: The economic theory which advocates the total or partial abolition of the right of private property, actual ownership being ascribed to the community as a whole or to the state. * * * Says Palgrave: 'Communism is a theory which teaches that the labor and income of society should be distributed equally among all its members by some constituted authority.'

"3. A doctrine or practice calling for the complete abolition of all private property of every description and the absolute control by the community of all matters pertaining to labor, religion, social relations, etc.; a phase of extreme socialism shading into anarchism, exemplified in France after the overthrow of Napoleon III in 1870."

It is obvious that the drafter of the bill does not employ the word "communists" in its broad or philosophic sense. Undoubtedly it was intended to embrace only those persons advocating or believing in the modern theory as exemplified by the Third International, or Communist Party of Russia, and in this country by the Communist Party of America, which, it is understood, is affiliated with the international organization. If my assumption in this respect is correct, it is suggested that some court might hold that the word "communists" used thus is not sufficiently descriptive or specific to enable the courts to say just what persons are embraced within the class defined.

In most of the recent cases involving the deportation of so-called radical or anarchistic aliens there has been some evidence either as to the principles and aims of the organization to which the alien is proved to belong or there has been evidence as to the alien's personal belief in the particular doctrine mentioned in the present statute. See Murdock *v.* Clarke, 53 Fed. (2d) 155; Saskagansky *v.* Weedin, 53 Fed. (2d) 13; Kenmatsu *v.* Nagle, 44 Fed. (2d) 953; Ex parte Vilarino, 50 Fed. (2d) 582; and cases cited therein.

The suggestion is made, therefore, that apt language be employed to express the particular organizations which the drafter of the bill has in mind, such as, for example, "aliens who are anarchists or members of the Communist Party of America, the Workers' Party of America, the National Textile Workers' Union, the Trade-Union Unity League," etc. Otherwise it may be difficult to determine just what persons are embraced within the purposed amendment.

NUGENT DODDS,
Assistant Attorney General.

The House will therefore observe that the Attorney General is not in favor of reporting out a bill which would merely make "communists" inadmissible to the United States or deportable, and clearly suggests that unless the word "communists" is defined in greater particularity the courts may have some difficulty in construing the word. Suggestion is therefore made by the Attorney General that apt language be employed to express particular organizations which the drafter of the bill has in mind. Unless such is done, it will be useless to pass any legislation, which will only burden our courts with the duty of construing something which no one is in a position to answer satisfactorily.

Mr. BRIGGS. Will the gentleman yield?

Mr. DICKSTEIN. Certainly.

Mr. BRIGGS. Does the Attorney General there indicate such a definition of the word "communists" that it may be used in legislation?

Mr. DICKSTEIN. Yes; and this committee intends to act on that suggestion to bring legislation to the House properly documented and legally sound.

Mr. JOHNSON of Washington. He hopes it does.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I have asked for this brief time for the purpose of discussing in a very general way the latest message of the President of the United States to Congress, which it appears was so indefinite and so incomplete that the President the next day found it necessary to issue a statement through the public press explaining just what he meant in his message.

I have been a Member of Congress for many years and this is the first time within my knowledge that it was ever necessary for the President to issue a statement the day following his message in order to tell the country what he meant by the message which he sent to Congress.

The President took occasion in his message to charge directly, and also in his statement to intimate, that the Committee on Appropriations of the House had perpetrated, I may say, a fraud upon the Congress and upon the American people by recommending reductions in appropriations which would inevitably have to be taken care of in a deficiency bill at the next December session. I say that it was a distinct reflection upon every member of the Appropriations Committee. Of course, I know, or at least I suspect, the source of his authority, because I am satisfied that it came from the only member of that committee who has sought to make politics out of appropriations ever since this session started. With this exception I want to say to you that every member of the Appropriations Committee on the Republican side from the ranking member, the gentleman from Indiana, down, has stood shoulder to shoulder with the Democrats. We have come in here with unanimous reports based upon a very thorough and a very earnest investigation of every item in the bill pending before the House with the firm belief that the reductions which we have made have not only been in the interest of economy but with the exercise of ordinary business judgment and prudence it will not be necessary to pass a deficiency bill at the next session of Congress to take care of those reductions.

If I had the time, I could take them up one by one and demonstrate that to the satisfaction of this House and to the satisfaction of the country. I want it now perfectly understood by these various departments in this Government, who may take some encouragement from the declaration of the President, that if I am chairman of the committee next December, they will not get any deficiencies if they do not exercise prudence and economy, the President of the United States to the contrary notwithstanding. [Applause.]

The President takes pride in the fact that he cut the departments' estimates $369,000,000. I want to say here and now, and say it upon my own responsibility—you can investigate the records if you wish—what I have said heretofore, that over $340,000,000 of that $369,000,000 represents nonrecurring items, such as building projects, construction projects, and various other items which are not necessary for the year 1933. The only deficiency of which I know now, and which will be necessary at the next session, comes from the Budget estimate itself, because it failed to make a sufficient estimate to take care of tax refunds. The Secretary of the Treasury is responsible for the statement that there will be at least $62,000,000 or $63,000,000 needed in 1933 for tax refunds, and that if a certain lawsuit goes against the Government $17,000,000 more will be needed. Yet the Budget Bureau did not ask for any appropriations. It simply asked for the reappropriation of the fund on hand July 1, which it is estimated will be $31,000,000, showing upon its face, and by the clear and emphatic statement of the Secretary of the Treasury, that a deficiency will be necessary next December of at least $31,000,000 or $32,000,000. I do not know why they did not make the estimate, but I have a suspicion based upon no fact.

I suspect the reason that they did not come forward with an estimate of $32,000,000 or $33,000,000 more to take care of this necessary obligation was that if they had done so the President would have found himself in the attitude of actually asking for more money in 1933 to carry on the opera-

tions of the Government than was used in 1932 for the purposes asked.

But I rose at this time particularly to discuss the message, a rather remarkable message. It would be remarkable if it did not follow so closely in language and in failure to make specific recommendations to two or three others we have received recently.

Under the Constitution of the United States it is made the duty of the President to advise Congress from time to time of the state of the Union and to give Congress the benefit of his advice and suggestions upon matters which look to the welfare of the people of this country.

I know of nothing, gentlemen, that is quite so important to-day as the question of the reduction of expenditures. [Applause.] I know of nothing confronting the Congress which is so important as cutting expenditures to the bone and saving money, not only by reducing appropriations but by consolidating bureaus, when it can be done, and which are found to be necessary, and by eliminating useless bureaus and cutting out duplications and overlapping services.

The President says that seven years ago, when he was a member of the Cabinet, he made a statement to that effect. Then he says, "Five years ago I did it, and three years ago I did it." I take it that was when he assumed the office which he now holds. Well, I am sure that as Secretary of Commerce—which, by the way, increased its expenditures from $21,000,000 to $39,000,000 during his incumbency—he gathered some information, particularly with reference to his own department. I assume that as a member of the Cabinet he gathered considerable information as to the situation existing in other departments. When he came in as President of the United States—and do not forget this—he had all of the machinery of government at his command. No man ever had such an opportunity to gather information as to where reductions could take place. He had the Budget Bureau. I am going to take the privilege of inserting as a part of my remarks the part of the statute which makes it the duty of the Budget Bureau to investigate and report upon such matters. It reads:

SEC. 209. The Bureau of the Budget, when directed by the President, shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes, with a view of securing greater economy and efficiency in the conduct of the public service, should be made in (1) the existing organization activities and methods of business of such department or establishment; (2) the appropriations therefor; (3) the assignment of particular activities to particular services or the regrouping of services. The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports or any part thereof, with his recommendations on the matters covered thereby.

He had the Bureau of Efficiency and the Comptroller General. He was at the head of every department. He had the right to send for the heads of those departments and bureau chiefs and tell them to cut and to give him information as to where cuts could be made. So if he has not the information he ought to have it. Why does he not send it to Congress? He tells you and he tells me that it is necessary to reduce expenditures. Well, there is not a man on the floor of this House who did not know that before he sent his message. We know that. In a former message he said, "Give me the authority." He asked the Congress to do the unusual thing and the unconstitutional thing, that is, delegate legislative authority to him, so that he could repeal laws in the course of his consolidations at his own will. He asked the Congress to delegate to one man the authority to make these consolidations.

Now, if he has not the information he ought to be frank with the country and frank with Congress and say he does not have it.

He knew two years ago we were confronted with an impending deficit. He knew two years ago Congress was appropriating money beyond what our revenues would justify. Why is it that two years ago he did not come here, not with the suggestion that you cut expenditures, but exercising that authority, that power, that jurisdiction, and that duty which belongs to him as the head of the Nation, and tell us where he thought we could make consolidations and cut out overlappings and duplications? Bear in mind that at that time there was a Republican majority in both branches of Congress. Why did he wait until Democrats organized the House to become so aroused over retrenchment? He has been invited to present those facts to Congress, but he has not done it.

Only yesterday the Committee on Economy, failing to get any information of value from the heads of the departments to whom he refers, addressed a letter to him asking that he either send that information to the House or that he send a spokesman who could express his views to the committee. I want to say this before my time expires. I am going to tell the President where he can reduce now without any authority from Congress. I am going to tell you, gentlemen, that we appropriated $300,000 for the Paris Exposition, which closed on November 15, 1931, and there is now on the rolls as a commissioner the Republican national committeeman from Virginia drawing $12,000 a year. There are, in addition to him, a former Republican Congressman and a former Commissioner of Indian Affairs from the State of South Dakota who is drawing compensation at the rate of $10,000 a year, and a clerk at $3,000, and yet that exposition closed on November 15. Ever since that time the people have been paying these expenses at the rate of $25,000 a year. Why? I presume if they were asked they would say they are preparing their report, something that could be done in 24 hours. There is a chance for the President to have saved over $10,000 by a mere stroke of his pen. I wonder how long these important and influential members of his party will be permitted to draw these salaries for doing nothing at all.

The President talks about reductions. Let me tell you that there is not the slightest reduction in his budget in the personnel of the White House or any offer to reduce the number of secretaries which he now has, and there are four, as compared with only one for his predecessors. [Applause.]

In his statement the President says:

Seven departments alone have pointed out over 85 such different directions for consideration of those committees and which offer a possibility of very large reductions. There are still other areas which could no doubt be developed.

I wonder where he got that information. No such information has been conveyed to the Economy Committee, and if you doubt the accuracy of my statement the records are just across the hall in the Committee on Appropriations and you are privileged to go in there and look them over. He says there are "other areas which could be developed." Why is not he willing to tell Congress to what he refers and give Congress the benefit of such information as he has. With only two or three exceptions, there has not been a head of a department or an administrative bureau who has given the Committee on Economy any concrete and definite information as to where consolidations can be effected or made a helpful recommendation. They have been almost as indefinite and evasive when asked to point out where such consolidations can be made and eliminations effected as the President himself in his message.

The Director of Veterans' Affairs made several recommendations, and in a former statement the President referred to them and said that these recommendations would result in a saving of sixty millions. By inference he approved, but he did not say so, nor did he specify just what they were. For the most part they constituted certain reductions in compensation now being paid to certain classes of disabled veterans.

The Postmaster General recommended—or rather stated—that money could be saved by putting rural routes on a contract system. I wonder if the President favors that.

We had the Secretary of Agriculture before us. His department cost the Government over $296,000,000 in 1931, as compared with $128,000,000 in 1923. He was asked by the committee to make recommendations as to where reductions could be made in the department without injury to the service. He talked at length and expressed his approval of any effort that might be made to bring about economy, but I appeal to the record of his testimony as to

whether he gave the committee a single recommendation as to any consolidation or elimination that could be put into effect.

The Secretary of Commerce appeared before the committee, and when asked he admitted that some few minor activities might be consolidated, but he did not specifically recommend any, and the record of his testimony will so show.

The Secretary of War, a most delightful gentleman, appeared a few days ago in opposition to a proposed bill doing away with the transport services in the Army and Navy. He stated, in response to questions, that there were certain activities in his department which could not be considered as strictly a part of the war machinery, and if the Congress desired to transfer them to another department it would be entirely satisfactory. He repeatedly stated, however, to the committee that in his opinion any such transfer would not result in economies or bring about better administration. And he was particular to say that he did not recommend any such transfers. He spent several hours with the committee, and I am quite sure that other members of the Economy Committee who heard him will agree with me when I say that he did not give us any helpful recommendation.

The Secretary of the Treasury, one of the able members of the administration and who is always very frank in his discussion of public matters, forwarded a statement in which he made certain recommendations for transfers and the consolidations of bureaus in other departments with bureaus existing in his own department, but he expressly said that he was not in position to say whether or not such transfers and consolidations would effect economies, although he believed that if these bureaus to which he referred were transferred to the department over which he presides it would mean greater efficiency and the elimination of certain work that is now being duplicated.

I have no criticism to make of these gentlemen. All of them were very emphatic in their statements that they were anxious to cooperate in every way possible, but I appeal to the records on file with the committee to show that none of them gave that information or furnished the valuable recommendations which the President's message will indicate. I am very sure members of the Economy Committee will agree with me as to this, and if anyone doubts the accuracy of my statement I again say that the records are on file and will sustain me.

Since these gentleman have failed to furnish the information that the President expected they would furnish, is it asking too much of him, who is in position to know vastly more than any of them about the machinery of government, to give to Congress the benefit of the information he has or which he can easily get? Why withhold it if he has it? I can assure him that it would be promptly considered. If he has not got it, why not frankly tell Congress that he does not have it? Why not admit that although he has for seven years, by his own statement, been aware of duplications and overlapping bureaus, he has failed to have the various departments make report to him and recommend eliminations in his Budget messages which he has forwarded annually during his term of office.

In his latest message he asked that a commission consisting of 6, 2 representing him, 2 representing the Senate, and 2 representing the House, get together and propose plans for economy.

I say this with the utmost deference, but, nevertheless, I say that this is only another way of shirking the responsibility which rests upon him as President to give to Congress and the country the benefit of his information and state his views as to plans which may be put into operation and which would promote economy.

It is time to quit talking and quit trying to play politics with this subject, which is so vital to the American people at this particular time. It is time to get down to business, and the reasons for the failure of the President to send his recommendations to Congress in the usual way are too obvious to require comment.

Mr. WASON. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SIMMONS].

Mr. SIMMONS. I assume from the remarks just made by the gentleman from Tennessee that I am the member of the Committee on Appropriations to whom he referred.

I have charged, and I again charge, that the Committee on Appropriations is making cuts and claiming savings to the Treasury as a result of bills that have been reported to the House that will not be reflected in the saving of one cent to the taxpayers of this country. I made that charge with regard to the bill affecting the Department of Agriculture. It can be made as to the first deficiency bill that the gentleman from Tennessee himself reported. It can be made as to this bill, glaringly so.

Mr. GREEN. Will the gentleman yield?

Mr. SIMMONS. Not now.

The thing that the country is interested in is not bookkeeping, but savings to the taxpayers of this country. [Applause.] I am ready to go any proper length with any Member of this House when it comes to saving dollars that can be reflected in Treasury balances, but I am not going to be a party to going along with my committee and claiming savings to the country in appropriations that have not been saved in dollars.

The gentleman knows to what I refer. Why is it that they do not answer the figures that have been repeatedly stated on the floor of the House by the Director of the Budget, and by the President of the United States. They show $113,000,000 less in the bills reported than the Budget asked, but not to exceed $35,000,000 of the $113,000,000 will be savings to the Treasury in actual money left in the Treasury. Ten million dollars in the first deficiency bill, $9,000,000 in the Department of Agriculture bill for public roads, making a total of $19,000,000, and not one penny of that is saved. The obligation of the United States to pay that money is fixed. Unless you want to take the position that the Government will default in meeting its payments to the States, not one penny of that can be claimed as a saving, and the only way that money could be saved would be for Congress to repeal the Federal aid to roads law and stop these expenditures on the part of the States. The President has absolutely no control over that expenditure.

Then in the Interior Department appropriation bill, oh, how absurd it is. They cut $1,000,000 out of the appropriations for building roads in national parks and claimed that as a savings, and then the Democratic organization put through this House a bill requiring the expenditure of $1,500,000 in parks in the $132,000,000 road-building program. Nineteen million dollars was cut out of two bills for public roads and then a bill directing the expenditure of $132,000,000 for public roads was passed by the House. The gentleman from Tennessee did not vote on that bill.

Let us now see about the bill we have before us to-day. Fifty million dollars of this $113,000,000 of alleged savings has been deducted in this bill from the appropriation to make payments of loans on adjusted-service certificates. Where is it saved? Every World War man that has a certificate and presents it to secure a loan on it is entitled to his money under the law.

You have cut the Budget estimate from $150,000,000 to $100,000,000 in this bill. Now, who claims it is a saving in dollars? The gentleman from Virginia [Mr. WOODRUM] does not. General Hines, the Director of the Veterans' Administration, does not; the committee itself does not, because the committee, in the report on this bill now pending before the House, says that "possibly" the money will not be needed during this fiscal year.

Mr. WOODRUM. Will the gentleman yield?

Mr. SIMMONS. Pardon me; in just a minute. General Hines's testimony before the committee is that they could cut this $50,000,000 out and they could come back next December for it; and in answer to a question from the gentleman from Oklahoma [Mr. HASTINGS], he made the same statement, "We can come back next December."

Coming back next December means coming back for deficiency appropriations, and the gentleman from Tennessee knows it. It also means coming back after the elections.

The only claim the committee makes is possibly, if the financial condition of the country warrants, they may not need more than $100,000,000 during the coming fiscal year, but the obligation necessary to meet every dollar that the service men of the country ask for is fixed by law. It is mere chicanery to claim that the cut of $50,000,000 is a saving to the country.

Mr. WOODRUM. Will the gentleman yield?

Mr. SIMMONS. Gladly.

Mr. WOODRUM. The gentleman will admit, will he not, that if it is not necessary to have the $50,000,000 during the fiscal year of 1933, this $50,000,000 is a reduction from the budgetary requirements?

Mr. SIMMONS. The gentleman talks about Budget balances and bookkeeping. I am talking about saving money to the taxpayer. There is the greatest difference between the two. The gentleman is proving that which I have been contending for all the time, and I thank him. He is saying that if we do not need this money it is not necessary to appropriate it. Very obviously, if it is not appropriated it remains in the Treasury. So what the gentleman admits is what I have been contending for all the time—whether you appropriate it or not, the obligation is fixed, and the drain on the Treasury remains the same.

Mr. WOODRUM. Is the gentleman aware that General Hines, in his letter of April 5, says that the money will not be needed and therefore will not be required to be appropriated?

Mr. SIMMONS. The gentleman has completely proven what I am contending for—the fact that you are deducting $50,000,000 from the Budget estimate does not save one cent to the taxpayer. If the service men do not ask for it, if it is not needed, it will stay in the Treasury, and the taxpayers will have the benefit; but if they do ask for it the Treasury is obligated to pay it and the taxpayers will meet the bill.

Mr. WOODRUM. Will the gentleman allow me to help him further? If the taxpayer does not have to pay it, we will have that $50,000,000 to help balance the Budget. [Applause.]

Mr. BARBOUR. Will the gentleman yield?

Mr. SIMMONS. I yield.

Mr. BARBOUR. It would seem that the saving should go to the service men.

Mr. SIMMONS. Let me repeat again: The gentleman talks about Budget balances, I am talking about saving dollars to the taxpayers. Whether you appropriate the $50,000,000 or not, the statement of the gentleman from Virginia is proof that the deduction of $50,000,000 will not save the taxpayers of the country one cent.

Now, let us take another thing. Take one cut here of $1,483,321 relating to the Interstate Commerce Commission. Get this picture. I am going to read from the report of the committee on this bill now before the House.

> The amount included in the bill for the Interstate Commerce Commission is $3,184,384 under the current appropriations and $1,533,321 less than the Budget estimates. Of the latter reduction, $1,483,321 represents the elimination of work occasioned by the recapture provisions of the law. This action was taken by the committee in view of its belief that recapture will be retroactively repealed at this session of the Congress, since the legislation for the repeal has the full indorsement of the Interstate Commerce Commission and there has not been developed any substantial opposition to the repeal.

That alleged saving initiated by the Committee on Appropriations presupposes that a bill now pending before the Interstate and Foreign Commerce Committee will be reported to the Congress and passed. No one can contend that that saving is a saving that is going to be reflected to the Treasury until Congress passes the bill to which they refer. Yet the committee will take that credit, knowing that before Congress adjourns either this money must be appropriated or legislation doing away with that activity enacted. It is not and can not now be an actual saving of money.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. WASON. Mr. Chairman, I yield five minutes more to the gentleman from Nebraska.

Mr. SIMMONS. There is an item of a half million dollars in this bill, reducing the appropriation for the Supreme Court Building—not a saving to the taxpayers at all. The money will be spent upon the Supreme Court Building, but it will be appropriated subsequent to the passage of this bill.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. BOYLAN. I happened to be in charge of the committee hearing when the Architect of the Capitol was heard on that item.

Mr. SIMMONS. I have already said that. The Architect of the Capitol says that the money is not needed in this bill.

Mr. BOYLAN. Nothing of the kind. The architect says that owing to the changes he will not now need the money at all. It is a positive saving. I do not understand the gentleman's attitude. If the gentleman will read the record, he will see that.

Mr. SIMMONS. I shall read the report of the committee upon that item. Here is the report of the gentleman's subcommittee:

> The Budget estimate of $2,000,000 for this project has been reduced to $1,500,000 upon the assurance of the Architect of the Capitol that the amount will "be sufficient to carry on the work without interruption."

I refuse to yield further.

Mr. BOYLAN. The gentleman does not want the information, and that is why he refuses to yield. We have a subsequent letter from the architect saying that he would not need that.

Mr. SIMMONS. Mr. Chairman, there is nothing in the letter of the architect in variance to my statement. That is merely a postponement of expenditures. A statement has been made with reference to a news release made by the President. Is it a crime for the President to tell the truth to the country? I take it not. I am not in any wise a spokesman for the President, and I am not authorized to speak for him, but it is my understanding that the administrative officials have come before the Economy Committee, which, up until a few days ago, was presided over by our distinguished chairman of the Committee on Appropriations, Mr. BYRNS, and have made 85 distinct suggestions to that committee——

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. I can not yield.

Mr. BYRNS. I just want to deny that.

Mr. SIMMONS. Is it not rather peculiar that the statement is denied before the gentleman knows what I am going to say.

Mr. BYRNS. The gentleman said that 85 distinct suggestions have been made. I say that that is not true, and I appeal to the record which the gentleman and other Members of Congress can see if they care to go across the hall and look at it.

Mr. SIMMONS. Have the hearings of the gentleman's Economy Committee been published?

Mr. BYRNS. They have not. They have not been completed, but the statements and the suggestions and the papers are over there, and the gentleman is at perfect liberty to go there and look at them and he will see that I am correct.

Mr. SIMMONS. Mr. Chairman, may I have my own time?

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. McDUFFIE. Some suggestions have been made by a few members of the President's Cabinet, but up until this good hour no suggestions have been made that mean a great saving to the Public Treasury. Many mergers have been suggested, many transfers from one department to another have been suggested. There is very little saving in a merger. It all depends upon the administration, and there is little saving in a consolidation. General Hines is the only responsible head of any department of the Government who has made a suggestion that will probably mean a real saving to the Government.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield so that the gentleman from Alabama may explain what that suggestion is?

Mr. McDUFFIE. I shall be very glad to give the gentleman the information.

Mr. SIMMONS. I can not yield. I repeat, it is my information that 85 suggestions that might result in savings if accompanied by legislative action that call for action on the part of Congress have been made to the Economy Committee set up by the House. The places where savings can be made have been pointed out. The decision as to whether or not they shall be made has been left to the recommendation of the Economy Committee. They have refused the President the authority to make the cuts. The responsibility is with the Economy Committee. That committee has especial authority to report bills of a privileged status to the House; and in all of these weeks that they have been calling administration heads before them, no one knows what they have been doing.

Mr. PARKS. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Mr. Chairman, may I be protected in my rights to speak to the House?

The CHAIRMAN. The gentleman declines to yield.

Mr. SIMMONS. I realize full well that what I am saying is not pleasing to some of my Democratic friends, but I am going to say it.

Mr. PARKS. I asked whether the gentleman would yield.

Mr. SNELL. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The committee will be in order.

Mr. SIMMONS. I decline to yield. A number of those suggestions that have been made, I am told, call for legislative action, and I refer to these administrative suggestions. They have not been acted upon. Why is it that the Economy Committee does not come in with these recommendations that they want us to act upon?

Mr. McDUFFIE. Will the gentleman permit me to answer that question?

Mr. SIMMONS. Pardon me. There is pending now before the House a number of bills that would set up and give to the President the right to carry out suggested consolidations and savings that he himself wants to put into effect. Those have been cast aside by the Economy Committee that has been set up. The President has come back, I understand, with the suggestion that if the Congress is unwilling to give the administration the right to consolidate, eliminate, and reduce these governmental activities at this time, with the responsibility resting upon the administration, that the administration is ready to sit down with representatives of the two Houses of Congress, work out those things, and assume the responsibility with the Congress and attempt to make the saving; and that is not satisfactory to the Democratic leaders of the House and Senate.

So we have a situation where the President has said to the Congress and the country, "Give me the authority to make these savings that require legislation, and I will attempt it." The House of Representatives have refused him that authority, although a prominent Democratic Senator had introduced a bill advocating that policy long before the President asked for it. The President then said, "If you are not willing to give me the authority and the responsibility, I am ready to name representatives of the administration to work with the two Houses of Congress to bring out a bill upon which we can all be in accord," and you are unwilling to do that. It is up to the Congress to say whether or not the country should do away with certain functions that might or might not be eliminated.

Let me say that I am ready to go along with any program of real governmental economy, but I am not going to sit silent as a member of the Committee on Appropriations and have the claim made to the country that we are effecting economies that are not being made. I have repeatedly given to the House the figures upon which that statement is made, that not to exceed $35,000,000 out of $113,000,000 cut from the Budget estimates are actual savings.

[Here the gavel fell.]

Mr. SIMMONS. May I have two additional minutes?

Mr. WASON. I yield the gentleman two additional minutes.

Mr. SIMMONS. No one up until this date has taken those figures and explained where they are going to result in savings to the Treasury. Again I repeat, what the country wants is savings that are reflected in money staying in the Treasury of the United States. The plan that I suggested on the first appropriation bill—that we should squeeze out 5 per cent of the employees in the departments in Washington—was rejected by the chairman of the committee [Mr. BYRNS] and defeated in the House by his opposition. The present outlook is that we are going to go into the next fiscal year with all the Government employees in Washington remaining intact in their positions. The responsibility for making these reductions can be placed upon the President. He has asked for it. The authority has been denied. He has asked to join hands with the House and the Senate and work out a common bill. Both plans have been rejected.

Now the House must go ahead with this economy program, having rejected the aid and the assistance that the administration has offered to give, accepting responsibility for that which it is doing. That is the present situation. I have repeatedly stated that permanent economies can only be effected by reducing personnel and eliminating activities. I have advocated and now advocate those eliminations and reductions. The country wants savings in dollars and not bookkeeping. [Applause.]

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Salaries: For Secretary to the President, $10,000; two additional secretaries to the President at $10,000 each; personal services in the office of the President, $96,180; in all, $126,180: *Provided*, That employees of the executive departments and other establishments of the executive branch of the Government may be detailed from time to time to the office of the President of the United States for such temporary assistance as may be deemed necessary.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. When the proposal was first suggested by the President that there should be cooperation between the legislative branch, and particularly the appropriating committees of both Houses of Congress, and the Executive branch, it appealed to me as being the most sensible proposal for real economy that had been made so far in this Congress. [Applause.] The chairman of this subcommittee on yesterday in his position toward cutting down the appropriation for the Bureau of Mediation in labor disputes confirmed that need. There is a bureau with little or no work, because in such depressed times organized labor is too sensible to invite a strike or walkout. And yet the full appropriation is carried, as if it were working at peak capacity.

Ever since this House first launched upon the consideration of the appropriation bills, I have felt the need of further pruning the appropriations recommended by the Committee on Appropriations.

Take, for instance, the agricultural appropriation bill, in which $100,000 was appropriated for the printing of farmers' bulletins. Do you say that the President under his budgetary power, when that item was reached, should strike it out, when it had, because it is political pap, almost the unanimous approval of the House, or should he, as suggested in his message, confer with the heads of the appropriating committees and have a representative of the executive department affected scrutinize this and other questionable appropriations and try to arrive at a decision to eliminate some of them?

Again, when the agricultural appropriation bill was under consideration—this appropriation bill that carries more fodder and pork than any appropriation bill—a representative of the majority on the subcommittee attempted to cut out some political patronage to the extent of $4,000,000. Did that meet with any support on the part of the majority on either side of the aisle? I joined with the gentleman from Michigan [Mr. HART] in attempting

to strike out of that appropriation bill political pap to the extent of $4,000,000, but we received no support.

Again, when the bill for the Interior Department was under consideration—framed by Members from the Western States and containing items involving millions of dollars for the development of their country, many of which could be deferred in these trying times to make ends meet—and an effort was made on this floor to strike out millions of dollars in order to curtail the recommendations of the committee, did the few of us who desired to further curtail expenditures find any support on either side? No; but the country has the glaring example that the Senate has become the economy body. It referred back to the Committee on Appropriations of the Senate the Interior Department bill, and that committee cut down that bill, by the mandate of the Senate, $5,000,000. In all of these appropriation bills there are needless appropriations, and I could go right along and name them.

I say that if Al Smith had been President and the country was confronted with this need to-day of curtailing expenditures, the Economy Committee and the Democrats would not be trying to put the President in a hole, but they would be working in cooperation with him. [Applause.] Could there be a more sensible proposal than that suggested by the President?

Mr. PARKS. Mr. Chairman, I make the point of order that the gentleman from Wisconsin is discussing no amendment whatever but is making a political speech.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes, out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BANKHEAD. The gentleman from Wisconsin has just made a statement which would leave the inference that the members of this committee are not in good faith cooperating with the President in an effort to secure economy. That is the natural inference that would be left by the statement made by the gentleman. Had the gentleman seen the letter addressed to the President by the Economy Committee?

Mr. STAFFORD. I have read not only the letter but the message of the President and the critical comments of Senators and Representatives. I said in my initial remarks that the President's proposal appealed to me. The gentleman from Alabama knows full well that ever since this Congress started I have not sought to take any partisan position in connection with the curtailment of expenditures. I say the position taken by the President is a practical legislative suggestion. It is the most reasonable position that any man could take to secure real economy to the extent of millions and millions of dollars. [Applause.]

I make this assertion, that the agricultural bill, which carries $175,000,000, could in these times and without doing any harm to the service be cut $25,000,000.

The gentleman from Indiana [Mr. HOGG] made a sincere effort to cut down the appropriations for that service, but he received no support. It is the policy of this House to stand back of the recommendations of the committee.

When we few, after studying the hearings, seek to cut down the appropriations recommended by the committee, we do not succeed, because it is customary, it is proverbial, that the House should stand back of the committee.

Mr. HOGG of Indiana. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. HOGG of Indiana. The gentleman knows that the agricultural bill carries in it $4,000,000 for traveling expenses alone.

Mr. STAFFORD. Oh, it is just littered with unnecessary appropriations, and the President, before that bill was enacted into law—mind you, before that bill or any general appropriation bill was enacted into law—called attention of Congress, and properly called attention, to the fact that there should be such a committee appointed to scrutinize and reduce the estimates. Oh, so far as I am concerned, that committee could be composed of all Democrats as far as the House is concerned, and composed entirely of Democrats so far as the Senate is concerned. There is no political advantage that the President wishes to attain. It is economy that he desires, and the country is clamoring for economy.

I want to say that I have always been a supporter, and will continue to be a supporter, of that eminent economist, Mr. JOE BYRNS; but he can not be expected to serve on every one of these subcommittees. When the agricultural appropriation bill was first under consideration, they adopted a policy, according to the hearings, of going beyond the budgetary estimates; and that consistent economist, your chairman of the Appropriations Committee, served notice, and properly so, on the members of the Subcommittee on Agriculture that they should in no instance go beyond the Budget; and when I have been appealed to by these service organizations for appropriations for the National Guard and for other military activities and asked to go beyond the budgetary estimates, I have written to them and said, invariably, that there is no hope of balancing the Budget if we are going to depart in any instance from the budgetary estimates.

Mr. McDUFFIE. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. McDUFFIE. May I say to the gentleman in reference to his suggestion that the Economy Committee is playing politics, the gentleman is incorrect in that statement. The gentleman is wrong. This committee has never played politics.

Mr. STAFFORD. Well——

Mr. McDUFFIE. Wait a minute; let me make this statement: This committee has been holding hearings for six weeks. It has been open to specific suggestions from everyone. It is open now to the suggestions of any Member of this House who has considered these matters of economies in government or any specific suggestions as to where we may cut appropriations, abolish or curtail bureaus and save expenses. This committee has a program, and it will present that program. We invited the President to send his suggestions, even at this late day, although he might have sent them sooner, and he has invited the committee to come to his office Saturday morning. We are going there with a view of exchanging ideas and with the view of cutting out any politics in the matter. [Applause.] Why did not the President make some specific suggestions or at an earlier date suggest organizing a joint House and Senate Committee? Why did not the President——

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. McDUFFIE. Let me say to the gentleman that this committee has always been perfectly willing, and we will to-day welcome any suggestion, not only by the President but by any Member of this House as to where economies may be effected. It is quite a big job. As the gentleman knows——

Mr. STAFFORD. It is a monumental job.

Mr. McDUFFIE. As the gentleman knows, it took two years for Mr. Harding's commission to make its investigation.

Mr. STAFFORD. And the way to handle it is to have a committee composed of members of the Appropriations Committee like JOE BYRNS and representatives of the Senate who know the details. [Applause.]

Mr. McDUFFIE. Let me say to the gentleman that Mr. BYRNS is on this committee, and the committee is always open to any suggestions. We have a program, and we are going to present that program; and if the gentleman will vote for that program, whether it be the committee's program, on which there are some Republicans, or the President's program, we will save some money for the Public Treasury; but the President has not made a definite sug-

gestion to the committee as to economies, and there has not been a suggestion made by any department head for the abolition of a single bureau except the Shipping Board——

Mr. STAFFORD. I decline to yield further.

Mr. McDUFFIE. And as to the Shipping Board he only wants to pick it up and move it to another department.

Mr. STAFFORD. I wish to say that in advance, without knowing what recommendations the gentlemen intend to make for economy, because I have consistently in this Congress, as the gentleman knows and as every Member knows, voted at all times to cut down expenditures, I will support the recommendations for curtailment of expenditures; but I say, with the little business knowledge I have, with the President at the head of the executive department—it is different from a business corporation, knowing that he has to treat with the animals on the hill who want to have certain services continued—that the only practical proposal before any appropriation bill was enacted into law was to have the leaders on the appropriating committees of the respective Houses join with a representative of his to cut out even recommendations made by the Budget. There are hundreds of millions of dollars I am satisfied that can be cut out, but now they have to be continued. The President has no such authority, because there are legislative enactments and mandates; and the President can not defy the Congress when it appropriates the money, as in the cases I have instanced of farmers' bulletins, Board of Mediation, Reclamation Service—he can not defy the confirmed judgment of the Congress and say that these appropriations shall not be complied with. He must follow the direction of Congress in the matters appropriated for; but with representatives of the Appropriations Committees of both Houses working in cooperation with him, as he has suggested, then the Congress can enact into law the recommendations of the joint congressional and executive committees; and it is not too late yet, because the agricultural appropriation bill has not been enacted into law, and no other general appropriation act has passed the Senate. It is not too late to bring about real economy to the extent of hundreds of millions of dollars and save the taxpayers to that extent. [Applause.]

The gentleman from Alabama asked why has not the President made the recommendation earlier. There is no financial or governmental wizard living who could have forecasted six months ago, even three months ago, that the Government's revenues would fall off more than $2,000,000,000 this fiscal year. The suspension of specie payments late in September by Great Britain, the governmental disturbances the world over, chaos and ruin multiplying faster than any imaginative mind could conceive, all climaxed in recent weeks to bring to the governmental authorities the dire debacle confronting the Government.

And through all these gloomy days President Hoover has kept the helm, making recommendations to Congress to steer the craft in these tempestuous seas. And now he is making another wise suggestion, only to be received by sneers and questionings, when it should be accepted at full worth.

Mr. BUCHANAN. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. BUCHANAN. In view of the fact that the agricultural bill was $10,000,000 below what the Budget and the President requested, will the gentleman and the President get together——

Mr. STAFFORD. Oh, $10,000,000, a paper saving, postponing $10,000,000 of public road appropriation until a deficiency is brought into the Congress in December. I want real savings and not paper savings for campaign purposes. What was the gentleman's position on the $132,000,000 outrage appropriation for roads, mostly in the Southland and Westland, and now you are trying to make the burdens of the President still heavier in his sincere attempt to meet Budget expenses. Let us have more savings and less politics. [Applause.]

[Here the gavel fell.]

Mr. DIES. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. DIES. Mr. Chairman, ladies and gentlemen of the committee, one of the most important questions that confront the people of the United States is the reduction of governmental expenditures. Every city, every county, and every State is courageously undertaking to reduce the expenditures of government and to lighten the burden of taxation. It is not a pleasant task to perform; it requires courage to incur the bitter opposition of those interested groups who resist every effort to place governments upon an economical basis. But the time has come when we must either drastically reduce the expenditures of governments or we must impose upon the people oppressive taxation, which will retard progress, stifle incentive, and produce conditions in America similar to those that obtain in European countries.

It is amazing to contemplate the mounting costs of government in the United States. In 1913, less than 20 years ago, the combined income and earnings of the American people were $34,000,000,000, and of this amount governmental expenditures took less than $3,000,000,000, or less than 9 per cent. Last year the combined income and earnings of the American people were $70,000,000,000, of which amount governmental expenditures took $14,000,000,000, or 20 per cent. In other words, during this period of less than two decades the cost of government increased, roughly, 450 per cent, and the earnings of the people who support the Government increased less than half that amount. To-day out of every $5 the American people earn, $1 goes to pay the expenses of government. During the past 20 years there has been a sixfold increase in governmental expenditures and in public debt. The gross indebtedness of Federal, State, and local governments is now around $32,000,000,000, whereas in 1912 it was $4,000,500,000. Of this amount the United State Government accounts for $16,000,000,000; the remainder being State and local borrowings.

The expenditures of the Federal Government has increased beyond the dream of any man living 25 years ago. When Grover Cleveland was President, he mentioned in one of his messages that it required $350,000,000 to run the Federal Government. On December 7, 1896, President Cleveland referred to the fact that it required less than one-half a billion dollars to operate the Government during that year. When McKinley was President, the total appropriations amounted to $454,000,000. By 1903 the expenditures of the Government had increased to $506,099,000, and President Roosevelt referred to this figure as exorbitant. In 1910 the expenditure was $620,494,000, and in the last message delivered by President Taft he referred to the fact that the appropriations had reached the figure of $752,000,000. To-day the total expenditures of the Federal Government amounts to $5,178,524,967.95. Of course, a large part of this can be partially accounted for by fixed charges due to the World War. For instance, our public debt is about $17,000,000,000 and our annual interest on this debt is $620,000,000. This interest charge must be met, and the only way of reducing it is to reduce the public debt. Instead of reducing it we are increasing it by leaps and bounds, and consequently increasing the interest charge. We expend for veterans' service over $1,000,000,000 a year. But after deducting these fixed charges due to the World War, we still have an expenditure of over $2,000,000,000 that are not incident to the World War. This is three times as much as the expenditures in 1915, and every effort that is made to reduce the expenditures, even in the smallest amount, is met with the stubborn resistance of interested groups. As an illustration of this, the Appropriations Committee undertook to suspend the automatic promotion law for a period of one year so that there would be no increase in salaries for a period of 12 months.

This committee stated that its purpose was to economize in this respect so as to render unnecessary a decrease in Government salaries. I voted with the committee in every instance to prevent the increase in salaries during the coming year, but when we reached the Post Office Department bill Congress refused to sustain the committee and thereby nullified this particular program of economy. Not only was

this done but in order to provide a living for the graduates of West Point and Annapolis, Congress, contrary to my vote, appropriated nearly $300,000 to take care of these graduates out of the public fund. Congress did this in spite of the fact that the taxpayers spend between sixteen and seventeen thousand dollars to educate each one of these cadets at West Point and Annapolis.

Not only did Congress do this but upon the earnest recommendation of the President it ratified his moratorium plan, which deprived the Treasury of the United States of $257,000,000. I voted against this moratorium, because I believed then and believe now that it was indefensible to permit France, England, Italy, and our other debtor countries to relieve their taxpayers and to saddle this heavy burden upon the shoulders of the American taxpayers. I stated on the floor of the House that this moratorium was the opening wedge that would lead to eventual cancellation.

The President recommended as a part of his program, and Congress adopted by an overwhelming vote, the Reconstruction Finance Corporation act. This act necessitated the appropriation of $500,000,000 in cash out of the United States Treasury and pledged the United States to guarantee the obligations contracted by the Finance Corporation to the extent of $1,500,000,000.

Not only did this unprecedented legislation constitute a radical departure from the principles of democratic government but it made it necessary for the Government to raise immediately an additional $500,000,000 in revenue, and it curtailed during this critical period the borrowing power of the Government to the extent of $1,500,000,000. Of course, this legislation put the Government directly into business and constituted one more step toward socialism. It was unprecedented in peace time, because there is no authority in the Constitution that would justify Congress in creating a board and giving the board authority to loan the taxpayers' money to private corporations. I was opposed to this measure and cast my vote against it. Subsequent events have proven to me the wisdom of my action. I had no confidence at the time that the Reconstruction Finance Corporation act would be administered wisely in the interest of all the people. As an illustration of the manner in which the Reconstruction Finance Corporation act is being administered, I point to the loan made by the Reconstruction Finance Corporation to the Missouri Pacific Railroad to pay off one-half of its bank loans which matured last Friday. It was the intention of Congress to require that before any loans woud be made to railroad companies such loans should be approved by the Interstate Commerce Commission before being granted by the Reconstruction Finance Corporation. In this instance the Reconstruction Finance Corporation made the loan and then asked the Interstate Commerce Commission to approve it. The Interstate Commerce Commission was forced to approve this loan on account of the pressure exerted by the administration, and in making its approval it stated that it was taking the action with some reluctance and that it was yielding its views to those of the Reconstruction Finance Corporation.

The total amount of this loan was $12,800,000. Nearly one-half of the loan went to three financial institutions—the international bankers, in fact—Morgan & Co., Kuhn, Loeb & Co., and the Guaranty Trust Co. In making this loan, the Reconstruction Finance Corporation took the taxpayers' money and gave these banking firms dollars worth at least 30 per cent more in purchasing power than the dollars they had lent the Missouri Pacific in the first place. The market value of the securities put up by the Missouri Pacific Railroad Co. for this $12,800,000 loan was only $12,450,000. It is unthinkable and indefensible that the taxpayers' money should be loaned upon securities and collateral that is worth at their market value $350,000 less than the amount of the loan. No bank in this country would make a loan upon this basis. Not only is this true but the Government is loaning railroads money with which to pay their taxes. Is there any wonder that the veterans of the World War are demanding payment of their adjusted-service certificates, when they see the Government loan one railroad company $12,800,000 upon inadequate securities, and when they see the Government extending the moratorium to foreign nations to the extent of $257,000,000, when much of the money that we loaned them was used to take care of their veterans of the World War?

Mr. Chairman, we are investing millions of dollars of the taxpayers' money in the railroads of this country. Many of these railroads have executives that are drawing fabulous salaries. It has been said that many of the presidents and vice presidents of the railroad companies are drawing more than the President of the United States. If this panic continues, we will next be presented with the question of either cancelling the loans made to the railroads or taking over the railroads. We are now in the railroad business, and no man can see the consequences of our unprecedented action.

Mr. Chairman, the President has sent several messages to Congress on the question of economy and the elimination of useless bureaus. The President has refused to specify what bureaus he desires to be eliminated and what specific reductions of governmental expenditures he recommends. The President speaks in general terms, and not a Member of this House knows what particular reductions he favors. The President has not said whether or not he is in favor of reducing the salaries of the Government employees, and he has not named a single bureau, commission, or board that he wants abolished. Anyone can speak in general terms in favor of economy, but such glittering generalities mean absolutely nothing. They are like the Grecian oracles; they can be interpreted in any way that the hearer sees fit. Why does not the President tell us in plain, understandable English whether or not he is in favor of salary reduction? Why does not the President specify in plain language the bureaus, boards, and commissions that he wants abolished? Is it possible that at this crucial time in the history of our country the President fears to take a definite stand on these controversial subjects? Unless the administration comes out definitely and specifies the reductions that ought to be made, it will convict itself of political cowardice on the eve of an election. The President is talking in general, vague, and indefinite terms about economy; but the Cabinet officers and the bureau heads are resisting every effort leading to a material reduction of governmental expenditures. The President talks about economy in order to placate the overburdened taxpayers of this country, but in the administration of his office we search in vain for any material reductions that he has effected.

This bill appropriates $429,380 for the executive department. This money is to be spent by the President. For contingent expenses, including stationery, record books, telegrams, telephones, books for library, furniture and carpets, for office, automobiles, expenses of garage, and so forth, this bill authorizes the President to expend $43,500. For traveling and official entertainment expenses of the President we authorize him to expend $25,000. For the care and maintenance of the White House we authorize $142,000. In addition to these appropriations, we have previously appropriated money to pay the salaries of 48 White House policemen. We appropriated $3,600 for the captain; $3,050 for the lieutenant; 3 sergeants, at $2,750 each; and 43 privates at rates of pay provided by law. The basic salary is $2,100 per year, with an increase of $100 for each year's service, and after three years' service they get $2,400 a year, with all of their other privileges. We also appropriated $3,500 additional for their uniforms for one year. The total amount that we appropriate each year for their pay is $116,299. For 10 years of Republican rule these 48 policemen, who were transferred from the District of Columbia pay roll to the Government pay roll, have been doing police duty for the White House. If the President is sincere in his desire for economy, why does he not set an example and eliminate some of these policemen, who are so thick around the White House that they get in one another's way? In 1921, when President Wilson was in the White House, the total expenses for the White House were $293,680 per annum, whereas for the present year under President Hoover they were $652,179. The distinguished gentleman from Ten-

nessee [Mr. BYRNS] pointed out several instances of commission chiefs whose duties have expired but who continue to draw $10,000 a year and have secretaries that are paid $3,500 a year. These bureaucrats could be discharged and the money could be saved the taxpayers at this crucial time. The President professes economy, like every candidate who is seeking election to office, but when it comes to questions of practice he has been tried and found wanting.

Mr. Chairman, this bill appropriates money for the Alien Property Custodian, although the war has been over 13 years. This bill authorizes the expenditure of $4,500,000 by the American Battle Monuments Commission. The members of this commission are to be reimbursed for actual traveling expenses, not to exceed $8 per day for subsistence. This bill also authorizes the expenditure by the Arlington Memorial Bridge Commission of $840,000.

Mr. Chairman, this bill appropriates $152,135 for the Board of Mediation. There are five members of this board who receive $12,000 each. No one can point to any services that are being rendered by this board. At the head of this board is an ex-Congressman from Massachusetts. Mr. Chairman, I submit that it is indefensible to appropriate money out of the Public Treasury in order to pay these exorbitant salaries to members of a board which has ceased to render any real service. There are thousands of men in this country who would jump at the chance to serve on this board for $5,000 a year, and at a time like this, when people are groaning under a burdensome taxation, I can not see how any Member can favor this unjustified appropriation.

Then, Mr. Chairman, this bill proposes to appropriate $199,940 for the Bureau of Efficiency. I do not know what this bureau is, and I do not presume that the bureau knows itself. If the great number of useless offices that now exist in the Government is the result of this bureau, then I think that we could abolish the bureau and save millions of dollars. About the only efficiency that we seem to have is efficiency in extracting money from the taxpayers of this country and then wasting it. I do not think that we need a bureau to help us along this line. I understand that one of these efficiency experts was recently lost in the woods near a large river. He was perishing for water, and finally an old farmer happened to pass by and asked him what the trouble was. The efficiency expert said, "I am starving for water." The farmer said, "Well, there is a whole river full; why don't you drink?" The efficiency expert replied, "I would, but I have no cup."

Mr. Chairman, we are asked to appropriate $9,775 for the Commission of Fine Arts. Now, I confess that I do not know much about fine arts, but candor compels me to admit that this commission is very artistic when it is able to extract from the taxpayers' pockets money from year to year. I am sure that the 8,300,000 people who are now unemployed will receive great consolation in the knowledge that the Government is going to give them "fine arts."

Mr. Chairman, this bill also appropriates $12,500 for the Federal Oil Conservation Board. No one knows anything about the accomplishments of this board. Certainly, it has not been able to conserve either oil or the taxpayers' money; but notwithstanding that, we are told that it may some day, perhaps after we are dead and gone, serve some useful purpose.

Then, Mr. Chairman, we are asked to appropriate $431,360 for the Federal Radio Commission. There are five members of this commission who draw a salary of $10,000 each per annum. In addition to this, we are asked to take care of all their expenses. I submit, Mr. Chairman, that there are hundreds of men who would be only too glad to serve on this commission for $5,000 a year; and if we must have this commission, we could at least make a material reduction in its expenditures.

We are also asked to appropriate money to pay the 11 members of the Interstate Commerce Commission a salary of $12,000 each, and to pay a secretary $9,000. The Congressmen and Senators of the United States receive $10,000 a year. Out of this amount they are compelled to pay their campaign expenses and to maintain two homes. The majority of Congressmen are willing to reduce their salaries in the interest of economy and to lighten the burdens of the taxpayers; but it is unthinkable that we should pay these 11 commissioners who are appointed for a long time, and do not run for office, a salary of $12,000 a year. I submit that there are many competent and able men who would be glad to serve for one-half this salary.

Mr. Chairman, I desire to enumerate some of the other commissions for which we are asked to appropriate the taxpayers' money in this bill:

Mount Rushmore National Memorial Commission	$25,000
National Advisory Committee for Aeronautics	982,310
Personnel Classification Board	145,116
Public Buildings and Public Parks of the National Capital	4,373,573
Public Buildings Commission	125,000
Smithsonian Institute	1,194,254
Tariff Commission	1,150,500
U. S. Geographic Board	11,678
U. S. Shipping Board	423,270

Although we have gotten rid of all of its vessels, the Shipping Board and Merchants Fleet Corporation still functions, paying salaries regularly and increasing the burdens of the taxpayers of this country. We have a Mixed Claims Commission, which costs $56,606 per year; an International Power Commission, which costs $49,790; an International Fisheries Commission, which costs $36,500 a year; and a Claims Commission, which costs $376,000 a year. We have an International Water Commission, which costs $287,000, and a Pan American Union, which costs $186,690 a year.

The wonderful Wickersham Commission wasted over one-half a million dollars in an effort to find out whether or not the prohibition laws were being enforced.

Mr. Chairman, it is argued that these commissions serve a useful purpose. Some of them may serve a useful purpose, but I submit that at a time like this, when the people are laboring under the burdens of local, State, and Federal taxation, when the earnings and incomes of the American people have been reduced more than 50 per cent, when thousands of homes are being sold under the hammer, and when bankruptcy and unemployment are staring millions of people in the face, that it is indefensible and unthinkable for this Congress to fail to abolish many of these useless commissions and save this money to the taxpayers of our country. I feel sure that the taxpayers will be willing to get along with fewer commissions in order to reduce the amount of taxation and lighten the burdens that are now resting upon their shoulders.

Mr. Chairman, real economy can be achieved by the abolishment of many of these commissions and the consolidation of overlapping bureaus and the elimination of useless offices and high-salaried bureaucrats.

Mr. Chairman, we might as well face the facts. No government can long survive the ravages of time when its citizenship is oppressively taxed in order to support a paternalistic and socialistic government. Unless a bona fide effort is made to reduce the expenditures of government the taxpayers are going to rise up in revolt. They have endured the situation with remarkable patience, but their burden has become more than they can bear. It is getting to the place in this country when a man can hardly afford to own a home or a farm on account of the enormous taxes that he is required to pay. He is compelled to increase his production from year to year in an attempt to pay his taxes, and the more he increases his production the less he receives for his products. Heretofore the Federal Government has derived its revenue from the taxation of incomes, estates, and so forth; but unless we succeed in drastically reducing governmental expenditures, the time is coming when the Federal Government will tax everything that a man eats and everything that he wears and everything that he buys. In fact, this attempt was made during the present session of Congress, but it failed, because the majority of the Members revolted against it. It is regrettable and almost tragic that during this crucial time, when there is an urgent need for courageous, frank, and intelligent leadership in the White

House, we have a President who refuses to take a definite stand on these important questions.

The President said that he wanted the Budget balanced, but he refused to point out just what taxes he wanted levied. No one knew whether he was in favor of the sales tax or against it, yet, this was one of the most important issues that ever faced the people of this country. Several years ago he spoke in favor of rugged individualism and against great combines of business and wealth; but in his last message to Congress he advocated that the Sherman antitrust law be amended in favor of certain industrial and manufacturing groups in this country. In his message to Congress he said, "I recommend that immigration restriction now in force under administrative action be placed upon a more definite basis by law." This meant that he was in favor of a 90 per cent cut in our quota laws, and it was so interpreted by the membership of the House, but in spite of his recommendation the Secretary of State and the Secretary of Labor by their statements discouraged any attempt to make a permanent reduction of immigration to the extent of 90 per cent. The Secretary of State and the Secretary of Labor appeared before the Senate committee on December 18, 1930, and urged that the department be "relieved of the present responsibility" of cutting immigration to 90 per cent by administering the public-charge provisions of the immigration act of 1917 by withholding visas, Secretary Stimson declaring that his "department was in complete sympathy with this legislation," and so forth, with which Secretary Doak said his department agreed; and the Secretary of State in his letter to Chairman HATFIELD, dated February 5, 1932, said that he still entertains the same opinions he expressed to the Senate committee on December 18, 1930.

But when the Secretary of State appeared through his representative before our Committee on Immigration and Naturalization when we were considering a number of bills for the purpose of either prohibiting immigration altogether or reducing the quota to 90 per cent and putting Mexico and the Western Hemisphere upon a quota basis, the Secretary of State minimized the necessity for the enactment of any legislation, and, in fact, left the definite impression that the Secretary of State thought that such action was inadvisable. The Department of State made it plain that it opposed the placing of a quota on Mexico and the countries of the Western Hemisphere, and stated that such action would react unfavorably on our international relations and commerce. Mr. Hodgson stated that his department did not approve of the suspension of immigation, and neither he nor any other member of the Department of State would recommend the passage of any legislation further to restrict immigration. Secretary of Labor Doak appeared before the Senate Committee on Immigration March 24 and made it clear that he did not favor any restriction or stronger naturalization legislation "at this time."

Of course, this opposition of the Secretary of State and Secretary of Labor to immigration-restriction legislation during the present session of Congress is in direct conflict with their public and published statements before the committee December 18, 1930, and in direct conflict with the President's recommendation to Congress last December, when he urged that the administration's administrative restriction efforts be put on a basis of law.

In conclusion, Mr. Chairman, I challenge the Secretary of State and the Secretary of Labor to state in plain, understandable language whether or not they recommend the passage of the Moore bill reported favorable by the Committee on Immigration and Naturalization, or is the administration playing politics with this important question in order to get votes from both restrictionists and antirestrictionists. If the President really desires to reduce the enormous expenditures of the Federal Government, let him be specific and definite, and stop talking in general and in indefinite terms, which mean absolutely nothing.

The CHAIRMAN. All time for debate on this section has expired. The Clerk will read.

The Clerk read as follows:

Contingent expenses: For contingent expenses of the Executive Office, including stationery, record books, telegrams, telephones, books for library, furniture and carpets for offices, automobiles, expenses of garage, including labor, special services, and miscellaneous items, to be expended in the discretion of the President, $43,500.

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Michigan is recognized for five minutes.

Mr. MICHENER. Mr. Chairman, we are engaged in the discussion of another appropriation bill. I have listened with keen interest to the splendid campaign speech made by the gentleman from Texas, who just preceded me.

I rise for the purpose of calling the attention of the House to the fact that arguments and debates of that kind are of no assistance in arriving at the results which the gentleman evidently hopes to obtain.

The country is looking to Congress, demanding results and not talk.

I have been really grieved this morning to hear our good friend, the gentleman from Tennessee [Mr. BYRNS], the erstwhile chairman of the Economy Committee, take the floor of the House and waste the time of the House in quarreling with a message from the President of the United States as to whether or not the President or the gentleman from Tennessee and his Economy Committee should be given credit for economies which we hope are to take place, but no evidences of which we have seen thus far.

Mr. BYRNS. Will the gentleman yield?

Mr. MICHENER. I prefer not to. My time is limited.

Mr. BYRNS. I will ask that you be given five additional minutes.

Mr. MICHENER. Yes; I will yield.

Mr. BYRNS. The gentleman has accused me of wasting the time of the House. I want to ask the gentleman two questions. One is whether or not the President in his message gave to the House any specific, concrete recommendation upon which it could act; and if he did not, if he is not then equally culpable with the gentleman from Tennessee in wasting the time of the House? [Laughter and applause.]

Mr. MICHENER. When my Democratic friends get through laughing at the ludicrousness of the gentleman's question I shall be pleased to answer him. First, the President suggested a specific, concrete method whereby there would be set up another committee or commission of the representatives of the House, of the Senate, and of the executive department, to whom all concrete suggestions might be made. The gentleman knows that I am ordinarily not in sympathy with additional committees and commissions. However, these economies can only be effected by the action of the House, the Senate, and the Executive. Time is of the essence of this action, and this study and investigation made by a committee so composed would obviate the necessity of a special investigation by a House committee, a special investigation by a Senate committee, and a personal check-up by the Executive, perchance the legislation should reach the Executive.

Second, the gentleman suggests that if the President has not given concrete recommendations to the Congress, then is he not equally culpable with the gentleman from Tennessee in wasting the time of the House. In answer, permit me to say that the President has in season and out of season urged consolidations and coordinations in the departments. The Congress has accomplished none of these things. The President asks that he be given authority by legislation to proceed as the Executive and bring about these eliminations and consolidations. In response to this request the gentleman from Tennessee [Mr. BYRNS] introduced his original resolution providing for the creation of the Economy Committee, and the press throughout the country was replete with statements that a Democratic Economy Committee had been set up and that consolidations, eliminations, and economies would be effected before the 15th

of this month. The House joined the gentleman from Tennessee, gave him the committee and the authority asked for, and after due publication the committee commenced its labors. April 15 approaches, yet nothing tangible has developed, and the committee asked for additional time and authority. Although weeks have intervened, yet up to this good hour press statements emanating from the gentleman from Tennessee, or from the present chairman, the gentleman from Alabama [Mr. McDUFFIE], are the only evidence the country has that the committee is functioning.

The Economy Committee necessarily impeded the work of the Expenditures Committee and other committees which were dealing with matters intended to bring about economy. Nothing is being done.

Rome is burning while you are fiddling. You deny the President the authority to proceed and make consolidations and effect economies. You are apparently unable to accomplish anything under the policy adopted, yet when the President speaks in behalf of the taxpayers and has the temerity to again urge upon the Congress either that he be permitted to bring about this saving of the taxpayers' money, or that the House do something worth while, then you interrupt the progress of an appropriation bill to make a political speech in a vain effort to excuse inactivity and lack of accomplishment. The country is not at all interested in whether the President of the United States or the Congress of the United States is responsible for balancing the Budget, but the country does insist upon that Budget being balanced and will look with disfavor upon any petty politics injected into this great economic question at this particular time. There is credit enough for all of us, and I am hopeful that in the future the gentleman from Tennessee will proceed with his Economy Committee and bring in something worth while. It has been suggested on the floor that the President has asked the Economy Committee to meet with him at the White House on Saturday morning, and I feel sure that the President will have some worth-while and concrete suggestions, and I only hope that the committee will be able to effect those suggestions and bring about the proposed changes just as the President would do if Congress would grant unto him the authority to proceed.

The gentleman from Tennessee seems to be so much agitated over the President's message that I should not be surprised if the Economy Committee reacted to his recent message and presented something to the House, even to-morrow, and before the committee conferred with the President, in an effort to show that the President's message had no effect upon what was being done. I give the Economy Committee full credit for long hours and hard work, and I am sure that the committee wants to get results, and I shall be one of the first to applaud it for any accomplishment worth while, and I am just as sure that the country will applaud the action of the President in submitting this message, if it has no other result than to speed up the Economy Committee.

It is all right to preserve the leadership and integrity of the legislative branch of the Government, but efficient consolidations will not be brought about in that way. We may cut off a few minor offices or bureaus, but the thing the country is demanding will not be accomplished on the floor. It will be more impossible than it was to write a tax bill. Somebody with authority must have courage to act. The President is ready to assume the responsibility and to act. It is beneath the dignity of the Republicans or Democrats to quibble in this hour of distress. It is the prescription writer we are looking for, and if proper remedies may be applied we should not let the patient die while the doctors argue as to which one will be entitled to credit when the patient recovers. Let us cooperate and work together and get rid of the sickness and let the country give credit where credit is due.

[Here the gavel fell.]

Mr. MICHENER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAY. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. MAY. Does not the President of the United States occupy the position toward the Government of the United States and the different departments of Government that the president of a great industrial corporation occupies toward his board of directors?

Mr. MICHENER. Absolutely not, so far as Congress is concerned. This might be true so far as the Cabinet is concerned, but that is not the controversy to-day. The gentleman from Tennessee is apparently unwilling to trust the President and his board of directors, who are the heads of the departments, to even attempt to make consolidations. It is much different with a board of directors in industry.

Mr. MAY. When they ask for a recommendation he makes a specific recommendation as to what he wants them to do.

Mr. MICHENER. In this case, if we consider the Congress the board of directors, then the President has a hostile board of directors, the majority of whom would refuse to do anything which he might suggest to help the country because he might get credit for it. That is the answer. The best evidence of that is what has taken place here this afternoon. [Applause.] If our Democratic friends have something definite which they want done, bring it before the House and it will have the support of this side of the aisle.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MICHENER. Yes.

Mr. COCHRAN of Missouri. The gentleman has spoken about a board of directors. The gentleman knows, as well as every Member of this House knows, that the President's board of directors came down to the Capitol and opposed the President's recommendations until some Members made their activities public, and then there was a change for the better.

Mr. MICHENER. The gentleman from Michigan knows that the gentleman from Missouri is the chairman of the Committee on Expenditures. The gentleman's committee was studying these problems and doing good work, and the gentleman himself absolutely opposed this Economy Committee because he knew the futility of it, he knew the politics of it. The first resolution introduced by the gentleman from Tennessee [Mr. BYRNS] was not acted upon because of the opposition of the gentleman from Missouri. Then in the interest of Democratic harmony they took our good friend into the fold. They said, "We will put you on this Economy Committee." They put the gentleman on the committee, and in so doing they put out of commission, for all practical purposes, the gentleman's committee, a committee which was functioning and doing that which I think would have given results if it had been let alone.

Mr. COCHRAN of Missouri. The gentleman is a member of the Committee on Rules. There are two resolutions providing for consideration of two very important bills before his committee that the Expenditures Committee reported, and I ask the gentleman to please report the resolutions. That shows our committee is not out of commission. We are working hard, meeting several times a week, the Economy Committee notwithstanding.

Mr. MICHENER. The gentleman says I am on the Committee on Rules. That is true; but I am one of the four minority members. We have not anything to say about what shall be reported.

If the gentleman wants action on his resolution he should go to his Speaker, he should go to his leader, and he should go to the chairman of the Rules Committee. If he does that, he will find that they control what shall come before the House, and when it shall come before the House. [Applause.] If they want those bills to come in they will come in to-morrow. No legislation, except that which the Democratic organization of this House wants brought onto the floor, can be brought in, excepting under the discharge rule, and any legislation which it wants to have brought in, can be brought in within 24 hours. So, if legislation does not

reach the floor of the House from the Rules Committee, it is not the fault of the gentleman from Michigan. It is the fault of the administration controlling that committee, because we might as well be fair and say that which we all know, namely, that that is the one political committee in the House. It has a 2 to 1 majority of the party in power. It is the purpose of that committee to permit the party in power to carry out its policies whenever it sees fit.

Mr. COCHRAN of Missouri. If that is so, why have a member of the Republican Party on the committee at all?

Mr. MICHENER. The Committee on Rules does not act in a partisan way on all measures. I think its membership fully realizes the responsibility of the committee, yet, as stated above, its prime purpose is giving privileged status to legislation on the regular calendar, and it is right and proper that the responsible leadership should control this matter and whenever that power desires it has the votes in the committee to carry out its policy. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last two words.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, it had not been my purpose to participate in the debate that has come up on the floor here this morning, but I have been justifiably provoked into it, I think, by the remarks of the distinguished gentleman from Michigan [Mr. MICHENER], just concluded.

There has been a good deal of controversy here about whether or not the President has been responsible for any failure or omission with reference to specific recommendations for economy, or whether the Democratic organization of this House is responsible for it, and about that there may be some honest differences of opinion. But upon one general proposition I do not think there can fairly be any dispute, and that is that the Democratic Party is in no wise responsible for the miserable economic situation in which the country is now placed. [Applause.]

For 10 years the Government of the United States has been in the undisputed control of the Republican Party. It has had the Presidency since 1921, and it has had both branches of Congress since 1921.

Mr. DYER. The gentleman does not seriously mean that?

Mr. BANKHEAD. I have not yielded to the interrupter from St. Louis. [Laughter.]

If under our theory of party government and party responsibility it can be fairly charged that this situation is due to a party's mismanagement of Government affairs, it certainly lies legitimately to-day at the door of the Republican Party. [Applause.]

This is not our deficit that we are wrestling here to meet. This tremendous debt that is bearing down with such onerous exactions upon the poor, struggling taxpayers of America to-day, the rich as well as the poor, is not the result of Democratic policies in this Government or of Democratic administration, but it is the direct result in large measure—I will not say entirely—of the incapacity of the Republican Party in this country as now organized to safely conduct the fiscal and economic policies of this Government.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BANKHEAD. No; I do not yield.

I think the American people have drawn this conclusion, and although I am not posing as a prophet or a forecaster, I base this conclusion upon the results of elections, local and otherwise, in all parts of this country, and upon public opinion expressed in the press of this country, that the people of America have deliberately made up their minds to see to it that we have a change of administration in the White House and in both parts of the Congress, because they feel, and they may fairly well do so, they certainly could not do any worse than has been done for the last 10 years. [Laughter and applause.]

Now, the gentleman from Michigan, after these 10 years of misrule, after your accumulation of this deficit of some three or four billion dollars, for which your party is responsible as far as economic policies are concerned——

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BANKHEAD. Oh, do not get so tempestuous. No; I do not yield.

Mr. STRONG of Kansas. I did not think the gentleman would.

Mr. BANKHEAD. The gentleman from Kansas has such towering intellectual capacity that naturally I shrink from yielding.

Mr. STRONG of Kansas. I can answer the gentleman's question if he will let me; anybody could do that.

Mr. BANKHEAD. After you have accumulated this deficit, then the gentleman from Michigan [Mr. MICHENER] gets up here and speaks of the Select Committee on Economy, appointed by the Democrats in an earnest and honest effort to find some means, as far as we reasonably can without injury to the public service, to make an effort to reduce these expenses, and bitterly complains that within two or three weeks, with all of these complicated and complex problems which your own President has pointed out——

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Which your own President has pointed out in his message of yesterday, and which the gentleman from Michigan knows all about, the complexities of meeting the statutes that stand in the way of substantial reductions, and yet the gentleman from Michigan gets up here and wants the country to believe that the Democratic policy of economy is absolutely falling down because within a few weeks the Economy Committee has not brought in a wholesale program to wipe out entirely the Republican deficit and restore the country to a safe balance in the Treasury. Is this fair?

To-night when my friend goes home, in his quiet hour of meditation and, I trust, of prayer [laughter], when he begins to reflect upon that proposal, I think it will occur to him that, certainly, it is a very unfair position to take upon the floor of this House.

And what else does the gentleman say? Oh, he says that our President—he is a Republican President, but he is my President as well—has set up a remedy of his own; that the President is asking that a joint commission be set up composed of 2 Senators, 2 Congressmen, and 3 representatives of the Executive to work out this business, the intimation being that the President has it all in his mind and has a fine system of cutting out duplication and overlapping and extravagance, and if we will just appoint this committee and put two of his representatives on it, they will solve this whole problem in two or three weeks, and we can do it all before Congress adjourns.

Has my friend forgotten the miserable debacle that followed that very theory in 1924 under another Republican President? Does not my friend well remember, because he was here and participated in it, the effort made under the administration of Mr. Harding along this very line, this very formula, this very scheme which the present President now holds out as a solution of this perplexing problem? We followed my friend's advice at that time, and what happened? The gentleman well knows what happened.

They met and held long and expensive hearings before that commission, and there came from the Cabinet and others in a large measure such a volume of opposition to some of these proposed consolidations that his own party had to abandon its own President, because the whole proposition proved absolutely futile.

And yet the gentleman from Michigan, with that disastrous precedent before him, gets up here now and undertakes to lecture us because we are not going to pursue the same course.

Mr. MICHENER. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. MICHENER. I am not defending that particular report.

Mr. BANKHEAD. Because it is indefensible. [Applause.]

Mr. MICHENER. The gentleman is correct. Now, the President says he will do this thing, and I think we ought not to criticize him but permit him to do it.

Mr. BANKHEAD. We are going to permit him to do it on Friday of this week. The Select Economy Committee, of which my friend the distinguished gentleman from Alabama [Mr. McDUFFIE] is the chairman, is going to let him make a statement before the committee for their consideration of these proposals he has in mind. I want to say that I thoroughly approve of that action.

I want to say to my friend from Michigan, since partisanship has been injected into the debate, that the Democratic Party is cognizant of the great distress which has come upon our country and its unfortunate condition, but is not to be drawn away from the consideration of ways and means to balance the Budget by partisan considerations. [Applause.]

Mr. BYRNS. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. BYRNS. I want to call the gentleman's attention to the fact that there is a difference between these two cases. In the case of President Harding he voluntarily submitted his recommendations as to the economies he had in mind where a saving could be made.

Mr. BANKHEAD. Yes; they had that advantage.

[Here the gavel fell.]

The Clerk read as follows:

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures of the Executive Mansion, the Executive Mansion greenhouses, including reconstruction, and the Executive Mansion grounds, and traveling expenses, to be expended as the President may determine, notwithstanding the provisions of any other act, $142,000.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the committee if there was any recommendation before his committee as to any expense under this section that could be reduced?

Mr. WOODRUM. It has not been the custom of the Budget or of the Committee on Appropriations to undertake in any way to regulate or control or circumscribe the expenses provided for in this section. The President makes his request for expenses, and as a matter of courtesy those expenses are granted by the Congress. No hearings are held on this particular item.

Mr. SUMNERS of Texas. Are there any suggestions as to economy in these items?

Mr. WOODRUM. No suggestions of any kind as to reductions were made and no hearings held, in accordance with the custom of the committee.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. HASTINGS. In the gentleman's time I call attention to an omission on this yardstick that has been placed before us by the gentleman from Massachusetts [Mr. TREADWAY]. The top line has the total estimated expenditures for 1933 at $4,482,153,300. I hold in my hand a list of the appropriations made by the clerk of the Committee on Appropriations which I put into the RECORD a few days ago; beginning in 1887 it was $383,245,913.54 plus. The appropriations for this year, instead of being $4,482,000,000, are $5,178,524,967.95. The discrepancy is because you do not add the postal expenditures of approximately $802,000,000 to this amount.

Mr. SUMNERS of Texas. I want to know whether the President made any suggestion with reference to the reduction of the White House personnel.

Mr. WOODRUM. I thought I had answered the gentleman. No such suggestion was made.

Mr. SUMNERS of Texas. Is this amount the same as last year?

Mr. WOODRUM. Yes; it is, as to personnel.

Mr. BYRNS. It is the same as to personnel.

Mr. STAFFORD. There is a reduction of $13,000.

Mr. BYRNS. The gentleman is talking about maintenance, while I am talking about personnel.

Mr. SUMNERS of Texas. The personnel is the same?

Mr. WOODRUM. It is.

Mr. HOLADAY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. WOODRUM. I ask that all debate upon this section close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOLADAY. Mr. Chairman, in the debate we have had during the past few minutes we have wandered rather far afield from the bill under consideration. We have had bickerings back and forth across the center aisle as to who is to blame for the deficit and who is going to reduce and correct the situation. There is an opportunity in this bill this afternoon to help reduce the deficit and to assist in correcting the situation. I call attention to a matter that is immediately before us for consideration. The chairman of the Committee on Appropriations, or the committee at his suggestion, adopted a provision to govern all of the appropriation subcommittees to the effect that the subcommittee should not go beyond the Budget estimate with reference to any particular item, which was a departure from the common practice of the committee. In principle I do not agree with that, but under the conditions that our country is actually facing I agreed with the chairman and I agree with him now that it was a wise and proper thing to do. The committee has placed in all of these appropriation bills a provision that vacancies occurring between the date of the passage of the bill and July 1, 1933, shall not be filled except upon the written authority of the President. The committee on this bill and all other bills labored to reduce the amount contained in the bill under the Budget estimates, with more or less success. I think that the Committee on Appropriations, and I pay this public tribute to the chairman of the committee, of opposite political faith, is entitled to credit for the work that they have done, but what is the situation? We have had speeches here this afternoon dealing in generalities. I have heard men stand on this floor and plead for economy, and it is probable that their speeches will be sent back into their districts. If my memory serves me correctly, I have seen standing on this floor during the last four weeks these same men undertaking to override the Committee on Appropriations and increase expenditures by millions upon millions of dollars. Yet they stand here and say that they are in favor of economy. If the House is really in favor of economy, then I appeal to both sides of the aisle to stand by the committee on the recommendation that it has made with reference to filling vacancies, which will reduce the personnel by 5 per cent by the 1st of July, 1933. Stand by the committee on the cuts it has made and we will help in some degree to reduce the expenditures of the Government. When we have completed the work that is immediately before us there will be plenty of time to discuss whether or not Congress or the Executive or both combined are pursuing a proper policy for future reductions. An opportunity is presented here. Let me say to the Members on the Republican side that we can not criticize the chairman of the Committee on Appropriations unless we stand with him in the recommendations that he and his committee have brought to this House for reductions, and I appeal to the Republican membership of the House to help reduce expenditures in this particular bill. [Applause.]

The Clerk read as follows:

Funds available to the office of the Alien Property Custodian for administrative expenses in the District of Columbia shall not be used for the purchase, maintenance, operation, and/or repair of any passenger automobile.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word. When will the office of Alien Property Custodian terminate entirely? I note there is no appropriation for it in the bill; but, of course, they are going into the estates under their control. It seems to me that is one more activity that we ought to forget as soon as we can.

Mr. WOODRUM. No appropriation has been provided for this activity for several years. Ostensibly it is closing up the business for which the office was created. I can not answer the gentleman. We have had no hearings, and there have been no requests for appropriations.

Mr. LaGUARDIA. But they are going into the property and estates they have, and I think the Congress ought to do something to expedite the termination of the office.

Mr. GREEN. Mr. Chairman, I move to strike out the last two words. About the middle of January, after becoming more or less disgusted with highly paid Government employees riding around in limousines and other high-powered automobiles with chauffeurs at the expense of the Federal Government, I called upon the Cabinet officers to advise me as to the number of automobiles and chauffeurs used by their various departments owned by the Government and operated at Government expense. These gentlemen, nearly all of them, replied courteously and promptly.

The results were about as alarming as I had anticipated. What I am about to say I direct to both sides of the aisle. The Republican Party in the last 12, 14, or 16 years has pyramided governmental expenses up to as high, in some instances, as 400 or 500 per cent. Even the White House expenses grew from some $300,000 when Wilson was President to more than half a million dollars the first year of President Hoover's administration. Even though the Republicans are responsible largely, in fact almost entirely, for the present deficit in the Treasury and for the reckless squandering of Federal funds for the last many years, I desire to say that my Democratic colleagues could have done more in this bill toward economy, and I hope that they will even yet further reduce unnecessary expenditures. They have greatly reduced the number of federally owned and used automobiles. For this I congratulate them and hope for further economies at their hands.

The President, Cabinet members, and other high governmental officials may well, in this emergency, emulate the example of our Presiding Officer, our own distinguished Speaker, and say, "No Government, no individual, shall furnish me transportation; I will furnish my own."

Why not eliminate all automobiles, except trucks actually needed and economically used? Why should the taxpayers furnish automobiles and chauffeurs for high-salaried Federal employees? Why should they thus flaunt their arrogances in the faces of a tax-burdened and unemployed people?

I see in this bill, for instance, in the Board of Tax Appeals appropriation, an item for street-car fare. I see an item in the Bureau of Efficiency of $150 for street-car fare. How many of you gentlemen have your street-car fare paid? How many of you gentlemen would even accept a Government automobile with a chauffeur to drive you here and there at Government expense? Let them furnish their own automobiles and pay their own drivers.

My friends, our Government is staggering under the orgy of unnecessary expenditures invoked by the Republican Party. We even find that chauffeurs are employed from 4 o'clock in the afternoon until 12 o'clock at night. What Cabinet official or bureau chief has business with a chauffeur to drive him around in his elegance, splendor, and pomp during the social hours of the night time? Do they work during these hours?

Would you be surprised to know they are paying chauffeurs for working from 12 o'clock midnight until 8 o'clock in the morning? I wonder why in the world they need chauffeurs during the wee, small hours of the morning? This is not out in the field service but it is in the District of Columbia. Should it continue?

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, if the gentleman has read the hearings on these several appropriation bills and has informed himself, as evidently he has not, he would know that the Appropriations Committee, all of the committee in a nonpartisan way, has eliminated every passenger-carrying car out of these departments except in a very few instances where manifestly the duties of the particular officer of the Government required him to travel around on purely Government business. In such a case the only decent thing to do would be to furnish him with transportation.

A great many automobiles have been eliminated. Of course, the committee has not attempted to take away the automobiles of Cabinet officers. The people of America do not want their Government officials, the President and his Cabinet officers, to travel on street cars. In God's name, we have not reached that point in this Government as yet. [Applause.] The gentleman from Florida particularly mentioned the Bureau of Efficiency. The Members of the House who are familiar with the activities of that bureau know that its men are on the go all the time from department to department and from bureau to bureau. We did not give them an automobile, but we did give them street-car tokens. That bureau is now at work making further studies for the Appropriations Committee, with the hope that by the next Congress there will be further and other economies that we can suggest to the House.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. McCLINTIC of Oklahoma. Can the gentleman tell the House what he means when he says we have already eliminated automobiles? Does he mean by that that we have taken away some that have already been appropriated for or that we have not given them new automobiles?

Mr. WOODRUM. We have provided that no new passenger-carrying cars can be bought, and we have eliminated from the appropriations moneys that have heretofore been expended for passenger-carrying cars for secretaries, assistant secretaries, and bureau chiefs.

Mr. McCLINTIC of Oklahoma. Then what will become of the automobiles that now belong to the Government which the gentleman states have been eliminated?

Mr. WOODRUM. They will go into the surplus property of the Government and be sold in due course of time.

Mr. HOLADAY. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. HOLADAY. I just want to congratulate the chairman of this subcommittee for the assistance promised by the gentleman from Florida. I hope the gentleman from Florida will continue in that same spirit when we consider appropriations for the Mediterranean fruit fly and the Florida Everglades.

Mr. WOODRUM. I thank the gentleman. I would like to say to my good friend that I hope our distinguished friend on his side, the gentleman from Nebraska [Mr. SIMMONS], will continue to be in an economical mood when we come to the Farm Board after a while and the grasshopper appropriation.

Now, Mr. Chairman, just this other statement. Time goes on apace and we still have gotten only to the third page of this bill. I hope gentlemen of the committee will cooperate with us in trying to dispose of this appropriation bill. I do not want to invoke the rules of the House, but it seems to me we have had plenty of politics to-day. So let us go to the business of the hour and confine ourselves to this appropriation bill. I do not want to be compelled to object to any gentleman speaking, but I hope we may go ahead and read this bill until we get to the controversial items.

The Clerk read as follows:

AMERICAN BATTLE MONUMENTS COMMISSION

For every expenditure requisite for or incident to the work of the American Battle Monuments Commission authorized by the act entitled "An act for the creation of an American Battle Monuments Commission to erect suitable memorials commemorating the services of the American soldier in Europe, and for other purposes," approved March 4, 1923 (U. S. C., title 36, secs. 121–133), including the acquisition of land or interest in land in foreign countries for carrying out the purposes of said act without submission to the Attorney General of the United States under the provisions of section 355 of the Revised Statutes (U. S. C., title





34, sec. 520; title 40, sec. 255); the maintenance of memorials erected by the commission until the Secretary of War is advised of their completion and assumes their maintenance; employment of personal services in the District of Columbia and elsewhere; the transportation of, mileage of, reimbursement of actual travel expenses or per diem in lieu thereof to the personnel engaged upon the work of the commission; the reimbursement of actual travel expenses (not exceeding an average of $8 per day for subsistence) or per diem in lieu thereof (not exceeding $7 per day) to, and the transportation of the members of the commission, while engaged upon the work of the commission; the establishment of offices and the rent of office space in foreign countries; the maintenance, repair, and operation of motor-propelled passenger-carrying vehicles which may be furnished to the commission by other departments of the Government or acquired by purchase; printing, binding, engraving, lithographing, photographing, and typewriting, including the publication of information concerning the American activities, battlefields, memorials, and cemeteries in Europe; the purchase of maps, textbooks, newspapers, and periodicals, $400,000, to be immediately available and to remain available until expended: *Provided*, That the commission may incur obligations and enter into contracts for building materials and supplies and for construction work, which, inclusive of the amounts herein and heretofore made available, shall not exceed a total of $4,500,000: *Provided further*, That notwithstanding the requirements of existing laws or regulations and under such terms and conditions as the commission may, in its discretion, deem necessary and proper, the commission may contract for work in Europe, and engage, by contract or otherwise, the services of architects, firms of architects, and other technical and professional personnel: *Provided further*, That the commission may purchase materials and supplies without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $500: *Provided further*, That when traveling on business of the commission officers of the Army serving as members or as secretary of the commission may be reimbursed for expenses as provided for other members of the commission.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee a question or two. I direct his attention particularly to line 7, on page 5, where there is mentioned a limitation of $4,500,000, which it is designed, I take it, to cover the total amount of the expenses. Will the chairman please advise us how that total of $4,500,000 was arrived at? Is that a matter of statutory regulation?

Mr. WOODRUM. Yes. That is the original authorization for the project, not including the administrative expenses. We are told that the projects will be completed in some amount less than the original authorization. Of course, the total amount appropriated has been more than that because the $4,500,000 does not include the administrative expenses.

Mr. KETCHAM. This has all been very carefully considered and is deemed to be an adequate sum of money to complete the work contemplated.

Mr. WOODRUM. I think the gentleman will be satisfied when I inform him of the fact that General Pershing is the chairman of the commission and that he is giving it his personal attention.

Mr. KETCHAM. And $4,500,000 is the amount determined to be needed?

Mr. WOODRUM. Yes.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield to me in order that I may ask a question of the chairman of the subcommittee?

Mr. KETCHAM. Yes.

Mr. McCLINTIC of Oklahoma. Is the work now being carried on by this commission such that it has to be carried right along, or is the work of such a character that it could be postponed for a year or two until the financial condition of the country becomes somewhat better?

Mr. WOODRUM. It is not thought that this class of work could be postponed. It is the building of monuments that are partly constructed—in fact, nearly completed—and it would be dangerous to undertake to postpone any part of it.

The Clerk read as follows:

ARLINGTON MEMORIAL BRIDGE COMMISSION

For continuing the construction of the Arlington Memorial Bridge across the Potomac River at Washington, authorized in an act entitled "An act to provide for the construction of a memorial bridge across the Potomac River from a point near the Lincoln Memorial in the city of Washington to an appropriate point in the State of Virginia, and for other purposes," approved February 24, 1925 (43 Stat., p. 974), to be expended in accordance with the provisions and conditions of the said act, $840,000, including all necessary incidental and contingent expenses, printing and binding, and traveling expenses, to remain available until expended: *Provided*, That the commission may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50: *Provided further*, That no part of this appropriation shall be used to pay for the cost of reconstructing and paving Constitution Avenue east of Virginia Avenue, as provided in the approved project, except for such portions as may abut upon Government-owned property, and not in excess of 40 per cent of the cost of such reconstructing and paving of that portion of the said street which so abuts.

Mr. TABER. Mr. Chairman, I offer an amendment to strike out the paragraph.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 5, line 22, down to and including line 19, on page 6, strike out the paragraph.

Mr. TABER. Mr. Chairman, this is not politics. This is the business of the hour. We have gone ahead until now we have spent approximately $12,000,000 upon this project—the Arlington Memorial Bridge. It is in a state of practical completion. With the money which they have now they are able to go ahead and make practically a complete job, so that the whole thing will be presentable.

Is it not time now, if we are ever going to save money in these appropriation bills, to take the things that are not absolutely necessary and stop them?

Mr. YON. Will the gentleman yield?

Mr. TABER. Yes.

Mr. YON. Does not the gentleman think this bridge is in a state of completion so that it will not deteriorate any without the expenditure of another $1,000,000?

Mr. TABER. It will not deteriorate a bit. If we stop expenditures with the 1932 appropriation they can finish everything, I believe, it is necessary to finish. They can properly decorate the grounds and ornament them and they can build enough approaches. It is simply a question, gentlemen, whether or not we want to stop expenditures where we can stop them. We have a lot of money to save if we are going to balance the Budget, and let us begin now.

Mr. YON. Has the gentleman offered such an amendment?

Mr. TABER. Yes; to strike out the paragraph.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. TABER. Yes.

Mr. COOPER of Tennessee. How much of this work that is to be completed is already under contract? Is the Government already obligated for any of this work?

Mr. TABER. Let me read:

Mr. WOODRUM. Are all of these projects let to contract now for which you are asking appropriations for 1933?
Colonel GRANT. For next year?
Mr. WOODRUM. Yes.
Colonel GRANT. No, sir; they are not let to contract.

Mr. WOODRUFF. Will the gentleman yield there?

Mr. TABER. Yes.

Mr. WOODRUFF. The gentleman believes, then, that if it is not possible with the elimination of the appropriation as he proposes to completely finish this bridge this year or during the coming year, it can well wait until some time when national finances are in better shape than at present?

Mr. TABER. I feel this way about it. The bridge itself has been completed. The only thing that it is proposed to do is work of expansion of parkways and ornamental things that can wait, if they are necessary at all, and I really believe we have gone far enough so that it is going to be practically a completed job and that we ought to stop and save this $840,000, and save it now, and unless the country is so flush it does not know what to do with its money, save it for good and stop further work on this project. [Applause.]

I believe that the Arlington Bridge is a beautiful thing and is an ornament to the city of Washington, but I believe we can now stop work upon it without the least bit of damage and with a saving of almost $1,000,000 to the Treasury of the United States in 1933.

Mr. WOODRUFF. Will the gentleman yield further?

Mr. TABER. Yes.

Mr. WOODRUFF. And if it should so happen that the gentleman and the committee and the Congress feel later that it has not been properly finished, it will be time enough then to finish it?

Mr. TABER. In flush times; yes.

Mr. WOODRUFF. And then complete it as originally contemplated?

Mr. TABER. Yes.

Mr. BYRNS. Will the gentleman yield?

Mr. TABER. Yes.

Mr. BYRNS. I doubtless ought to know, but I have not the information, and the gentleman has investigated the matter. I do know that the bridge is opened and that people and vehicles are passing over it constantly, or at least the bridge is in such condition that that can be done, and the approaches are all made, as I understand.

Mr. TABER. That is correct.

Mr. BYRNS. What is the work that is expected to be done with this $840,000?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. TABER. May I read from the record, so that I shall not be telling my story, but the witness's story?—

Mr. HASTINGS. What is it contemplated that this appropriation shall be used for? The bridge is completed, is it not?

Colonel GRANT. Yes, sir; but the plaza on Columbia Island and the filling, grading, and landscape work on Columbia Island are not done; the widening and carrying through of Constitution Avenue and the widening of Twenty-third Street; then the decorative statuary work on Columbia Island and the memorial avenue into Arlington Cemetery, the memorial or monumental entrance into Arlington Cemetery—that is work that is still to be done.

Mr. BYRNS. What are they going to do with Columbia Island in 1933?

Mr. TABER. I think I have read practically everything they say they are going to do to it.

Mr. BYRNS. My query is, What use would Columbia Island be to the people of the United States during the year 1933?

Mr. TABER. Not a bit. It is absolutely unnecessary to go on with this expenditure at this time.

Mr. STAFFORD. Will the gentleman yield?

Mr. TABER. Yes.

Mr. STAFFORD. The gentleman must not forget that Colonel Grant said that this is to be used for decorative statuary work.

Mr. TABER. I understand that; but that is something that can wait. We ought to stop work on this project now, and until the Congress feels they have money enough to go ahead and they can afford to do it. I do not think we can afford to do it now.

Mr. MONTAGUE. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MONTAGUE. Can the gentleman state whether or not the lights on the bridge have been installed; they are rather essential?

Mr. TABER. I think they are; they were installed under the 1932 appropriation.

Mr. MONTAGUE. I am much in sympathy with the gentleman's proposition, but I wish to know if the lights upon the bridge were now installed?

Mr. TABER. I think the lights are all there.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. TABER. I yield.

Mr. LaGUARDIA. Does the gentleman know if any of this work covered by this appropriation is now under contract?

Mr. TABER. None of it.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oklahoma.

Mr. McCLINTIC of Oklahoma. If my memory serves me correctly, Virginia was going to pay a portion of the cost of this bridge. I would like to ask the gentleman if Virginia has contributed anything toward the construction of the bridge?

Mr. TABER. I do not understand that it has. It was contemplated that Virginia should pay a portion of the cost of the Lee Highway, but they are not ready to do it now. The committee has cut out $160,000 of the estimate that was to be spent for that proposition. The State of Virginia was to contribute toward the highway, but that is not involved here.

Mr. McCLINTIC of Oklahoma. Is it not true that they were to pay a portion of the cost of the bridge?

Mr. WOODRUM. The gentleman from Oklahoma is mistaken. The law makes no provision of that kind.

Mr. TABER. As I said, there was some provision as to the Lee Highway.

Mr. THATCHER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. THATCHER. Can the gentleman state the amount that has been expended on the bridge up to this time?

Mr. TABER. Up to 1932 the expenditure has been about $12,000,000. They will have spent that much out of a total authorization of $14,000,000. It seems to me, if we are going to begin to save money, we ought to begin now.

Mr. WOODRUM. Mr. Chairman, I am sure the committee will cooperate with the Committee of the Whole in making any cuts they desire. So far as I am concerned, I have no objection to the elimination of this paragraph. [Applause.] However, I think we should proceed advisedly. I call attention to the fact that Colonel Grant, at the hearing on this bill, stated that the work on Constitution Avenue was involved as well as further work on the bridge, and whether it is advisable to strike the whole paragraph out or leave enough money to carry on this work is a question.

Mr. HOLADAY. If the gentleman will yield, I want to say that the work on Constitution Avenue is carried in the District bill, and I have a suspicion that it will be cut out of that bill this year.

Mr. TABER. The language of the bill is that none of this money shall be used toward the Constitution Avenue proposition.

Mr. WOODRUM. East of Virginia Avenue.

Mr. WOODRUFF. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. WOODRUFF. If it should develop that any money is needed for work that can not be postponed, the committee will be here and can bring in a deficiency bill.

Mr. BLAND. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BLAND. I would like to ask if this avenue is necessary to the completion of the bridge.

Mr. WOODRUM. It is necessary to the completion of the bridge.

Mr. BLAND. Then why strike it out?

Mr. WOODRUM. The question is whether it is necessary to complete it now or whether we can postpone it.

Mr. BLAND. What is it necessary to do to complete it?

Mr. WOODRUM. Merely decorations.

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SMITH of Virginia. Is not a part of this appropriation for completing the approaches to the bridge, to make it available for public use?

Mr. WOODRUM. I do not so understand it. Colonel Grant said that the approaches were completed, and this was to be used for decorative purposes on the bridge, as well as Columbia Island.

Mr. SMITH of Virginia. Is it not a fact that part of this money is to be used to connect up with Arlington itself, where it will connect with the road which gives the only access to Virginia and the South, other than the Mount Vernon road itself?

Mr. WOODRUM. I do not so understand it.

Mr. SMITH of Virginia. I am quite certain that the commission is now building, or is about to let a contract to build, a temporary highway from Columbia Island over to the Virginia road.

Mr. WOODRUM. The gentleman is correct about that.

Mr. SMITH of Virginia. The only outlet from that bridge now, as I understand it, is the Mount Vernon Boulevard, which gives access to the South.

Mr. WOODRUM. Colonel Grant, speaking of the bridge, on page 17 of the hearings, says:

> The bridge goes across to Columbia Island and there is a terminal plaza which is to be treated monumentally on the island. There will be statuary and various things of that kind. That is really the main memorial park and from there it connects with the Mount Vernon Memorial Highway to the South.

I believe the gentleman from Virginia is correct in saying that part of this money is to be used for a bridge across the Columbia Island, which is really the only southern outlet.

Mr. TABER. I think the understanding is that that bridge is not to be built until they are ready to do the Lee Highway.

Mr. WOODRUM. That is a different bridge of which the gentleman speaks. That bridge is above the Memorial Bridge. The bridge that Colonel Grant speaks of is the bridge that goes across to Arlington—Columbia Island to Arlington.

Mr. SMITH of Virginia. That is correct.

Mr. TABER. Can not we get along without that until conditions are different?

Mr. WOODRUM. There is no outlet to the South if you do that.

Mr. BLAND. Is this a part of the George Washington Boulevard running from Washington down to Mount Vernon?

Mr. WOODRUM. Yes.

Mr. BLAND. A necessary part of it?

Mr. WOODRUM. Yes.

Mr. BLAND. Contemplated to be finished as a part of the celebration of the bicentennial of George Washington in 1932?

Mr. WOODRUM. Yes.

Mr. BLAND. And if not finished now, it may be presumed that it will be finished in time for the three hundredth anniversary in 2032. It is a part of that system that ought to be finished now.

Mr. STAFFORD. The gentleman is aware of the fact that this appropriation does not date until July 1, and the celebration will be pretty well over by that time. This provides for nothing except decorative work on this mud island known as Columbia Island.

Mr. BLAND. July 1, 1932.

Mr. STAFFORD. I am not indulging in Utopias that far in advance.

Mr. OLIVER of Alabama. The chairman of the committee states that if this appropriation is not required he would be very glad to see the House strike it out. Would it not be well to pass it over with the understanding that we return to it to-morrow or next day, when the chairman can make a statement to the House as to what part, if any, of the appropriation is necessary?

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. REED of New York. I am heartily in favor of this attempt to save some money. Is everything in such condition that it will be safe to pass this amendment? I notice there is a great deal of filling work along the edge of the river, and I am wondering if the matter were left in that condition and high water came it might not destroy some of the work already done. I do not know that that is the case, but I am inquiring about it.

Mr. WOODRUM. I can not answer the gentleman, because no hearings were had in contemplation of stopping work on the bridge or the Mount Vernon Highway.

Mr. TABER. I think we can say this: That there is nothing among the things that Colonel Grant said are necessary to be done in 1933 that involves any shoring up of the shores along the river. I think that answers the question.

Mr. REED of New York. I have been along the river and have noticed that they have dredges at work there. A great deal of work has been moved and piled up. The Potomac River floods at times. I am wondering whether we will destroy a lot of that work by neglecting to protect it in the meantime. I am for the amendment.

The CHAIRMAN. The question is on the amendment to strike out the section.

The amendment was agreed to.

The Clerk read as follows:

> For five members of the board, at $12,000 each, and for other authorized expenditures of the Board of Mediation in performing the duties imposed by law, including personal services; contract stenographic reporting services without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); supplies and equipment; law books and books of reference; not to exceed $200 for newspapers; periodicals; traveling expenses; rent of quarters in the District of Columbia, if space is not provided by the Public Buildings Commission, and rent of quarters outside the District of Columbia, $151,135, of which amount not to exceed $117,000 may be expended for personal services in the District of Columbia.

Mr. SUMNERS of Texas. I offer the following amendment.

The Clerk read as follows:

> Amendment offered by Mr. SUMNERS of Texas: Page 6, line 21, strike out $12,000 and insert in lieu thereof $10,000.

Mr. SUMNERS of Texas. Mr. Chairman, I appreciate the fact that these commissioners are rendering a very valuable service, but it seems to me that $10,000, the salary paid to Members of the Senate and the House, is as much compensation for this service as any patriotic man would expect to come from the Treasury of his country at this time. For that reason I offer the amendment.

Mr. LaGUARDIA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with a great deal of reluctance and hesitancy that I would oppose anything suggested by the distinguished gentleman from Texas, my own chairman and one of the greatest chairmen of the great Committee on the Judiciary in the history of this country. The gentleman from Texas never comes on the floor of this House unless he has given the subject matter a great deal of thought and study; but in this instance I want to point out that this is a board about which there was a great deal of comment the other day. If the Members of the House would only stop to consider that this entire Board of Mediation costs but $152,000 a year and looks after the welfare of over 350,000 workers in this country and the entire transportation system of the country, it would realize the importance of its purpose and the real public service it is rendering.

It was said that their activities were not very great. That is the very purpose; not what they do, but what they prevent others from doing. Since the enactment of the Howell-Barkley Railroad Labor Act we have had absolutely no labor disturbance in the railroad industry. There are many crafts in railroading, and this board is in constant touch with them all of the time. Hundreds and hundreds of little disputes are settled, and we hear nothing whatever about them, yet many of these small disputes could have developed into a general strike. One of the greatest strikes we ever had in this country, known as the Pullman strike, in which Federal troops were called out, started, I believe, in the linen shop of the Pullman Co. It developed into a nation-wide strike on all of the railroads.

I submit that the salary having been fixed by law it would be hardly fair at this time to single out this commission for salary reduction. I am sure the gentleman from Virginia is not in favor of the amendment.

Mr. REED of New York. Will the gentleman yield?

Mr. LaGUARDIA. Certainly.

Mr. REED of New York. Is the jurisdiction of this board limited to railroad disputes?

Mr. LAGUARDIA. Yes; that is my understanding. The board was created by the railroad labor act.

Mr. REED of New York. In 1926.

Mr. LAGUARDIA. And it has served a very useful purpose. Recently a question was settled between the railroad workers and the railroad companies which I think would have been impossible of settlement otherwise without a great deal of disturbance, had it not been for the splendid work of this board.

Mr. COLE of Iowa. Have we any assurance that any of these members will resign if the salary is reduced?

Mr. LAGUARDIA. I do not think that is the test. They will not, in all likelihood; but I will not be a party to vote them a loss in confidence by reducing their salaries.

Mr. COLE of Iowa. They will serve just as well as they are serving now.

Mr. LAGUARDIA. I do not think that is the test. Every time one of those members comes in contact with a railroad official, he comes in contact with a man who receives three, four, or five times the salary we are paying these mediators. They have and must continue to have the full confidence and support of Congress.

Mr. ARENTZ. I think the remark the gentleman made about many of these labor difficulties being settled without the public knowing anything about it is in itself sufficient reason to retain this Mediation Board in its present form. The good it is doing throughout the country is beyond comprehension.

Mr. LAGUARDIA. Certainly; and it is in keeping with the trend of the times in the settlement of labor disputes. It is one of the most useful boards that has been created by Congress in a long time.

Mr. MAPES. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. MAPES. The gentleman will remember that when the legislation creating this board was passed there was a very acute situation between railroad labor and the railroads.

Mr. LAGUARDIA. A very critical situation.

Mr. MAPES. Yes; Congress had been through the contest over the so-called Howell-Barkley bill in the session before. The railroad executives and the railroad labor men got together and compromised on this particular legislation, and since the creation of this board there have been no critical disputes between railroad labor and the railroads.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that I may have two additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAPES. It may be that the situation now is such that the board is not overworked, but it would seem to me that this is a poor time on an appropriation bill to go into the question of abolishing this board, as suggested yesterday by the gentleman from Virginia, or to do anything that will cripple its usefulness.

The gentleman from Virginia [Mr. WOODRUM] yesterday suggested the abolition of it. I think that would be a dangerous proceeding without a full hearing.

Mr. LAGUARDIA. I will say to the gentleman that the entire cost of this board is not one-twentieth of 1 per cent of the pay roll over which they have jurisdiction, and the $10,000 which we would save would be so infinitesimally small as to make it not even comparable.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. SMITH of Idaho. If we should cut off $2,000 a year, in view of the fact that the salary was fixed by law, would not these men have a right of action against the Government for the difference in salary?

Mr. LAGUARDIA. When I argued that in connection with another bill everybody howled me down. I still think so.

Mr. EVANS of California. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. EVANS of California. I would like to say that at this very time one of the members of this important board is on the Pacific coast on an important mission involving the duties of that board.

Mr. LAGUARDIA. And that is going on all the time. I want to add that I have introduced a bill bringing interstate pilots in aviation under the jurisdiction of this board by reason of the very splendid and constructive work this board has been rendering since the enactment of the law. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, I hope that what I have said in connection with the amendment I have offered indicates no lack of appreciation of the character of service being rendered by this board. I understood we were trying to reduce expenses. The difficulty about it is that every time an amendment or a proposal is offered to reduce any expenditures, naturally that group or that organization affected has some special friends here who get busy to prevent the reduction.

I do not share any of the statements made in criticism of this board. I do not care at all what this committee does about the amendment I have suggested, but I can not see how the fact that these men are doing their work properly has anything to do with whether or not the people of the country should pay $12,000 a year instead of $10,000 per year as I have proposed for the work they are doing.

I know a lot of farmers in this country who did not make $1,000 last year. They did not make a cent. They lost money. I know a lot of good carpenters in this country who are walking the streets looking for a job. They may not pay directly, but indirectly they bear a part of the burden of Federal taxes. It is proposed to put a sales tax on what they buy. I know of a Federal Treasury in this country that has a deficit of $2,000,000,000, with constantly diminishing ability of the people to pay. A man who is fit to hold his job in an hour like this ought to be willing to serve for $10,000. [Applause.] I do not care who he is.

Mr. GASQUE. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. GASQUE. If we cut $2,000 from the salaries of these men, and then should pass a salary reduction bill, what would the effect be on them?

Mr. SUMNERS of Texas. I do not know. Let us get by this thing first.

Mr. CROSSER. Will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. CROSSER. Would the gentleman be in favor of reducing the salaries of the members of the Supreme Court?

Mr. SUMNERS of Texas. Of course; but we could not do that, I will say to my friend, because of a constitutional prohibition; but I would be in favor of reducing their salaries more if I could. You bet your life. [Applause.] I am willing to reduce the salary of anybody who is in a bracket as high as $10,000. I am willing to reduce my own salary more than $2,000, and I am just as good as any man on that board. [Applause.]

We talk about economy; but every time we come right up to it, we back off. Everybody is willing to cut something until you suggest cutting something in which he is interested. If we are going to begin to reduce salaries and expenditures, we have got to begin when the thing is in front of us. [Applause.]

These are fine men. They have rendered efficient service, and I dare say they are patriotic enough, in the hour of their Nation's need, to be willing to take a cut of $2,000 and still serve their country. If I did not believe they were that kind of men, I would have no respect for them. [Applause.]

Talk about war. This is war time. We are at war with a great economic crisis. We have jazzed into the jungles, and we are looking for a boulevard to go out on. We are going to have to cut down the trees and go out over the stumps. There is no use of anybody fooling himself about it either. We have had these big boys, these captains of industry, these politicians in high office come out one after another and tell us that everything is going to be all right around the corner, just around the corner. That is not so, and there is no use of anybody fooling himself about it. I am not trying to scare the American people. They are able to face the truth. The people of America must face the facts in this crisis. If they are not willing or able to face this situation, they are not going to be saved anyhow. I am not afraid of scaring the people. I am not afraid of the people if they are told the truth. We have been fooling the people during all of these years this crisis has been coming on the country. The time has come to tell the truth. As a part of the price we public officers, who are drawing our salaries from a tax-burdened people, many of whom have no salary and no income, must show our sympathy not by mere words of sympathy but by cutting our salaries. This attitude assumed that any suggestion that a salary be cut is a reflection on the officer is to my mind absurd. Things are not going to be all right until the American people are willing to pay the price. [Applause.]

Mr. WOODRUM. Mr. Chairman, I have listened with interest to impassioned remarks of my colleague, and I would like to call the gentleman's attention to the fact that the RECORD shows that more than a month ago on the floor of this House I advocated a reduction in Federal salaries. I am now ready to vote for an orderly and sensible and logical reduction in the Federal pay roll.

Gentlemen, in these days when we are talking so much about balancing the Budget, there is another kind of balance I would like to suggest to the Members of the House, and that is a balanced reasoning. If the gentleman was here yesterday, he heard me advocate the abolishment of this board because, at that time, I did not know of any particular reason why it should not be abolished. I am frank enough to say that since that time I have been hearing things, and I am told by many men whose opinion I value very highly that I was wrong, and possibly I was wrong; but whether right or wrong, this is not the way to practice economy. We have passed appropriation bill after appropriation bill in this House——

Mr. SUMNERS of Texas. If the gentleman will yield to me, I will withdraw the motion and stop any further talk.

Mr. WOODRUM. I will be pleased to yield.

Mr. SUMNERS of Texas. Mr. Chairman, I ask unanimous consent to withdraw the amendment just offered.

The CHAIRMAN (Mr. DISNEY). Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Total, Board of Mediation, $152,135.

Mr. RAYBURN. Mr. Chairman, I move to strike out the last word and intend to take just a minute or two upon the specific appropriation for this board.

For years and years in this country we had railroad labor and railroad capital at each other's throats. Strikes here, strikes there, and strikes everywhere that were tying up commerce and shocking the whole economic system of the country. The railroad employees and the railroad managements came before the Committee on Interstate and Foreign Commerce and said that if we would repeal the labor provisions of the transportation act of 1920 and give them a law such as we now have and as is administered by the Board of Mediation, they could bring about peace in the railroad industry.

A great many of us were very doubtful about this, and on the floor of the House, after having voted to report the bill out of committee, I made the statement that I doubted whether they could bring about peace in this great industry; but since they had said they could that I, for one, accepted their challenge and was willing to vote for the passage of the bill and make it the law.

If there is a board in this Government that by its actions and by the results of its actions has justified its creation and its existence, it is the Mediation Board. Since it has been operating we have not had a serious shake-up between the railroad managements and the 2,000,000 men who work for them, and I trust that this board will be maintained and sustained by this Congress, not only as the Appropriations Committee has rather generously taken care of it in this bill but that it will in the future.

There has been some talk that this board has nothing to do and that, therefore, it should be abolished. Let me say that the board is very busy with minor disputes now, but the very reason it does not have before it any major disputes at this time is one of the very best arguments that could be made in defense of the legislation that brought the board into existence. I think there are some boards and some commissions in the Government that might very well be abolished, but certainly this is one that by its acts and by the peace in this great industry that it has brought about deserves the thanks and not the condemnation of the Congress of the United States and the American people.

Mr. SUMMERS of Washington. Mr. Chairman, I hesitate to take the time of the committee, but I do want to approve every word the gentleman from Texas [Mr. RAYBURN] has uttered.

I have followed the destinies of the Mediation Board as a member of this Appropriations Committee for several years. I confess I voted for the bill in the first place with some misgivings. I doubted whether they could accomplish real results, but I want to tell you that this is the miracle board in all of the Government activities. There is no other activity with which I am acquainted that has accomplished so much with such a small expenditure as the Board of Mediation.

I am sure that my good chairman spoke without the facts before him when he told us yesterday that the board did not have much to do at this time. The figures furnished me are that since last July 1, 271 new cases have come to the board. They have concluded 261 and there were pending on April 1, 307, about the largest number of unconcluded cases they have had at any time since the board has been in existence.

When the board prevents one railroad strike of importance they save the people, the commerce, and the working people of this country more in one day than the entire organization costs for 12 months.

I shall not take further time, but I ask the privilege of inserting a statement of their activities in the RECORD in the form of a letter from the chairman of the board.

The CHAIRMAN (Mr. SWANK). Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WHITE. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. WHITE. Did this board take part in the recent negotiations by which the railroad workers accepted a 10 per cent decrease in wages?

Mr. SUMMERS of Washington. No. That agreement was reached without calling on the board.

UNITED STATES BOARD OF MEDIATION,
Washington, April 7, 1932.

DEAR MR. REPRESENTATIVE: In reply to your request we are sending you a few of many important facts bearing on the work of our board as of this time. Details in support of the general figures embodied herein can be furnished very promptly, if desired.

The following is a statement showing summaries of cases received and handled as of the end of fiscal years indicated:

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
Received, all cases	272	123	102	334	263	271
Concluded, all cases	111	145	174	185	302	261
Open, all cases	161	139	67	216	207	[1] 307

[1] Apr. 1, 1932.

You will observe from this that since June 30, 1930, as up to April 1, 1932, the cases open and to receive the attention of our board have increased from 216 to 307 net, even though in the

intermediate year ending June 30, 1931, we had concluded 302 cases and up to April 1, 1932, we had concluded 261 cases. Nevertheless the cases are increasing.

Our board, by virtue of the provisions of the railway labor act, under which we operate, not only has to give attention to what would be commonly known by the initiated as cases of great and urgent importance, but it also has to take care of so-called grievance cases, which mean as much in their way to the railroad labor industry and to the persons engaged therein and to the carriers as do cases of any other kind, even though such grievance cases may not involve as much in each case as cases which bear directly upon wages, etc.

Out of a grievance case may come an unhappy interruption of commerce through the processes of railway industry quite as well as from a direct question involving wages, etc. Because of these grievance cases the work of our board at this date is greater in point of cases to be handled than it has been at any one time in its history.

It is rather difficult to explain in a brief space the ramifications of the cases which come before us and to which we must give attention in accordance with law. As I remember it, you made some reference to the average wage of our staff outside the amount paid to board members as fixed by law. We have but few clerical and other routine low-salaried positions.

On the contrary, we have high-grade experienced persons who act as heads of our departments and whose presence is necessary just as much as it would be if we had many hundreds on our staff. Because of the classification and ability of most of these people, we have had to pay salaries higher than would average out in a department where numerically the lower-paid persons would predominate.

As a summary of results of the administration of the railway labor act the following may be interesting:

During the life of the board (5¾ years approximately) there has been no railroad strike which has interrupted interstate commerce in any respect. Under normal conditions there are about 1,700,000 railroad employees in the various classifications.

So far as we can remember there has never been a complaint as such registered with us nor a criticism other than in the form of comment made by anybody in respect of the administration of the law, nor has there been, so far as we know, any proposal of change in the law by the Congress in the form of bills or otherwise.

The work in its nature is oftentimes that of the character of emergency and such cases have invariably been promptly and satisfactorily concluded. Arbitrations and emergency board work, which are outside of the duties of the Board of Mediation, have been accomplished with gratifying success. The Board of Mediation has as much to do in the consideration of cases prior to their going to arbitration or before an emergency board as in cases which the board itself has been able to bring about voluntary adjustments between employees and employers.

Very truly yours,

SAMUEL E. WINSLOW,
Chairman Board of Mediation.

The Hon. JOHN W. SUMMERS,
House of Representatives, Washington, D. C.

Mr. LANKFORD of Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. LANKFORD of Virginia. Would it be open to me at this time to offer the same amendment that was offered by the gentleman from Texas [Mr. SUMNERS], to reduce the salary from $12,000 to $10,000? This is the end of the paragraph, and it seems to me that this is the proper time to offer it.

The CHAIRMAN. We have passed that paragraph, and it is too late.

Mr. ARENTZ. A parliamentary inquiry, Mr. Chairman. Is it not necessary for the Chairman to put the question when a Member asks permission to withdraw his amendment?

The CHAIRMAN. The amendment of the gentleman from Texas was withdrawn by unanimous consent. The Chair put the question. The Clerk will read.

The Clerk read as follows:

For chief of bureau and other personal services in the District of Columbia; contract stenographic reporting services; contingent expenses, including traveling expenses; supplies, stationery; purchase and exchange of equipment; not to exceed $100 for law books, books of reference, newspapers, and periodicals; and not to exceed $150 for street-car fare; in all, $199,440, of which amount not to exceed $193,720 may be expended for personal services in the District of Columbia.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to compliment not only the distinguished committee for the great economy that has been achieved in this Bureau of Efficiency but also the Bureau of Efficiency in recommending a 5-cent cut from a $200,000 appropriation—as the Woolworth bargain stores do with leaders. Last year this bill carried an appropriation of $200,270. And now, the great Herbert Brown, head of this unique bureau, has recommended that there be cut from that appropriation of last year $330, which the committee has agreed to. You notice that it just comes under the wire of $200,000, so that the total is $199,940, certainly a bargain-day proposition. [Laughter.]

I was taught in my early days that a $10 contribution looked far more than twice $5, and $20 was too measly, and you had better give 25 if you were going beyond 15.

I think the Bureau of Efficiency deserves commendation in these hard times for this great cut of $300, so that the appropriation does not look so large—$199,940. [Laughter.]

Mr. BOYLAN. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BOYLAN. It would not be a bureau of efficiency if it were not efficient. It shows great efficiency in keeping it exactly within bounds.

Mr. STAFFORD. Just under the wire. [Laughter.] I believe this is one of the bureaus that is being considered very seriously for being eliminated from the Government service.

Since its organization, way back when the present head of the bureau was willing to perform the duties for $4,500 a year, backed by his own commission, his salary was increased to $6,000 without the approval of the Committee on Appropriations. Since that time the appropriations have been increased, until to-day we have the stupendous amount of a few dollars less than $200,000.

This Bureau of Efficiency, it was understood, was constituted to save money to the Government. I say that it has cost the Government millions in increasing salaries of department clerks.

Back 18 years ago, we appropriated under the executive, legislative, and judicial appropriation bill salaries for every department clerk in the Government, in classes 1, 2, 3, and 4, $1,200, $1,600, and $1,800, and upon the suggestion of this great Herbert Brown, instead of appropriating by classes, we started appropriating by a lump-sum appropriation for department clerks and leave it to him, under the Classification Bureau, by his fine legerdemain, to determine the salaries.

When I put the question some weeks ago, when the last appropriation bill was under consideration, as to how much the average salary of these department clerks in Washington has been increased under the reform Brown plan, no member of the committee could furnish that information. They could give only the average salary. More than $2,000 is the average salary paid to the department clerk. This Bureau of Efficiency is no such bureau as the term implies. It is a bureau of deficiency. The chairman is perennially running around looking for jobs so that he can keep employed.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SIMMONS. The gentleman will admit that they have been very efficient in protecting their own appropriations.

Mr. STAFFORD. Except to the extent of $330. They have not been efficient to that extent. Mr. Chairman, I move to strike out the entire paragraph.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 9, beginning in line 7 and ending in line 16, strike out the entire paragraph.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin. The gentleman from Wisconsin [Mr. STAFFORD] is a student of our Government machinery and its various establishments. I wonder if he stopped to consider that a government of several thousand employees could not possibly function without some office for coordination, for checking up, for the avoidance of duplication and standardization of

work as well as salaries. Before we had the Bureau of Efficiency and the Classification Board, we had various appropriation bills, and at that time the older Members will remember each legislative committee brought in its own appropriation bill. We then had not only duplication of effort and work, but we found absolute disparity of places and salaries, and of duties.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BYRNS. I would like to have had a little time myself, but I happened to come into the Chamber after the time for debate was fixed. Is not this the only agency that Congress has the right to call on for independent information when it wishes?

Mr. LaGUARDIA. This and the General Accounting Office. Does the gentleman from Tennessee want my time? I should be very glad to yield it to him.

Mr. BYRNS. No. I think the gentleman can make a better speech than I can.

Mr. LaGUARDIA. The gentleman from Wisconsin ridicules a small reduction in the appropriation. The Bureau of Efficiency is now furnishing the Committee on Appropriations and the Committee on Economy with data, statistics, and information that they require. I submit that there is not a factory or a shop in the country employing a large number of people but has some one to look after coordination and efficiency methods in the factory. Our Government is the greatest establishment in the whole world, and the gentleman from Wisconsin, a student of our budgetary affairs, attempts to ridicule this one branch of the service, which the gentleman from Tennessee [Mr. BYRNS] who has forgotten more about budgetary requirements than I will ever know, stands up and affirms the necessity for this bureau. I am sure of my stand with such authoritative support. I submit that if this House is serious in coordinating offices and systematizing departmental work at this time, and maintaining some degree of efficiency and order among the departments, we should not disturb this appropriation.

Prior to the fiscal year 1910 no establishment of the Federal Government was charged with the duty of studying the methods of business in the various Government establishments with a view to effecting improvements. Notwithstanding the fact that in many cases substantially the same problems confronted the different establishments, each was left to develop its own methods of handling the work. The methods in vogue were usually adopted at the suggestion of the person in immediate charge of the work. In a few cases officials of an establishment were assigned to serve as a special board for that purpose. They were required to carry on their own administrative duties while studying business methods and the adaptability of new and improved office machinery and equipment to the problems assigned to them.

Obviously, under this plan, different branches of the Government adopted decidedly different methods to meet substantially similar problems. These unsatisfactory results were attributable largely, if not almost entirely, to the absence of an organization that could devote its entire time and energy to the development of the best and most economical methods.

In 1910 the Commission on Economy and Efficiency was created by President Taft to operate as an independent establishment under his direction. The purpose of this commission was to inquire into the methods of transacting the public business with a view to inaugurating new or changing old methods to obtain greater economy and efficiency. This commission continued until the close of the fiscal year 1913, when Congress failed to grant an appropriation for the fiscal year 1914. It followed the policy of making general surveys of all the executive establishments and the substance of its printed reports related, for the most part, to discussions of general principles. As this plan did not concentrate upon accomplishments, Congress could not be persuaded to continue the expense.

However, many of the leaders in Congress who had long legislative experience and were thoroughly familiar with the variety and magnitude of the matters administered by the various establishments of the executive branch, believed that the proper way to effect improvements was through an organization that would specialize in this work with a view to presenting constructive recommendations of such a practical nature that their final adoption by the various administrative heads would follow as a matter of course.

To test the practicability of this plan Congress, in 1913, created the division of efficiency of the Civil Service Commission. From the beginning the work done by the division of efficiency fulfilled the expectations of the leaders of Congress, and, measured in the terms of the saving to the Government resulting from its work, the division more than justified its cost.

The only defect in the original plan was demonstrated quickly during the first few years. The members of the Civil Service Commission were not themselves qualified in the specialized field of the work of the division. The commission devoted nearly all of its time and attention to what it conceived to be its paramount duty, namely, the enforcement of the civil service act and rules. The division was thus handicapped in planning its work and the policies of the commission made it difficult to draft and present its reports to advantage.

This defect was remedied by the act of February 28, 1916, which made the division of efficiency an independent establishment, to be known as the Bureau of Efficiency.

One of the first assignments of the division of efficiency was the duty of establishing a system of efficiency ratings for the classified service in the District of Columbia, in accordance with the provisions of the act of August 23, 1912. This law required that such a uniform system should become effective only with the approval of the President.

From 1914 to 1920 the problems preceding and incident to our participation in the World War were of such great importance that the bureau's efforts to interest the various establishments in a standard efficiency rating system were unsuccessful. The President's approval of a standard system obviously could not be obtained unless the administrative establishments first considered the system and expressed their views. Also the great expansion of the Government activities during the latter part of this period brought so many demands upon the staff of the bureau, both from Congress and the heads of the establishments whose work was essential to the successful prosecution of the war, that it was necessary for the bureau to abandon temporarily its efforts to obtain the approval of a standard efficiency rating system. However, the President's approval of a standard system was given by Executive Order 3567 of October 24, 1921.

Since the installation of this system the bureau's duty in the matter has been to assist the various establishments in the District of Columbia in following the prescribed procedure and in considering the need for improvements. Under the classification act of 1923 any improvements or modifications in the system must be approved by the Personnel Classification Board before they become effective.

I will not bore the House with figures at this time, but I will say that I have figures showing that in 1929 this bureau caused a saving of over $600,000 in the various departments beside a saving of $1,719,160 in the Bureau of Engraving. In 1930, the savings to the Government as a direct result of this bureau amounted to over $599,000. These savings are all in addition to constructive recommendations made for greater efficiency after careful, thorough, and scientific investigation and study. Gentlemen, this is one place where Congress dare not economize. Economy here means waste elsewhere. We must vote down the amendment. [Applause.]

Mr. WOODRUM. Mr. Chairman, in reply to the criticism of the gentleman from Wisconsin [Mr. STAFFORD] the subcommittee had contemplated a rather substantial cut in the appropriation for the Bureau of Efficiency, but during our deliberations the Economy Committee of the House was constituted, and not only was the Bureau of Efficiency being called on for information and reports and studies

and investigations by that committee but by the various individual Members of the House and the Senate. I can not subscribe to the gentleman's criticism of the Bureau of Efficiency. I do not always agree with the conclusions or methods of that bureau, but I do believe it is a bureau which can be called on for reliable information by the Congress. I call attention to the fact that in the hearings on pages 78, 79, 80, and 81 will be found a statement furnished to the Committee on Appropriations by the Bureau of the Budget in compliance with the law. The law requires the Bureau of Efficiency to certify to the Budget each year the recommendations for economy that it has made to the several departments, and further that the Bureau of the Budget shall certify to the Committee on Appropriations what budgetary reductions they have made because of those studies and suggestions of the Bureau of Efficiency. You will find when you study this report that the Bureau of the Budget has made to the Committee on Appropriations, setting out reductions they have made because of the studies of this bureau, that they run to some $457,897.50 in direct savings, which you can put your finger on and attribute to this bureau, aside from all of the other information and studies they have furnished to the Congress.

Mr. SUMMERS of Washington. Mr. Chairman, if the gentleman will turn to page 83 he will find the grand total of $744,795.46 that the Budget says was saved directly as the result of the Bureau of Efficiency in one year.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BYRNS. Of course, as the gentleman knows, the committee has recommended and the House has adopted a provision in these appropriation bills cutting out these automobiles of which we heard this morning. It is impossible for the Committee on Appropriations to consider the question of eliminating more automobiles in the field, and the Bureau of Efficiency has been given authority to make an investigation and report to the committee next December. If there were not an agency of this sort, where would Congress go in order to get that necessary information in an independent way?

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 18, noes 55.

So the amendment was rejected.

Mr. STAFFORD. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Wisconsin rise?

Mr. STAFFORD. To offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Page 9, line 14, strike out "$199,440" and insert "$99,440," and in line 15 strike out "$193,720" and insert "$93,720."

The CHAIRMAN. The question is on the amendment offered by Mr. STAFFORD.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 34, noes 41.

So the amendment was rejected.

The Clerk read as follows:

CIVIL SERVICE COMMISSION

Salaries: For three commissioners and other personal services in the District of Columbia, $772,080.

Mr. BURTNESS. Mr. Chairman, I move to strike out the last word.

I take this occasion to ascertain, if I may, the sentiment of the committee and the House with reference to the elimination, if I understand the committee's report correctly, of the small sum of $7,200, which would prohibit holding in the future the civil-service examinations or tests to assist Members of Congress to determine the fitness of candidates for midshipmen to the Naval Academy and for cadets to the Military Academy.

I do not know what the membership generally does with reference to their appointments, but I do know my own experience; and I did not know until to-day that those examinations have ever cost the Government anything, for those who have availed ourselves of the privilege have paid for the printing of the papers; but apparently there is some additional expense in personnel.

Here is the way I look at it: It costs something like $12,000 or $14,000 to educate one of the midshipmen or one of the cadets. In the first place, it is of the greatest importance that we obtain the best material. When I first came to Congress and had an appointment to make, I relied upon the recommendations made to me by some educators and the friends of a certain young man who I thought, from reading the recommendations, would simply go over to the academy and be the world's greatest wonder. He soon proved the recommendations could not be relied on, failed in his work, was not a good student, and soon he was eliminated. Of course, I later appointed some one else, but the Government lost what it had invested in the first appointee.

Because of that experience I adopted the method of using these tests, and I have since had wonderful success. In that way I find which one of the applicants is best fitted to take up the very difficult educational work that is being done at these two academies. We all realize that unless a boy goes there with more than average ability, particularly along mathematical lines, he is not going to be able to keep up with the work.

As I estimate it, there are about 850 vacancies to be filled each year at the two academies. Even if it cost the Government $7,200 to maintain these examinations, that would mean an average of less than $9 additional for each vacancy that is filled. Of course, a great many more boys than that take the examinations, but surely the additional cost of some $8 or $9 for the education of one of these young men means little or nothing. In fact, if you save one year for one boy you will much more than save the amount that is involved in this particular appropriation.

I do not like to offer an amendment. I am one of those voting pretty regularly for economy measures. I am voting to cut down every appropriation where I see it is reasonably possible to do so. But I want to test the sentiment of the House and see whether it really does not want to continue such tests, so as to assure us and those who will come after us of this facility in making these important appointments. By doing so I feel we will be having the best interest of the military and naval defense of the United States in mind, for, of course, it is of the utmost importance that the very best material that can be obtained in our districts be selected. I for one do not know of any way in which I can determine who are best fitted for these appointments as well as through these competitive examinations.

Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: Page 9, line 22, after the word "Columbia," strike out "$772,080" and insert in lieu thereof "$779,280."

Mr. WOODRUM. Mr. Chairman, I make a point of order against the amendment. I will say to the gentleman that there is no authority in law for the Civil Service Commission to do this work. There is no authorization for it at all. It is legislation on an appropriation bill.

Mr. BURTNESS. If the Chair has any doubt about it, I desire to be heard on the point of order.

The CHAIRMAN (Mr. SWANK). The point of order is overruled.

Mr. WOODRUM. Mr. Chairman, I desire to be heard on the amendment. The gentleman will know, if he has examined the hearings and the report, that this deduction was not made by the Appropriations Committee but was made by the Bureau of the Budget. I will say I am quite in sympathy with the gentleman's position. I wish we could have

the benefit of these examinations. I have used them myself, and I think they furnish splendid facilities for Members of Congress in making these appointments. These examinations are held under an Executive order entered in 1907, providing as follows:

Upon the request of any Member of Congress, the United States Civil Service Commission shall aid in testing the qualifications of applicants for designation for appointment in the United States Military or Naval Academies, so far as this may be done without thereby adding to the expenses of the commission.

The commission said that the practice had become so universal among Members of Congress that it had gotten to a point where it reached the amount of $7,200, and, therefore, they felt that they could not longer continue to pay for the cost of those examinations out of their own funds. So it was a deduction made by the Bureau of the Budget and not a deduction made by the committee.

Mr. STAFFORD. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. STAFFORD. In the State of Wisconsin we have a State civil service commission, and, upon the request of Members of Congress, they are willing to examine candidates for the Military and Naval Academies. I would like to know whether in the Dakotas they have a similar agency to determine the qualifications of respective candidates.

Mr. BURTNESS. If the gentleman will permit, I will suggest that there is only one State as progressive as the State of Wisconsin, which has all of these new-fangled ideas. I regret to say we have no such facilities in my State, and I do not know that any other State has.

Mr. SNELL. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SNELL. Do I understand that we can not have those examinations held by paying for them as we have in the past?

Mr. WOODRUM. That is my understanding, that the commission is discontinuing the practice of holding these examinations.

Mr. SNELL. I have always conducted my examinations through the commission and have paid from $5, $6, to $7 for each one, and, as I understand, from this on we can not even do that.

Mr. WOODRUM. That is my understanding of it.

Mr. BURTNESS. If the gentleman will yield, as I understand it, that has been to cover the cost of the printing of the examination and the incidental expense involved. The commission takes the position that they have had to have some extra help, and for that reason the matter comes up in this way; but, of course, unless some item is included in the bill this method of testing the qualifications of applicants will be entirely eliminated and we will simply have to fall back, individually, upon political influences or upon other influences that affect us individually.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SUMNERS of Texas. I want to ask the gentleman from Virginia, who is a member of the Appropriations Committee, if there is not some way that this very valuable service can be saved? I used to appoint otherwise, and frequently my appointees would "bust out," as they call it; but since the commission has been conducting these examinations not a man has had to come back. Is there no way to continue this service?

Mr. WOODRUM. There is no way I know of unless the Congress provides funds for it, and I may call the attention of the gentleman to the fact that there are not very bright prospects that we are going to have very many appointments to either one of these institutions in the next year or two.

Mr. BARTON. If the gentleman will permit, I have an examination which is to take place on the 20th of this month. So it has not been altogether abolished.

Mr. WOODRUM. It will be after this fiscal year, of course.

Mr. STAFFORD. The gentleman refers to the regular examination.

The Clerk again reported the Burtness amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 46, noes 52.

So the amendment was rejected.

The Clerk read as follows:

For examination of presidential postmasters, including travel, stationery, contingent expenses, additional examiners, and investigators, and other necessary expenses of examinations, $39,370, of which amount not to exceed $34,420 may be expended for personal services in the District of Columbia.

Mr. SMITH of Idaho. Mr. Chairman, I move to strike out lines 15 to 19, on page 10, and pending that, make the point of order that the expenditure is not authorized by law.

The CHAIRMAN. The Chair will hear the gentleman on his point of order.

Mr. SMITH of Idaho. Mr. Chairman, there is no law providing for the examination by the Civil Service Commission of aspirants for the position of presidential postmasters. This appropriation is based on an Executive order issued about 10 years ago and the practice results in many applicants and a great deal of confusion when a vacancy occurs in a postmastership, especially at this time when there is so much unemployment. In one place in my district where an examination was held two weeks ago there were 13 competing for the position, and it stirred up much ill feeling and contention among the people of the community and served no good purpose.

Mr. BANKHEAD. Was it nonpartisan competition?

Mr. SMITH of Idaho. Yes.

Mr. WOODRUM. Mr. Chairman, I have no objection to the amendment.

Mr. BANKHEAD. Mr. Chairman, the point of order is made and the burden is on the committee to show authorization for the item in the bill, and if they are not able to do that, it seems to me the point of order is well taken.

Mr. WOODRUM. Mr. Chairman, these examinations are held by virtue of an Executive order, and the gentleman is correct, so far as my information goes.

The CHAIRMAN. The Chair is ready to rule.

On January 21, 1922, when the independent offices appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, the same question was raised, and the Chairman of the committee at that time, the gentleman from Iowa, Mr. Towner, held that the appropriation was authorized by law. That decision may be found in Cannon's Precedents, section 8297.

The Chair, therefore, overrules the point of order.

Mr. STAFFORD. Mr. Chairman, may I inquire whether there was any citation to the law in that decision of the learned gentleman from Iowa who was afterwards Governor of Porto Rico?

Mr. SMITH of Idaho. Mr. Chairman, I offer an amendment to strike out lines 15 to 19, inclusive, on page 10.

Mr. BANKHEAD. Mr. Chairman, before that is done, may I suggest that the Chair has already made his ruling on the point of order, but the gentleman from Wisconsin [Mr. STAFFORD] made the inquiry whether or not the law authorizing this was cited in the decision of the gentleman from Iowa in 1922, and I think it is proper to have that answered, if the Chair feels so inclined.

The CHAIRMAN. Yes; in that decision the law was cited.

Mr. BANKHEAD. Is it cited in the opinion to which the Chair is now referring?

The CHAIRMAN. Yes.

Mr. STAFFORD. May we have the benefit of that citation, Mr. Chairman?

The CHAIRMAN. Without objection, the Clerk will read the citation.

The Clerk read as follows:

The provision referred to as existing law is in the book known as Barnes Federal Code, page 621, and is a part of section 2859:

"It shall be the duty of said commissioners, first, to aid the President, as he may request, in preparing suitable rules for carrying this act into effect, and when said rules shall have been promulgated it shall be the duty of all officers of the United States in the departments and offices to which any such rules may relate to aid in all proper ways in carrying said rules and any modification thereof into effect."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Idaho.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 10, lines 15 to 19, strike out the paragraph.

The question was taken; and on a division (demanded by Mr. SMITH of Idaho) there were—ayes 61, noes 26.

So the amendment was agreed to.

The Clerk read as follows:

For contingent and miscellaneous expenses of the Civil Service Commission, including furniture and other equipment and repairs thereto; supplies; advertising; telegraph, telephone, and laundry service; freight and express charges; street-car fares not to exceed $300; stationery; purchase and exchange of law books, books of reference, directories, subscriptions to newspapers and periodicals, not to exceed $1,000; charts; purchase, exchange, maintenance, and repair of motor trucks, motor cycles, and bicycles; garage rent; postage stamps to prepay postage on matter addressed to Postal Union countries; special-delivery stamps; and other like miscellaneous necessary expenses not hereinbefore provided for, $35,000.

Mr. GOSS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 11, line 15, strike out "$35,000" and insert "$42,700."

Mr. GOSS. Mr. Chairman and members of the committee, a few moments ago, under another title in this bill, allowing for services in the District of Columbia, an amendment was voted down to include the civil-service examination for applicants to West Point and Annapolis. If this amendment I have offered is adopted it will carry that provision.

I want to state to the committee in a few words, as a member of the Military Affairs Committee and the Board of Visitors to the Military Academy, that I have found this a most valuable service in trying to select good candidates for our academy. Personally, I do not confine the selection of candidates to the civil-service examination alone. I have them take a mental examination, and that I count 60 out of the 100. I have them take a regular physical examination, and an aeronautic physical examination, because I find so many boys at Annapolis and West Point interested in aviation, and many are excluded because they are not found fit for that service.

Then I have a board of five Army officers pass on the rest of the qualifications, which I count another 20 per cent.

If my amendment is not adopted, it is not possible to use the mental examination. I want to call the attention of the committee that any Member can go to a military post in his district and have some examination, such as a physical examination, an examination by a board of officers, to help him select the future officers of the Army and Navy, but there will be no way left to get at the mental conditions of the applicant.

Mr. BLACK. I know that the gentleman has investigated the matter fully. Can he tell us how many Members of the House have taken advantage of this service?

Mr. GOSS. I can not tell the gentleman from New York how many use this service.

Mr. WOODRUM. It has been stated that under the law they have not the authority to make these examinations.

Mr. GOSS. They are operating under an Executive order. Now, it costs the Federal Government from twelve to fifteen thousand dollars a year to educate these boys at Annapolis and the same amount to educate them at West Point. It is a 4-year course, and it seems to me that $7,200 is little enough to help select the candidates for the physical and mental condition of boys who will take up this burden.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. GOSS. I yield.

Mr. McCLINTIC of Oklahoma. It has been stated here that probably there would not be many candidates for these institutions selected for the next two years. I take it that the gentleman meant that the number of officers is limited by law.

Mr. GOSS. That is all right; if we do not use the appropriation, it remains in the Treasury.

Mr. BURTNESS. If there are fewer officers, then it is of greater importance that they be of the right stuff to be a credit to the service.

Mr. GOSS. Absolutely; the gentleman is correct.

Mr. STEWART. Would not the gentleman like to correct his statement that it cost $14,000 a year?

Mr. GOSS. Yes. I thank the gentleman for his observation.

Mr. STAFFORD. Oh, that is altogether out of proportion.

Mr. GOSS. It is $14,000 each or thereabouts for four years. I make that correction.

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. BYRNS. For the first time since I have been in Congress I took advantage of the opportunity of asking the Civil Service Commission to hold an examination for about 25 applicants for West Point. They sent me a bill for that service and I had to pay it. I do not understand why it is necessary to make an appropriation here. I understand they assess Members of Congress for the expenses involved.

Mr. GOSS. That is to cover the cost of the printing of the examination.

Mr. BYRNS. Why do we need an appropriation if Members pay for the printing?

Mr. BURTNESS. They need more help in order to conduct the examinations.

Mr. STAFFORD. Mr. Chairman, the chairman of the subcommittee states positively, regardless of whether you increase the appropriation or not, that it can not be used, because the Comptroller General has said that it is not authorized by law. Years back, when I selected my candidates based on efficiency tests, I selected my own board. I selected the head of the high schools to determine their qualifications. What prevents the gentleman from Connecticut [Mr. Goss] and the gentleman from South Dakota [Mr. BURTNESS] from selecting some high-grade men and having them determine the mental fitness on examinations prepared by them? It will inspire more confidence locally, and you can readily find eminent educators in the respective districts who are willing to undertake this work. At least when I followed that method I had no difficulty. I surrendered the entire determination to this board of three educators, and they made the selection.

Mr. BURTNESS. I will answer the gentleman's question if he will permit.

Mr. STAFFORD. There are two objections that militate against the amendment. One is that it is useless, because no law authorizes the work. It may be an accommodation to the gentleman from South Dakota [Mr. BURTNESS], who represents a large expanse of territory very thinly settled; but in the other districts I can not see any objection to having this eliminated and having the members themselves select their own board to determine the mental qualification of candidates. As far as physical qualifications are concerned, I rely upon my own estimates of the men. I have them down to my office and determine whether they have the fighting qualities to make them worthy of appointment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. Goss) there were—ayes 23, noes 51.

So the amendment was rejected.

Mr. SNELL. Mr. Chairman, I move to strike out the last two words to ask the chairman of the committee a question or two. We struck out, on page 10, lines 15 to 19, inclusive, without very much consideration in my judgment. In what situation does that leave us? As I understand, you can not appoint a postmaster for presidential appointment except from an eligible list. Is not that the law at the present time?

Mr. WOODRUM. I do not understand that it is necessary to have the civil-service examination for presidential

appointment of postmasters. I understand with reference to the appointment of postmasters that it is the same kind of service rendered to the President as that rendered to Members of Congress about which we have just been talking. I do not think it is necessary.

Mr. SNELL. It is not necessary to have any civil-service examination?

Mr. WOODRUM. No.

Mr. SNELL. That is satisfactory to me. What I wanted to find out was if it is so.

Mr. BURTNESS. There is an Executive order requiring such examination except on reappointment.

Mr. SNELL. If there is an Executive order, how are you going to carry it out if you take away the appropriation?

Mr. STAFFORD. The gentleman will remember years back when the fourth-class postmasterships were regarded as spoils.

Mr. SNELL. Yes.

Mr. STAFFORD. Then by Executive order President Roosevelt brought the fourth-class postmasters under the civil service. Unless we have examinations, of course, the law can not be carried out.

Mr. SNELL. That is what I am trying to find out. Then we can make appointments wherever we want to? That is satisfactory to me.

The Clerk read as follows:

For all printing and binding for the Civil Service Commission, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, $54,000.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 11, after the figures "54,000," in line 19, insert a new paragraph, as follows:

"No part of this appropriation shall be available unless the Civil Service Commission shall enforce the law of apportioning the positions in the District of Columbia to the several States as by law required."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. McKEOWN. Mr. Chairman, for over 12 years we have been trying to get a distribution of the positions in Washington to the people of our several States. Every time we ask for this distribution we always are met by the Civil Service Commission saying, "We can't do it; we can't do it. We are trying to do the best we can."

You can have a civil-service examination for a position in Washington; you can have your constituent make application from Kentucky, Ohio, Oklahoma, or farther out West, but he never gets a look-in; he can not get it; he has never a chance; the position is filled from States that already have more than four or five times their quota in this city. This Capital is honeycombed with people from near-by States, and the man from Oklahoma, or farther-distant points, has not a chance.

When we had good times and plenty of prosperity there was not such an urge for positions in Washington; the fellows had plenty of jobs out home; they were willing to let it go along. But in these days when times have gotten tight the fellows out in Oklahoma are willing to come to Washington and serve their Government and their country for the salaries that are paid in these civil-service positions, but they can not get a single opportunity, not one, because every time there is a vacancy the man farthest away from Washington is let out, notwithstanding the fact that each State is entitled to its proportionate part of the positions under civil service.

If we put this amendment into this bill, those of us who have been neglected in the past will begin to get a chance.

Mr. SPARKS. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. SPARKS. I am very glad the gentleman has offered this amendment, for the reason that I think it would be only fair and just that each State in this Union have its fair and just proportion of employees in the Federal Government.

Mr. MONTAGUE. Will the gentleman permit a question?

Mr. McKEOWN. Yes.

Mr. MONTAGUE. Would you add an additional amendment to the effect that when each State has its proportionate number they shall not be permitted thereafter to reside in the District of Columbia and be credited to that State?

Mr. McKEOWN. I would be very glad to do so.

Mr. MONTAGUE. If the gentleman will proceed farther into the matter he will find that the bulk of these offices that are credited to Maryland, the District of Columbia, and Virginia are from other States.

Mr. McKEOWN. The District of Columbia has a quota of 164 positions and they have about 12,000 more than the quota, as matters stand now.

Mr. SMITH of Idaho. I do not think the amendment the gentleman offers will accomplish what he desires. I think there is no doubt but that the law of apportionment is observed when appointments are made, but I think the records will disclose that when discharges are made the employees from States farthest away from Washington are discriminated against and preference given to employees in the District of Columbia and the States surrounding Washington.

Mr. McKEOWN. That may be true, but they are not enforcing the law. The great difficulty is that while they may be trying to enforce the letter of the law they are not enforcing the spirit of the law.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. FULBRIGHT. Is it not a fact that last year many people appointed from the District of Columbia gave their residences in various States before they took the examinations, and came in representing that State?

Mr. McKEOWN. That certainly is the situation. Some state they came from Oklahoma when they had never been there longer than to arrive on one train and leave on the next; yet they claim to be from Oklahoma, and they could not even tell the name of a single citizen who lived in the town they claimed to come from. They claim to be from the district of my colleague [Mr. HASTINGS], from Muskogee, and yet they could not tell which side of the railroad the hotel was on. [Laughter and applause.]

Mr. WOODRUM. I make a point of order against the amendment offered by the gentleman from Oklahoma.

The CHAIRMAN. Does the gentleman from Oklahoma wish to be heard.

Mr. McKEOWN. Yes. This is clearly within the Holman rule, clearly within the rule.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I make the point of order that the point of order made by the gentleman from Virginia comes too late.

Mr. WOODRUM. The gentleman from Wisconsin [Mr. STAFFORD] reserved a point of order.

The CHAIRMAN. The Chair will state that the gentleman from Wisconsin reserved a point of order.

Mr. BANKHEAD. And the chairman of the subcommittee has made the point of order.

Mr. McKEOWN. Mr. Chairman, this is a limitation on this commission to carry out the law and the will of Congress. It is nothing but a limitation requiring them to carry out the law. I am not writing some new law.

Mr. DYER. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. DYER. Is not that the law now?

Mr. McKEOWN. It is, but they will not carry it out.

Mr. BURTNESS. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BURTNESS. In other words, if I understand the gentleman's amendment correctly, it is purely a limitation

on this appropriation and that limitation does not in any way consist of new legislation?

Mr. McKEOWN. Not at all.

Mr. BURTNESS. But it is simply a mandate that legislation now on the statute books be carried out?

Mr. McKEOWN. Absolutely.

Mr. BURTNESS. Therefore it is the gentleman's contention that the amendment comes within the Holman rule?

Mr. McKEOWN. That is it.

Mr. MONTAGUE. If the gentleman will permit, the gentleman states this is a limitation upon the appropriation. Wherein is it a limitation upon the appropriation? Under the Holman rule it must be a limitation on the appropriation; in other words, a limitation upon the expenditure. This does not affect a cent of expenditure.

Mr. McKEOWN. I submit to the Chair that this amendment is in order. It is a limitation as to the use of this money unless they comply with the law.

Mr. WOODRUM. Mr. Chairman, if this amendment is in order, it would be in order to put an amendment on the judiciary appropriation bill providing that no Federal judge should draw his salary unless he enforced the law. It would also be in order to put an amendment on the bill providing the presidential salary proposing that the President should not draw his salary unless he enforced the prohibition law. It would also be in order to put an amendment on any appropriation carrying a salary. As my colleague from Virginia has very pertinently and appropriately pointed out, this amendment in no way affects the amount of money involved, but it seeks to compel the exercise of a function by the commission affected by saying that the commission shall have none of this money unless it does a certain thing. Clearly, Mr. Chairman, it does not come within the provisions of the Holman rule, which authorizes a limitation on an appropriation.

The CHAIRMAN. The Chair is ready to rule. The amendment of the gentleman from Oklahoma provides that no part of the appropriation provided in this paragraph shall be used unless the Civil Service Commission enforces the law in certain particulars. The Chair is of the opinion that the clause beginning with the word "unless" amounts to an affirmative declaration of law. The Chair does not think this amendment comes within the rule, and, therefore, the Chair sustains the point of order.

Mr. SMITH of Idaho. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Idaho offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Idaho: Page 11, line 19, after the sum "$54,000," insert the following:

"*Provided*, That no part of this appropriation shall be expended for issuing circulars to postmasters, warning against being concerned in politics, or wearing insignia of party."

Mr. SMITH of Idaho. Mr. Chairman, there has grown up in the Civil Service Commission a custom, which has been followed for the last 10 years, to send, a few months before election, circulars to be posted in the post offices and other Federal offices, not on the inside but in the corridors, warning the employees they must not be concerned with politics. The circulars contain at the top, generally in red letters, in bold type, the word "Warning." Those visiting these offices get the impression that some crime has been committed and that the authorities are trying to apprehend the violators of the law, when, as a matter of fact, on perusing the circular it is found that it is simply a warning notice to everybody connected with the Government service that they must not in any way indicate their party preference, on or off duty, by badge or button or other insignia, to take part in political discussions. In other words, the Civil Service Commission is attempting to make political nonentities of every man and woman who is employed in the Government service. I have visited many of the post offices in my State and have seen this circular posted in the corridors and heard people making inquiries as to what it really means, and why it is necessary to spend public funds to print and distribute such nonsensical and un-American instructions to patriotic and loyal citizens who are in Government employment.

Under our form of government every person is entitled to all the rights of citizenship and should be encouraged to participate in governmental affairs and to belong to and support that party which best represents his views and principles. This privilege should not be denied him because he is a Government employee.

If this amendment is adopted, the tongues of the employees in the classified service will be unloosed and they will be enabled to walk the streets as independent American citizens instead of as cringing Government slaves and without being branded as persons who have been denied the privilege of actively expressing their pride in their country and their belief in the principles of their party.

There is no more justification for distributing this warning circular than for a judge or prosecuting officer to be warning the people against violations of the law.

The members of the Cabinet and heads of bureaus are active in the campaigns in urging the voters to support one or the other of the political parties because they believe in the principles and policies of their party; but if the classified employees should undertake to do so, they are threatened with dismissal. Why should it be dishonorable or criminal for them to express their opinion concerning their Government's policies in a great political campaign? What has occurred to justify a great bureau of the Government to point the finger of suspicion at such a worthy class of people as the Government employees?

As an indication of how the employees feel in regard to this matter I submit a letter addressed to me when this subject was under consideration during the last presidential campaign. Similar to many I have received, it will be observed that the writer was apparently afraid to sign his name:

EL PASO, TEX., *November 29, 1928.*

Hon. ADDISON T. SMITH,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: As per inclosed clipping from the El Paso Herald, I am glad you have made a demand for the removal of the political gag affecting 100,000 classified civil-service employees of the Federal Government, who are denied the privilege that every free American citizen enjoys. I believe in free speech and free press as long as it is used legitimately, and our American Constitution is based and built up on that great principle.

As the ruling of the Civil Service Commission now stands, if one hears a political friend being abused and slandered, he can not refute the argument or correct a mistake or error, whether it be benign or malicious, without violating civil-service rules or take a chance of losing his position, being thrown out of the service, with no hope of return. The principle is not American and is not in accord with our American ideals but is drifting fast toward imperialism.

I trust you will keep up the good work, and I feel sure that not only the civil-service employees but the whole American people are with you and for you.

AN AMERICAN CITIZEN AND VOTER.

The distribution of this circular should be abandoned and public money not expended for printing and delivering it to the postmasters and other Government officials, of which there are about 40,000 throughout the United States. If the law against pernicious political activity by Government employees is violated, the offenders should be punished, but all of the employees should not be insulted and humiliated by being pointed out as possible offenders.

Mr. BLAND. Will the gentleman yield?

Mr. SMITH of Idaho. Yes.

Mr. BLAND. Is the amendment based upon the assumption that the activity of these gentlemen will be needed in the next election? [Laughter.]

Mr. SMITH of Idaho. No; not at all. This is purely a nonpartisan matter. I think it is an outrage when a clerk in a post office is not permitted to walk the street just as any other American citizen and say I am a Democrat or I am a Republican; and yet if he does this, some partisan is liable to report him to the department as if he were perniciously active in politics.

Mr. LaGUARDIA. The gentleman's amendment may come back to haunt him next year. [Laughter.]

Mr. SMITH of Idaho. I am perfectly willing to take chances on that.

Mr. HASTINGS. I can assure the gentleman that if they are reported, nothing ever comes of it during the present administration.

Mr. SMITH of Idaho. I do not know about that.

Mr. HASTINGS. There have been any number of them reported out in my country and nothing has ever been done about it.

Mr. SMITH of Idaho. It is a reflection on the patriotism and citizenship of the splendid men and women who are employed in the Government departments, custom and revenue bureaus, and the post offices throughout the country to be held up as being unworthy of taking an interest in the making of our laws and the affairs of our Government.

Mr. CHRISTGAU. Mr. Chairman, I ask recognition in opposition to the amendment.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate on this paragraph close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. CHRISTGAU. Mr. Chairman, I introduced a bill placing the postmasters under the classified civil service, so they would be taken out of politics completely.

I hold in my hand President Taft's Report on Economy and Efficiency in the Government Service, which was submitted to Congress in 1912. In the report Peresident Taft recommends such action, and states that if first and second class postmasters were placed under the classified civil service it would save $4,500,000.

I think now is the time to effect an economy in the Postal Service, and that is one way of doing it.

Mr. FULBRIGHT. If the gentleman's bill should pass, would all postmasters in office retain their positions?

Mr. CHRISTGAU. No. It provides that no person shall acquire a competitive classified status unless appointed as a result of a competitive examination under the civil service act.

Mr. Chairman, my bill takes the spoils system out of one of the most important departments of our Government. In times like these the country can not afford to have one of its largest departments, which involves the expenditure of millions of dollars, administered under a spoils system. When millions of people are looking for jobs the spoils system is a most serious threat to the stability of our Government, and Congress should take immediate action to stop it.

President Roosevelt was an ardent advocate of the merit system in the Postal Service. He insisted upon that policy in connection with the appointment of rural carriers when the service was first inaugurated.

Before President Taft retired he came out strongly against the spoils system in the Postal Service. Referring to the work of his Economy and Efficiency Commission in his message to Congress on April 4, 1912, he stated:

> It appears that a very substantial economy would result from putting experienced and trained officers in charge of the first and second class post offices instead of selecting the postmasters in accordance with the present practice. As the annual operating expenses of all first and second class offices aggregate the enormous sum of more than $80,000,000, undoubtedly if the postmasters of these offices were embraced in the classified service and required to devote all their time to the public service the annual saving would eventually represent many millions of dollars.

If such a saving could be effected in 1912, the possibilities are even greater at the present time. In his message to Congress on December 19 of that same year, he again asked Congress for such action. He stated:

> I have several times requested Congress to give me authority to put first, second, and third class postmasters and all other local officers, including internal revenue officers, customs officers, United States marshals, and the local agents of the other departments, under the classification of the civil service law by taking away the necessity for confirming such appointments by the Senate. I deeply regret the failure of Congress to follow these recommendations. The change would have taken out of politics practically every local officer and would have entirely cured the evils growing out of what, under the present law, must always remain a remnant of the spoils system.

On March 31, 1917, President Wilson took the matter in his own hands and issued an Executive order providing for the appointment of the man standing highest in the examination in connection with all postmaster examinations unless it was established that the character and residence of the applicant disqualified him. The policy adopted by President Wilson was not followed by the administration of President Harding. During the brief period in which he was President he made 10,072 nominations for postmasters, an average of 14 per day, all of which had to be considered by the Senate. The Senate in recent sessions has confirmed an average of 25 nominations per day.

In his annual message to Congress in 1923 President Coolidge stated:

> The Civil Service Commission has recommended that postmasters at first, second, and third class offices be classified. Such action accompanied by a repeal of the 4-year term of office would undoubtedly be an improvement. The best method for selecting public servants is the merit system.

The bill I have introduced is as follows:

[H. R. 10561, Seventy-second Congress, first session]

A bill placing certain positions in the Postal Service in the competitive classified service

Be it enacted, etc., That the Postmaster General shall, on direction of the President, and for facilitating the execution of the civil service act of January 16, 1883, revise the existing classification or arrangement of officers and employees in the Postal Service thereunder to include in such classes, so far as practicable, postmasters of the first, second, and third classes. Upon such direction of the President the advice and consent of the Senate shall be unnecessary to the appointment or removal of the postmasters thus classified; and thereafter they shall be appointed and may be removed by the Postmaster General in accordance with the provisions of said act and the rules promulgated thereunder, and shall hold their offices without term; but no person occupying any of said positions shall acquire a competitive classified status unless he has been appointed as the result of competitive examination under said act.

SEC. 2. That all laws and parts of laws inconsistent with this act are hereby repealed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were 31 ayes and 33 noes.

So the amendment was rejected.

Mr. WOODRUM. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 11, line 20, strike out the figures "$1,460,720" and insert in lieu thereof "$1,421,350."

Mr. SIMMONS. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

> Amendment by Mr. SIMMONS as a substitute: Strike out, in line 20, the figures "$1,460,720" and insert in lieu thereof "$1,499,090."

Mr. BANKHEAD. Mr. Chairman, I make a point of order against the substitute amendment. I am at a loss to understand what the gentleman from Nebraska is driving at. This amendment of the gentleman from Virginia is merely to change the totals.

Mr. SIMMONS. If the gentleman will permit me, I will say that I want to discuss the civil service—this is merely a pro forma amendment.

Mr. WOODRUM. Will the gentleman from Nebraska yield to me for half a minute?

Mr. SIMMONS. I will.

Mr. WOODRUM. Mr. Chairman, several Members have asked me at what hour we propose to rise. I would like to read the bill as far as the Farm Board provision, and then I will move that the committee rise.

Mr. VINSON of Georgia. Will the gentleman yield to me for a unanimous-consent request?

Mr. SIMMONS. I yield.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to have printed in the RECORD for the information

of Members an amendment that I propose to offer to the Farm Board section.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment is as follows:

Page 17, strike out lines 12 to 25, inclusive; strike out all of page 18; and on page 19 strike out lines 1 to 7, inclusive, and insert in lieu thereof the following:

"For salaries and expenses necessary to enable the Secretary of Agriculture to close up the affairs of the Federal Farm Board, including personal service in the District of Columbia and elsewhere, printing and binding, rental of quarters outside of the District of Columbia, stationery, office supplies and equipment, traveling expenses, and other necessary miscellaneous items, $600,000: *Provided*, That no salary shall be paid hereunder at a rate exceeding $8,000 a year: *Provided further*, That the Federal Farm Board created by the agricultural marketing act of June 15, 1929 (U. S. C., Supp. V, title 7, ch. 22), including the offices of eight members of the board at $12,000 each and the respective positions of general counsel at $20,000 and secretary at $8,500, 10 in all, with annual salaries aggregating $124,500, is hereby abolished, effective at the close of business on June 30, 1932. The authority, powers, and duties vested in such board by law and the obligations and rights of such board are hereby transferred to imposed upon, and vested in the Secretary of Agriculture, who, in the performance of the duties placed upon him by this paragraph, is directed to make no further loans under the authority of such act from the agricultural marketing fund except in pursuance of contracts entered into prior to the date of the enactment of this act, and to accompany the transfer of duties provided hereby there shall be transferred to the Secretary of Agriculture the property and records of the board."

Mr. SIMMONS. Mr. Chairman, I have asked for these five minutes that I might discuss something the committee has just done. I was called from the floor for a few minutes. It is my understanding that on the motion of the gentleman from Idaho [Mr. SMITH] the committee cut out of this appropriation for the Civil Service Commission an item of $39,370 for examination of postmasters for presidential appointments. This came on the House without much notice. Many Members present did not understand what it was. I doubt if any Member on the floor knows in what shape this leaves the matter of appropriations or the law requiring the appointment of postmasters in their selection; but I venture the suggestion that it is a distinct and positive step backwards. We will have a situation where there will be anywhere from 200 to 400 different standards for postmasters in the presidential offices.

Mr. LANKFORD of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SIMMONS. Yes, sir.

Mr. LANKFORD of Virginia. The gentleman brought out a point this afternoon with which I am in accord. It appears somewhat in this. Does the gentleman notice that $34,000 of the $37,000 of the appropriation is to be expended in the District of Columbia?

Mr. SIMMONS. I understand that; but I do not want to go into that now. Through the action of the Civil Service Commission in examining candidates for postmasters we have been able to remove, in part, the evils that go with purely patronage appointments. We have set up a certain fixed standard throughout the United States for postmasters.

We have been able to secure a better class of appointees for post offices. This effort to cut out the appropriation for the examination of candidates and the selection of those on the eligible lists will create a situation where one Congressman may have high standards in making the recommendation and another Congressman may have no standards at all for those whom he wants appointed. One may try to find a high class of public official while the other may try to find a man who can deliver the most votes, without regard to whether he serves the post office properly or not. I think the House ought not to take a step backward and do things that are going to radically affect adversely the official personnel of the Government of the United States. My present thought is that we should have a separate vote on this matter when we go back into the House to find out whether or not we want to go backward. The danger of this economy situation is not that we will not save but that we may eliminate things that have been beneficial, and I think this is one of them.

Mr. LANKFORD of Virginia. I agree with the gentleman thoroughly, but I can not understand why $34,000 out of the $37,000 should be spent in the District of Columbia. Most of the expense is in sending an investigator out to inquire into the selection.

Mr. SIMMONS. The great bulk of the examinations conducted in my district are conducted through the mail. The papers are graded here, and we get an unbiased and unprejudiced set of eligibles for postmasters.

Mr. CHRISTGAU. Would the gentleman favor the taking of postmasters completely out of politics?

Mr. SIMMONS. I would if it could be done; yes; but this tends to put the postmasters out on the pie counter.

Mr. CHRISTGAU. Does the gentleman know that Presidents Wilson, Roosevelt, Coolidge, and Taft favored that policy?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SIMMONS. I withdraw the pro forma amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk read as follows:

Employees' compensation fund: For the payment of compensation provided by "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916 (U. S. C., title 5, sec. 785), including medical examinations, traveling and other expenses, and loss of wages payable to employees under sections 21 and 22; all services, appliances, and supplies provided by section 9 as amended, including payments to Army and Navy hospitals; the transportation and burial expenses provided by sections 9 and 11; and advancement of costs for the enforcement of recoveries provided in sections 26 and 27 where necessary, accruing during the fiscal year 1933 or in prior fiscal years, $4,450,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word to inquire whether the hearings disclose any information as to the increase of appropriations required in the administration of the employees' compensation act. The report shows that this appropriation is a quarter of a million dollars larger than it was last year, occasioned, of course, by the increased numbers who were entitled to the benefits of the compensation act. My inquiry is whether the gentleman has any information as to the number of deaths of beneficiaries or whether this entire additional amount and more is due to additional cases?

Mr. WOODRUM. Additional cases, I would say to the gentleman. I refer the gentleman to page 140 of the hearings where the following examination of Mr. McCauley, the secretary of the commission, took place.

Mr. WOODRUM. What is your estimate as to the amount this compensation is going finally to reach before we pass over the peak? We have $4,450,000 for it now.

Mr. MCCAULEY. It would be pretty much of a guess as to the amount it might ultimately reach. I would not be surprised if it did eventually reach around $10,000,000. Take the case of a widow. She may remain on your roll for 30 years, or a young employee may remain on there for quite a long time, if he is seriously and permanently disabled.

That is what has happened.

Mr. STAFFORD. And we have not reached the peak?

Mr. WOODRUM. No.

Mr. STAFFORD. It is mounting regularly each year?

Mr. WOODRUM. Yes.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

Total, Employees' Compensation Commission, $4,924,026.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word for the purpose of asking a question of the chairman of the subcommittee.

I am wondering if the chairman would give us a little information concerning the various items for printing and binding that appear in connection with several of the independent offices that we have been considering this afternoon. For instance, I note that the Board of Tax Appeals has a printing bill that runs to $35,000, and here is another one that runs to $54,000. Does that have to do merely with the

printing of forms that are required, or does it have to do with reports, questionnaires, and various things of that sort? I would like some information on that point.

Mr. WOODRUM. The Board of Tax Appeals, I will say to the gentleman, have not only a great many forms to be printed, but their decisions have to be printed and published. They are of no value unless they are published and made available. That is the reason for the large amount of the printing bill. The board this year voluntarily took a cut in its printing bill.

The appropriation for printing for the Employees' Compensation Commission, $8,000, is necessary because they use so many different forms, questionnaires, and reports that have to go out to the beneficiaries.

Mr. KETCHAM. I will say to the gentleman that the particular reason I make the inquiry is that the main thought in the vast amount of correspondence that comes to my desk suggesting where economies might be accomplished places emphasis upon the item of unnecessary printing, and continual reference is made to questionnaires and circulars that are continually coming to the desks of business men. They do not come altogether from one department; they come from all the departments.

Mr. WOODRUM. I will say to the gentleman that he might be interested in the testimony before our committee, which is rather illuminating. The departments say they could save money on their printing if they could get it done on the outside and did not have to pay for it at the Government Printing Office.

Mr. KETCHAM. Do I understand that it is the policy of every subcommittee of the Appropriations Committee to make specific inquiry into that point? It seems to me as though that is a very fruitful source of economy, because I think we all realize the ambition of every bureau chief to magnify when possible the work being done by his department; and if he can have reports of that "heroic" work done by that department spread over the country at Government expense, naturally he thinks that is a very fine accomplishment.

Does every subcommittee make a careful examination into that particular thing to see that every possible economy is made?

Mr. WOODRUM. I think they do; but I know that as far as this subcommittee is concerned it has gone into this item very carefully.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. EATON of Colorado. Can the gentleman tell me why the Employees' Compensation Commission does not publish reports of some of the decisions it makes in contested cases on applications for employees' compensation?

Mr. KETCHAM. I am sorry to say I do not have the information at hand.

Mr. EATON of Colorado. Will the chairman of the subcommittee tell me why reports of the decisions of the Employees' Compensation Commission are not published, the reports being of very great interest to all people who have anything to do with the Employees' Compensation Commission?

Mr. WOODRUM. I will say to the gentleman that they publish a list of their decisions as they are made, but I do not think they publish their reports in the sense that a judicial or semijudicial body would publish decisions, because I can not see any reason why that should be done. Their decisions are decisions like those made by the Veterans' Bureau; they are on mixed questions of law and fact and medicine, dependent upon a particular set of facts presented in each case.

Mr. EATON of Colorado. Practically every commission in the country publishes certain decisions, either on points of law or adjudications of fact in connection with a point of law, that are very valuable to those interested. I would like to know why this commission does not do it?

Mr. WOODRUM. It does not. I can not tell the gentleman why.

[Here the gavel fell.]

The Clerk read as follows:

Cooperative vocational education in agriculture and home economics: For carrying out the provisions of section 1 of the act entitled "An act to provide for the further development of vocational education in the several States and Territories," approved February 5, 1929 (U. S. C., Supp. V, title 20, secs. 15a, 15c), $1,500,000: *Provided*, That the apportionment to the States shall be computed on the basis of not to exceed $1,500,000 for the fiscal year 1933, as authorized by the act approved February 5, 1929.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word for the purpose of directing a question to the chairman of the subcommittee. Do I understand that the $1,500,000 provided here is another step-up in the appropriation that was authorized a number of years ago in connection with vocational education, or is this simply to carry on at the same level the work done by that board?

Mr. WOODRUM. The basic law provides for a step-up this year. This amount should have been $2,000,000, but the Bureau of the Budget, in view of the financial condition of the country, decided that it would not recommend the step-up this year, but would recommend the same appropriation that was carried last year for this activity, namely, $1,500,000.

Mr. KETCHAM. If I understand it clearly, this does not require any additional expenditure on the part of the Government than that made last year, and consequently would place no additional burden upon the States to match the appropriation herein provided.

Mr. WOODRUM. The gentleman is correct.

Mr. STAFFORD. Will the gentleman yield to me?

Mr. KETCHAM. Yes.

Mr. STAFFORD. If the budgetary officer could reduce the total authorization from $2,000,000 to $1,500,000, why could he not reduce the amount still more? Is it not mandatory upon the Government under the law to appropriate the entire amount authorized?

Mr. WOODRUM. Well, it is mandatory; but if the Government does not do it what are you going to do? It is like the case of the darky being in jail; he said they could not send him to jail, but he was there. There is substantive law providing that this amount of money shall be appropriated, but, if it is not appropriated, it is not appropriated. That is all there is to it.

Mr STAFFORD. What is the real purpose of this appropriation?

Mr. WOODRUM. This is the cooperative vocational education that the States and Territories, together with the Government, carry on in the agricultural high schools and high schools in the several States on a cooperative basis. The States put up a certain amount and the Government puts up a certain amount.

Mr. THATCHER. Is that on a 50–50 basis?

Mr. WOODRUM. It is about 3 to 1 on the part of the States. A State contributed about 3 to 1 to the Federal Government's appropriation.

Mr. THATCHER. It is work that is of a very satisfactory character.

Mr. WOODRUM. It is represented to us as being very important and very vital. The States have their machinery set up.

Mr. STAFFORD. Then, after all, it is an exclusive State function where the National Government is contributing its bit?

Mr. WOODRUM. Exactly.

Mr. KETCHAM. May I say in conclusion that it seems to me this is altogether to be desired at this time, when back in the States practically every one of our school districts is having a very dreadful time in connection with meeting its budget in connection with education. While I would not favor any increase in the amount of this appropriation, I think the amount that has been provided in the bill is very desirable at this time.

Mr. PATTERSON. If the gentleman will permit, I will say that of all the money the Government appropriates for agricultural purposes I believe this is the best and does the most good in reaching the individual farmer.

Mr. KETCHAM. That is the experience in my State.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Salaries and expenses: For making studies, investigations, and reports regarding the vocational rehabilitation of disabled persons and their placements in suitable or gainful occupations, and for the administrative expenses of said board incident to performing the duties imposed by the act of June 2, 1920 (U. S. C., title 29, sec. 35), as amended by the act of June 5, 1924 (U. S. C., title 29, sec. 31), and the act of June 9, 1930 (U. S. C., Supp. V, title 29, secs. 31, 40), including salaries of such assistants, experts, clerks, and other employees, in the District of Columbia or elsewhere, as the board may deem necessary, actual traveling and other necessary expenses incurred by the members of the board and by its employees, under its orders; including attendance at meetings of educational associations and other organizations, rent and equipment of offices in the District of Columbia and elsewhere, purchase of books of reference, law books, and periodicals, newspapers not to exceed $50, stationery, typewriters and exchange thereof, miscellaneous supplies, postage on foreign mail, printing and binding, and all other necessary expenses, $77,860, of which amount not to exceed $56,860 may be expended for personal services in the District of Columbia.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. Will the chairman of the committee inform the House of the total amount we are appropriating for educational facilities in which the States match to some extent the national appropriations?

Mr. WOODRUM. I will have to insert that in the RECORD for the gentleman. I can not give it offhand.

Mr. STAFFORD. Has the gentleman's committee, in any instance, curtailed the amount authorized by law, other than the one instance a moment ago with respect to cooperative vocational education?

Mr. WOODRUM. The committee made no change in these items, because they are provided for in the basic law.

Mr. STAFFORD. But the gentleman's committee did make a change in following the budgetary estimate so far as cooperative vocational education is concerned.

Mr. WOODRUM. We followed the Budget, but we made no change in these items below what the Budget recommended.

Mr. STAFFORD. According to these items, the amount runs into the millions of dollars that the National Government is spending for purely a State function. In years back I took occasion to criticize the appropriations for the agricultural colleges because it was called to my attention that in many instances the money was being wasted. I have not made a special examination of conditions of late years, but in many of these cases the money is just thrown away.

The pro forma amendment was withdrawn.

The Clerk read down to and including line 10, on page 17.

Mr. WOODRUM. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose and the Speaker having resumed the chair, Mr. SWANK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 10022, the independent offices appropriation bill, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHAVEZ, for April 8 and April 9, 1932, on account of business.

To Mr. WEAVER, indefinitely, on account of serious illness in family.

RECOMMITMENT OF A HOUSE BILL

Mr. STEWART. Mr. Speaker, I ask unanimous consent to recommit the bill H. R. 5444 to the Committee on Claims.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SPEAKER JOHN N. GARNER

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein an editorial, the title of which is "Speaker GARNER Showing Leadership of the True American."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MILLIGAN. Mr. Speaker, under permission to extend my remarks in the RECORD, I desire to incorporate an editorial written by Robert S. Lyone, a very able writer, the owner and publisher of the Richmond Conservator, a newspaper of the city of Richmond, Mo., and appearing in the issue of March 31, 1932:

The patriotism and leadership of JOHN N. GARNER, Speaker of the House of Representatives, was never shown to better advantage than just a few days ago when he came down from the Speaker's rostrum and, standing in the well of the House, stated the time had come for united action to frame a tax bill that would balance the Budget. He declared he was a patriot above all else; that he had rather see this deficit in the Government's finances taken care of than for any other action of Congress. He further said that if Congress adjourned without providing this revenue there would not be a bank in the United States within 60 days that could pay its depositors in full. He pointed out that already European countries were selling the American dollar, and if Congress did not meet the crisis our financial system would be ruined. These were strong words. They hit like cannon balls. They came from a man who has done his best to guide legislation in the proper channels. He stated he had always opposed the sales tax, but it was taken by the Ways and Means Committee as the most feasible proposition. Now that the House had rejected that plan, he pleaded with them to suggest, at least, some plan that could be accepted.

Speaker GARNER never had risen to greater heights than he did on this occasion. Here he was not Speaker of the House but Representative GARNER, of Texas, a patriot asking that his country be saved from ruin and that her financial credit be kept at par throughout the world. Space writers have been sending out dispatches from Washington telling of his decline, that his leadership had failed, and that his presidential boom had been flattened out. We do not believe Mr. GARNER has ever wanted a presidential boom. He has been too much engrossed in handling legislation and serving as Speaker to play politics. He has repeatedly refused to let his name be used in the various States. We do not believe he has any other object in view but to serve his people as Speaker. If the call should come to him to serve as President, he would accept, the same as any ambitious citizen would feel duty bound to go where his fellow citizens sent him.

When he concluded his remarks to the House he asked every Member present who would serve their country with him in providing for balancing the Budget to stand. Everyone arose. Not a single one kept his seat. He then declared his intention of remaining on the floor during the sessions until the tax measure was passed. This he does not have to do by virtue of being Speaker. He can do this if he desires, and he means to exercise his leadership and do all that is possible to maintain the credit of his country. We do not see how any man's power has waned who serves as Speaker GARNER is serving. We do not see the need of sending out dispatches about his failure as a great Speaker.

The only excuse for this is that certain interests fear he will be recognized by his party in its national convention and made the nominee. He has always opposed the special interests and his service in Congress has shown him to be for the little fellow. He opposed during the Coolidge régime the lowering of the income rates, but forced the ones more able to pay to contribute.

No man who serves as Mr. GARNER is serving can fail. This simple, friendly man, who punched cattle on the Texan range and studied law at night, is a self-made fellow. He has seen the seamy side of life, and he can not be coerced into betraying his countrymen. Because he has reached a position of power and affluence does not mean he has forgotten those less fortunate who are still working and striving to make ends meet. We do not know whether Mr. GARNER had a boom or not. We do not care. But to us he has not lost his power and our admiration for him continues. We believe him sincere and are positive in our convictions that he has never let the glamor of the Presidency sway him one particle in his patriotic endeavor to serve either as a Member or Speaker of the House. So often men are misjudged and their judges pass opinions upon them wherein their own prejudices and dislikes warp their thoughts. Speaker GARNER is above all else a patriotic American citizen, and his leadership will continue to be of the highest type. He is serving the American people without regard to party affiliations.

FLOOD CONTROL IN THE LOWER MISSISSIPPI VALLEY

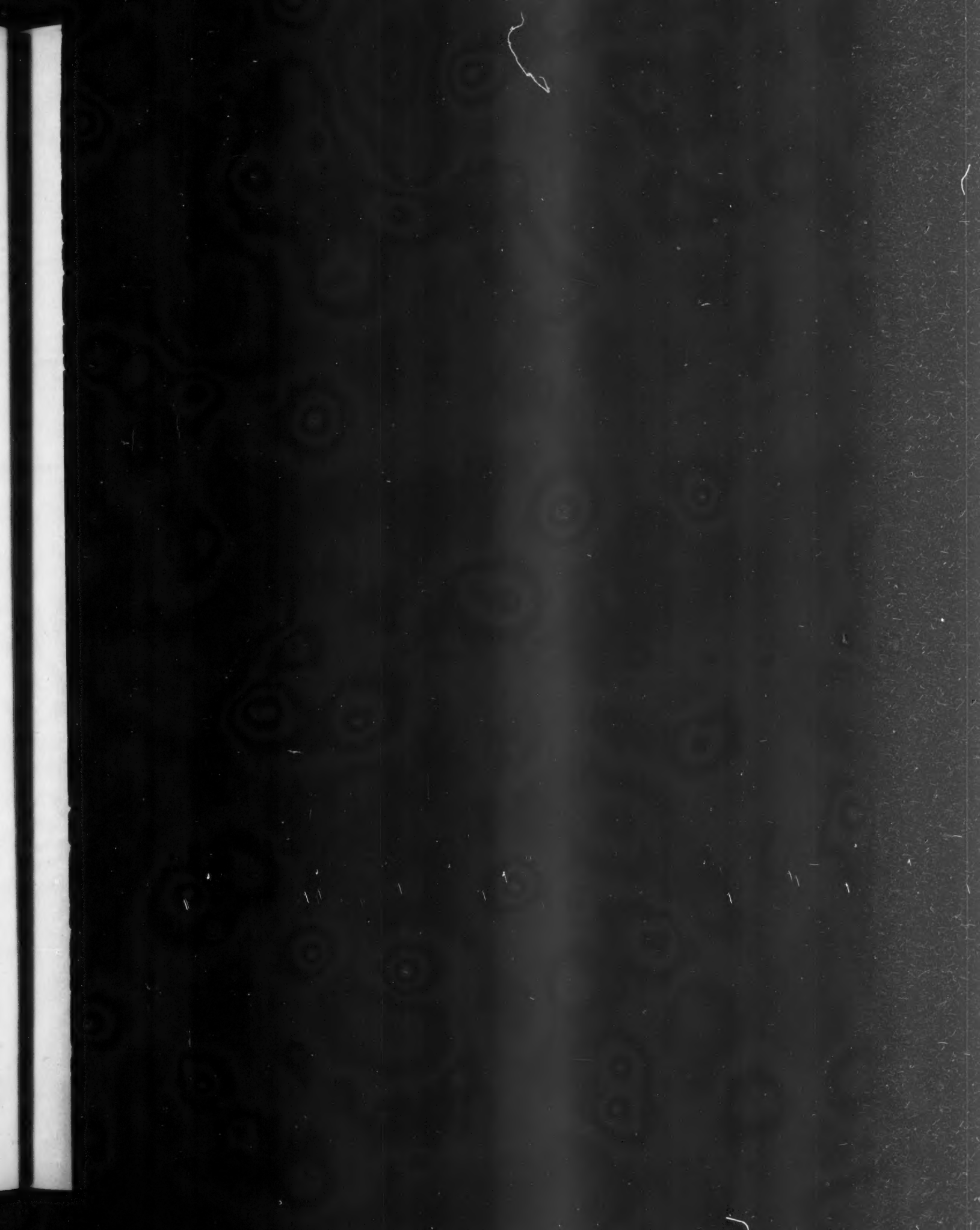
Mr. WILSON. Mr. Speaker, I ask unanimous consent to extend my remarks by printing my own remarks made over the radio on flood control in the lower Mississippi Valley.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The address is as follows:

First, I desire to express to the Columbia Broadcasting System my thanks and appreciation for this opportunity to discuss briefly





some phases of outstanding, present, and immediate interest relating to the greatest internal project ever undertaken by the United States—that is, flood control in the alluvial valley of the Mississippi River and its improvement from Cape Girardeau, Mo., to the Head of the Passes, where the river enters the Gulf of Mexico.

This has been recognized as a national project, and its ultimate solution assumed and undertaken as a national responsibility.

Radio time will not permit a full statement of the facts and history leading to the action of the Congress in providing for a solution of this great problem by the Federal Government; however, the fact that the 30,000 square miles of territory comprising the alluvial valley, densely populated, rich in soil, and highly developed for agriculture, with thriving towns and cities, growing and expanding industries, traversed by railways and highways for interstate traffic, must also be used for the passage of drainage and floodwaters of 31 States or 41 per cent of the area of the United States is sufficient to impose the national obligation for flood control.

The additional fact that the lower Mississippi River from Cairo, Ill., to the city of New Orleans and on to the Gulf of Mexico (a distance of 1,064 miles) must provide an outlet to the markets of the world for the water-borne tonnage from the upper Mississippi River, the Missouri River, the Ohio River, and their tributaries, upon which the Federal Government will have spent $1,000,000,000 for improvement, will, I am sure, justify the national obligation for complete improvement and maintenance for navigation.

As stated, the watershed of the Mississippi River comprises 41 per cent of the total area of the United States, and the main trunk thereof in the alluvial valley south of the Ohio River is designed by nature to carry to the sea the accumulated rainfall and drainage of 31 States.

The development and improvement for all purposes in the States comprising this watershed has hastened the accumulation and discharge of drainage into the alluvial valley and progressively increased flood heights to such an extent that safety can result only from a national comprehensive policy for flood control. This is essential for the preservation of life and property, the normal continuance of interstate commerce, the United States mail, and every interest affecting the Federal Government.

It may be difficult to comprehend the full meaning of the phrase "30,000 square miles of territory constituting the alluvial valley" without some relative statement or reference. That is about the combined area of Delaware, Maryland, Connecticut, Rhode Island, and Massachusetts. If you imagine these States entirely covered by water and devastated by a flood lasting from 60 to 90 days, you have a picture of the alluvial valley of the Mississippi without adequate protection.

The disastrous flood of 1927 brought the attention of the entire country directly to every phase of this great problem. Upon the recommendation of the President, and with practically the unanimous approval of the Congress, the flood control act of 1928 was passed and approved.

By the provisions of this act the United States has recognized the obligation and assumed the task of completing this work. All admit that this should be done as speedily as possible and in the manner intended by the Congress.

As nearly four years have passed since its enactment it will be of especial interest to refer to the present status of the work under the law.

We may assume that it is generally known that river and harbor and flood-control projects are adopted as a result of engineering examinations made and reported to the Congress. Such examinations and reports are in almost all cases made by the Corps of Engineers of the United States Army.

Following the flood of 1927 President Coolidge ordered a survey to be made under the direction of the Secretary of War and the supervision of the Chief of Engineers, and a report to Congress for plans for flood control of the Mississippi River in its alluvial valley.

It was then known and recognized that the examinations were made in a time of great emergency and that differences of opinion existed as to certain features of the projects recommended. This was true in Congress, both as to engineering features and as to the amount necessary to be expended in the ultimate completion of the project.

With these well-known conditions existing the report of the Chief of Engineers of the Army, Gen. Edgar Jadwin, was adopted. In so far as the project relates to work on the main channel by increased levee heights, grade and section, bank revetments, the spillway at Birds Point in southeast Missouri, and the spillway at Bonnet Carre just above New Orleans, there has been common accord and approval. According to the testimony of the present Chief of Engineers, Gen. Lytle Brown, recently given before the Committee on Flood Control, these features of the work have been progressing with unusual speed; that the Bonnet Carre spillway is ready for use in an emergency and that the city of New Orleans is safe and protected against extreme floods. Also, that the noncontroverted features of the project may be completed by 1935. The question of vital interest at the present time is the status of the controverted features of the adopted project—those that were not satisfactory when the act was passed and which are still in controversy.

This situation applies especially to the flood ways in the Boeuf and Atchafalaya Basins in southeast Arkansas and Louisiana. The opposition in southeast Arkansas and Louisiana is directed chiefly against the engineering features of the project. The project provides for a diversion by the operation of what is termed a fuse-plug levee some 20 miles in length at Cypress Creek, just south of the Arkansas River, by which it is proposed in extreme floods to divert from the main channel from 900,000 to 1,250,000 second-feet of water. This, under the plan, would be an uncontrolled diversion both at the intake and practically throughout the entire basin from the Arkansas River to Red River. The same applies to a large extent to the diversion through the Atchafalaya Basin by use of a fuse-plug levee by which 1,500,000 second-feet would be diverted and the passage of which would be without definite control on its way to the Gulf.

There is a general feeling, justified by the facts, that to carry the flood waters of the Mississippi River to certain points controlled and confined, and then to divert a large volume of water, uncontrolled and unregulated, is really not flood control.

The operation of these fuse-plug levees is not under any conditions justified, and I believe this contention is supported by outstanding engineers of ability.

Another question in controversy is that which relates to compensation to owners of property taken and used in the execution of the project. It was the intention of Congress when it passed the flood control act that flowage rights should be provided by the Government over lands and property used for the passage of flood waters. That would mean to acquire the ownership of the land with compensation for the improvements thereon or the perpetual use thereof for the purposes of the act. This provision of the law has not been accepted and complied with in the execution of the project. In respect to these features there must be changes in the project and amendments to the act by which it was adopted.

As stated before, projects are adopted for flood control and navigation as a result of an engineering examination and report. After these projects are once adopted, changes therein must come as the result of an engineering review.

To accomplish this purpose the Committee on Flood Control, soon after the Congress was organized, adopted a resolution requesting a complete review of the engineering features of the flood-control plan. This action had the approval of the Secretary of War and the Chief of Engineers. The resolution of the committee is as follows:

"*Resolved by the Committee on Flood Control of the House of Representatives*, That the Chief of Engineers of the United States Army is hereby requested to examine and review the present status and conditions of the work now in progress as authorized by the flood control act of May 15, 1928, the provisions of the said act and the engineering features of the project therein adopted, with a view of determining if changes or modifications should be made in relation to the project and its final execution."

This review is now in progress under two outstanding engineers of the United States Army and one eminent civilian engineer. It is believed possible and practical to eliminate the diversion at Cypress Creek and avoid the Boeuf Basin flood way. I feel assured that this examination will result in more definite control and greater protection in the Atchafalaya Basin and by additional flood-control works and dredging provide a more rapid discharge into the Gulf; also a substantial increase in the discharge capacity of the main channel of the Mississippi River.

Finally, a definite policy should be established to the effect that diversions and flood ways wherever absolutely essential should be based upon definite and scientific plans. The volume of water diverted should be controlled, regulated, and confined. Further, it should be made definite and certain that full compensation shall be paid for flowage rights over lands and damages to improvements thereon when and wherever such lands are used or designed for use in the passage or storage of flood waters in the execution of the flood control act and amendments thereto.

By engineering skill, congressional action, and cooperation by the public, a fair, just, and complete solution of this great problem is assured.

THE UNITED STATES AND THE PHILIPPINES

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing in the RECORD a short letter from the Secretary of State.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter from the Secretary of State:

FEBRUARY 15, 1932.

The HON. HIRAM BINGHAM,
United States Senate.

DEAR SENATOR BINGHAM: I have received your letter of February 9 inviting me to appear before an executive session of the Committee on Territories and Insular Affairs in order to give my views on the subject of the bills now pending before your committee relating to Philippine independence.

The Secretary of War, whose department exercises jurisdiction over the affairs of the Philippine Islands, has already laid his views before your committee and it is unnecessary for me to add to what he has said in many particulars.

I can, however, give you my views on the effect which the present movement for immediate independence in the Philippines, both in and out of Congress, is having upon our foreign relations. That is a matter within my jurisdiction, and as the stress of my other duties makes it very difficult for me to appear before you in person, I will take the liberty of submitting them in this letter.

Undoubtedly the outstanding development, for good or ill, in the foreign relations of the United States during the remainder of this century will be that of our relations with the countries on the western side of the Pacific Ocean. The opening of the Panama Canal revolutionized the conditions of our trade with them, and during the 10 years succeeding the Great War that trade more than quadrupled—greatly exceeding the rate of the growth of our trade in any other quarter of the world. Whether we yet realize it or not, we are already a great Pacific power, and as such will sustain a constantly increasing interest in the affairs of the Pacific.

By a fortunate coincidence with this development the United States had on the opening of the century responded to an opportunity and assumed a responsibility in the Far East by our entry into the Philippine Islands. Under enlightened leadership we framed our policy along no selfish lines of colonial domination, but from the beginning undertook the courageous experiment of trying to establish among an oriental people the practices of western economic and social development and the principles of political democracy. Thirty years ago the experiment was scoffed at as chimerical by the colonial powers of Europe.

To-day its success meets with their profound surprise and respect. Under American guidance the Malay population of the archipelago have in 30 years made a progress in achieving a uniform language, a western system of education, a hitherto unknown national feeling, and American methods of government which is extremely satisfactory. The Philippines to-day represent an islet of growing western development and thought surrounded by an ocean of orientalism. They are the interpreters of American idealism to the Far East. They are on the way to become the base of our economic civilization in that hemisphere.

The Philippine Islands have thus become a physical base for American influence—political, economic, and social—in the Far East. There we demonstrate before the eyes of all Far Eastern peoples and of all governments which exercise authority or influence in the Far East, American ideas, ideals, and methods. We show, and they see, how we organize, and maintain, and administer agencies of government, agencies for establishing and preserving order, agencies for the peaceful solution of the problems of human contact, agencies for regulating, for adjusting, for safeguarding, and for promoting the interests and welfare of the individuals, the groups, and the whole people who make up a Commonwealth.

This progress, however, has depended upon two things: First, the American leadership and guidance which has been constantly and intelligently exercised and without which this progress would have been impossible; and second, the material assistance of a free market with the United States. If these two agencies should be at present withdrawn, it is the practically unanimous consensus of all responsible observers that economic chaos and political and social anarchy would result, followed ultimately by domination of the Philippines by some foreign power, probably either China or Japan.

It needs no imagination to grasp the effect which such a result would have upon the moral prestige and material influence of the United States in the Far East. To every foreign eye it would be a demonstration of selfish cowardice and futility on our part. No matter under what verbal professions the act of withdrawal were clothed, to the realist observers of that part of the world it would inevitably assume the aspect of abandonment of the wards we had undertaken to protect. In the Orient, far more even than in the Occident, prestige is the measuring rod of success. Such a change would be an irreparable blow to American influence.

Again, our presence in the Philippine Islands has already contributed to the development of a new base of political equilibrium throughout the area of the western Pacific and eastern Asia. At present, or within any definite future, withdrawal of American sovereignty from the Philippines and the termination of American responsibility in and for the islands would profoundly disturb that equilibrium. It would inevitably have an unsettling effect in the relations to political thought of the various races or nations in the Far East, and in relation to the contacts of those races or nations among themselves and with the rest of the world. It would not be in the interest of world peace, but to the contrary. It would not be to the political, economic, social, or moral advantage of the United States or to that of the people of the Philippine Islands or to that of any other country or people. It would throw additional burdens upon the stability of practically all other governments in that vicinity, and it would render more difficult the safeguarding of our own interests both in the Far East and throughout the world.

Every consideration which I have enumerated in this letter applies with tenfold force at the present moment when the state of affairs in the Far East is chaotic, when every element of stability is threatened, and when out of the Orient may again come one of those historic movements which will disturb the whole earth. Agitation of a change in the status of the Philippine Islands at this moment can only inflame most dangerous possibilities.

Finally, it is proper to say that I am not advocating a repudiation of any pledges which may have been given to the Filipinos as to their ultimate status being dependent on their own free will. For as Governor General, during my residence in the islands, I formed the sincere conviction that given the requisite patient, disinterested, and intelligent effort by the representatives of this country, a solution of the Philippine problem could ultimately be achieved with the full consent of the Filipino people, which would not only satisfy their aspirations for self-government, but honorably and justly safeguard the interests of the United States both at home and in the Far East.

Very sincerely yours,

HENRY L. STIMSON.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p. m.) the House adjourned until to-morrow, Friday, April 8, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, April 8, 1932, as reported to the floor leader by clerks of the several committees:

LIBRARY

(10.30 a. m.)

Relative to establishment of memorial to Theodore Roosevelt (H. R. 5862).

JUDICIARY

(10 a. m.)

Consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the years 1866, 1867, and 1868, and vesting the right in each State to sue in its own name (H. J. Res. 276).

PUBLIC BUILDINGS AND GROUNDS

(10 a. m.)

Relating to contracts for the erection and alteration of public buildings (H. R. 9975).

EXECUTIVE COMMUNICATIONS, ETC.

520. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting a report dated April 4, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Knapps Narrows, Talbot County, Md., was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MONTAGUE: Committee on the Judiciary. H. R. 7238. A bill to amend section 5 of the suits in admiralty act, approved March 9, 1920; with amendment (Rept. No. 1012). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Indian Affairs. H. R. 8750. A bill relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma; with amendment (Rept. No. 1015). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOORE: Committee on Immigration and Naturalization. H. R. 10602. A bill to further restrict immigration into the United States; with amendment (Rept. No. 1016). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KVALE: Committee on Military Affairs. H. R. 928. A bill for the relief of Howard P. Milligan; without amendment (Rept. No. 1013). Referred to the Committee of the Whole House.

Mr. CHAVEZ: Committee on Indian Affairs. H. R. 2319. A bill to investigate the claims of and to enroll certain per-

sons, if entitled, with the Omaha Tribe of Indians; with amendment (Rept. No. 1014). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KLEBERG: A bill (H. R. 11174) to restore to their former retired status in the Regular Army of the United States persons who resigned such status to accept the benefits of the act of May 24, 1928 (45 Stat. 735), and for other purposes; to the Committee on Military Affairs.

By Mr. KNUTSON: A bill (H. R. 11175) authorizing the Red Lake Band of Chippewa Indians in the State of Minnesota to file suit in the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. CURRY: A bill (H. R. 11176) for the relief of the State of California; to the Committee on the Judiciary.

By Mr. CRUMP: A bill (H. R. 11177) to authorize an emergency corporation for special study of and demonstration work in rural sanitation; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A bill (H. R. 11178) to provide for a more effective coordination and correlation of the public-works functions and engineering activities of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mrs. NORTON: A bill (H. R. 11179) to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point, in the District of Columbia, as proposed by the National Capital Park and Planning Commission, and for other purposes; to the Committee on the District of Columbia.

By Mr. McLEOD: A bill (H. R. 11180) to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 11181) relative to assumption of risks of employment; to the Committee on the Judiciary.

Also, a bill (H. R. 11182) to amend the act relating to the liability of common carriers by railroad to their employees in certain cases; to the Committee on the Judiciary.

By Mr. SWING: A bill (H. R. 11183) for emergency relief of Palo Verde Valley, Calif.; to the Committee on Flood Control.

By Mr. WOLCOTT: A bill (H. R. 11184) to amend the act approved March 3, 1927, entitled "An act to permit the granting of Federal aid in respect of certain roads and bridges; to the Committee on Interstate and Foreign Commerce.

By Mr. KNUTSON: Joint resolution (H. J. Res. 356) authorizing the issuance of a special postage stamp to commemorate the one hundredth anniversary of the discovery of the source of the Mississippi River by Henry R. Schoolcraft; to the Committee on the Post Office and Post Roads.

By Mr. BOYLAN: Joint resolution (H. J. Res. 357) authorizing the erection in Washington, D. C., of a monument to the memory of Crispus Attucks; to the Committee on the Library.

By Mr. COLLIER: Joint resolution (H. J. Res. 358) consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, 1868, and vesting the right in each State to sue in its own name; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALGOOD: A bill (H. R. 11185) for the relief of Dr. John W. Boggess, sr.; to the Committee on Claims.

By Mr. BARTON: A bill (H. R. 11186) granting a pension to James Bragan; to the Committee on Pensions.

By Mr. BUTLER: A bill (H. R. 11187) granting a pension to Martin Peterson Gerking; to the Committee on Pensions.

By Mr. CANFIELD: A bill (H. R. 11188) granting a pension to Clara Abell; to the Committee on Pensions.

By Mr. CARTER of Wyoming: A bill (H. R. 11189) to authorize the award of a decoration for distinguished service to Harry H. Horton, formerly private, first class, Medical Detachment, One hundred and forty-eighth Field Artillery, American Expeditionary Forces, in the World War; to the Committee on Military Affairs.

By Mr. CRUMP: A bill (H. R. 11190) for the relief of W. C. Redman; to the Committee on Military Affairs.

By Mr. DOUGLAS of Arizona: A bill (H. R. 11191) for the relief of P. H. Palmer; to the Committee on Indian Affairs.

By Mr. DYER: A bill (H. R. 11192) for the relief of Rothschild Bros. Hat Co., of St. Louis; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 11193) granting a pension to James E. Petrey; to the Committee on Pensions.

By Mr. HILL of Alabama: A bill (H. R. 11194) for the relief of Lizzie Pittman; to the Committee on Claims.

By Mr. PARKER of Georgia: A bill (H. R. 11195) granting a pension to Brady H. Watts; to the Committee on Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 11196) granting a pension to Alice L. Calderhead; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 11197) granting a pension to Robert Fuller; to the Committee on Pensions.

Also, a bill (H. R. 11198) for the relief of Milton Augustus Roberson; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5640. By Mr. CLARKE of New York: Petition of Mrs. John W. Chase and 32 other citizens of Schenevus, N. Y., urging support of the prohibition law and its enforcement, and against any measure looking toward its modification, resubmission to the States, or repeal; to the Committee on the Judiciary.

5641. By Mr. COCHRAN of Pennsylvania: Petition of Homer B. Baker and other residents of Franklin, Pa., supporting House bill 1; to the Committee on Ways and Means.

5642. Also, petition of C. L. Main and other residents of Rouseville, Pa., supporting House bill 1; to the Committee on Ways and Means.

5643. Also, petition of R. L. Yeager and other residents of Franklin, Venango County, Pa., supporting House bill 1; to the Committee on Ways and Means.

5644. Also, petition of J. H. Guyton and other residents of Franklin, Venango County, Pa., supporting House bill 1; to the Committee on Ways and Means.

5645. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, protesting against enactment of Senate bill 720, authorizing the Secretary of War to extend the services and operation of the Inland Waterways Corporation to certain inland waterways and water routes, etc.; to the Committee on Interstate and Foreign Commerce.

5646. By Mr. GLOVER: Petition from the Arkansas Senate; to the Committee on Ways and Means.

5647. Also, petition of Finis Gallion Post, No. 30, of Sheridan, Ark.; to the Committee on Ways and Means.

5648. By Mr. JAMES: Resolution from American Legion Auxiliary, Bert Carpenter Unit, No. 363, Kingsford, Iron Mountain, Mich., by Amelia Kjell, secretary, demanding action on the widows and orphans bill, also appointment of a veterans' committee; to the Committee on World War Veterans' Legislation.

5649. Also, letter of Rev. Walter Firth, pastor First Methodist Episcopal Church, Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5650. Also, telegram from Michael L. Smith, chairman of Disabled American Veterans of the World War, regarding veterans' legislation; to the Committee on World War Veterans' Legislation.

5651. Also, resolution from the executive committee of the Upper Peninsula Development Bureau, of Marquette, Mich., favoring protection of forest industries from foreign competition due to depreciated currency of foreign countries; to the Committee on Ways and Means.

5652. Also, telegram from St. Joseph's Society, Joe Dragman, president, Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5653. By Mr. KINZER: Petition of citizens of Lancaster County, Pa., protesting against the cent-a-shell tax proposed in House bill 10604; to the Committee on Ways and Means.

5654. Also, resolution of the Manheim Woman's Christian Temperance Union, Manheim, Pa., representing 100 people, opposing any measure for modification, resubmission to the States, or repeal of the prohibition law; to the Committee on the Judiciary.

5655. By Mr. KVALE: Petition of Argonne Post, No. 278, of the American Legion, Brandon, Minn., favoring policy of hospitalization whereby veterans can receive emergency hospitalization and medical care at any hospital in his county or State at Government expense; to the Committee on World War Veterans' Legislation.

5656. Also, petition of board of directors of the St. Paul Association of Commerce, protesting against the repeal of the recapture clause of the transportation act; to the Committee on Interstate and Foreign Commerce.

5657. Also, petition of Argonne Forest Post, No. 278, of the American Legion, Brandon, Minn., urging enactment of House bill 1; to the Committee on Ways and Means.

5658. Also, petition of Argonne Forest Post, No. 278, of the American Legion, Brandon, Minn., urging enactment of House bill 8578; to the Committee on World War Veterans' Legislation.

5659. Also, petition of Ortonville Live Stock Shipping Association of Minnesota, urging enactment of House bill 7797 and Senate bill 2487; to the Committee on Agriculture.

5660. Also, petition of Ortonville Co-op. Live Stock Shipping Association of Minnesota, urging enactment of Senate bill 1197; to the Committee on Banking and Currency.

5661. Also, petition of taxpayers' meeting in Raymond, Minn., urging reduction of Federal salaries; to the Committee on Expenditures in the Executive Departments.

5662. Also, petition of Post No. 441 of the American Legion of Bellingham, Minn., favoring insurance plan of benefits sponsored by American Medical Association; to the Committee on World War Veterans' Legislation.

5663. Also, petition of taxpayers' meeting in Raymond, Minn., favoring cutting of expenses in the Federal Government; to the Committee on Expenditures in the Executive Departments.

5664. Also, petition of Heating and Ventilating Material Association of St. Paul, Minn., favoring installation of individual power plants in public buildings; to the Committee on Public Buildings and Grounds.

5665. By Mr. LEA: Petition of various organizations in Sonoma County, Calif., favoring a protective tariff on dried eggs and egg products; to the Committee on Ways and Means.

5666. By Mr. LINDSAY: Petition of the Merchants Association of New York, favoring the balancing of the Budget; to the Committee on Appropriations.

5667. Also, petition of New York Automobile Club, opposing motor excise tax and tax on gasoline; to the Committee on Ways and Means.

5668. Also, petition of New York Typographical Union, No. 6, opposing any salary reduction in the salaries of the Federal employees; to the Committee on Expenditures in the Executive Departments.

5669. Also, petition of Quick Service Box Co. (Inc.), New York City, opposing the passage of House bills 8688 and 8679, with reference to a duty on wood pulp; to the Committee on Ways and Means.

5670. By Mr. MAPES: Petition of Charles C. Borst and 19 others, of Cedar Springs, Mich., opposing the enactment by Congress of the so-called Sunday observance bill, S. 1202, or any other compulsory religious measures that have been or shall be introduced; to the Committee on the District of Columbia.

5671. By Mr. PERSON: Resolution of the Michigan Engineering Society, Detroit, Mich., relative to consolidation of construction activities of the Government under an Administrator of Public Works; to the Committee on Expenditures in the Executive Departments.

5672. Also, resolution of the Detroit Engineering Society, Detroit, Mich., relative to the consolidation of construction activities of the Government under an Administrator of Public Works; to the Committee on Expenditures in the Executive Departments.

5673. Also, resolution of Federal Post, No. 373, American Legion, Detroit, Mich., protesting against Federal salary reductions; to the Committee on Expenditures in the Executive Departments.

5674. Also, petition of 953 residents of Detroit, Mich., and vicinity, favoring the enactment of legislation to curb the activities of the chain-store system; to the Committee on the Judiciary.

5675. Also, resolution of the board of directors, Livingston County National Farm Loan Association, Howell, Mich., favoring a moratorium for two years on the payment of interest and installments on Federal farm-loan mortgages; to the Committee on Banking and Currency.

5676. Also, petition of 40 residents of Lansing, Mich., and vicinity, asking immediate payment of the adjusted-compensation certificates, refunding interest charges for pending loans; to the Committee on Ways and Means.

5677. Also, resolution of the Hazen S. Pingree Camp, No 5, United Spanish War Veterans, Detroit, Mich., favoring the passage of the Gasque bill, H. R. 7230; to the Committee on Pensions.

5678. Also, resolution of Group 1758 of the Polish National Alliance of the United States of North America, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

5679. Also, resolution of Group 2545, of the Polish National Alliance of the United States of North America, favoring the enactment of House Joint Resolution 144; to the Committee on the Judiciary.

5680. By Mr. RUDD: Petition of Quick Service Box Co. (Inc.), New York City, opposing the passage of House bills 8688 and 8679; to the Committee on Ways and Means.

5681. Also, petition of William E. Henry, Brooklyn, N. Y., opposing any additional taxes on domestic gasoline and lubricating oils; to the Committee on Ways and Means.

5682. Also, petition of William R. Warner & Co. (Inc.), New York City, favoring Columbia Basin irrigation project; to the Committee on Irrigation and Reclamation.

5683. By Mr. SHOTT: Resolution adopted by the Winding Gulf Operators Association, of Beckley, W. Va., opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5684. Also, telegram signed by J. W. Overstreet, general manager National Armature & Electric Works, Bluefield, W. Va., protesting against passage of Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5685. Also, resolution of the executive committee of the Operators Association of Williamson field, Williamson, W. Va., protesting the passage by Congress of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5686. Also, petition of the Kiwanis Club of Logan, and signed by R. R. Erland, president, and R. M. Angrist, secretary, protesting against the passage of the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5687. Also, letter of Gwinn Bros. & Co., signed by H. W. Fish, secretary, Huntington, W. Va., filing objections against

passage of United States Senate bill 2935; to the Committee on Interstate and Foreign Commerce.

5688. Also, letter of the Acme Limestone Co. of Alderson, W. Va., protesting against the passage of legislation known as the Davis-Kelly coal bill; to the Committee on Interstate and Foreign Commerce.

5689. By Mr. SINCLAIR: Petition of 200 residents of Crosby, N. Dak., and vicinity, urging cancellation of payment of the 1931 Federal seed loans because of total crop failure; to the Committee on Agriculture.

5690. By Mr. SMITH of West Virginia: Petition of J. S. Huffman and other citizens of Oak Hill, W. Va., protesting against nonemployment by corporations of men on account of age; to the Committee on Labor.

5691. By Mr. WATSON: Resolution passed by the Bethlehem Game, Fish, and Forestry Association, Bethlehem, Pa., opposing the shotgun shell tax; to the Committee on Ways and Means.

5692. By Mr. WEST: Petition of 28 members of Ohio Railroad Employees and Citizens' League, protesting against the unjust, unreasonable, and discriminatory operation of inadequately regulated and taxed busses and trucks engaged in transportation, and against the subsidizing with public funds of water and other forms of transportation competitive with railroads; to the Committee on Ways and Means.

5693. Also, petition of 15 citizens of Mansfield, Ohio, favoring reduction of governmental expenditures; to the Committee on Expenditures in the Executive Departments.

5694. The SPEAKER: Petition of the House of Representatives of Porto Rico, requesting Congress to approve the bill for full payment of certificates of soldiers who served in the World War; to the Committee on Ways and Means.

5695. Also, petition of Teressa A. Wurtsbaugh, requesting Congress to investigate the conduct in office of Luther Way, Federal judge of the United States District Court for the Eastern District of Virginia; to the Committee on the Judiciary.

5696. Also, petition of Jack Scott, requesting Congress to grant citation, citing the defendant judges of the State of Missouri mentioned in the petition for impeachment filed with the Clerk of the House of Representatives, March 21, 1932; to the Committee on the Judiciary.

SENATE

FRIDAY, APRIL 8, 1932

(Legislative day of Thursday, April 7, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Reed
Austin	Couzens	Johnson	Robinson, Ark.
Bailey	Cutting	Jones	Schall
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	Kendrick	Shipstead
Bingham	Dickinson	Keyes	Shortridge
Black	Dill	King	Smoot
Blaine	Fess	Logan	Steiwer
Borah	Fletcher	Long	Thomas, Idaho
Bratton	Frazier	McGill	Thomas, Okla.
Brookhart	George	McKellar	Townsend
Broussard	Glenn	McNary	Trammell
Bulkley	Goldsborough	Metcalf	Tydings
Bulow	Gore	Morrison	Vandenberg
Byrnes	Hale	Moses	Wagner
Capper	Harrison	Neely	Walcott
Caraway	Hatfield	Norbeck	Walsh, Mass.
Carey	Hawes	Norris	Walsh, Mont.
Connally	Hayden	Nye	Wheeler
Coolidge	Hebert	Oddie	White
Copeland	Howell	Pittman	

Mr. FESS. I wish to announce that the senior Senator from Indiana [Mr. WATSON] and the junior Senator from Indiana [Mr. ROBINSON] have not yet returned from attending the funeral of the late Representative Vestal.

I also wish to announce that the Senator from Missouri [Mr. PATTERSON] is still detained from the Senate by illness.

I ask that these announcements may stand for the day.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

Mr. TOWNSEND. My colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

Mr. WALSH of Massachusetts presented letters, in the nature of memorials, from 134 citizens of the State of Massachusetts, remonstrating against the imposition of a tax upon sales of securities, which were referred to the Committee on Finance.

Mr. SHEPPARD presented a petition of 500 citizens, being members and friends of the University Place Christian Sunday school, of Enid, Okla., praying for a favorable report from the Judiciary Committee on measures proposed by Mr. SHEPPARD to amend the Volstead Act, which was referred to the Committee on the Judiciary.

Mr. BARBOUR presented a resolution adopted by the Rotary Club of Flemington, N. J., favoring the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Lawrenceville Grange, No. 170, Patrons of Husbandry, of Lawrenceville, N. J., opposing in the interest of economy and retrenchment the placing of the names of full-time public employees on more than one municipal, county, State, or Federal pay roll, which was referred to the Committee on Civil Service.

Mr. TYDINGS presented a petition of sundry citizens, being disabled veterans, of the State of Maryland, praying for the prompt passage of legislation providing full cash payment of World War adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Baltimore, Md., favoring retrenchment in governmental expenditures and the imposition of a general sales tax rather than special levies in the pending tax bill, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Baltimore, Md., remonstrating against the imposition of a cent-a-shell tax upon shotgun shells, which was referred to the Committee on Finance.

He also presented a letter, in the nature of a memorial, from Mackubin, Goodrich & Co., and signed by members and employees of that company, of Baltimore, Md., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

Mr. ASHURST presented a telegram, in the nature of a petition, from Federal Employees Local, No. 255, of Tuba City, Ariz., protesting against the proposed reduction in salaries of Federal employees, which was referred to the Committee on Civil Service.

He also presented a telegram, in the nature of a petition, from Rutherford Muse and other citizens of Chandler, Ariz., praying for the passage of legislation providing full cash payment of soldiers' adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from Overlock Stevens & Co., of Bisbee, Ariz., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a petition, from the Ray (Ariz.) Chamber of Commerce, favoring amendment of House bill 10236, the revenue and taxation bill, so as to include the general sales tax rather than special levies, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from S. M. McElroy, of Phoenix, Ariz., remonstrating against the proposed increase in letter postage contained in the pending tax bill, which was referred to the Committee on Finance.

Mr. COPELAND presented a resolution of Metropolitan Chapter, Disabled Emergency Officers of the World War, of New York, N. Y., favoring the recommittal to the Committee on Military Affairs of Senate bill 3769, relating to disabled emergency officers of the World War, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted at Toledo, Ohio, at the annual meeting of the Great Lakes Regional Advisory Board, favoring the repeal of the so-called recapture clause of the interstate commerce act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of Stewart Manor Post, No. 172, the American Legion, of Stewart Manor, Long Island, N. Y., favoring the elimination from the Rankin bill of the so-called pauper clauses, which was referred to the Committee on Pensions.

He also presented memorials of sundry citizens of the United States remonstrating against the proposed tax on the sale of securities, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Ogdensburg, N. Y., remonstrating against the enactment of legislation proposing to curtail benefits awarded to disabled war veterans, which was referred to the Committee on Finance.

He also presented memorials of sundry citizens of Elmira and Middletown, N. Y., remonstrating against imposition of a cent-a-shell tax on shotgun shells, which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of New York, praying for the adoption of the so-called manufacturers' sales tax in lieu of taxes as proposed to be imposed by the House of Representatives, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from the Electrical Association of New York (Inc.), of New York, N. Y., remonstrating against the proposed taxes on electric refrigerators and radios, which was referred to the Committee on Finance.

He also presented a memorial of the Association of Mail Advertising Agencies and Letter Shops in Passaic County, N. J., remonstrating against the proposed 3-cent first-class postage rate, which was referred to the Committee on Finance.

He also presented two petitions of citizens of the State of New York, praying for the enactment of legislation providing for the cash payment of World War adjusted-compensation certificates (bonus), which were referred to the Committee on Finance.

He also presented a memorial of members of the grand jury of Sullivan County, N. Y., remonstrating against prohibitive restrictions on the possession and legitimate use of firearms by reputable citizens, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Whitestone, Long Island, N. Y., praying for the repeal of the national prohibition laws, which was referred to the Committee on the Judiciary.

He also presented a memorial of the Woman's Christian Temperance Union of Amsterdam, N. Y., remonstrating against the resubmission of the eighteenth amendment of the Constitution to the States, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by two groups of the Polish National Alliance of North America in the State of New York, favoring the designation of October 11 in each year as General Pulaski's Memorial Day, which were referred to the Committee on the Judiciary.

He also presented several memorials of citizens and organizations of the State of New York, remonstrating against the enactment of legislation reducing the compensation of Government employees, which were referred to the Committee on Civil Service.

He also presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against the policy of the Post Office Department in its dealings with substitute employees, which was referred to the Committee on Post Offices and Post Roads.

FARM RELIEF

Mr. SCHALL. Mr. President, I ask unanimous consent that a petition of sundry citizens of Hawley, in my State, may be published in the RECORD, without the signatures, and referred to the Committee on Agriculture and Forestry.

There being no objection, the petition was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, without the signatures, as follows:

HAWLEY, MINN., *March 26, 1932.*

To the Hon. Henrik Shipstead, United States Senator; the Hon. Thomas D. Schall, United States Senator; and the Hon. C. G. Selvig, Member of Congress:

We, the undersigned, do respectfully petition you as United States Senators and Member of Congress to use your every effort and best ability to secure the favorable consideration and the enactment into law of the farmers' farm relief bill, also known as the Frazier bill. This bill, we believe, is fundamentally sound, and is the only legislation that will relieve the farmers of the United States of the tremendous interest burden and burden of debt under which they are now suffering and struggling. We have been authoritatively informed that this bill has been favorably reported from the Senate committee, and that its chances for passage are better than ever before. We believe that with your active support the bill can be passed in both Houses, and hence urge you to use every effort possible to that end. A strong, energetic, and masterful fight for this bill is a strong, energetic, and masterful fight for the farmers of Minnesota and the country. Fight for this bill and you fight for us. Free the farmer from the interest burden and the farmer is saved.

Respectfully submitted.

———— ————.

INTERIOR DEPARTMENT APPROPRIATIONS—APPROPRIATION FOR INDIAN SERVICE

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement of the effect of the various reductions of the appropriations for the Bureau of Indian Affairs as shown by the bill reported to the Senate. This statement was prepared by the Indian Bureau at my request.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

The appropriations for the Indian Service for 1932 are $24,989,496.73. The Budget estimates submitted to Congress aggregate $22,162,839.33, or $2,826,657.40 under the current appropriations. The bill as passed by the House carried a total of $21,773,339.33 for the Indian Service, or $389,500 less than the Budget estimates. The action of the Senate committee in further reducing the Budget estimates by $1,062,900 makes a gross reduction under the Budget estimates of $1,452,400, thereby reducing the total appropriation for 1933 to $20,710,439.33, which is in round figures $4,279,000 less than the aggregate of appropriations for 1932. The foregoing amounts are exclusive of any tribal funds.

The major portion of the expenditures for the Indian Service are set charges made necessary by the tremendous amount of institutional care for a dependent race of people and reduction in the ordinary operating expenses required will necessitate many adjustments which will be to the disadvantage of the Indians.

SALARIES, BUREAU OF INDIAN AFFAIRS (P. 10, LINES 3–8)

Budget estimate	$481,000
Allowed by House	472,900
Reported to Senate	400,000
Total reduction	81,000

If this reduction stands, five new positions authorized by the Budget and allowed by the House to relieve in part the present shortage of clerical help in the Indian Office will be eliminated, and in addition thereto 34 employees, ranging in salary from $1,320 to $5,600, will have to be stricken from the rolls of the Washington office. The number of employees allowed for 1933 in the Budget was 207. In the fiscal years 1923 and 1924 a total number of 234 was employed. During the intervening years the work of the office has increased due to expansion in the medical, industrial, and educational programs. The reduction, as the bill now

stands, will result in crippling the Washington office to such an extent that the effect will be felt throughout the entire Indian Service through an absolute insufficient organization to carry on the work. One activity to be laid down completely would be the statistical section, important to the work of the Indian Service in compiling accurate statistics for presentation to the committees of Congress and to the public at large. Other activities are bound to suffer through this reduction.

PURCHASE AND TRANSPORTATION OF INDIAN SUPPLIES (P. 10, LINES 17–24)

Budget estimate	$700,000
Allowed by House	650,000
Reported to Senate	650,000
Total reduction	50,000

This will not result in any reduction in personnel. Almost all of this appropriation is used for reimbursing common carriers for freight charges on goods and supplies shipped to the various Indian jurisdictions throughout the United States. Supplies are purchased from other appropriations throughout the bill and must be transported to points of use. A deficiency appropriation will necessarily be required to meet such charges if the amount allowed proves to be insufficient. Congress so understands this situation and has made deficiency appropriations for many years past.

FIELD REPRESENTATIVES, INDIAN SERVICE (P. 11, LINES 1–3)

Budget estimate	$23,000
Allowed by House	23,000
Reported to Senate	20,000
Total reduction	3,000

This reduction will require the elimination of one field representative of the Commissioner of Indian Affairs at a salary of $4,000. Because of the many complicated problems arising in connection with Indian administration it is necessary that the commissioner have representatives in the field who can investigate charges against employees and assist in adjusting other controverted questions of a miscellaneous nature. These employees likewise bring about a better understanding between office and field of the many complications arising in Indian administration.

PAY OF JUDGES OF INDIAN COURTS (P. 11, LINES 4–6)

Budget estimate	$18,000
Allowed by House	18,000
Reported to Senate	15,000
Total reduction	3,000

This entire appropriation is used for paying the salaries of judges of Indian courts set up on numerous Indian reservations. These judges are outstanding members of the particular tribe involved, and their influence has an important bearing on general tribal conditions. These judges are paid a nominal compensation. There are 32 receiving $300 a year, 34 receiving $180 a year, and 3 receiving $120 a year. The $3,000 reduction will require us to abolish 6 of the $300 positions and 5 of the $180 positions.

PAY OF INDIAN POLICE (P. 11, LINES 7–11)

Budget estimate	$163,000
Allowed by House	163,000
Reported to Senate	150,000
Total reduction	13,000

This fund is used to employ approximately 265 Indian police drawing salaries ranging from $420 to $840 a year. All of these employees are Indians and they are performing a valuable service on the reservations in maintaining order among the members of the tribes. The reduction will necessitate the abolishment of 10 positions of chief of police and 10 positions of private. The present law-enforcement organization on Indian reservations is insufficient to meet the needs, and a reduction in the present personnel will add to the difficulties of maintaining proper conditions.

INDIAN AGENCY BUILDINGS (P. 11, LINES 15–23)

Budget estimate	$275,000
Allowed by House	275,000
Reported to Senate	195,000
Total reduction	80,000

This reduction will make necessary the abolishment of one position of assistant construction foreman. It will also result in neglecting urgent repairs and maintenance to existing Government-owned buildings on the various reservations. Our appropriation for maintaining these buildings has always been extremely limited, and the reduction in the repair item of $80,000 will result in failure to make needed repairs, not only to buildings but to heating, lighting, sewer, and water systems. Such failure to make these needed repairs and maintain buildings and other facilities in a fair state will not result in economy in the long run, but will rather necessitate heavier appropriations in the future. The reduction of $20,000 in the item for physical improvements under this head will make necessary a continuation of present unsatisfactory housing conditions on several of the reservations where employees are herded together in a most unsatisfactory manner. Because of poor housing conditions on some of our reservations we are not able to maintain suitable personnel.

Aside from the one permanent position which will be abolished, the furnishing of irregular labor, principally to local Indians, will be materially reduced.

VEHICLES, INDIAN SERVICE (P. 11, LINES 24–25; P. 12, LINES 1–10)

This item authorizes the use of funds appropriated throughout the bill for the maintenance and repair of passenger-carrying vehicles and the purchase of new vehicles to replace those worn out in service. The House approved the text of this item as submitted by the Budget. The action of the Senate committee reduces the amount for maintenance by $25,000 and the amount to be expended in purchase of new cars by a similar amount. Many field positions require travel over the various reservations. Many of the roads are exceedingly rough and cars suffer through hard usage. If the field forces are to perform the jobs assigned to them in a proper manner, transportation facilities in a fair state of repair are most urgent. We buy light-weight cars (Fords and Chevrolets almost exclusively), and no car is replaced until it has seen at least three years' service. At the end of that period many cars have traveled from 75,000 to 100,000 miles. The cost of upkeep then becomes so heavy that it is an actual economy to replace the car rather than to expend sums for temporary and useless repairs.

REPLACEMENT OF PROPERTY DESTROYED BY FIRE, FLOOD, OR STORM (P. 11, LINES 11–25)

This is not an appropriation but an authorization to expend a certain sum for replacement of property destroyed or rendered unserviceable by fire, flood, or storm. It has been carried in the bill for several years and is most helpful in replacing needed structures that are so destroyed or rendered unserviceable. The money is diverted from general appropriations in accordance with the text of the item. Diversions in any one year have not exceeded the amount carried in the bill as reported to the Senate. No objection is made to this reduction in the limitation of the amount that can be used for these replacements.

AUTHORIZATION FOR ATTENDING HEALTH, EDUCATIONAL, OR OTHER MEETINGS (P. 13, LINES 1–7)

This is not an appropriation but an authorization to use certain sums from general appropriations for expenses of Indian Service employees in attending meetings of certain associations in the interest of work among the Indians. The authorization has been in effect for several years but no large amount has been expended for attendance at these meetings. In 1931 approximately $4,000 was used. The action of the Senate committee in reducing the limit that can be expended in this manner to $10,000 is not objected to.

DETERMINING HEIRS OF DECEASED INDIAN ALLOTTEES (P. 13, LINES 9–17)

Budget estimate	$73,000
Allowed by House	73,000
Reported to Senate	60,000
Total reduction	13,000

This reduction will require the abolishment of one position in the Washington office at a salary of $2,600 and the abolishment of two positions of examiner of inheritance and three positions of assistant clerk on duty in the field. These field employees are assigned to certain territories and travel from one agency to another conducting hearings for the purpose of determining the heirs of deceased Indian allottees as directed by the act of June 25, 1910. This work is already in arrears and a reduction in this force of employees will delay indefinitely the settlement of many of these heirship cases. It is desirable that the heirs be determined as promptly as possible in order that settlement of the cases may be disposed of. Delays now occurring resulting from our present insufficient force of employees assigned to this work cause constant complaints from interested Indians throughout the country.

PROBATE ATTORNEYS, FIVE CIVILIZED TRIBES (P. 13, LINES 8–25; P. 14, LINES 1–4)

Budget estimate	$40,000
Allowed by House	35,000
Reported to Senate	30,000
Total reduction	10,000

This reduction will necessitate the abolishment of two positions of probate attorney at $2,900 and two positions of assistant clerk at $1,620. These employees are attached to the Five Civilized Tribes Agency with headquarters at Muskogee, Okla. This jurisdiction covers 40 counties in eastern Oklahoma and handles the affairs of approximately 12,000 restricted Indians. A reorganization has taken place in the probate work within the last year in order that more effective results can be accomplished. Probate attorneys are already burdened with unusually large territories and this reduction will result in further reorganization, enlargement of existing territories, and absolute inability to effectively perform the requirements coming under this head. There is urgent need for the type of assistance rendered by these employees among the restricted Indians of eastern Oklahoma.

SURVEYING AND ALLOTTING INDIAN RESERVATIONS (P. 14, LINES 6–17)

Budget estimate	$40,000
Allowed by House	30,000
Reported to Senate	30,000
Total reduction	10,000

The larger part of this work is done under the jurisdiction of the General Land Office and while it is desirable that some surveys be completed with as little delay as possible, no great harm will come from the reduction made in the Budget estimate.

PURCHASE OF LAND FOR CHOCTAWS IN MISSISSIPPI (P. 15, LINES 8–14)

Budget estimate	$6,500
Allowed by House	6,500
Reported to Senate	———
Total reduction	6,500

The first appropriation for this purpose was in 1919. Annual appropriations have been made since 1927 and beginning with 1929 the amount provided annually has been $6,500. Expenditures from this appropriation are reimbursable by the individual Indians benefited.

Total expended to June 30, 1931	$57,932
Area purchased—acres	2,356
Families furnished land	77
Families yet to be furnished land	95
Additional expenditure of Federal funds required	$77,000

The Government has assumed responsibility for approximately 1,668 Choctaw Indians in Mississippi and has been endeavoring to provide lands upon which they may be located and engage in farming activities. A number of schools have been constructed for the benefit of this group of Indians and it is desirable that land be provided as rapidly as possible. Practically no repayments have been made of the money heretofore advanced and while it is desirable that this activity be continued, less harm will result by this item being stricken from the bill than adherence to some of the other suggested reductions.

No employees are paid from this appropriation.

COMPENSATION TO PUEBLO INDIANS OF NEW MEXICO (P. 15, LINES 15–25; P. 16, LINES 1–4)

Original Budget estimate	$112,435.33
Allowed by House	112,435.33
Supplemental Budget estimate	55,502.02
Total Budget estimate (original and supplemental)	167,937.35
Reported to Senate	112,435.33
Total reduction	55,502.02

This reduction covers supplemental or original amounts found due the following pueblos of New Mexico:

Nambe	$1.40
San Ildefonso	73.27
Laguna	33,566.47
San Felipe	21,860.88

These amounts have been found due by the Pueblo Lands Board created under the act of June 7, 1924 (43 Stat. 636). The amount should be added to the appropriation item contained in the Interior Department bill in order that the awards found due the Indians can be paid. In the case of Laguna, officials of the pueblo have executed an option looking to the purchase of certain areas which they desire to obtain and the money should be made available as early as possible.

No employees are paid from this appropriation.

ADMINISTRATION OF INDIAN FORESTS (P. 17, LINES 22–24; P. 18, LINES 1–9)

Budget estimate	$225,000
Allowed by House	225,000
Reported to Senate	200,000
Total reduction	25,000

This fund is used on 38 reservations. The total area included in Indian forest lands is 42,845,477 acres. Grazing on the reservations is also under the jurisdiction of the forestry branch of the service. The reduction in this item will involve the abolishment of eight positions with salaries aggregating $19,300, abandonment of contemplated improvements considered necessary for preservation and care of timbered areas, the continued use of worn-out equipment, including trucks and automobiles, and the postponement of purchase of much-needed new equipment.

EXPENSES, SALE OF TIMBER, REIMBURSABLE (P. 18, LINES 10–19)

Budget estimate	$150,000
Allowed by House	140,000
Reported to Senate	125,000
Total reduction	25,000

This appropriation is used on reservations where timber-sale contracts are in effect. Many areas under contract are inactive at the present time, but if contractors resume operations in the near future it will be necessary that a supplemental appropriation be provided in order that adequate personnel may be employed to supervise these timber operations.

The reduction in this item will result in the abolishment of 10 positions, with salaries aggregating $21,500. The remainder of the cut will be absorbed in postponement of repairs to equipment and the acquiring of new equipment.

SUPERVISING MINING OPERATIONS ON LEASED INDIAN LAND (P. 19, LINES 12–20)

Budget estimate	$95,000
Allowed by House	75,000
Reported to Senate	60,000
Total reduction	35,000

This appropriation is used to employ technically trained persons qualified to supervise mining operations on leased Indian lands under the provisions of the acts of Congress specified in the text of the item. The reduction in the item will mean the abolishment of eight professional and four clerical positions. The withdrawal of these employees will result in tremendous loss in revenue to the Indians and in waste of natural fuel resources from this reduction valued at hundreds of thousands of dollars.

INDUSTRY AMONG INDIANS, REIMBURSABLE (P. 20, LINES 18–25; P. 21, LINES 1–17)

Budget estimate	$500,000
Allowed by House	500,000
Reported to Senate	475,000
Total reduction	25,000

No employees are affected by this reduction. The appropriation is used principally in financing Indians in the purchase of farm equipment, livestock, and other articles required by them in the development of their individual allotments. A reduction in this item will directly affect the aid given to individual Indians in their own development.

WATER SUPPLY FOR INDIAN USE (P. 23, LINES 12–21)

Budget estimate	$141,000
Allowed by House	100,000
Reported to Senate	100,000
Total reduction	41,000

Two full-time employees with salaries aggregating $3,700 and several part-time employees engaged in supervisory work would be stricken from the pay roll under the reduction, and Indians engaged in water-development work will be without employment. This appropriation provides for the development of water for domestic and stock purposes, principally on the Navajo Reservation in Arizona and New Mexico. These Indians are engaged mainly in raising sheep and goats, and water is an essential feature if they are to be successful in their endeavors. The present water supply is woefully inadequate, and until additional supplies are developed overgrazing will continue on numerous sections of this vast domain.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE—ADMINISTRATIVE EXPENSES (P. 25, LINES 6–9)

Budget estimate	$102,000
Allowed by House	102,000
Reported to Senate	75,000
Total reduction	27,000

This appropriation supports the general administrative expenses in connection with the Indian irrigation service. The reduction will necessitate the abolishment of six full-time positions and two part-time positions with salaries aggregating $21,160. The remainder of the reduction would be absorbed in curtailment of travel, purchase of equipment and supplies, and other miscellaneous expenses. The amount of the Budget estimate is a low minimum required for general supervisory purposes when it is considered that there are 45 projects subdivided into 163 units on the various Indian reservations. Regardless of what may be said with reference to the Indian irrigation service, as long as the projects are in existence and general maintenance and betterment is to be carried on and the project operated, an adequate amount of supervision must be provided.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE, TOTAL (P. 25, LINES 10–11)

Budget estimate	$202,000
Allowed by House	190,000
Reported to Senate	163,000
Total reduction	39,000

The total of the items listed under this heading as submitted by the Budget was $207,300. The actual Budget estimate was $5,300 less than the total of these several items involved. Without reducing a single one of these specific items, the House reduced the actual appropriation by $12,000, thus giving a differential of $17,300. The action of the Senate committee confirms that of the House and takes into consideration the reduction of $27,000 in the item for general administrative expenses. Such a differential on this appropriation is beyond all reason, and if the Budget allowance is not restored needed improvements must be deferred and necessary operation costs cut down to such an extent that the projects will suffer. All projects under this appropriation are of particular benefit to individual Indians, there being very few white persons either owners or lessees on these miscellaneous small projects.

IRRIGATION PROJECT, GILA RIVER RESERVATION, ARIZ. (P. 26, LINES 9–23)

Budget estimate	$100,000
Allowed by House	100,000
Reported to Senate	75,000
Total reduction	25,000

This reduction will necessitate the discard of six employees now engaged full time in construction work with wages aggregating $13,780. The remainder of the reduction will be absorbed in the amount required for purchase of supplies and general repairs throughout the project. The amount now allowed will permit no money whatever for continuation of construction. Pursuant to the act of June 7, 1924, and other acts relating to this project, a repayment contract was approved by the Secretary of the Interior on April 27, 1931, and confirmed by the superior court of Pinal County, Ariz., on September 23, 1931. Additional construction and necessary operation and maintenance are imperative if the Indian Service is to live up to the requirements of the repayment contract. This project will be used almost to full capacity when all lands are subjugated and necessary ditches constructed to supply water to the lands.

IMPROVEMENT, ETC., COLORADO RIVER IRRIGATION SYSTEM (P. 27, LINES 1–5)

Budget estimate	$28,000
Allowed by House	28,000
Reported to Senate	20,000
Total reduction	8,000

The amount allowed by the Budget and the House contemplated an expenditure of $20,000 for replacement of a worn-out pumping

plant with a new Diesel plant. The boilers in the present plant are beyond repair and must be replaced. If this improvement is not provided, delivery of water will be impossible, either to Indian farmers or lessees on the reservation. Good use is made of this project, and collections from water users are well above the average. The contemplated reduction will void the possibility of the new plant, and if this improvement is to be denied, the appropriation may as well be reduced to the amount allowed for 1932, namely, $8,000. It is sincerely hoped that the full Budget estimate may be approved.

The reduction in this item will not involve any decrease in personnel.

IMPROVEMENT, MAINTENANCE, AND OPERATION, FORT HALL IRRIGATION SYSTEM, IDAHO (P. 27, LINES 17–18)

Budget estimate	$42,000
Allowed by House	42,000
Reported to Senate	35,000
Total reduction	7,000

This reduction will make necessary the abolishment of two positions of ditchrider at $1,740 a year. It will also be necessary to defer replacement of structures, cleaning of canals, and other urgent maintenance operations. During 1930 the area of irrigable land actually irrigated was 30,152 acres, of which 10,283 was used by Indians. Collections on this project are above the average, but if delivery of water fails, and structures are not kept in fair repair, nonuse of land may well be expected to follow. The amount allowed by the Budget and House is $3,000 less than is available for 1932.

CONSTRUCTION OF MICHAUD UNIT, FORT HALL PROJECT, IDAHO (P. 27 LINES 19–24; P. 28, LINES 1–5)

Budget estimate	$332,500
Allowed by House	332,500
Reported to Senate	250,000
Total reduction	82,500

Work on the Michaud division of the Fort Hall project, including certain improvements of general benefit to the entire Fort Hall system, was authorized by the act of February 4, 1931 (46 Stat. 1061). The amount contained in the Budget estimate contemplated only such expenditures as would be of benefit to the entire system. The items involved in the estimate are as follows:

Final surveys and preparation of plans	$20,000
Grays Lake north embankment and outlet structure	10,000
Grays Lake-Blackfoot Reservoir diversion channel:	
Right of way	5,000
Construction and Meadow Creek channel improvement	10,500
Blackfoot Reservoir: Right of way, purchase of additional necessary right of way not heretofore acquired	37,000
Blackfoot River and regulating reservoir:	
Right of way and damages	15,000
River-channel improvement, levees, and drains	74,500
Regulating reservoir and diversion works	85,500
Idaho or Reservation Canal:	
Right of way and damages	5,000
Replacement of diversion structure and lowering head of canal	15,000
Rehabilitation Tyhee siphon	55,000
Total	332,500

It is not known which of these items the Senate committee struck out. With the reduced appropriation, the program of expenditure will have to be rearranged after consultation with the engineers. The entire item could be stricken from the bill with less harm than some of the other proposed reductions.

The proposed reduction will result in eliminating not less than four of the positions contemplated.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, FORT BELKNAP RESERVATION, MONT. (P. 28, LINES 14–18)

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	17,500
Total reduction	2,500

This reduction will make necessary the postponement of replacing old timber structures. In their present condition satisfactory delivery of water is well-nigh impossible. Should it be possible to go through the year without purchasing stored water, a saving might be accomplished in the amount set aside for such purpose, thus permitting the replacement and repair work to go forward. Maximum use is not obtained from the project at this time.

MAINTENANCE AND OPERATION, FORT PECK IRRIGATION SYSTEMS, MONTANA (P. 28, LINES 19–23)

Budget estimate	$8,000
Allowed by House	8,000
Reported to Senate	5,000
Total reduction	3,000

Improvements on certain units of this project were completed during the fiscal year 1931 through an appropriation provided by Congress after an investigation as to the feasibility of such improvements looking to a better utilization of those units. The amount contained in the Budget estimate and allowed by the House represents minimum operation and maintenance requirements for next year. If these funds are not provided, advantageous use of the project can not be expected and efforts to encourage larger use of the irrigable areas in the future will be in vain.

IRRIGATION SYSTEMS, FLATHEAD RESERVATION, MONT. (P. 28, LINES 24–25; P. 29, LINES 1–20)

Budget estimate	$436,000
Allowed by House	436,000
Reported to Senate	254,000
Total reduction	182,000

Expenditures on this project are fully justified in the House hearings (pp. 373–386). The amount contained in the Budget was below the original expenditure contemplated in our program for 1933.

Pablo Reservoir enlargement, $5,000

The total estimated expenditure for this construction is $250,000. The amount carried in the bill is the second installment on a 3-year program, and this reduction would result in no special harm, since the amount contemplated for completion in 1934 would be increased by $5,000.

Power distribution system, $55,000

Electric transmission line construction was begun in 1931, during which a distribution system was provided for the Camas area and work was begun in the Mission Valley division.

Lines of the local power company on Hellroaring Creek have been purchased and it is desirable to continue construction so that all farmers in project towns can be supplied with power. It is desirable to complete the principal distribution lines by the fall of 1933. Not only will power be available for the various communities but it will also be available for pumping and other project purposes. A considerable revenue will be derived from power sold. The elimination of this item will postpone the furnishing of power to farmers on the project, deprive the Government of revenues from the sale of such power, and the project will be without power needed for pumping and other utility purposes.

Pumping plant, $100,000

This item is for a pumping plant to lift water from Flathead Lake 300 feet to the Pablo Reservoir. This source of supply is inexhaustible and the construction of the pumping plant will insure the dependability of a water supply for 40,000 acres of the project. The construction of this plant will involve a total outlay of $250,000. The elimination of this item will result in increased costs, since the foundations for the plant and other preliminary work can be done before the reservoir area is flooded as a result of construction now under way.

Enlargement Tabor Feed Canal

Enlargement of this canal will permit the carrying of more water from Jocko River to Tabor Reservoir during the high-water season. By this work it is estimated that from 6,000 to 10,000 acre-feet of water can be added to the water supply of the Mission Valley division.

In connection with these items for Flathead, a repayment contract has been executed and public notice was issued by the Secretary of the Interior, pursuant to existing law, on November 1, 1930.

IMPROVEMENT, ETC., IRRIGATION SYSTEM, BLACKFEET RESERVATION, MONT. (P. 29, LINES 21–24; P. 30, LINES 1, 2)

Budget estimate	$86,000
Allowed by House	86,000
Reported to Senate	41,000
Total reduction	45,000

Based upon definite recommendations of engineers who made a thorough study of the project and with the view of better utilization of certain units of the project, a 3-year construction program was initiated on the Blackfeet Reservation in the fiscal year 1931. This program contemplated expenditures as follows:

1931	$64,250
1932	46,000
1933	45,000
Total	155,250

Appropriations have been made in fulfillment of this program and the work contemplated carried to or in process of completion at this time. Elimination of the amount required for the third year of the program will not only postpone final completion and use of the project but will result in voiding some of the work already done. Since it was decided by Congress several years ago to proceed with construction looking to effective use of a portion of this project, it is poor economy to withdraw at this time, leaving works already constructed inoperative.

At the conclusion of this 3-year program no further development is contemplated, all future expenditures to be confined to operation and maintenance work.

No decrease in permanent personnel will result from this proposed reduction, but much local day labor will be affected.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, CROW RESERVATION, MONT. (P. 30, LINES 3–11)

Budget estimate	$25,000
Allowed by House	20,000
Reported to Senate	18,000
Total reduction	7,000

Of the total reduction, $5,000 cut off by the House represented the amount allowed by the Budget for drainage work on certain areas. A small appropriation is available the current year for beginning that work and until such time as the effectiveness thereof can be determined, with the consent of the Bureau of the Budget, the House committee was requested by the Indian Service to transfer that $5,000 to land designation work. The House committee denied our request. One of the largest sources of complaint on this project is and has been the payment of charges on land which owners claim should not be assessed. Some land is covered with brush, other tracts are slightly seeped, while other areas are in need of leveling. It was the hope of the office that studies could be made through the use of this $5,000 to the end that project lands irrigable and assessable could be determined.

Ordinary operation and maintenance costs have been met in the past largely through accumulated collections from water users. These surplus collections have been depleted to such an extent that Federal appropriations are necessary if further use of the project is to be permitted. Expenditures in 1931 from collections were $47,581; estimated expenditures from such funds in 1932, $35,616; and in 1933, $20,000. The total estimated expenditures on this project for 1933, exclusive of the $5,000 referred to in the preceding paragraph, are $40,000, or $23,616 less than for the current year.

The further reduction proposed by the Senate committee will mean postponement of canal cleaning, and other necessary project expenses incidental to delivery of water.

The contemplated reduction will not affect the status of any regular employees.

INVESTIGATIONS, ETC., DAM CONSTRUCTION, DUCK VALLEY RESERVATION, NEV. (P. 31, LINES 1–6)

Budget estimate	$15,000
Allowed by House	15,000
Reported to Senate	10,000
Total reduction	5,000

This expenditure is authorized by the act of February 28, 1931 (46 Stat. 1458.) The very nature of the work makes it impossible to definitely determine the exact amount that will be required to complete it. Since Congress has directed that the surveys be made and authorized a specific sum therefor, it would seem appropriate to set aside the entire amount of the authorization. If not used in this work, it can be used for nothing else and will revert to the Federal Treasury.

A full discussion of this item appears on pages 411–424 of the House hearings.

IRRIGATION SYSTEMS, WIND RIVER DIMINISHED RESERVATION, WYO. (P. 34, LINES 8–19)

Budget estimate	$55,000
Allowed by House	55,000
Reported to Senate	45,000
Total reduction	10,000

For the last two or three years increases have been allowed for the replacement of old wood structures with concrete and steel. These replacements have proceeded satisfactorily and have resulted in greater use of the project. During the irrigation season of 1931 about 200 Indian families irrigated 10,263 acres. An agricultural extension agent is assigned to this reservation and encouragement is being given the Indians to use their own lands for raising subsistence and commercial crops.

Approval of the contemplated reduction will make necessary continued use of worthless structures, with resultant inefficient delivery of water. It will also mean postponement of studies looking to the designation of those areas properly assessable under the project.

Surplus collections are used upon this project, and it is necessary to have adequate Federal funds for operation and maintenance costs.

No permanent employees will be affected by the proposed reduction.

INDIAN SCHOOL BUILDINGS (P. 37, LINES 4–25; P. 38, LINES 1–6)

Budget estimate	$507,000
Allowed by House	497,000
Reported to Senate	442,000
Total reduction	65,000

Repairs and improvements

A total reduction of $25,000 is carried for general repair and maintenance of reservation boarding and day schools, including sewer, water, heating, and lighting systems. Present funds permit only minimum expenditures on the upkeep of plants, and this reduction will force postponement of many needed maintenance jobs.

One permanent position at $2,600 will no doubt have to be abolished.

Physical improvements (Tongue River, Mont.)

The amount allowed by the House contemplated an expenditure of $50,000 for a new building to provide classroom facilities now housed in the dormitory of this reservation boarding school. The present structure is in a most dilapidated condition, is insanitary, and unfit for occupancy. A new building is highly desirable and should be provided. However, if that can not be, it is believed that an expenditure of $10,000 will permit the making of certain alterations and repairs which will in part overcome existing unsatisfactory conditions.

FLOOD CONTROL, LEUPP SCHOOL AND AGENCY (P. 38, LINES 6–12)

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	10,000
Total reduction	30,000

The bill as passed by the House authorizes the expenditure of $40,000 for the construction of a dike around the Leupp School and Agency plant. The estimate was submitted pursuant to a report made by a board of engineers appointed by the Secretary to consider the feasibility of protecting this plant from flood. Since the submission of the estimate a severe flood occurred, breaking the main dikes surrounding this school in several places, and for the safety of the pupils, hospital patients, and employees the school was temporarily abandoned. The Government has expended more than $80,000 in the last three years in attempting to protect this property from destruction by flood. The school has a capacity of 400 pupils and the hospital a capacity of 60 beds. Upon the abandonment of the institution about half of the pupils were taken care of in near-by reservation or nonreservation boarding schools and the remainder are being accommodated in temporary quarters in the town of Winslow. Some few pupils are attending Government day or State public schools.

A reduction of $30,000 in this item will definitely eliminate the possibility of further expenditure of Government funds in building dikes in an attempt to save this property from destruction by flood. The $10,000 allowed by the Senate will be used to make investigations as to the availability of water supplies preparatory to relocating the facilities abandoned at Leupp.

No permanent employees are affected by this reduction, but a large portion of the original $40,000 would be paid to Indians engaged in dike construction.

EDUCATION, SIOUX NATION (P. 44, LINES 13–17)

Budget estimate	$406,500
Allowed by House	406,500
Reported to Senate	350,000
Total reduction	56,500

This appropriation is used to maintain about 30 day schools with an average attendance in excess of 500, and 3 reservation boarding schools with a combined capacity of 800, all for the benefit of the Sioux Indians. The amount required for ordinary support purposes, exclusive of repairs to buildings, is $331,500. The fund is also used for general supervisory purposes in the Sioux country, tuition of Indian pupils in mission schools, and repairs to plants.

The reduction will require the abolishment of 10 or more teaching positions, possibly 5 housekeeper position at the day schools, and other much needed positions, principally at the boarding schools. The Budget estimate has already taken into consideration savings of $10 per pupil based on present market prices of commodities, and the reduction here proposed will mean the closing of day schools and the denial of educational facilities to some of the Sioux children.

Public-school facilities are not convenient to this Indian population, and consequently the Government has got to provide its own facilities. The schools operated under this appropriation should be accorded the same treatment as those maintained from the general educational appropriation and the appropriations for the nonreservation boarding schools.

EDUCATION OF NATIVES IN ALASKA (P. 47, LINES 3–24; P. 48, LINES 1–9)

Budget estimate	$726,400
Allowed by House	690,000
Reported to Senate	650,000
Total reduction	76,400

The amount allowed for salaries under this appropriation is $8,100 less than the appropriation for 1932, and will necessitate elimination of the 25 additional employees approved by the Bureau of the Budget and the House for duty at established stations; prohibit extension of the school term at 31 schools; deny the teacher at Gulkana, where 20 children of school age are available but have no teacher; and prohibit the establishment of 8 positions necessary for opening the Shoemaker Day School, now being completed. In addition to the positions named it will be necessary to reduce the present staff to come within the amount allowed.

The reduction of $2,000 in the travel-expense item was apparently made because of the reduction in personnel. If the salary appropriation is allowed, the Budget estimate for travel should be restored.

The Budget allowance for equipment, supplies, fuel, etc., was $219,000. This amount was reduced by the House to $192,600, and is now reduced further by the Senate to $182,600, or only $12,600 above the amount allowed for 1932, and a total reduction in the Budget estimate of $36,400. Proceeding on the theory that the Shoemaker Day School is not to be opened, since no employees have been allowed therefor, this reduction is accounted for. It is inconceivable that after providing this plant it is the wish of Congress that it remain vacant for one full school term.

The cut of $2,000 in the repair item will force postponement of needed repairs on station buildings, many of which are of crude construction and are constantly in need of attention.

Summarizing, the reductions below the Budget estimates are as follows:

Budget estimates

Object	Budget	House	Senate	Reduction
Salaries	$376,900	$366,900	$341,900	$35,000
Travel	24,000	24,000	22,000	2,000
Equipment, etc	219,000	192,600	182,600	37,400
Repairs	25,000	25,000	23,000	2,000
New structures	13,000	13,000	13,000	
Freight	30,000	30,000	30,000	
Operation of vessels	35,000	35,000	35,000	
Rents	1,500	1,500	1,500	
Telephone and telegraph	2,000	2,000	2,000	
Total	726,400	690,000	[1] 651,000	76,400

[1] Error of $1,000 in total of allowances by Senate.

Attention is invited to the amendments on page 47, lines 13 and 14, and lines 21 and 22, striking out the text with reference to the *Bozer* and substituting the word "vessels." Unless the amount of $35,000 "for operation of vessels" is increased by at least $10,000, funds will not be available for continued operation of the *Bozer* in the Alaskan service.

All phases of the situation considered, the total reduction in this appropriation is most severe, and this work will go backward instead of forward.

CONSERVATION OF HEALTH (TRIBAL FUNDS) (P. 52, LINES 20–24; P. 53, LINES 1–2)

This is not an appropriation but merely a limitation, appearing on the face of the bill, as to the amount of tribal funds that may be expended for health work among Indians. If the decrease proposed in tribal-fund expenditures should stand, this reduction in the authorization for health work would be entirely consistent.

ASYLUM FOR INSANE INDIANS, CANTON, S. DAK. (P. 53, LINES 3–8)

Budget estimate	$50,000
Allowed by House	50,000
Reported to Senate	40,000
Total reduction	10,000

This institution for insane persons, while not requiring a larger number of employees than does an ordinary hospital, has always been operated with a small complement of personnel. The present staff is considered as a minimum. The proposed reduction will make necessary the abolishment of not less than four positions, and further savings will have to be effected through a lesser expenditure for food and other supplies. Not only does this appropriation provide for care of patients but for maintenance and upkeep of buildings, including all heating and plumbing, water, light, and sewer systems. This asylum can not be maintained in accordance with even minimum standards if this reduction stands.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (TRIBAL FUNDS)

General statement

The total reduction in tribal funds authorized for expenditure for general support and administration purposes, including authorizations from Chippewa funds for general agency purposes and indigent relief, authorizations from Osage funds for agency support and expenses in connection with oil and gas production, and expenditures from the principal funds to the credit of Confederated Bands of Utes under Ute Mountain and Uintah Reservations, is $278,600. The purposes for which these authorizations are expended correspond very closely to those for which the gratuity appropriation for general support and administration of Indian property is utilized. This cut will necessitate a serious reduction in the personnel on the reservations involved; reduction in expenditures for relief of needy Indians, which have been so heavy during the past year and will continue to be heavy until a return of normal conditions and opportunity for employment of the Indians; reduction in expenditures calculated to advance the industrial welfare of the Indians, such as increased farming activities, development of their livestock, 4-H club work, chapter organizations among the adults; and a general decrease in the amount of supervision which can be given the affairs of the Indians in general.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (P. 53, LINES 21–24; P. 54, LINES 1–14)

Budget estimate	$1,588,000
Budget estimate, Quapaw item	20,000
Total Budget estimate	1,608,000
Allowed by House, combined	1,596,000
Reported to Senate	1,400,000
Total decrease	208,000

If this decrease stands not less than 50 positions ranging in salaries from $1,080 to $6,500 will be abolished, salaries of positions so abolished aggregating $90,480. Jurisdictions are constantly complaining under present conditions of the tremendous burden now being carried by the clerical forces at the agencies. Office hours in the field are from 8 to 5, and practically all agency employees are forced to perform many hours of overtime labor in order to keep the work current. Through lack of funds we are constantly denying appeals for temporary clerical assistance or for full-time positions. The elimination of positions now authorized will seriously handicap the local agencies in handling the mass of detail work requiring daily attention.

In addition to the above, it will be necessary to reduce expenditures for the following purposes:

Supplies (food, clothing, etc., for direct issue to Indians)	$55,000
Travel expense of employees	6,000
Repairs to office equipment, agency, machinery, etc.	15,000
Seed for issue to Indians	5,000
Burial expense of Indians	4,000
Office equipment, agency machinery, etc., including replacement of automobiles	20,000
Improving home conditions of Indians	15,000
Other miscellaneous purposes	3,920

A total of 63 agencies are supported in whole or in part from this appropriation. These agencies are handling the affairs of more than 90 per cent of the Indians under the jurisdiction of the office, and a reduction in this appropriation is striking at one of the most essential of all appropriations of the Indian Service, since it is used for direct benefit for the Indians on the reservations.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (ARIZONA) (P. 55, LINES 12–15)

Fort Apache

Budget estimate	$25,000
Allowed by House	25,000
Reported to Senate	20,000
Total reduction	5,000

Reduction of $5,000 will necessitate the abolishment of one position of farmer or stockman at $1,500 and a decrease of $3,500 in expenditures for relief of Indians, operation of the tribal sawmill, and the construction of Indian homes. This agency has heretofore been supported from tribal funds, but by reason of decreasing revenues the larger part of the general administrative overhead will be borne from gratuity appropriations in 1933.

San Carlos

Budget estimate	$120,000
Allowed by House	120,000
Reported to Senate	100,000
Total reduction	20,000

If this reduction is made, $7,000 must be absorbed through a cut in personnel, probably eliminating 2 laborers, 2 line riders, and 1 deputy special officer. Our industrial program for 1933 contemplated the expenditure of $35,000 in the purchase of bulls and heifers for the tribal herd. This will necessarily be reduced to $22,000, accounting for the remaining $13,000 of the $20,000 decrease. This reservation has an area of 1,610,000 acres and a population of 2,670 Indians. The Indians have been especially interested in livestock activities, and a number of the employees paid from this appropriation are engaged in work directly connected with the livestock industry.

Truxton Canyon

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	16,000
Total reduction	4,000

A reduction of $4,000 means the abolishment of one position of farmer at $1,620 and a reduction of $2,380 in proposed expenditures for relief of Indians, and advancement of their livestock interests by cutting expenses in connection with the running of the tribal herd, round-up expenses, water development, etc. This reservation contains 973,000 acres and has a population of 460. Stock activities constitute the main industry of the reservation and are the principal sources of support for the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (COLORADO) (P. 55, LINES 18–20)

Southern Ute

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

None of this authorization is expended for salaries of regular employees. This reduction will result in less employment for Indians in road and bridge construction and repair work on the reservation and a decrease in the purchase of subsistence supplies for issue to old and indigent Indians.

Ute Mountain

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

A cut of $5,000 will necessitate abandonment of our plan to construct a community house at Towaoc for the use of the Ute Mountain Indians. Experience at other jurisdictions, especially in the Navajo country, has demonstrated the value of community houses. A similar building for the Indians of this reservation would be of value to them in providing a place where they may meet to discuss subjects relating to home and farm improvement.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IDAHO) (P. 55, LINES 21–24, AND P. 56, LINES 1–2)

Fort Hall

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

A reduction of $5,000 will necessitate abolishment of a position of deputy special officer at $1,920, a financial clerk at $1,740, and curtailment of industrial activities, relief of Indians, and general administrative expenses to the extent of $1,340. The amount of the Budget estimate was $17,500 less than the appropriation for 1932, or eliminating the $10,000 for weed control, $7,500 less than the ordinary annual authorization for this jurisdiction. Any further reduction without a corresponding increase of the gratuity appropriation will handicap the administration of the affairs of this jurisdiction.

Fort Lapwai

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	7,500
Total reduction	2,500

A reduction of $2,500 will necessitate abolishment of one position, probably that of assistant clerk, at $1,740. The remainder of the decrease will necessitate a smaller expenditure for relief of indigent Indians and purchase of farm and garden seeds for issue to them and other activities relating to industrial development.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IOWA) (P. 56, LINE 3)

Sac and Fox

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

This money is not used to pay salaries of any regular employees. Approximately $1,500 will be required to pay State and county taxes on tribal lands. If only $1,000 is allowed, full tax payment can not be made, and the penalty will accrue on any amount that goes delinquent.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (KANSAS) (P. 56, LINE 4)

Pottawatomie

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

Reduction to $1,000 means that one position of clerk at $1,920 now charged to this authorization will have to be dropped entirely, or the balance required for his salary provided from some other fund. This employee is on duty at the Pottawatomie subagency located at Mayetta, Kans. There are 891 Indians on the Pottawatomie Reservation and the present clerical force necessary to carry on the required work is extremely limited.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MINNESOTA) (P. 56, LINE 6)

Red Lake

Budget estimate	$53,000
Allowed by House	53,000
Reported to Senate	45,000
Total reduction	8,000

Practically all of the reduction of $8,000 will have to absorbed in the abolishment of seven existing positions or the transfer of salaries of these positions to Red Lake tribal funds made available elsewhere in the bill for the operation of the Red Lake and Cross Lake boarding schools. Practically the entire expense of maintaining this agency is borne from this appropriation. There are about 1,800 Indians on the Red Lake Reservation, which contains approximately 407,000 acres, all of which is in a tribal status. The Indians support themselves largely through lumbering and fishing activities, and some of them engage in farming and chicken raising.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MONTANA) (P. 56, LINES 7–10)

Blackfeet

Budget estimate	$7,500
Allowed by House	7,500
Reported to Senate	5,000
Total reduction	2,500

No regular salaries are charged to this fund. Reduction of $2,500 would be reflected in a decrease to that extent in our program for the relief of needy Indians. Almost the entire amount requested from Blackfeet funds for 1933 is justified as being needed for relief of needy Indians on this reservation, which has a population of approximately 3,560. In addition to expenditures from tribal funds, a large amount of gratuity appropriations is expended each year in providing subsistence supplies and clothing for this group of Indians. If the Indians have funds to their credit, such funds should be used for the relief of indigent members of the tribe.

Flathead

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	30,000
Total reduction	10,000

This reduction will probably necessitate abolishment of 1 position of special officer, 1 clerk, 1 laborer, 2 farmers, and 1 physician; also decreased expenditures for other purposes, including the hospitalization of Indians in the Holy Family Mission Hospital at St. Ignatius. There are 3,000 Indians on this reservation. The Budget estimate was $10,400 less than the amount appropriated for 1932, which amount will of necessity be provided at least in part from gratuity appropriations. Funds will not be sufficient in general appropriations to permit employment in the above positions, the abolishment of which would be most unfortunate.

Fort Peck

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	5,000
Total reduction	5,000

We do not contemplate the use of any part of this money in payment of the salaries of regular positions. The farm-agent position no doubt will be abolished. The remainder of the reduction will necessitate a corresponding decrease in our general agency and reservation activities, particularly in the amount available for relief of needy Indians. During the present year we have expended large sums both from Red Cross money and gratuity appropriations for the relief of needy Indians on this reservation. Expenditures for education, medical work, and other purposes are borne from general gratuity appropriations.

Tongue River

Budget estimate	$15,100
Allowed by House	15,100
Reported to Senate	10,000
Total reduction	5,100

The proposed reduction of $5,100 will involve abolishment of one position of farmer at $1,380 and decreased expenditures for irregular Indian labor, relief of needy members of the tribe, operation of the tribal sawmill, purchase and issue of garden seed, and encouragement of Indian livestock activities. There are 1,460 Indians on this reservation and the Government is expending from gratuity appropriations large sums for educational, health, and other purposes. Indian labor is hired under this appropriation for road work, fence repair and upkeep, cutting of ice, and other agency and reservation activities, and any compensation received contributes to the support of the individuals employed and their families.

Rocky Boy

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

The salary of a position of general mechanic, at $1,500, has heretofore been paid from this fund. A cut to $1,000 will require the abolishment of this position. School, health, industrial, and other activities for the benefit of this group of Indians, numbering about 550, are supported from gratuity appropriations. The amount allowed by the Budget represents small annual revenues from rental of surplus grazing land. Expenditures from this fund are of direct benefit to the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEBRASKA)

Omaha

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

This authorization does not bear the salaries of any regular positions. Reduction to $1,000 means a proportionate decrease in employment of irregular Indian labor, relief of needy Indians, and development of industrial activities among the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEVADA) (P. 56, LINES 13–14)

Pyramid Lake

Budget estimate	$5,000
Allowed by House	5,000
Reported to Senate	2,500
Total reduction	2,500

The proposed reduction of $2,500 will necessitate the abolishment of one position of farmer, at $1,680, and the expenditure of $820 less for direct aid to Indians through the issuance of subsistence supplies, clothing, hospitalization, and other expenses. The use of $5,000 of Indian moneys is small compared to the expenditure of Federal funds for the benefit of this group of 550 Indians.

Western Shoshone

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	5,000
Total reduction	5,000

The proposed cut of $5,000, representing half of the estimate, all of which was considered necessary, will necessitate the abolish-

ment of one position of laborer, at $1,260, and decreased expenditures for supplies, materials, equipment, for relief of Indians and care of their livestock. The Budget estimate was $5,200 less than the amount authorized for use in 1932. The decrease is made necessary by reason of diminished income to the tribe from rental of surplus grazing lands. There are approximately 700 Indians on this reservation, and a considerable sum is annually expended from gratuity appropriations for the support of Federal activities for their benefit.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEW MEXICO) (P. 56, LINES 15–16)

Jicarilla

Budget estimate	$30,000
Allowed by House	30,000
Reported to Senate	25,000
Total reduction	5,000

A cut of $5,000 will involve curtailment to that extent of our program of industrial development on the reservation, including such items as operation of the tribal sawmill, water development, fence construction and repair, rodent control, and care of the tribal sheep herd. The greater part of this money is expended in the employment of irregular Indian labor, lessening the opportunity for which would be particularly unfortunate at this time in view of the needy condition of the Indians and their extremely heavy stock losses during the past winter. It is anticipated that only two regular employees will be paid from this fund in 1933. During the past year 16 employees at this jurisdiction are chargeable to the tribal fund authorization. The Budget estimate for 1933 was $30,000 less than the authorization for the present year. A further reduction without compensating increase in gratuity appropriations will result in severely crippling the activities of the agency and greatly curtailing the income of individual Indians through lack of employment heretofore provided.

Mescalero

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	25,000
Total reduction	15,000

The proposed reduction of $15,000 will necessitate the abolishment of one position of farmer at $1,740 and a sharp decrease in the amount expended in the employment of irregular Indian labor in connection with such projects as the operation of saw mill, water development, construction and repair of fences, and care of the tribal sheep herd. Our plans for the expenditure of the original $40,000 estimate contemplated the expenditure of almost none of it for general administrative purposes and any cut in this authorization can not help but be reflected in projects of direct benefit to the Indians. It is especially desirable to purchase new animals for addition to the cattle and sheep herds and expenditures are necessary for the purchase of supplies and equipment, oil cake, and other feed, repairs to camp buildings, and other purposes necessary to proper handling of the tribal herds. Funds are not provided elsewhere to supplement the loss through this reduction. Since these expenditures are made for the direct benefit of the Indians their funds should stand a major portion of the costs. The Budget estimate for 1933 was $15,000 less than the amount authorized for use in the present fiscal year. As a result of such reduction seven positions have been transferred to the gratuity support appropriation, and under the amount now allowed it is possible that some of these positions will have to be abolished.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (OKLAHOMA) (P. 56, LINES 18–22)

Otoe

Budget estimate	$1,500
Allowed by House	1,500
Reported to Senate	1,000
Total reduction	500

The proposed cut of $500 will necessitate a proportionate reduction in miscellaneous agency and reservation expenditures, such as traveling expense, operation and upkeep of automobiles, relief of needy Indians, etc. The Otoe Indians are under the jurisdiction of the Pawnee Agency, which is supported largely from gratuity appropriations.

Ponca

Budget estimate	$3,000
Allowed by House	3,000
Reported to Senate	2,000
Total reduction	1,000

The proposed cut of $1,000 will mean the abolishment of one position of junior clerk. These Indians are also under the jurisdiction of the Pawnee Agency and share in the benefits derived from expenditures of Federal funds for educational, medical, industrial, and other purposes. The amount contributed from Indian funds is small compared to the expenditure of Federal funds.

Sac and Fox

Budget estimate	$3,100
Allowed by House	3,100
Reported to Senate	2,000
Total reduction	1,100

The proposed reduction of $1,200 means that one position of assistant clerk at $1,800 now paid from this authorization must be abolished. The Sac and Fox Reservation, inhabited by about 700 Indians, is under the administrative jurisdiction of the Shawnee Agency. They receive about $3,000 annually from the rental of surplus grazing lands. They share in the benefits derived from the expenditure of Federal funds for educational, medical, industrial, and other purposes. Children attend the public schools, for which tuition is paid, and a sanatorium is located at Shawnee, Okla. The amount contributed from Indian funds for administrative purposes is small compared to the contribution made by the Federal Government.

Cheyenne and Arapaho

Budget estimate	$3,000
Allowed by House	3,000
Reported to Senate	2,000
Total reduction	1,000

This item was inserted at the request of the Indians to provide money for expenses of the tribal business committee and tribal delegates to Washington. The proposed reduction simply means that there will be $1,000 less available for such purposes. No part of this fund is to be used for administrative purposes by the Indian Service.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (OREGON) (P. 56, LINES 23–24)

Klamath

Budget estimate	$110,000
Allowed by House	75,000
Reported to Senate	50,000
Total reduction	60,000

The Budget estimate of $110,000 represented what we considered at the time of submission the lowest possible amount that would be required for the maintenance of this agency during the next fiscal year. Over a period of four years there has been a cut of approximately 34 per cent in the appropriation of tribal funds for this jurisdiction. During the present year there has been expended on this reservation $25,000 of the gratuity road appropriation. Following a hearing before the House committee on the question of expenditures at this jurisdiction, during which representatives of the Klamath Indians were present and testified, that committee recommended a reduction of $35,000 in this appropriation. Following this action, the superintendent was directed to make a minute study of his needs and to indicate the lowest possible minimum required for operations during the next year. This study revealed that in round figures approximately $100,000 would be required for the agency, including $10,000 for reimbursable loans to Indians and about $4,000 for expenses of the tribal business committee.

There are 23 authorized positions at Klamath at the present time; and if the reduction of $60,000 under the Budget estimate stands, we will be required to abolish positions which we now consider necessary for general reservation work, and in addition thereto the 25-bed hospital will be closed. The money carried in the bill as reported to the Senate will not permit the maintenance of the hospital and the employment of a sufficient clerical force at the agency to handle the routine business connected with per capita payments and numerous miscellaneous matters daily being brought to the agency office for consideration and action. It will also be necessary to deny any applications for reimbursable loans, and there will be no money for expenses of the tribal business committee, either for activities on the reservation or for the expenses of its delegates when visiting Washington. The Indian Service has a responsibility delegated to it by law in the administration of the vast estate of this group of one thousand two hundred and seventy and odd Indians. Necessary administrative expense money must be provided or curtailments of the activities will take place which are bound to create most unfavorable criticism of the Federal Government. If Congress refuses to provide necessary funds to properly maintain this agency, then it should be willing to share the criticism which is bound to result from that action.

Umatilla

Budget estimate	$9,100
Allowed by House	9,100
Reported to Senate	5,000
Total reduction	4,100

Reduction to $5,000 means that we would probably have to dispense with two positions of clerk at $1,560 and $1,260 and reduce other administrative expenses to the extent of $1,280. The authorization for 1932 is $15,000. The Budget estimate is $6,000 under that amount. A further reduction of $4,100, with no supplemental gratuity appropriation, will seriously impair the effectiveness of work done in the past and retard the future progress of this group of 1,100 Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (SOUTH DAKOTA) (P. 57, LINES 1–2)

Cheyenne River

Budget estimates	$90,300
Allowed by House	90,300
Reported to Senate	75,000
Total reduction	15,300

A reduction of $15,300 means the elimination of 1 clerk, 1 carpenter, 1 line rider, 1 hospital attendant, reduction in the amount

of irregular labor (almost entirely Indian), smaller quantities of supplies and materials for the agency, the hospital, and needy Indians. There are 3,164 Indians on the Cheyenne River Reservation, which covers an area of approximately 1,230,000 acres. The administrative expenses of this agency are borne almost entirely from tribal funds, and our present force of employees paid from this appropriation is 23, which number includes employees of the hospital maintained for the benefit of these Indians. It is estimated that approximately $15,000 will be required during 1933 for the relief of needy Indians through the issue of subsistence, clothing, and fuel, the furnishing of medical and other supplies, and payment of hospitalization and burial expenses. We believe that this agency is maintained at an extremely low cost, and the reduction of $15,300 will greatly impair the value of the services rendered the Indians.

Pine Ridge

Budget estimate	$7,000
Allowed by House	7,000
Reported to Senate	4,000
Total reduction	3,000

The entire amount of this authorization is set up for miscellaneous agency and reservation purposes, travel expenses, relief of Indians, etc. The proposed cut of $3,000 will restrict our activities accordingly. The original Budget estimate contemplated the expenditure of approximately $3,000 for relief of needy Indians and $4,000 for payment of general administrative expenses, including the hauling of supplies from the railroad to the point of use. There are 8,000 Sioux Indians on this reservation, which contains approximately 2,569,000 acres of land. This amount of money is derived mainly from the rental of surplus grazing lands. Expenditures for educational, health, industrial, and other purposes on this reservation come from gratuity appropriations. During the fiscal year 1931 more than $560,000 was so expended. It will be seen that the amount requested from tribal funds is exceedingly small compared to the expenditures from Federal appropriations.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (UTAH) (P. 57, LINES 3–7)

Uintah and Ouray

Budget estimate	$15,000
Allowed by House	15,000
Reported to Senate	10,000
Total reduction	5,000

The greater part of this annual authorization is expended in the purchase of supplies for the agency, the hospital, and for issue to old and indigent Indians. The proposed reduction of $5,000 will necessitate proportionately decreased expenditures for these needs. No regular employees are paid from this appropriation, and expenditures therefrom are largely for direct benefit to Indians, either through employment or the issuance of supplies.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WASHINGTON) (P. 57, LINES 8–15)

Colville

Budget estimate	$40,500
Allowed by House	40,500
Reported to Senate	30,000
Total reduction	10,500

A reduction of $10,500 will necessitate abolishment of 1 position of forest ranger, 1 junior clerk, 2 laborers, and 1 general mechanic, involving approximately $7,000, and a reduction of $3,500 in the amounts expended for miscellaneous purposes, such as irregular labor, principally Indian, purchase of supplies and materials, and relief of indigent Indians. The administrative expenses of this agency are largely borne from tribal funds. There are about 3,000 Indians on the reservation, which contains more than 378,000 acres of allotted lands and 824,000 acres of tribal lands. They have valuable timber resources, and a large area of their reservation lands are leased for grazing purposes. This is a very active agency, and present employees are unable to keep their work current without much overtime.

Neah Bay

Budget estimate	$7,500
Allowed by House	7,500
Reported to Senate	5,000
Total reduction	2,500

The proposed cut of $2,500 will necessitate abolishment of one laborer position at $1,200 and a decrease of $1,300 in the amount expended for relief of indigent Indians, repairs to machinery and equipment, and the purchase of new equipment. There are 660 Indians under this jurisdiction, and a considerable sum is expended each year from general gratuity appropriations for purposes of general benefit to them.

Puyallup

Budget estimate	$4,000
Allowed by House	4,000
Reported to Senate	2,000
Total reduction	2,000

One thousand dollars of this appropriation is required for upkeep and maintenance of the Puyallup Indian cemetery. This money represents interest at 4 per cent per annum on a trust fund of $25,000 definitely set aside for the purpose. It will be necessary to abolish a position of clerk at $1,680, and the remaining amount of this reduction will necessarily be absorbed through curtailment in other administrative expenditures. This reservation is under administrative control of the Tulalip Agency, which is largely supported from gratuity appropriations.

Spokane

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	7,500
Total reduction	2,500

The reduction of $2,500 will necessitate the abolishment of a position of farmer at $1,560 and a reduction in the amount to be expended for relief of needy Indians, including hospitalization and burial expense. There are 774 Indians on this reservation, which contains more than 150,000 acres of land. The reservation is under the administrative control of the Colville Agency.

Taholah (Quinaielt)

Budget estimate	$36,000
Allowed by House	36,000
Reported to Senate	30,000
Total reduction	6,000

Under the wording of the item, $25,000 of this authorization is available only for a sewer and water system for the Indian village at Taholah. This improvement has been requested by the Indians. One thousand dollars of the remaining amount was definitely set aside for expenditure in such manner as the tribal council might determine. This leaves only $4,000 for general purposes, as against $10,000 allowed by the Budget and the House. One position of practical nurse at $1,560 must be abolished. The remainder of the reduction must be absorbed through other reductions in expenses of administration and care of Indians, particularly decreased purchase of supplies for indigent Indians.

Yakima

Budget estimate	$30,000
Allowed by House	30,000
Reported to Senate	20,000
Total reduction	10,000

The proposed reduction of $10,000 in this authorization means that we must abolish positions of physician, 1 farmer, 1 clerk, 1 laborer, employ less irregular labor and expend less for necessary supplies and materials. This reservation is inhabited by 2,916 Indians and has an area of over 1,000,000 acres of land. There is a vast amount of work involved on this reservation in connection with the leasing of lands, the collection of rentals therefrom, and other miscellaneous activities in handling the affairs of this group of Indians. The original Budget estimate for 1933 was decreased by $8,300 under the amount of the appropriation for 1932. Withdrawal of the employees named would work a hardship not only upon the remaining employees but upon the Indians of the reservation.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WISCONSIN) (P. 57, LINES 16–22)

Keshena

Budget estimate	$75,000
Allowed by House	75,000
Reported to Senate	50,000
Total reduction	25,000

The proposed reduction of $25,000, one-third of the amount allowed by the House and the Budget, will seriously cripple our activities at Keshena. Positions which must necessarily be abolished will probably include 1 electrician, 1 clerk, 1 forest guard, 1 blacksmith, 1 laborer, and 1 hospital attendant. The balance will have to be met through reduced expenditures for irregular labor, supplies, materials, equipment, and other necessary expenses incident to agency and reservation activities. The Budget estimate contemplated an expenditure of $10,000 for direct benefit to indigent members of the tribe, $5,000 of which was set aside for maintaining the old folks' home for indigent members of this group and $5,000 for advances to families taking care of indigent members of the tribe. A hospital of 60-bed capacity is maintained for the benefit of this group of Indians and the entire cost of maintenance is borne from tribal funds. The Budget allowed an increase of $4,200 over the 1932 authorization, practically all of which was considered necessary in connection with the operating expenses of the hospital. There are on the Keshena pay roll 25 employees paid from this appropriation, at least 10 of whom are assigned to the hospital. The contemplated reduction will of necessity force curtailment of hospital and medical service to the Indians as well as relief for the indigent members of the tribe.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WYOMING) (P. 57, LINE 23)

Shoshone

Budget estimate	$50,000
Allowed by House	50,000
Reported to Senate	40,000
Total reduction	10,000

The proposed reduction of $10,000 involves the abolishment of forest guard, clerk, and assistant engineer positions; also reduced expenditures for other administrative, agency, and reservation purposes. There are 2,000 Indians under this jurisdiction. The hospital and boarding school have been transferred to gratuity support funds and other activities under this jurisdiction are also being supported from gratuity funds. The Budget estimate as submitted was $24,100 below the amount authorized for 1932, a portion of which was transferred to the gratuity item for general support purposes.

SUPPORT OF CHIPPEWA INDIANS IN MINNESOTA (TRIBAL FUNDS) (P. 58, LINES 1–19)

Budget estimate	$100,000
Allowed by House	100,000
Reported to Senate	75,000
Total reduction	25,000

The original estimate proposed $100,000, of which $60,000 was set up for agency and general support purposes, and $40,000 for relief of indigent Indians; $15,000 has been cut from the former item and $10,000 from the latter. The $15,000 cut will involve the abolishment of one position of physician, two clerks, one forest guard, and one laborer.

The Consolidated Chippewa Agency has jurisdiction over approximately 13,400 Indians, residing on nine different reservations. It is necessary to maintain subagencies for the benefit of several of the separate groups. Some years ago the numerous Chippewa agencies, except Red Lake, were consolidated, resulting in considerable savings. Further savings at this time will work a hardship upon these Indians and will delay the handling of details of administration to a marked degree. For the Red Lake and Consolidated Chippewa jurisdictions only 24 employees are paid from this appropriation and we consider each of them necessary.

With regard to the proposed $10,000 reduction in expenditures for the relief of needy members of the tribe, we can only say that we know of no better use to which this money can be put and earnestly request that the amount of the reduction be restored. It is sorely needed.

SUPPORT OF OSAGE AGENCY, OKLAHOMA (TRIBAL FUNDS) (P. 59, LINES 10–19)

Budget estimate	$210,000
Allowed by House	175,000
Reported to Senate	150,000
Total reduction	60,000

This reduction will mean a very drastic cut in personnel, as well as a reduction in other expenses in connection with the administration of Osage affairs, both individual and tribal. It will be necessary to abolish at least 17 positions, preservation of law and order will be disrupted, the field offices or subagencies at Hominy, Fairfax, and Foraker will be closed, and other economies will necessarily be effected. Notwithstanding the diminishing income to this tribe of Indians, there is a vast amount of routine work that must be handled, such as the many individual Indian accounts, supervision of oil and gas mining activities, including receipt and disbursement of funds accruing from royalties, execution of leases and assignment of leases, and aiding Indians in the construction or repair of homes. Because of past history in connection with this reservation, with its large income from natural resources, a complex administrative problem exists. The relinquishment of supervision or withdrawal of clerical assistance will undoubtedly result in many cases of undue advantage being taken of the individual Indians. The Indian Service is charged by law with certain detailed duties, the performance of which require adequate personnel. The Budget estimate was $49,000 less than the amount provided for the current year and $54,000 less than the amount authorized for 1931. While the necessity for curtailment of expenditures is recognized, a too rapid change will be to the actual disadvantage of the Indians. It is believed that $175,000 is the lowest possible minimum that should be provided. As a matter of fact, we feel that the minimum requirement in this transition period is $200,000.

CONFEDERATED BANDS OF UTES, UTAH (TRIBAL FUNDS) (P. 60, LINES 1–21)

Ute Mountain

Budget estimate	$48,000
Allowed by House	48,000
Reported to Senate	42,500
Total reduction	5,500

The proposed decrease of $5,500 will involve the abolishment of two positions of laborer and decreases in the amounts expended for miscellaneous purposes, such as supplies for issue to Indians, purchase of equipment, industrial assistance, and repair of reservation roads, bridges, and fences. Nearly half of this appropriation is paid out per capita to the Indians.

Uintah

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	17,500
Total decrease	2,500

This proposed reduction will probably involve the abolishment of one position of clerk at the agency and decreases in the amount expended for irregular labor, mining expenses, road and bridge work, etc.

ADDRESS BY GOVERNOR ROOSEVELT ON POLITICAL AND ECONOMIC CONDITION

Mr. DILL. Mr. President, last night over the radio chain Gov. Franklin D. Roosevelt made an address on the political and economic conditions of the country. It is such a fine discussion of Democratic philosophy and stands out in such striking contrast to the philosophy of Mr. Mills before the Finance Committee that I should like to have it inserted in the RECORD at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

Although I understand that I am talking under the auspices of the Democratic National Committee, I do not want to limit myself to politics. I do not want to feel that I am addressing an audience of Democrats nor that I speak merely as a Democrat myself. The present condition of our national affairs is too serious to be viewed through partisan eyes for partisan purposes.

Fifteen years ago my public duty called me to an active part in a great national emergency—the World War. Success then was due to a leadership whose vision carried beyond the timerous and futile gesture of sending a tiny army of 150,000 trained soldiers and the regular Navy to the aid of our allies. The generalship of that moment conceived of a whole nation mobilized for war—economic, industrial, social, and military resources gathered into a vast unit capable of any actuality in the process of throwing into the scales 10,000,000 men equipped with physical needs and sustained by the realization that behind them were the united efforts of 110,000,000 human beings. It was a great plan, because it was built from bottom to top and not from top to bottom.

SEES CRISIS GREATER THAN WAR

In my calm judgment, the Nation faces to-day a more grave emergency than in 1917.

It is said that Napoleon lost the Battle of Waterloo because he forgot his infantry—he staked too much upon the more spectacular but less substantial cavalry. The present administration in Washington provides a close parallel. It has either forgotten or it does not want to remember the infantry of our economic army.

These unhappy times call for the building of plans that rest upon the forgotten, the unorganized but the indispensable units of economic power, for plans like those of 1917 that build from the bottom up and not from the top down, that put their faith once more in the forgotten man at the bottom of the economic pyramid.

Obviously, these few minutes to-night permit no opportunity to lay down the ten or a dozen closely related objectives of a plan to meet our present emergency; but I can draw a few essentials—a beginning, in fact—of a planned program.

It is the habit of the unthinking to turn in times like this to the illusions of economic magic. People suggest that a huge expenditure of public funds by the Federal Government and by State and local governments will completely solve the unemployment problem. But it is clear that even if we could raise many billions of dollars and find definitely useful public works to spend these billions on, even all that money would not give employment to the seven or ten million persons who are out of work. Let us admit frankly that it would be only a stop-gap. A real economic cure must go to the killing of the bacteria in the system rather than to the treatment of external symptoms.

How much do the shallow thinkers realize, for example, that approximately one-half of our whole population—fifty or sixty million people—earn their living by farming or in small towns whose existence immediately depends on farms. They have to-day lost their purchasing power. Why? They are receiving for farm products less than the cost to them of growing these farm products. The result of this loss of purchasing power is that many other millions of people engaged in industry in the cities can not sell industrial products to the farming half of the Nation. This brings home to every city worker that his own employment is directly tied up with the farmer's dollar. No nation can long endure half bankrupt. Main Street, Broadway, the mills, the mines, will close if half of the buyers are broke.

I can not escape the conclusion that one of the essential parts of a national program of restoration must be to restore purchasing power to the farming half of the country. Without this the wheels of railroads and of factories will not turn.

Closely associated with this first objective is the problem of keeping the home owner and the farmer owner where he is without being dispossessed through the foreclosure of his mortgage. His relationship to the great banks of Chicago and New York is pretty remote. The $2,000,000,000 fund which President Hoover and the Congress have put at the disposal of the big banks, the railroads, and the corporations of the Nation is not for him.

His is a relationship to his little local bank or local loan company. It is a sad fact that even though the local lender in many

cases does not want to evict the farmer or home owner by foreclosure proceedings he is forced to do so in order to keep his bank or company solvent. Here should be an objective of government itself, to provide at least as much assistance to the little fellow as it is now giving to the large banks and corporations. That is another example of building from the bottom up.

One other objective closely related to the problem of selling American products is to provide a tariff policy based upon economic common sense rather than upon politics, hot air, and pull. This country during the last few years, culminating with the Hawley-Smoot tariff of 1929, has compelled the world to build tariff fences so high that world trade is decreasing to the vanishing point. The value of goods internationally exchanged is to-day less than half of what it was three or four years ago.

Every man and women who gives any thought to the subject knows that if our factories run even 80 per cent of capacity they will turn out more products than we as a nation can possibly use ourselves. The answer is that if they are to run on 80 per cent of capacity we must sell some goods abroad. How can we do that if the outside nations can not pay us in cash? And we know by sad experience they can not do that. The only way they can pay us is in their own goods or raw materials, but this foolish tariff of ours makes that impossible.

What we must do is this—to revise our tariff on the basis of a reciprocal exchange of goods, allowing other nations to buy and to pay for our goods by sending us such of their goods as will not seriously throw any of our industries out of balance, and incidentally making impossible in this country the continuance of pure monopolies which cause us to pay excessive prices for many of the necessities of life.

Such objectives as these three—restoring farmers' buying power, relief to the small banks and home owners, and a reconstructed tariff policy—these are only a part of ten or a dozen vital factors. But they seem to be beyond the concern of a national administration which can think in terms only of the top of the social and economic structure. They have sought temporary relief from the top down rather than permanent relief from the bottom up. They have totally failed to plan ahead in a comprehensive way. They have waited until something has cracked and then, at the last moment, have sought to prevent total collapse. It is high time to get back to fundamentals. It is high time to admit with courage that we are in the midst of an emergency at least equal to that of war. Let us mobilize to meet it.

REPORTS OF COMMITTEES

Mr. NORRIS, from the Committee on the Judiciary, to which was referred the bill (S. 939) to limit the jurisdiction of district courts of the United States, reported it without amendment and submitted a report (No. 530) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 3386) for the relief of Nellie Francis, reported it with amendments and submitted a report (No. 531) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 903. An act for the relief of John J. Corcoran (Rept. No. 532);

H. R. 882. An act for the relief of G. W. Wall (Rept. No. 533);

H. R. 1202. An act for the relief of Lehde & Schoenhut (Rept. No. 534); and

H. R. 2086. An act for the relief of Francis Engler (Rept. No. 535).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 277) defining and regulating power sites upon the Blackfeet Indian Reservation, in the State of Montana, reported it with an amendment and submitted a report (No. 536) thereon.

He also, from the same committee, to which was referred the bill (S. 2393) to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes, reported it without amendment and submitted a report (No. 537) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (S. 3864) authorizing expenditures from Colorado River tribal funds for reimbursable loans, reported it with amendments and submitted a report (No. 538) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 8083) providing for the appointment as ensigns in the line of the Navy of all midshipmen who graduate from the Naval Academy in 1932, reported it with amendments and submitted a report (No. 539) thereon.

Mr. REED, from the Committee on Military Affairs, to which were referred the following bills and joint resolution, reported them severally without amendment and submitted reports thereon:

H. R. 5848. An act authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Richmond, Va., in June, 1932 (Rept. No. 540);

H. R. 7788. An act authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department (Rept. No. 541); and

S. J. Res. 134. Joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy, at West Point, Manob Suriya, a citizen of Siam (Rept. No. 542).

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 3334) for the relief of William M. Sherman, reported it with an amendment and submitted a report (No. 543) thereon.

Mr. CUTTING, from the Committee on Military Affairs, to which was referred the bill (S. 3179) for the relief of Charles E. Bourke, reported it with an amendment and submitted a report (No. 544) thereon.

He also, from the same committee, to which was referred the bill (S. 1385) for the relief of Dan Davis, reported it without amendment and submitted a report (No. 545) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. DILL, from the Committee on the Judiciary, reported favorably the nomination of Charles D. Jones, of Alaska, to be United States marshal, division No. 2, district of Alaska.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

Mr. REED, from the Committee on Military Affairs, reported favorably several nominations of officers in the Regular Army.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

A bill (S. 4342) relating to contracts for the erection or alteration of public buildings; to the Committee on Public Buildings and Grounds.

By Mr. STEIWER:

A bill (S. 4343) relating to loans by the Reconstruction Finance Corporation to farmers for summer following during the year 1932; to the Committee on Banking and Currency.

By Mr. SCHALL:

A bill (S. 4344) granting an increase of pension to Anna S. Christopherson; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4345) to correct the military record of Frank M. Soop, deceased (with accompanying papers); to the Committee on Military Affairs.

By Mr. BULKLEY:

A bill (S. 4346) for the relief of Primo Tiburzio; to the Committee on Claims.

A bill (S. 4347) granting an increase of pension to Georgette M. Perkins; and



A bill (S. 4348) granting an increase of pension to Anna Robinson; to the Committee on Pensions.

By Mr. BROUSSARD:

A bill (S. 4349) authorizing the President of the United States to present a navy cross to Carlos V. Cusachs, late lieutenant commander, United States Navy; to the Committee on Naval Affairs.

REVENUE AND TAXATION—AMENDMENTS

Mr. STEIWER, Mr. TRAMMELL, and Mr. THOMAS of Idaho each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which were severally referred to the Committee on Finance and ordered to be printed.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed and to be printed in the RECORD, as follows:

On page 69, line 8, after "corporation," insert "accumulated after February 28, 1913."

On page 85, line 7, after the word "profits," insert "accumulated after February 28, 1913."

On page 85, line 11, after the period insert the following: "Any earnings or profits accumulated, or increase in value of property accrued, before March 1, 1913, may be distributed exempt from tax, after the earnings and profits accumulated after February 28, 1913, have been distributed, but any such tax-free distribution shall be applied against and reduce the basis of the stock provided in section 113."

On page 86, line 7, after "shareholders," insert "is not out of increase in value of property accrued before March 1, 1913, and."

On page 87, line 4, after the word "profits," insert "accumulated after February 28, 1913."

AMENDMENT TO PHILIPPINE INDEPENDENCE BILL—DUTIES ON SUGARS

Mr. BROUSSARD also submitted an amendment intended to be proposed by him to the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed and to be printed in the RECORD, as follows:

On page 8, strike out lines 16 to 23, inclusive, and insert in lieu thereof the following:

"There shall be levied, collected, and paid on refined and unrefined sugars coming from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the Government of the Commonwealth of the Philippine Islands 50,000 long tons of refined sugar and 800,000 long tons of unrefined sugar shall be exempt from the payment of said duty, and that for the second year the amounts of refined and unrefined sugars herein provided to be admitted free of duty shall be reduced by 5 per cent; for the third year by 10 per cent; for the fourth year by 15 per cent; for the fifth year by 25 per cent; for the sixth year by 40 per cent; for the seventh year by 60 per cent; for the eighth year by 85 per cent, and thereafter, and until final independence is granted, full duties shall be paid."

AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. ODDIE submitted an amendment intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 76, line 1, strike out "$6,000,000" and insert in lieu thereof "$10,000,000," so as to read:

"Boulder Canyon project: For the continuation of construction of the Hoover Dam and incidental works in the main stream of the Colorado River at Black Canyon, to create a storage reservoir, and of a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from such reservoir; to acquire by proceedings in eminent domain or otherwise, all lands, rights of way, and other property necessary for such purposes; and for incidental operations, as authorized by the Boulder Canyon project act, approved December 21, 1928 (U. S. C., Supp. V, title 43, ch. 12a); $10,000,000, to be immediately available and to remain available until advanced to the Colorado River Dam fund, which amount shall be available for personal services in the District of Columbia and for all other objects of expenditure that are specified for projects included in this act under the caption 'Bureau of Reclamation' without regard to the limitations of amounts therein set forth: *Provided*, That of this fund not to exceed $70,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of schools on said reservation."

WAR DEBTS AND REPARATIONS

Mr. BORAH. Mr. President, one of the subjects about which everybody is thinking and about which there is much discussion is war debts and reparations. I ask unanimous consent to have inserted in the RECORD an article by S. O. Levinson, a distinguished lawyer of Chicago, Ill., upon that subject. It approaches the subject from a wholly new and original viewpoint. I believe it is a distinct contribution.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, April 7, 1932]

WAR DEBTS AND REPARATIONS—A PLAN FOR REORGANIZATION AND READJUSTMENT LEADING TO A FINAL SETTLEMENT

To the EDITOR OF THE NEW YORK TIMES:

It seems timely to reconsider the acute international questions in which the United States is heavily interested. Financial complications resulting from our entry into the war, our governmental loans and credits to the Allies during and immediately after the war, and the efforts of American and European bankers to aid in postwar European recovery have, together with the burning question of German reparations, produced perhaps the greatest and most vexing economic problem of all time. Should we not, in our own, as well as in world interest, complete the work of economic recovery by promoting an equitable liquidation of the war inheritances now plaguing mankind?

The proposed plan is based on the assumption that sound American public opinion will support the consummation of a just plan, to which all interested nations and parties are required to make substantial contributions—a plan that will equitably lighten the afterburdens of the war, reconcile the nations of Europe, drastically reduce the staggering costs of armaments, revive for our farmers and manufacturers a normal foreign market, and make possible a return of prosperity and an era of genuine peace.

The proposed plan, following the analogy of a business reorganization, seeks to take account of the most acute international factors and to do substantial justice to all interested nations. A business reorganization is occasioned by an excess of debts. No sound reorganization can take place unless there is an adequate reduction of indebtedness—the crux of the situation.

Certainly reparations and debts had a common origin—both arose from the caldron of the World War. The real question is, What is the best solution of this perplexing problem?

The proposed plan is as follows:

1. Procure for the United States, in final readjustment of the allied debts owing us, a total aggregate cash settlement amounting to a little over $4,000,000,000, as follows: Cash already received from the Allies up to the moratorium of June 20, 1931 (report of our Secretary of the Treasury for 1931, p. 551), $2,615,000,000; additional cash to be received from the Allies under proposed plan ($1,400,000,000 at the flat rate of $100,000,000 a year for 14 years, commencing December 15, 1932), $1,400,000,000; total cash payment of Allies to United States, $4,015,000,000. As the original principal of these debts was about $10,000,000,000, the United States would thus receive 40 per cent thereof, or, if computed on the principal as reduced in our 1923–1928 debt settlements, we would be receiving about 60 per cent thereof.

2. In addition the United States to receive $70,000,000 in cash, payable $5,000,000 a year for 14 years, commencing December 15, 1932, in full settlement of the unpaid balance owing on our Army of Occupation costs and the mixed claims governmental award of $42,000,000 (both these are direct German obligations), $70,000,000. This makes a grand total in cash to the United States of $4,085,000,000.

3. All old disputed and vexatious claims in foreign nations against the United States, or its constituent States, especially those asserted by British subjects against some of our Southern States, to be abandoned and canceled.

4. All interallied European debts, the original principal of which was about $7,000,000,000 (mostly owing to Great Britain, by her European allies), to be canceled and released. Among these debtors to Great Britain are France, Italy, Belgium, Rumania, Czechoslovakia, Yugoslavia, Poland, Greece, Lithuania, Finland, Estonia, and Latvia.

5. German reparation payments to the Allies to be reduced from their present annual level of $413,000,000 (including both conditional and unconditional payments) to $150,000,000 annually,

payable unconditionally in gold. The period of reparation payments to be limited to 14 annual fiat installments of $150,000,000 each, commencing December 15, 1932, making a total additional reparation payment by Germany of $2,100,000,000. This would yield the Allies, after paying the United States $100,000,000 annually, a balance of $50,000,000 a year in reparations for 14 years for distribution among themselves, or a total of $700,000,000.

6. In addition Germany to pay principal, interest, and sinking funds on her outstanding Dawes and Young bond issues, originally $210,000,000 and $300,000,000, respectively, subject to interest and sinking fund modifications in sections 7 and 8.

7. Reduction in the annual rate of interest by the holders of all Germany's external commercial bonds and notes (including bankers' and investors' loans, governmental, municipal, and industrial loans and also the Dawes and Young plan bonds) from their pre-moratorium general average of about 8 per cent per annum to 5½ per cent. As Germany at 8 per cent has been paying a total of $460,000,000 interest annually on the foregoing external debts, a reduction to 5½ per cent would mean a saving to her in gold payments of about $145,000,000 a year. British, French, American, Dutch, and Swiss banks and bankers handled these external German loans, and they and their respective nationals are now the holders of these bonds and notes.

8. Defer and omit sinking-fund or amortization payments on all the above external German loans, including the Dawes and Young bonds, for a period of three years, same to be resumed thereafter. This will furnish a much-needed breathing spell, and should make unnecessary any further moratorium for that purpose.

9. A general plan of equitable, progressive but drastic disarmament to be evolved and accepted by the nations at the present Geneva disarmament conference. The world has been spending $10,000,000 a day ($4,000,000,000 a year) the past few years for peace-time armaments. If the nations now meeting at Geneva would agree to a progresaive pro rata cut of 50 per cent of their armaments, the world would save from economic waste $2,000,000,000 a year, or $5,000,000 a day. The United States would thereby save $350,000,000 a year indefinitely and Europe the sum of $1,200,000,000 a year indefinitely.

10. The treaty of Versailles to be reasonably revised to conform to the spirit and purpose of the proposed readjustment in order to bring about political appeasement and amity among European peoples. This work is strictly European and mainly Franco-German.

11. In view of the great relief from present conditions afforded Germany under this plan, and doubly to insure her permanent acceptance thereof, a plebiscite to be held in Germany ratifying the entire program of readjustment, thereby binding the present and future German Governments in its validity and permanence, regardless of political changes hereafter in the Reich.

If the foregoing plan did not furnish relief to Germany, it should adorn the waste basket. The theory has been to make Germany pay not "the most she can" but "the least she must" to accomplish an equitable liquidation of the war mess. The plan attempts to disentangle and simplify the snarl of international war debts and to reduce them all to a point of moderation and assured payment. The plan requires American and foreign bankers and their clients to contribute $145,000,000 a year by a reduction of the interest rate on German bonds and notes to 5½ per cent. A sound 5½ per cent German bond will command a materially higher price in the financial markets of the world than a precarious 8 per cent German bond now does.

The United States is apparently making the greatest sacrifice in the proposed program. But in reality the sacrifice was largely made years ago and with our eyes open. We voluntarily entered the war with great enthusiasm, shared by the writer and his two soldier sons. Our Government spent $38,000,000,000 in the 19 months we were in the war. We asked nothing and took nothing from the peace table in 1919. We made investments in the form of war loans and credits to the Allies aggregating $10,000,000,000. Here is a staggering total governmental war investment of $48,000,000,000. When did we really lose this money; was it when we expended and loaned it; was it when we refused to share in the spoils of war; or would it be now when we are trying to set the broken world on its feet by accepting 40 cents on the dollar of the original loans from nations whose "capacity to pay," in common with our own, has enormously declined? It is clear that we are making no attempt to get back any of our other $38,000,000,000, which is 80 per cent of it all. It is now only a question of how much we can save out of the remaining 20 per cent of our war investment. The proposed plan would yield us a total of 40 per cent thereof, or $4,000,000,000.

The United States long ago renounced the spoils of war. It was President McKinley who first anncunced that thereafter the United States would not partake of the fruits of conquest or war victory. President Wilson made a similar pronouncement when we entered the World War. We have not based our action on technical or legal grounds, and it would be in keeping with our record of restraint and unselfishness to promote and help carry out a general settlement. Have the statesmen of Europe the courage and vision not only to join in this movement, but themselves to lead it? If they have, then the recent words of Senator BORAH may become historically prophetic: "I predict that if such a program were inaugurated in Europe, it would strike an immediate response in the hearts of our people."

As has been truly said, the allied and associated powers won the war but lost the peace. It is poor consolation to say that the Central Powers lost both.

How long is the penal servitude of the war to last? And who are really paying its crushing penalties? The innocent common people of every nation of the earth. I appeal from the conduct of war-mad nations to their sober sense of forgiveness, justice, and peace. I appeal to Great Britain, France, Italy, Belgium, Poland, and the other Allies to put an end to the economic and political chaos resulting from the war and to form a solid European phalanx for that purpose. I make especial appeal to the spiritual quality of the great French people whose name is imperishably attached to the creation and life of democracy, to apply their noble emblem of "liberty, equality, and fraternity" to all their internaticnal relationships. Europe thinks America is the stumbling-block, America thinks France is. As the treaty renouncing war bears at its head the names of a French and an American statesman, I fervently hope both our peoples will join in leading the world out of the morass of international ill will, injustice, and oppression, into the fertile fields of "equality and fraternity," where God reigns and the blessings of peace may triumph.

S. O. LEVINSON.

CHICAGO, ILL., *April 4, 1932.*

HISTORY OF THE DEMONETIZATION OF SILVER

Mr. WHEELER. Mr. President, I ask unanimous consent to have inserted in the RECORD a history of the demonetization of silver, taken from the Pittsburgh Post of August 22, 1896. This is an old story, but at the same time it is very pertinent to the discussion that is going on at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Post, August 22, 1896]

THE GREAT CRIME OF 1873 THAT THE PEOPLE MUST RIGHT

I. THE WORLD'S MONEY PRIOR TO DEMONETIZATION

Up to the demonetization of silver by the United States by the act of February 12, 1873, which President Grant signed unconscious of what he did, Great Britain, Turkey, and Portugal were the only European countries on an exclusively gold standard. Turkey, with a basis of inconvertible paper money, made little demand for gold. It was under the influence of Great Britain and the British bondholders, and Portugal was in the same condition, growing out of her rescue from Napoleon by Wellington. The gold standard was part of the price paid by Portugal. At the same time on a single silver standard were Germany, Austria, Russia, Sweden, Norway, Denmark, and Holland. On a bimetallic basis, using silver and gold at a fixed ratio, were the United States and the Latin Union, composed of France, Belgium, Italy, Switzerland, and Greece. England had demonetized silver in 1816 at the close of the Napoleonic wars, when she had an immense bonded debt. The population of the countries demanding a gold basis, excluding Turkey as of no account, was 38,000,000—6,000,000 in Portugal and the remainder in Great Britain. The population of the countries on a bimetallic or silver basis was 250,000,000. The destruction of silver as a primary or redemption money for this vast number of people, with their natural expansion in business and population, caused the demand for gold to increase largely in excess of the supply, thus causing a relative contraction in the amount of primary money and the resulting phenomenon of a continual fall in prices of products of labor and the fastening of debts redeemable in gold upon the world. In 1873 the public debts of the world were about $25,000,000,000, on which the annual interest was not less than the inconceivable amount of $1,000,000,000. The annual interest charge on the public debt of the United States was at that time $98,050,000 on a debt of $2,105,462,000, and of the States and municipalities the debt was $868,000,000, with an interest charge of not less than $45,000,000.

What efforts could not the holders of this vast aggregation of international debt, comparatively few in numbers, make to have it doubled and made perpetual? If silver could be demonetized in the United States, the work would practically be done. Here we have the animating motive of a conspiracy invented in London and executed in Washington.

In 1873 Germany and the United States demonetized silver, and demonetization by the United States was vastly the more important, as it was the largest silver-producing country. This threw the burden of maintaining the existing ratio, with free coinage, upon other and smaller countries, and the task became too difficult. So long as the demand for silver as money was general, the accepted legal ratio with gold was maintained without difficulty; but when it was demonetized by Germany and the United States, the two largest nations of the world, a large source of the demand was cut off and the price fell. The powerful Latin Union, including France, Italy, and other nations, was compelled in the latter part of 1874, to limit the coinage of the 5-franc silver piece, its only silver coin of full debt-paying power. In 1874 Norway and Sweden adopted the gold standard; in 1875 Holland closed its mints to the coinage of silver; in 1876 Russia did the same, except such coins as were struck for the Chinese trade; in 1878 the Latin Union closed its mints to full legal tender silver coin; in 1879

Austria-Hungary and in 1890 Rumania adopted the single gold standard.

Before 1873 only 38,000,000 of the population of Europe and America were on the gold standard. Starting with demonetization by America and Germany in that year, when the "round-up" in the gold interest was accomplished, there were nearly 300,000,000 of the population of the great civilized nations of the world doing most of its business, transferred to the sovereignty of King Gold, with an indebtedness of $25,000,000,000 and an annual interest charge of $1,000,000,000. A great English publicist, Sir Moreton Prewen, declared in the Fortnightly Review for 1893 that this change in the primary money of the world, in the oppression of the people and the enhancement of the gains of bonded capital, has "probaby cost the world of human industry more than all the wars of the century."

II. THE GREAT LEGISLATIVE CRIME OF AMERICAN HISTORY

We come now to the part of the United States in promoting and making successful the gold conspiracy. It was done secretly and surreptitiously, precisely as if those engaged in it realized that publicity would damn their infamous plot. History seems to show that John Sherman, always the tool and servitor of the money power, was the most potent individual instrument in accomplishing the work. In 1867 he attended the first monetary conference in Paris, not as a member, but as a spectator. He was "converted" to the single gold standard and returned to the United States an advocate of the policy that this country, with its enormous and recently created war debt, should abandon the bimetallic standard and without delay go upon the single gold standard. It is not worth while to discuss his motives—whether it was pride of opinions or the possibility of the profits that made him a millionaire on a moderate salary. In 1868 he made his first move in introducing in the Senate a bill with an uncertain title, but short and plain, stopping the coinage of the silver dollar and making the standard exclusively of gold. It attracted no attention from the public and was opposed with such effect by Senator Morgan, of New York—not the syndicate man—that Sherman discovered it was useless to attempt to pass the bill. In 1870 Mr. Sherman made another attempt in the same direction in connection with Secretary of the Treasury Boutwell and Comptroller John Jay Knox. This bill was substantially the same as the one that became a law in 1873. It was of a deceptive character, and in the debates on it there was no indication it demonetized silver, or that anyone understood that it did. This bill passed the Senate, Sherman himself voting against it as a bulwark against the odium of later years. It went to the House, was amended, came back to the Senate, and was passed by that body January 17, 1873, by a trick which prevented debate upon the section demonetizing silver. It is a mystery the way it was done. The evidence has been presented that the demonetizing section was not printed in the proof bill, which was before the Senate the day of debate and passage. But it succeeded, and the game was so skillfully played that Senator William M. Stewart, the great silver advocate, himself voted for the demonetizing bill. He declared he would never have voted for the bill, under any circumstances, had he known of its character. President Grant signed the bill February 12, 1873, without knowledge of what it contained. Sherman, who engineered the scheme, had been previously, in 1868, balked in his efforts to openly demonetize silver, so in this instance he fell back on secret and deceptive ways. The proof is irresistible.

In condensed form, Mr. Bronson C. Keeler in his valuable monograph on the demonetization of silver says: "The bill came from the Treasury with a mendacious letter from Secretary Boutwell; it was put through the Senate by treachery, through the House by falsehood (that it did not affect silver), through the Senate again by a criminal trick, and was signed by a revered President uninformed as to its contents. It was Mr. Sherman's second attempt to demonetize silver."

There is evidence, although we admit it is not conclusive, that at the time of the passage of the demonetizing act, and for some time before, there was a wealthy ring of European speculators in Washington busy with the mysteries of legislation in the quiet way known to the experienced traffickers in finance and law. Another thing is to be considered, that at the time the bill passed the fever of the war and reconstruction period had not passed. Men gave little attention to political economy, and the measure of values was not generally understood. There was no coin in circulation, and had been none for years. But the British gold speculators and security holders were able to read the future. No question of their acuteness. British demination of the finances of the world is proof of it.

III. HOW THE GREAT CRIME WAS FIRST DISCOVERED IN ENGLAND

It was not for a year after the act was accomplished that this great crime was discovered. And then, strange to say, it was discovered in England. The British financiers were better posted on the subject than the American people. How this came about was retold by Gen. A. J. Warner, of Ohio, at the great Bryan meeting held in Pittsburgh on Monday evening, August 10. He said:

"I learned of the demonetization in London in 1874, a year after the crime of 1873. In conversation with a number of men, one of whom was afterwards a member of Gladstone's cabinet, the subject of American finances was broached, and I said: 'We will get over our troubles and resume specie payment easier than did England after her Napoleonic wars.'

"They said, 'How so?'

"I replied, 'Our silver mines will help us.'

"Their reply astonished me. It was: 'You have demonetized silver.'

"I smiled at that and said, 'We would not be fools enough to do that'; but one of them said, 'There is no mistake about it. Your last Congress demonetized silver. I wonder if your people understand that act. It was something wonderful to demonetize silver, of which your country is a great producer, before your war debt was paid.'

"When I came back to New York I could find no one who knew anything about it but a few bankers. I had to send to Washington to get the bills before I could understand it.

"We then began to pay our debts by destroying half the money in which it was payable. Ex-Speaker Reed in a speech a few days ago said that the bill was passed after a discussion, but I know, and all know who remember those times, that the bill was passed without a discussion, under a suspension of the rules. There was discussion of immaterial matters connected with the working of the mints, but nothing said in debate of the demonetization of silver."

Even the newspaper press of the United States was in ignorance of the demonetization of silver for nearly a year after the passage of the bill, when the fact was discovered and public agitation commenced to grow for the righting of the wrong to the people.

On January 16, 1873, the day after the demonetization of silver by Congress, probably the most important legislative act since the Civil War ended, the Associated Press sent out to the country this brief dispatch relating to the demonetizing bill, which was all the knowledge the correspondents had of the crime:

"Mr. Sherman called up the bill to revise and amend the laws relating to mints, assay offices, and coinage of the United States, which was amended and passed."

That was all. There are no newspapermen on the face of the globe keener on the hunt of news and more quick to discover the hidden springs and results of legislative acts than the corps of Washington correspondents, representing all parties and all sections of the Union. Yet they knew nothing of it. They were kept in the dark as to this momentous law, which is now engaging the earnest attention of 70,000,000 people on this continent and absorbs the interest of the rulers and economists of Europe.

The way the bill was framed was well calculated to preserve the secrecy of its true intent and main purpose. We have a copy before us. It bears the title: "An act revising and amending the laws relative to the mints, the assay offices, and coinage of the United States." No suggestion in the title that it was to wipe out one of the standard moneys of the world—the primary money, the money of final redemption, the legal tender, which, being given in payment of debt, extinguishes the obligation. And yet at this time we had outstanding of Federal, State, and municipal debts the enormous aggregate of nearly three thousand millions of dollars (as given in the census and debt statement, the exact amount was $2,974,138,818), and the direct and indirect effect of this legislative act snaked through Congress by secret or corrupt methods was to double the burden of this debt on the productive energies of the American people. Where has there been in history a crime equal in magnitude to this? There was repudiation for you. But to get back to the demonetizing bill. It covers 17 closely printed pages and has 67 sections. We defy anyone not acquainted with its purpose or informed of its dodges to go over this bill to-day and locate by line or section the great crime of demonetization.

Embedded around sections laying down the technical details of coinage, the duties of mint officers, their salaries, and the regulation of assay offices are the 50 mischievous words, out of a total of over 9,000 in the bill, which did the work of demonetization. Section 14 makes the gold dollar the unit of value. The demonetizing clause is in the last 23 words of section 15. Then we skip to section 17 for the clause forbidding the further coinage of the 412½-grain silver dollar. There is evidence of an intent to accomplish the perfidy by secret methods everywhere. John Sherman's bill of 1868 to accomplish the same purpose openly had only 800 words, but John grew wiser, and when he made his second attempt his bill was expanded to 9,000 words and its real meaning hidden under a mass of legal verbiage. James G. Blaine signed the bill as Speaker of the House not knowing what its provisions were; President Grant approved the bill unconscious that his signature demonetized silver in the United States, and the argus-eyed press, with its army of alert Washington correspondents, was as ignorant of the intent of the bill as if it had established the Mohammedan faith as the national religion of America.

The reason is evident. An examination of the Congressional Globe shows that not one word was uttered by Mr. Sherman, as chairman of the Finance Committee, or by any member of that committee or by any Senator intimating in the remotest degree that the bill demonetized silver, dropped the silver dollar from our coinage, and placed us on a gold standard.

IV. THE PEOPLE AROUSED AND THEIR DEMAND FOR REDRESS

It was more than a year after the bill became a law that the people of this country had intimations of its effect and purpose. It was well known in England among British financiers what its

intent was, but not in America. General Warner, as we have shown, heard of it first in England, did not believe it, and was not able to verify the facts until he returned to America and had access to the official documents. In time the people became fully aroused to the enormity and consequences of the act. Conventions of all parties denounced the demonetizing law, Congressmen were elected pledged to repeal it, and it is a fact that both the Senate and the House of Representatives have at different times passed bills righting the crime of 1873 by authorizing the free coinage of silver. But, unfortunately, they never did so at one Congress.

The national conventions of both the great parties declared their faith, time and again, in the bimetallic standard as the settled policy of this country. William McKinley, in the Republican National Convention of 1888, was the author of the platform censuring the Cleveland administration for "its efforts to demonetize silver." In 1878 the House passed a free coinage bill, but the Senate did not concur, and the compromise Bland bill was passed over the Hayes-Sherman veto by a two-thirds majority of both Houses of Congress. Under it nearly 500,000,000 silver dollars have been coined with full legal-tender quality, except as against the British bondholder. He must have his gold, and it has been saved to him by repudiation of an act of Congress. Not until this year, 1896, has any national convention of any party declared for the single gold standard and the perpetuation of the crime of 1873. The St. Louis convention that nominated McKinley shouldered the fraud, and, putting a man with a free-coinage record on a gold platform, declared that "the existing gold standard must be maintained"—at least until Great Britain gives its gracious permission for Americans to rule America. On the other hand, William J. Bryan stands for full reparation and the righting of the tricky crime of 1873, with an American financial system, by Americans and for Americans.

V. THE EVIDENCE OF PRESIDENT, SENATORS, AND CONGRESSMEN THEY WERE DECEIVED

It only remains in completing this history to present the proof that the President of the United States, the Speaker of the House, and Senators and Representatives were cheated by John Sherman's tricky legislation of 1873. Only a few days ago he declared the Congress voted it after "exhaustive debate," and charged Members in a flippant way with "pleading the baby act" in confessing they were "tricked." Eight months after the passage of the bill President Grant wrote a letter to his friend, Mr. Cowdrey, every sentence of which shows he was ignorant of the character of the law he signed in February, 1873. The letter appears in McPherson's Handbook of Politics for 1874, pages 134 and 135, and is as follows:

"The panic has brought greenbacks about to a par with silver. I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come, and I predict that it will soon, we will have made a rapid stride toward specie payments. Currency will never go below silver after that. The circulation of silver will have other beneficial effects. Experience has proved that it takes about forty millions of fractional currency to make small change necessary for the transaction of the business of the country. Silver will gradually take the place of this currency and, further, will become the standard of values, which will be hoarded in a small way. I estimate that this will consume from two or three hundred millions, in time, of this species of our circulating medium.

"It will leave the paper currency free to perform the legitimate functions of trade, and will tend to bring us back where we must come at last, to a specie basis. I confess to a desire to see a limited hoarding of money. It insures a firm foundation in time of need. But I want to see the hoarding of something that has a standard of value the world over. Silver has this, and if we once get back to that our strides toward a higher appreciation of our currency will be rapid. Our mines are now producing almost unlimited amounts of silver, and it is becoming a question, 'What shall we do with it?' I suggest here a solution that will answer for some years, and suggest to you bankers whether you may not imitate it: To put it in circulation now; to keep it there until it is fixed, and then we will find other markets."

Evidently General Grant, when he wrote this letter, did not realize the fact that silver was no longer a legal tender, and that it had been demonetized, deprived of its legal tender quality, and remained so until the Bland Act of 1878.

James G. Blaine was Speaker of the House when the demonetizing act of 1873 passed, and as Speaker signed the bill. In the Senate, on February 15, 1878, during the consideration of the Bland silver dollar bill, the following colloquy took place between Senators Voorhees and Blaine:

"Mr. VOORHEES. I want to ask my friend from Maine, whom I am glad to designate in that way, whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized. Did he know, as Speaker of the House, presiding at that time, that the silver dollar was demonetized in the bill to which he alludes?

"Mr. BLAINE. I did not know anything that was in the bill at all. As I have before said, little was known or cared on the subject. [Laughter.] And now I should like to exchange questions with the Senator from Indiana, who was then on the floor, and whose business it was, far more than mine, to know, because by the designation of the House I was to put questions; the Senator from Indiana, then on the floor of the House, with his power as a debater, was to unfold them to the House. Did he know?

"Mr. VOORHEES. I very frankly say that I did not."

No man in the country had the confidence of the people of all parties to a greater extent than the late Senator Thurman, of Ohio. He was in the Senate when the bill of 1873 was passed, and in the same debate, when all Senators were on the confessional that they had no knowledge of John Sherman's trick, Mr. Thurman said:

"When the bill was pending in the Senate, we thought it was simply a bill to reform the mint, regulate coinage, and fix up one thing and another, and there is not a single man in the Senate, I think, unless a member of the committee from which the bill came, who had the slightest idea that it was even a squint toward demonetization."—CONGRESSIONAL RECORD, volume 7, part 2, Forty-fifth Congress, second session, page 1064.

Senator Conkling, in the Senate, on March 30, 1876, during the remarks of Senator Bogy on the bill (S. 263) to amend the laws relating to legal tender of silver coin, in surprise inquired:

"Will the Senator allow me to ask him or some other Senator a question? Is it true that there is now by law no American dollar? And if so, is it true that the effect of this bill is to make half dollars and quarter dollars the only silver coin which can be used as a legal tender?"

Senator Allison, on February 15, 1878, when the bill (H. R. 1093) to authorize the free coinage of the standard silver dollar and to restore its legal-tender character was under consideration, observed:

"But when the secret history of this bill of 1873 comes to be told, it will disclose the fact that the House of Representatives intended to coin both gold and silver and intended to place both metals upon the French relation instead of on our own, which was the true scientific position with reference to this subject in 1873, but that the bill afterward was doctored."

Mr. William D. Kelley, of Pennsylvania, a recognized leader of the Republican Party, who had charge of the bill, in a speech made in the House of Representatives on March 9, 1878, said:

"In connection with the charge that I advocated the bill which demonetized the standard silver dollar, I say that, though the chairman of the Committee of Coinage, I was ignorant of the fact that it would demonetize the silver dollar or of its dropping the silver dollar from our system of coins, as were those distinguished Senators, Messrs. Blaine and Voorhees, who were then Members of the House, and each of whom a few days since interpassed? 'No,' said Mr. Blaine; 'did you?' 'No,' said Mr. Voorhees. I do not think that there were three Members in the House that knew it."

Again, on May 10, 1879, Mr. Kelley said:

"All I can say is that the Committee on Coinage, Weights, and Measures, who reported the original bill, were faithful and able and scanned its provisions closely; that, as their organ, I reported it; that it contained provision for both the standard silver dollar and the trade dollar. Never having heard until a long time after its enactment into law of the substitution in the Senate of the section which dropped the standard dollar, I profess to know nothing of its history; but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard silver dollar of the United States. I have never found a man who could tell just how it came about or why."

Senator Beck, in a speech made in the Senate January 10, 1878, said:

"It [the bill demonetizing silver] never was understood by either House of Congress. I say that with full knowledge of the facts. No newspaper reporter—and they are the most vigilant men I ever saw in obtaining information—discovered that it had been done."

We could quote columns of testimony by Members of Congress in line with what is given above. Republicans and Democrats all came forward in 1878, when the weight of public censure was heaviest, to declare they had no knowledge of the character of the law—that they were deceived into voting for this. Such Republicans as General Garfield, of Ohio, and Mr. Cannon and Mr. Burchard, of Illinois, declared to the same effect, while the veteran watchdog of legislation, Mr. Holman, of Indiana, declared its "passage by the House was a colossal swindle." We close our extracts with this cutting statement by Mr. Bright, a prominent Member at that time from Tennessee, who said:

"It passed by fraud in the House, never having been printed in advance, being a substitute for the printed bill; never having been read at the Clerk's desk, the reading having been dispensed with by an impression that the bill made no material alteration in the coinage laws; it was passed without discussion, debate being cut off by operation of the previous question. It was passed, to my certain information, under such circumstances that the fraud escaped the attention of some of the most watchful as well as the ablest statesmen in Congress at that time. * * * Aye, sir, it was a fraud that smells to heaven. It was a fraud that will stink in the nose of posterity, and for which some persons must give account in the day of retribution."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

DEPRECIATION OF FOREIGN CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign currency values upon importations of important commodities into the United States, and for other purposes.

Mr. REED. Mr. President, I bore pretty heavily yesterday upon the patience of the Senate, speaking for about two hours on the pending resolution. I have thought it over and, unless there are some questions some Senator cares to ask, I believe that I do not care to take any more of the time of the Senate. I tried yesterday to explain, I might say, that this is a mere request for information; that it covers not only the ad valorem duties but also the specific duties——

Mr. BYRNES rose.

Mr. REED. Does the Senator from South Carolina desire me to yield?

Mr. BYRNES. Will the Senator from Pennsylvania yield to me for the purpose of asking unanimous consent for the consideration of Senate Resolution 194, which was called up yesterday morning and to the consideration of which the Senator from Oregon [Mr. McNARY] said he would not object this morning?

Mr. REED. How long would it take?

Mr. BYRNES. I think it will lead to no debate and will take practically no time.

Mr. REED. May it be reported?

The VICE PRESIDENT. Let the resolution be reported for the information of the Senate.

The CHIEF CLERK. Senate Resolution 194——

Mr. FESS. Mr. President, will not the Senator from South Carolina, in view of what is taking place in the morning in the nature of a conference between Members of the House and the President on the same subject, defer action upon the resolution until at least Monday? I would like to have him do so if he will.

Mr. BYRNES. I will state to the Senator from Ohio that the resolution merely asks for information which would be of great value to the Appropriations Committee of the Senate, which is working to-day on appropriation bills. I feel sure that no Senator would object merely to the request that the President furnish to the Senate and the House the information asked for in the resolution.

Mr. FESS. While I know nothing about it except what I saw in the papers, I would think that the same thing the Senator is asking for is likely to come through the conference to-morrow morning.

Mr. BYRNES. Then may I say to the Senator that no harm can be done by adopting the resolution, because the information which is sent to the House and given to the House could then be given to the Senate in response to its request.

Mr. REED. Mr. President, I know now to which resolution the Senator from South Carolina is referring. The resolution which is the unfinished business of the Senate can be disposed of, I hope, within an hour, and I would rather not have other business interfere with it now.

The VICE PRESIDENT. The Senator from Pennsylvania has the floor.

Mr. REED. As I started to say, I did my best to explain yesterday that the resolution before the Senate calls for information as to the effect of the depreciation of British and other currencies from imports of those articles upon which we have both ad valorem and specific duties. I think, although I do not know, that the information will show that temporarily our ad valorem duties furnish an insufficient protection against imports from countries whose currencies are depreciated. I believe, on the other hand, it will show that our specific duties are perhaps temporarily too high in regard to articles coming from those same countries. In any event, it is information by which every Member of the Senate would be aided and which every one of us ought to have in legislating intelligently upon these emergency questions.

I shall content myself with that explanation and with the statement that there is no good in my again going over the long list of commodities which show very great increases as between 1930, before those countries went off the gold standard, and 1931, after they went off the gold standard. I would like, for the benefit of those Senators who were not here yesterday, to go over that list again, but I shall not presume to take the time of the Senate to do it.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Colorado?

Mr. REED. Certainly.

Mr. COSTIGAN. Not having heard the full discussion of the Senator from Pennsylvania, I may be inadvertenly asking a question he has already answered. Is the Senator aware that the Tariff Commission in 1922 made a report with reference to exchange conditions existing at that time similar to the report he now seeks on present conditions?

Mr. REED. Yes.

Mr. COSTIGAN. Is the Senator also aware that the Tariff Commission under its general powers is authorized to make a report without an invitation from this body?

Mr. REED. I am aware of that, but I am also aware that it has been the custom of this body to ask for such reports as it desires.

Mr. COSTIGAN. It has been a source of surprise to me that it has been deemed necessary to use the time of the Senate over such a resolution, in view of the existing powers of the Tariff Commission.

Mr. REED. I share in that surprise, because the resolution once passed without any apparent dissent, and then was recalled on a motion to reconsider the vote by which it was passed. I, too, was surprised.

PROPOSED ELIMINATION OF TARIFF ITEMS FROM TAX BILL

Mr. TYDINGS. Mr. President, I shall interrupt for only a few moments the discussion of the resolution which is the unfinished business of the Senate and which is now pending. The purpose of the revenue bill now before the Finance Committee is to raise sufficient money, and to raise it quickly, so that the deficit may be eliminated and the Budget balanced. There are, however, in the revenue bill provisions dealing with two commodities upon which it is proposed that tariff duties shall be imposed—oil and coal. An observer on the floor here knows that many other items are under consideration by Members, and attempts will be made to offer amendments to the bill, either before the committee or on the floor, to insert other tariff legislation in that measure.

There is just one thought in connection with tariff provisions in the revenue bill which I think has escaped most of us and which may be worthy of consideration. The bill proposes to raise in excise taxes about $90,000,000 per month from the day it goes into effect. It is perfectly apparent that by the consideration of tariff questions, bringing on months of debate and interminable delay, the final passage of the revenue bill will be considerably postponed into the future, and every month it is postponed means a loss to the Federal Treasury of about $90,000,000. Therefore, if the passage of the bill shall be postponed for six months, it will mean that $500,000,000 of contemplated revenue will not find its way into the Treasury because of such delay, and therefore we shall have a deficit, due to that delay, of $500,000,000 which the revenue bill as projected will not cover.

If the tariff debate should take on a wider range and we should not be able to terminate our consideration of the tax bill for a year, of course a billion dollars of contemplated revenue would likewise be lost. It strikes me, therefore, in view of the great importance of balancing the Budget, that we should keep in mind that every month the passage of the revenue bill shall be delayed will mean that $100,000,000 of contemplated revenue will be lost to the Treasury.

Senators who may contemplate offering amendments providing tariff duties on various products, no matter how great

the merit of their cause, must also bear in mind that this loss in revenue will of itself cause new taxes to be laid, because the delay will make the deficit even larger than that which we now contemplate wiping out.

I therefore offer a resolution, which I will not discuss further, but which I ask may now be read and lie on the table, to be taken up at some early date.

The VICE PRESIDENT. Without objection, the resolution will be read.

The Chief Clerk read the resolution (S. Res. 196), as follows:

Whereas the prime purpose of the revenue bill now pending before the Senate Finance Committee is to raise quickly sufficient revenue to take care of governmental expenditures and to offset the impending deficit; and

Whereas the inclusion of tariff rates and embargoes in said revenue bill will mean, from past history, many months of interminable debate and delay of the final passage of said revenue bill; and

Whereas, as projected, the revenue bill is calculated to raise $90,000,000 per month in excise and similar taxes and the delay in the passage of said bill will prevent the Government each month from obtaining said needed revenue to the extent of $90,000,000; and

Whereas tariff rates and embargoes have no place in a purely revenue-raising bill of internal import: Now, therefore, be it

Resolved, That the Finance Committee is hereby instructed and directed to strike from said revenue bill all tariff matters included therein and to report the bill to the Senate with no tariff rates or embargoes included therein whatsoever.

The VICE PRESIDENT. The resolution will be printed and lie on the table.

DEPRECIATION OF FOREIGN-CURRENCY VALUES

The Senate resumed the consideration of the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes.

The VICE PRESIDENT. The question is on the amendment reported by the committee to the pending resolution.

Mr. REED. I move to amend the committee amendment by substituting the word "April" for the word "February," in line 5, page 2.

Mr. HARRISON. I have no objection to substituting "April" for "February."

The VICE PRESIDENT. Without objection, the amendment to the amendment is agreed to, and the amendment, as amended, is agreed to.

Mr. WALSH of Massachusetts. Mr. President, a committee whose work is sponsored by the majority of the paper mills of the United States has prepared a statement and other information on the effect of depreciation in the value of foreign currencies upon our imports of wood pulp.

This committee was organized to oppose a tariff on wood pulp, and it claims that the result of its study indicates that commodity prices in the countries which have left the gold standard have risen in a direct relationship with the decrease in foreign exchange rates.

I ask to have printed in the RECORD, in connection with the debate on the pending resolution, the information and data prepared by this committee, sponsored by the paper manufacturers of the United States.

There being no objection, the memorandum and data were ordered to be printed in the RECORD, as follows:

DEPRECIATED EXCHANGE

The general thought behind the pending (Senator REED'S) resolution and the various bills which have been introduced in Congress with reference to the effect of the depreciation in the value of foreign currencies upon our imports, is that as the currency of a foreign country depreciates its cost of production of manufactured articles depreciates accordingly, thereby giving the foreign country a material advantage in its competition with the industries of the United States. At first thought such an assumption might seem reasonable, but on an analysis of the facts it is found that as the currency of the country depreciates, the items which enter into the cost of production of the article increase; and while there is a slight lag, the increase in commodities, labor, etc., offsets the advantage that would otherwise be gained through the depreciation. About the only advantage gained through depreciated currency is in the matter of debts which have been incurred in the past and which can be paid in the depreciated currency. Current items and obligations incurred after the currency has depreciated adjust themselves to the new level.

This situation is illustrated very clearly in a folder entitled "Depreciated exchange and the tariff," which was prepared and distributed by the temporary committee opposing the tariff on wood pulp. This committee, whose work is sponsored by a majority of the paper mills of the United States, has made an exhaustive study of the subject and presented the matter in the form of two charts and a small amount of descriptive matter. These charts, which are prepared from United States Government figures, show definitely and conclusively that commodity prices in the countries which have left the gold standard have risen in a direct relationship with the decrease in foreign exchange rates.

The purpose of the bills which have been introduced in Congress is to equalize for the amount the currency has depreciated, by taking the value of the article, computed on the par value of the currency of the country of exportation, and deducting the value of the article computed on the exchange rate of the currency of the country of exportation, and levying a duty equal to the difference.

In other words if the currency of the country has depreciated from a mint par of $1 to an exchange rate of 75 cents there has been a depreciation of 25 cents. Under the plan outlined in the bills, this depreciation would be offset by a duty, in addition to any existing duties, on all imports of products of the country whose currency has depreciated this amount of 25 cents, for each $1 of the value computed in terms of the par value of the currency of the exporting country. This would result in an ad valorem duty on the imported value of 33⅓ per cent, which is the amount necessary to be added to the exchange value of 75 cents in order to offset the depreciation of 25 cents.

That such a duty has just the opposite effect from the avowed purpose of equalizing prices and competition is shown by a folder prepared by the same committee entitled "Depreciated Currency and Wood-Pulp Prices." This folder has been prepared from statistics compiled by the Bureau of Foreign and Domestic Commerce, and contains a series of charts showing the average value by months of imports into the United States of various types of wood pulp from the five principal countries exporting wood pulp to the United States. Of these five countries, Germany alone has remained on the gold standard; the other four, Canada, Sweden, Norway, and Finland, departed from the gold standard during September and October, 1931.

These charts and the accompanying data, which are based on imports for the 14 months beginning January 1, 1931, and ending February 29, 1932, cover a period of eight months when all of the countries were on the gold standard and approximately six months when four of them have been on a depreciated-currency basis. From an examination of the charts it is impossible to tell at what date the countries left the gold standard, for there is no break in the prices when the countries left the gold standard, and, in fact, since that time the trend in most of the countries has been slightly upward in contrast with the declining prices which were in evidence before the countries departed from the gold standard.

This folder also contains a most interesting table based on imports of unbleached sulphite wood pulp and exchange rates during February, 1932. The table shows that during this month the imports of unbleached sulphite wood pulp from Germany averaged $30.61 per short ton, from Canada $32.49, from Sweden $33.21, and from Finland $37.19. During the same month, February, 1932, the exchange in the countries which had left the gold standard had depreciated, and to equalize in accordance with the bills now pending would have required an equivalent ad valorem duty of 14.56 per cent on imports from Canada, 38.93 per cent on imports from Sweden, and 68.01 per cent on imports from Finland; Germany, remaining on the gold standard, would not have been affected. Applying this ad valorem duty, the value of the imports would have been as follows: $30.61 per ton from Germany, $37.22 from Canada, $46.14 from Sweden, $62.48 from Finland. In other words, the spread in price between Germany and Finland, the high and low value countries for this particular grade of wood pulp during February, would have increased from $6.58 per ton to $31.87 per ton.

It is interesting to note that in this particular case Finland, whose currency had depreciated the largest amount, had the highest average cost per ton; which in itself would entirely disprove the argument that an equalizing duty is necessary on wood pulp from countries on a depreciated exchange basis.

DEPRECIATED EXCHANGE AND THE TARIFF

Bills have been introduced in Congress which if passed would place a tariff duty on wood pulp in order to offset the so-called advantage of foreign producing countries which have departed from the gold standard. Such action is proposed in more than a dozen similar bills and is headed up in House bill 8688, which proposes to place, on all items imported into the United States from countries which have departed from the gold standard, an additional tariff duty equivalent to the depreciation from the standard value of currency of the country as of October 1, 1931.

For example, if on March 21, 1932, an article which had a value of 100 krona was imported from Sweden, the additional duty under the proposed bill would be equal to the standard value of 100 krona on October 1, 1931 ($26.80) less the value of 100 krona on March 21, 1932 ($19.92), which would be $6.88 in addition to the existing duty, if any, under the tariff act of 1930. The result would be an additional ad valorem tariff duty of nearly 35 per cent.

In so far as wood pulp, which is on the free list, is concerned, this proposal has two basic economic defects:

1. It assumes that the cost of production is evenly balanced between the United States and the principal foreign countries exporting to the United States, based on the standard value of the currencies of the countries as of October 1, 1931.

2. It assumes that the cost of all items entering into the production of wood pulp, such as labor, wood, chemicals, power, taxes, etc., have decreased, in terms of gold, proportionately to the decrease in the foreign-exchange rate.

The first assumption is immediately disproved by the well-known fact that foreign pulps have consistently been sold in the United States at higher prices than domestic pulps.

The second assumption is entirely disproved by the economic fact that the cost of domestic materials, labor, etc., in a country which has departed from the gold standard tends to increase and in due time adjust itself to the new values, and that other materials must be purchased in the world market in terms of gold.

The charts on the following pages show that the present situation is no exception and that an additional tariff duty, as provided in House bill 8688, would be unjust and unsound.

FOREIGN EXCHANGE RATES

The chart shown below is based on monthly averages of daily quotations of foreign exchange rates as published by the Federal Reserve Board. In order to make the rates directly comparable they have been reduced to the percentage that the published rate bears to the par of exchange. (For example, the par of exchange of the Swedish krona is 26.8 cents. The monthly average of the daily quotations for January, 1932, was 19.19 cents. Therefore the percentage is the percentage that 19.19 is of 26.8, which is 71.6.)

Of the six countries shown, the United States and Germany are still on the gold standard. Gold payments were suspended by Norway and Sweden on September 29, 1931, and by Finland on October 12, 1931. On October 19, 1931, Canada prohibited the export of gold. The chart indicates that the drop in exchange rates has been arrested and that the present tendency is upward.

A comparison of this chart with the chart of Wholesale Commodity Price Indexes shows that in countries where the drop in exchange has been the greatest the increase in wholesale commodity prices has been the greatest. Thus the increase in wholesale commodity prices tends to offset the apparent advantage created by the drop in exchange.

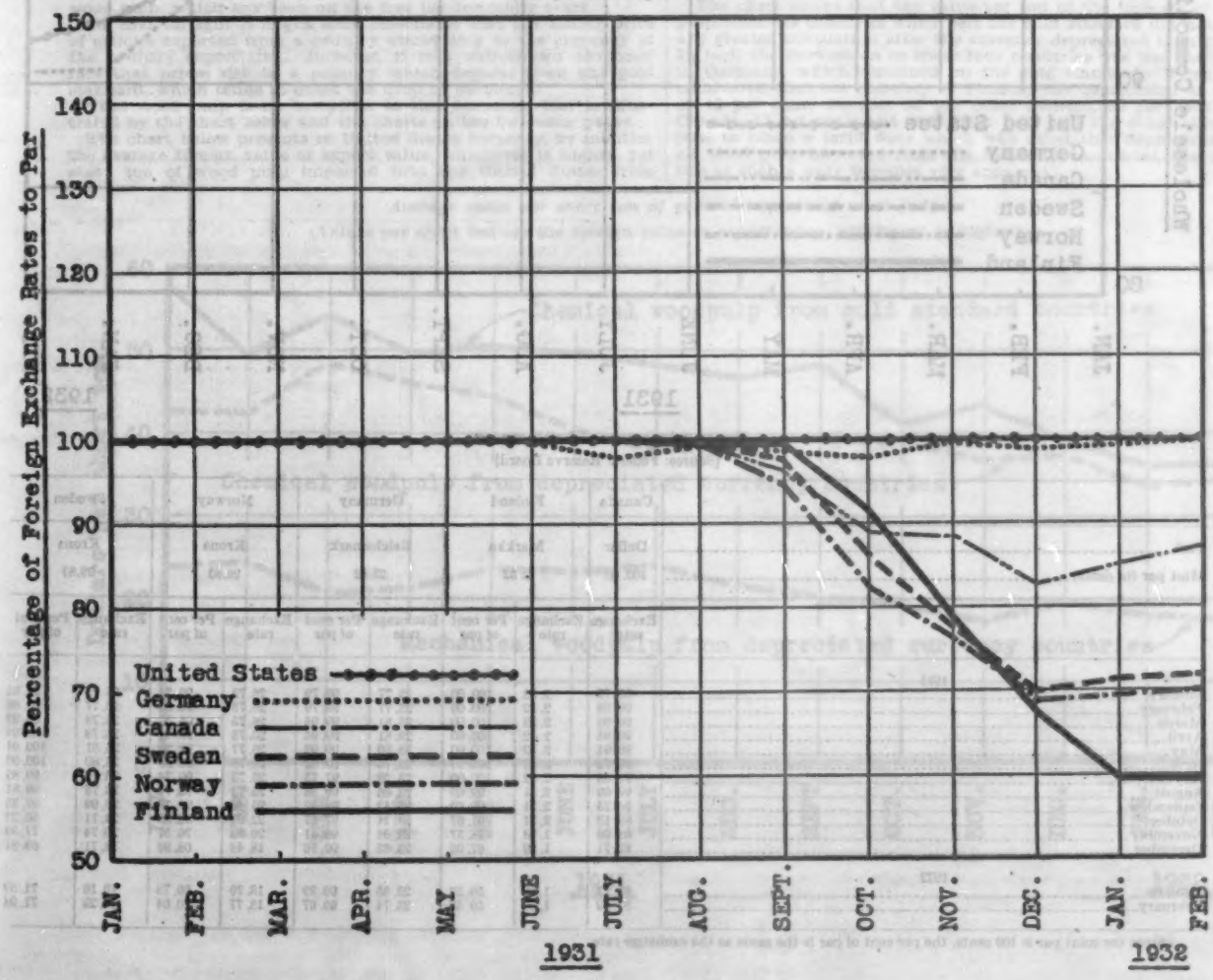
WHOLESALE COMMODITY PRICE INDEXES

The chart reproduced on the following page is based on the wholesale commodity price indexes of the five principal countries exporting wood pulp to the United States and the United States index. Indexes were taken from the United States Department of Commerce compilation and reduced to a common base (August, 1931) in order to make them directly comparable.

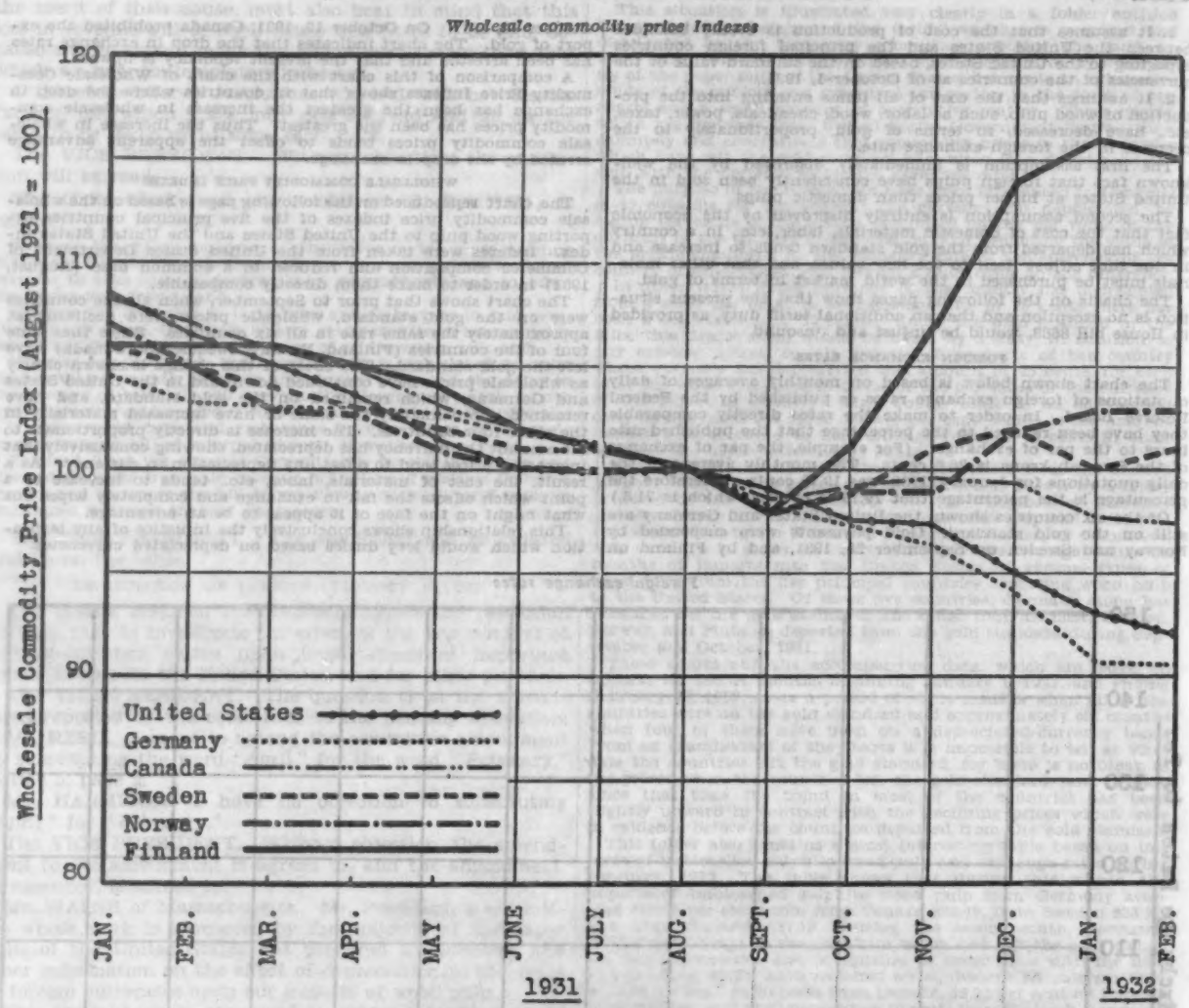
The chart shows that prior to September, when all the countries were on the gold standard, wholesale prices were declining at approximately the same rate in all six countries. Since that time four of the countries (Finland, Norway, Sweden, and Canada) have left the gold standard. The effect of this change is shown clearly as wholesale prices have continued downward in the United States and Germany, which remained on the gold standard, and have remained approximately the same or have increased materially in the other four countries. The increase is directly proportionate to the amount the currency has depreciated, showing conclusively that increasing prices tend to offset any depreciation in currency. As a result, the cost of materials, labor, etc., tends to increase to a point which offsets the fall in exchange and completely wipes out what might on the face of it appear to be an advantage.

This relationship shows conclusively the injustice of any legislation which would levy duties based on depreciated currencies.

Foreign exchange rates



Wholesale commodity price indexes



Foreign exchange rates—Monthly averages

[Source: Federal Reserve Board]

	Canada	Finland		Germany		Norway		Sweden	
Unit	Dollar	Markka		Reichsmark		Krone		Krona	
Mint par (in cents)	100.00	2.52		23.82		26.80		26.80	
	Exchange rate[1]	Exchange rate	Per cent of par	Exchange rate	Per cent of par	Exchange rate	Per cent of par	Exchange rate	Per cent of par
1931									
January	99.79	2.52	100.00	23.77	99.79	26.73	99.74	26.76	99.85
February	99.98	2.52	100.00	23.77	99.79	26.75	99.81	26.77	99.89
March	99.98	2.52	100.00	23.81	99.96	26.75	99.81	26.78	99.93
April	99.95	2.52	100.00	23.81	99.96	26.75	99.81	26.78	99.93
May	99.94	2.52	100.00	23.80	99.92	26.77	99.89	26.81	100.04
June	99.72	2.52	100.00	23.73	99.62	26.78	99.93	26.80	100.00
July	99.66	2.52	100.00	23.28	97.73	26.73	99.74	26.76	99.85
August	99.69	2.51	99.60	23.66	99.33	26.73	99.74	26.75	99.81
September	96.25	2.51	99.60	23.42	98.32	25.40	94.78	26.09	97.35
October	89.10	2.31	91.67	23.24	97.57	22.07	82.35	23.11	86.23
November	88.99	1.93	78.57	23.68	99.41	20.52	76.57	20.74	77.39
December	82.71	1.69	67.06	23.62	99.16	18.48	68.96	18.71	69.81
1932									
January	85.73	1.50	59.52	23.65	99.29	18.70	69.78	19.19	71.60
February	87.29	1.50	59.53	23.74	99.67	18.77	70.04	19.29	71.98

[1] Since the mint par is 100 cents, the per cent of par is the same as the exchange rate.

Wholesale commodity price indexes

[Source: Bureau of Foreign and Domestic Commerce]

	United States		Germany		Canada		Sweden		Norway		Finland	
Number of commodities	784		400		502		160		95		139	
Base	1925	1931 [1]	1913	1931 [1]	1926	1931 [1]	1913	1931 [1]	1913	1931 [1]	1926	1931 [1]
1931												
January	78.2	108.5	115.2	104.5	76.7	108.2	115	106	128	107	86	103
February	76.8	106.5	114.0	103.4	76.0	107.2	114	105	126	105	86	106
March	76.0	105.4	113.9	103.3	75.1	105.9	113	104	124	103	86	105
April	74.8	103.7	113.7	103.2	74.5	105.1	112	103	123	103	85	105
May	73.2	101.5	113.3	102.8	73.0	103.0	111	102	121	101	84	104
June	72.1	100.0	112.3	101.9	72.2	101.8	110	101	120	100	83	102
July	72.0	99.9	111.7	101.3	71.7	101.1	110	101	120	100	82	101
August	72.1	100.0	110.2	100.0	70.9	100.0	109	100	120	100	81	100
September	71.2	98.8	108.6	98.5	70.0	98.7	107	98	117	98	79	98
October	70.3	97.5	107.1	97.2	70.4	99.3	108	99	119	99	82	101
November	70.2	97.4	106.6	96.7	70.6	99.6	110	101	119	99	87	107
December	68.6	95.1	103.7	94.1	70.3	99.2	111	102	122	102	92	114
1932												
January	67.3	93.3	100.0	90.7	69.4	97.9	109	100	123	103	94	116
February	66.3	92.0	99.8	90.6	69.2	97.6	110	101	123	103	93	115

[1] August 1931=100.

DEPRECIATED CURRENCY AND WOOD-PULP PRICES

More than a dozen bills (headed up by H. R. 8688) have been introduced in Congress in an effort to place an additional tariff duty on articles imported from countries which have departed from the gold standard. It is frankly stated by those sponsoring the bills that the primary purpose is to place a tariff duty on wood pulp, which has been on the free list for many years.

On first thought it might seem reasonable that the selling price of articles exported from a country would drop as the currency of the country depreciated. However, it is a well-known economic fact that prices rise in a country which departs from the gold standard, which tends to offset the drop in exchange.

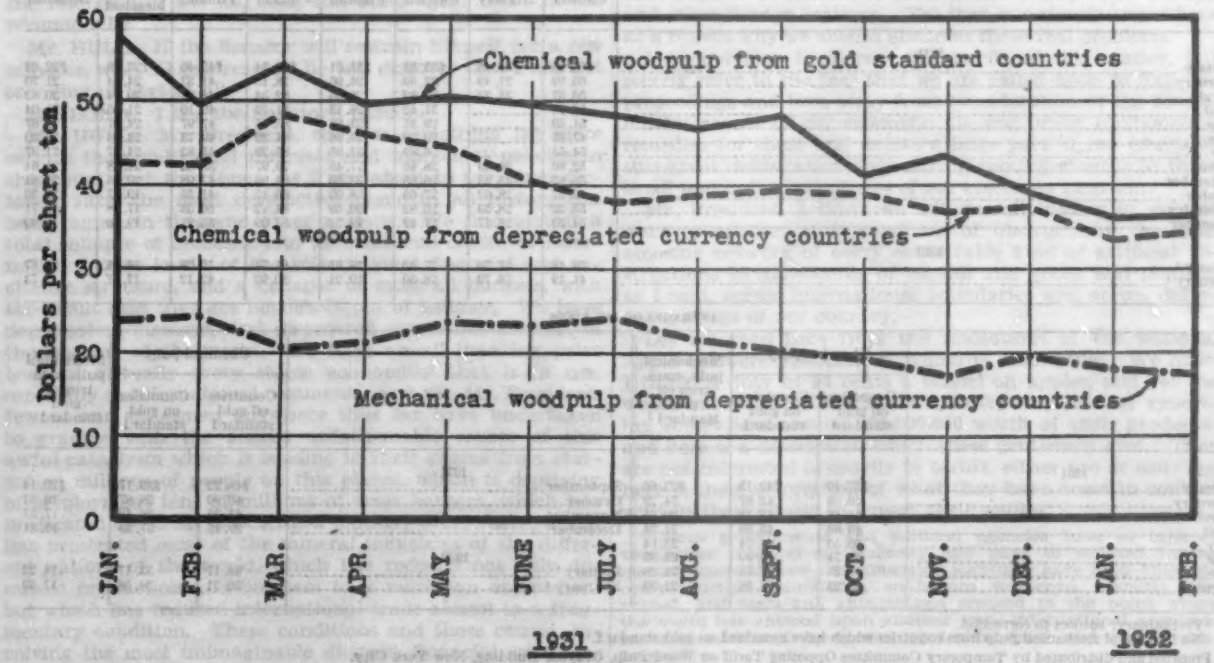
That wood pulp is no exception to this economic fact is illustrated by the chart below and the charts on the following pages.

The chart below presents in United States currency, by months, the average foreign value or export value, whichever is higher, per short ton of wood pulp imported into the United States from Germany, Canada, Sweden, Norway, and Finland. During 1931 these five countries furnished 97.6 per cent of the total tonnage of wood pulp imported into the United States. Of the five countries, Germany is still on the gold standard and has been shown separately. The other four departed from the gold standard during September and October, 1931.

The chart shows that the value per ton of the imports of wood pulp from the countries which left the gold standard did not show any greater fluctuation after the currency depreciated than before. In fact, the fluctuation in these four countries was less than that in Germany, which remained on the gold standard. When it is considered that the currency of Finland has depreciated as much as 40 per cent; Norway, 30 per cent; Sweden, 30 per cent; and Canada, 17 per cent; and that H. R. 8688 and the other bills propose to place a tariff duty which will offset this depreciation on all wood pulp imported from the respective countries, the injustice of such a duty becomes very apparent.

Average value per short ton of general imports of wood pulp

(Values per short ton are the foreign value or export value, whichever is higher)



An example of the way in which H. R. 8688 would operate to disrupt wood-pulp prices is shown in the following table based on imports of unbleached sulphite wood pulp and exchange rates during February 1932.

Country from which imported	Value of imports per short ton	Per cent of par of exchange	Equivalent ad valorem duty (per cent)	Amount of duty	Value plus duty
Germany	$30.61	99.67	(1)	.....	$30.61
Canada	32.49	87.29	14.56	$4.73	37.22
Sweden	33.21	71.08	38.93	12.93	46.14
Finland	37.19	99.52	68.01	25.29	62.48

[1] No duty, as H. R. 8688 provides that duty shall be levied only in case depreciation is 5 per cent or more below standard value as of October 1, 1931.

In other words, instead of equalizing the $6.58 per ton spread in value the bill, if enacted into law, would increase the spread to $31.87.

Average values per short ton of general imports into the United States of wood pulp, by countries of origin

[Source: Bureau of Foreign and Domestic Commerce]

(The following values are the foreign value or export value, whichever is higher. The values do not include ocean freight and insurance. In general, they are the values f. o. b. the foreign plant in which the wood pulp was manufactured)

	Unbleached sulphite				Bleached sulphite				Soda
	Germany	Canada	Sweden	Finland	Germany	Canada	Norway	Sweden	Canada
1931									
January	$45.82	$40.90	$41.11	$40.57	$60.82	$61.12	$49.83	$44.56	$50.12
February	43.85	38.65	37.79	36.58	51.07	61.97	45.54	46.39	49.09
March	40.61	39.94	43.10	38.91	56.36	59.88	54.32	53.85	45.69
April	37.87	37.48	44.22	31.45	55.52	59.53	45.01	53.96	48.09
May	39.12	38.84	39.76	34.52	52.70	59.25	57.58	48.73	48.51
June	37.63	38.62	39.34	32.85	53.40	56.74	47.79	48.00	49.96
July	39.11	38.00	36.88	39.09	51.89	57.00	60.86	53.76	47.77
August	36.39	36.06	38.61	42.06	51.84	51.15	42.01	47.51	53.54
September	38.85	34.54	39.27	40.55	51.66	52.33	48.11	47.29	48.44
October	38.19	34.92	36.88	40.93	48.85	53.03	36.19	41.70	47.53
November	39.53	35.20	35.87	40.08	48.91	49.61	48.68	46.02	46.50
December	32.75	36.32	35.23	36.77	48.01	50.66	42.98	42.23	42.56
1932									
January [1]	27.09	33.53	33.17	33.59	45.47	49.50	40.81	37.14	38.57
February [1]	30.61	32.49	33.21	37.19	40.67	51.34	37.67	36.22	37.87

	Unbleached sulphate				Bleached sulphate		Mechanically ground	
	Canada	Norway	Sweden	Finland	Canada	Finland	Unbleached	Bleached
1931								
January	$53.23	$31.46	$33.33	$35.81	$80.74	$45.40	$23.78	$22.62
February	60.99	27.49	33.59	26.96	78.15	41.33	24.44	21.70
March	56.57	34.23	32.82	29.36	82.34	45.81	20.74	20.82
April	56.79	.....	31.42	26.13	81.73	40.10	21.35	21.04
May	51.89	.....	29.35	23.98	85.15	47.97	24.07	19.67
June	47.25	.....	29.20	29.96	84.22	49.73	23.08	23.30
July	54.54	.....	26.89	27.95	85.29	45.82	24.67	21.97
August	52.86	30.09	28.46	27.48	79.97	35.82	21.38	21.64
September	56.82	35.33	26.85	32.60	83.96	43.98	20.05	21.84
October	42.57	28.62	27.66	28.09	80.15	41.56	19.37	22.36
November	55.22	28.59	26.82	30.59	84.12	50.53	17.48	19.71
December	51.53	29.37	27.49	29.72	83.09	53.21	19.80	19.92
1932								
January [1]	38.48	27.28	27.31	28.85	81.71	50.28	18.11	20.87
February [1]	41.19	26.79	26.59	29.21	80.92	42.12	17.37	17.73

AVERAGES OF ALL KINDS

	Chemical pulp		Mechanical pulp, countries off gold standard [2]		Chemical pulp		Mechanical pulp, countries off gold standard [2]
	Countries off gold standard	Countries on gold standard			Countries off gold standard	Countries on gold standard	
1931				1931			
January	$57.49	$42.13	$23.66	September	$48.22	$39.17	$20.14
February	49.68	42.07	24.29	October	40.90	38.87	19.53
March	54.16	48.18	20.75	November	43.35	36.48	17.55
April	49.86	45.98	21.34	December	39.15	37.39	19.81
May	50.50	44.54	23.64				
June	49.74	40.30	23.09	1932			
July	48.26	37.75	24.28	January [1]	36.17	33.17	18.23
August	46.23	36.58	21.39	February [1]	36.31	34.58	17.39

[1] Preliminary; subject to correction.
[2] No imports of mechanical pulp from countries which have remained on gold standard.

Prepared and distributed by Temporary Committee Opposing Tariff on Wood Pulp, Graybar Building, New York City.

Mr. HULL. Mr. President, the resolution offered by the Senator from Pennsylvania [Mr. REED] is entirely innocent on its face; and the utterances and demeanor of the able Senator from Pennsylvania in discussing it, while not in any way intended to conceal or cover up, I think more or less justify that innocent objective which on its face the resolution has.

No one would object to the fullest development of every fact and circumstance pertaining to all phases of depreciated currencies and of our international trade and general

economic affairs. We know, of course, that during recent years there has been going on, and at this time there is going on, a wild movement among most of the nations to erect every conceivable kind of barrier and obstruction to the transfer of capital and goods and services across international boundaries. That almost half-insane disposition prevails in most countries at this time, and to-day in the United States we see a general effort, which soon will develop into a scramble, for higher and still higher tariff and other obstructions to every kind and character of international finance, trade, and commerce.

Our Tariff Commission, composed of excellent gentlemen, is, I think, so far as the majority is concerned, deeply imbued with this narrow spirit of what can best be described as economic nationalism. With that slant of mind and that bias, I am not at all certain, Mr. President, how many of the full and comprehensive facts of this situation the commission would, even with the best of purposes, develop and send to the Senate, nor how many facts or partial facts might unconsciously be omitted from the report. I much prefer that we have absolutely impartial facts from absolutely impartial sources at this stage in so far as they relate to this far-reaching purpose, which no one need conceal, to put on a new and additional drive for another layer of tariffs, or their equivalent, upon the already skyscraping structure which we have. Since this is really the avowed object of this movement, we should not deceive ourselves as the resolution makes its way through this body.

What have we to-day, Mr. President, in the way of industrial and commercial and general economic conditions? There is raging at the present time the most far-reaching and destructive panic in this country and in most other countries that the world has ever seen.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. HULL. I yield.

Mr. LONG. Do I understand that the Senator is opposing the retention of the oil, coal, and other tariff items in the revenue bill?

Mr. HULL. If the Senator will restrain himself for a few minutes, with all due respect, he will discover that I am not speaking of that at all.

Mr. LONG. I beg the Senator's pardon.

Mr. HULL. Mr. President, there is something far more serious than individual interests and individual policies in this country at this time. As I was about to say, since October, 1929, the most destructive panic in all history has been raging in this and other nations. We find almost a total collapse of domestic and international credit, of international price levels, of the international financial and exchange structure, and a collapse of most all budgets, with the result that they are hopelessly out of balance. We have depreciated, diseased, and disordered currencies in most of the nations of the world. We have an all-time low price level of virtually every staple commodity that is in use, especially in international commerce; and yet, Mr. President, few of our statesmen anywhere thus far have undertaken to grapple with the almost unfathomable causes of this awful cataclysm which is sending to their graves from starvation millions of people on this planet, which is depriving of employment tens of millions of wage earners, which has prostrated the great agricultural industry everywhere, which has prostrated most of the mineral industries of the different nations of the world, which has reduced not only domestic production and business to a minimum everywhere but which has reduced international trade almost to a fragmentary condition. These conditions and these causes, involving the most unimaginable distress, financial, commercial, economical, and human, pervade every part of this and other countries of the world; and yet, Mr. President, the highest level that some of us to-day are able to ascend is to get hold of a microscope and ascertain whether, perchance, as I said some weeks ago, a few more pounds of wool are coming in here to supplement the 60 or 70 per cent we produce in order to keep us from freezing, whether a pair of shoes of a new fashion is coming in here, perchance, to supplement other fashions we already have, or whether in some wholly minor phase some other minor industry in this country is being affected.

Mr. President, in the face of these huge fundamental domestic and world problems relating to the checking of this raging panic, to the restoration of confidence that will permit credit to come out from its hiding places, and encourage business to avail itself of it again and start up industry and increase once more the price of staple commodities, which are now hopelessly below the cost of production, and let this country and the world again head back in a direction of sound, stable business recovery, I regret that as we go through this critical period we see nothing except local, selfish, individual interests projected. In considering the great problem, for instance, which the Senator from Maryland has mentioned, of speedily relieving the credit of the Government by enacting a tax measure, we must see if we can not lay the foundation for an entirely new and additional levy of tariffs or similar obstructions around this Nation against any possibility of slight or trivial imports from elsewhere.

I was impressed, as I came through Pittsburgh a couple of days ago, with an editorial of that great midwestern paper, the Pittsburgh Post; and this illustrates again, with all due respect, the heights to which we have failed to rise in dealing with these emergency conditions.

This editorial is headed "Jobs for 1,000." The distinguished junior Senator from Pennsylvania [Mr. DAVIS] is quoted as giving out a statement—I am not arguing the merits of this, but I merely call attention to it to show the state of some of our minds as we face these great mountainous problems—to the effect that the imports of coal amounted to two and a half million dollars, and that that would furnish work for a thousand Pennsylvania miners. That is in the face of the fact that we are exporting about sixteen times that amount of bituminous coal and furnishing work for sixteen times that number of American miners, and selling it to Canada and other foreign sections. Yet that is seriously urged here as a reason why we should abandon these real problems.

I do not stop to discuss the merits of this matter, but merely refer to the fact that we are called upon to halt our proceedings and turn away from consideration of the fundamental causes of our economic ills and broad fundamental remedies for them and devote a large part of the efforts of this great deliberative body during coming months to these small and individual phases of our economic situation.

Mr. President, I think we will search history in vain to discover another such condition of obstructions, the most amazing network of every conceivable kind of artificial obstructions to movements of capital and goods and services, as I said, across international boundaries and across different sections of our country.

Let me read here from the resolutions of the National Apple Growers' Association, which is descriptive. We have, I think, a duty of 25 cents a bushel on apples, and yet the whole salvation of the apple industry depends on exporting somewhere around $30,000,000 worth of their products; and here is a description which these gentlemen give. They are not interested primarily in tariffs, either pro or con; but here is their description of what they have come in contact with in their efforts to export their apples:

> Various governments and political agencies have so injected themselves into private industry and have so violated fundamental economic law that unwieldy surpluses have been built up, overproduction stimulated, confidence weakened, stability disrupted, and fears and antagonisms aroused to the point where the world has entered upon another war—international economic warfare—evidenced by mounting tariffs, total and partial embargoes—

I do not make reference merely to tariffs, Mr. President, but to this long list of other vicious trade obstructions that accompany them—

> Embargoes, drastic restrictions, and the stagnation of commerce. Governmental participation in business and commodity controls by various countries in recent years in rubber, sugar,

coffee, silk, nitrates, and sulphur needs no comment as to the disastrous results, and apparently the same record is now being written again as to wheat and cotton. No matter how well intentioned such acts may be, they are doomed from the beginning—

I am reading this without reference to their views or mine—

No matter how well intentioned such acts may be, they are doomed from the beginning and carry with them ever-mounting consequences of evil.

Among those consequences are the paralysis of initiative and the destruction of confidence and stability. Other fatal consequences are the artificial stimulation of production by nations through fear that another may take them by the throat and attempt to force them to pay beyond the normal price justified by the free play of economic law; and on the other hand is the fear of the possible dumping of surpluses in unknown quantities at unknown times. This results in the erection of trade barriers by abnormal tariffs, embargoes, quarantines, and restrictions to the disruption of long-established areas of production and the creation of commercial stagnation. These artificial barriers beget still other and higher barriers, and thus the vicious circle constantly enlarges.

I could read another page descriptive of these concrete conditions with which this one group of our industrial people have come in contact.

The situation seems to be, Mr. President, that some 10 years of feverish effort on the part of every important country to make itself self-contained, each attempting to export its surpluses but shutting itself off from any imports, has of course resulted in a stalemate. When every nation not only proposes to sell, but to construct one layer of obstruction after another so that it can not possibly buy, then we have every nation going forward without any rhyme or reason to secure the maximum of production in every line that it is capable of developing, with no plans to dispose of its surplus.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Utah?

Mr. HULL. Yes.

Mr. KING. The Senator referred to the feverish activities upon the part of countries to increase their tariff duties, and thus to effectuate the object of being self-contained. The Senator will recall that perhaps only Russia and Spain had higher tariffs than the United States. We really set the pace; and many of the higher tariffs since the Fordney Act of 1922 have been brought about by way of retaliation or supposed protection against the products of the United States.

Mr. HULL. The Senator is quite right. I am glad he called attention to that fact at this time.

Mr. President, I desire to emphasize the fact that every nation to-day is glutted with surpluses of one or more, and often, many products, the production of which has been feverishly carried forward during recent years with no thought as to what would become of the surplus. With every nation in that condition, and with every nation unwilling to make even the most profitable exchange of surplus commodities, we have indeed reached a stalemate. Yet the dominant leaders here of the other political party, and many in the other important countries of the world, are still blindly going forward upon the absurd theory that they can continue to produce at the maximum with no thought, I repeat, as to how they will dispose of the surplus.

Mr. President, we are now approaching a culmination of this impossible situation. I want to assert, with all the emphasis I can command, that the already 20,000,000 of unemployed everywhere will find their forces augmented in the future instead of decreased; the prostrate farmers of this and other countries will find their condition fundamentally growing worse; and production of every kind, business of every kind, will find itself walking on wholly unstable ground until some sort of sound basic economic policies that are applicable to great creditor nations and great surplus-producing nations such as ours have been adopted and put into operation in this country.

When the able Senator from Pennsylvania [Mr. REED] came in here with this resolution, I was about to suspect that it was intended more as propaganda than anything else; but the thing that almost startled me was the fact that our trade with other countries had gone down, as I have said, almost to nothing. Our imports for January of this year were only $136,000,000 compared with $183,000,000 in 1931, $310,000,000 in 1930, $368,000,000 in 1929, $337,000,000 in 1928, and $356,000,000 in 1927; while our exports had gone down in January of this year to $150,000,000, compared with $249,000,000 in January, 1931, $410,000,000 in January, 1930, $488,000,000 in January, 1929, $410,000,000 in 1928, and $419,000,000 in 1927. Yet, Mr. President, here is apparently a deliberate movement to freeze out and choke off the miserable fragmentary remnant that we have left here in the way of international trade!

When our wheat growers and our cotton growers are bankrupt for the lack of a market, I am really astonished that we are seriously asked to embark upon a policy here that would choke off still further the extremely limited markets that are now open abroad for our surplus.

Mr. President, I have here some illustrations of what is really going on.

If our international trade had proceeded with the annual ratio of gain that existed before the war, we would have had $245,000,000 more during the intervening years than we have enjoyed. If our trade had progressed as it should, the world would have had to-day an international trade of $48,000,000,000 for the past calendar year, instead of less than $20,000,000,000. The 15 per cent share of what would go to the United States would amount to between three and four billion dollars of additional trade, which would furnish a wonderful outlet for our cotton and copper and automobiles and wheat and machinery and a long list of other products that we can turn out in large surplus quantities and compete easily with the world. Instead of that, this trade is constantly growing less; and, as I say, we are face to face with the alternative of either deciding that we will arouse ourselves and become a forward-looking, resolute, trade-seeking country, and secure an outlet for these surpluses, or we are going to face back in the opposite direction, as we have been, and undertake to confine our production practically to what we can consume alone. That means to cut down our cotton production, our wheat production, our automobile production, and production in all these other great surplus-producing lines to practically what we consume here at home.

Mr. President, to my mind that is an utterly puny and pusillanimous course for a great, resourceful, and proud nation like America even to contemplate for a moment.

When I look back and see what has been done by those nations which did have enough initiative, enough energy, enough creative mind, and enough broad-gauged assertiveness, to become trading nations, it gives me all the more interest and stimulation to advocate the economic policies which I am undertaking to advocate.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. HULL. I yield.

Mr. COSTIGAN. About 1921 the able Senator from Tennessee was a member of the Ways and Means Committee of the House of Representatives. At that time I was a member of the United States Tariff Commission. Doubtless the Senator recalls that one of the strongest reasons then urged for the adoption of the flexible tariff provisions was the promise that those provisions would safeguard the United States against a predicted flood of imports then prophesied as a result of foreign exchange conditions. We were then, according to leading spokesmen on the other side of the Chamber, supposed to be menaced particularly by reason of the extraordinary depreciation of the German mark. At that time the present President of the United States, then Secretary of Commerce, was among those called into conference by President Harding with a view to the adoption of the

flexible-tariff provisions to offset the assumed threat of depreciated foreign exchange to our domestic business.

Under the Smoot-Hawley Act that threat did not materialize. I therefore venture to inquire whether the Senator from Tennessee is not inclined to conclude that there is no immediate danger from foreign imports to the almost forgotten prosperity of the United States?

Mr. HULL. I thank the Senator. I would not say prosperity, however; I would say to the recovery of prosperity as rapidly as we may get back to it. The truth is that the state of mind was about as wild and unreasonable then in this respect as it is to-day. A great cry went out that this country was about to be flooded with goods from abroad, when, in fact, during the years which immediately followed the war, 1920, 1921, and 1922, we exported $9,600,000,000 more of cotton and wheat and copper and automobiles and all the surpluses we were turning out than we imported.

Mr. REED. Mr. President, will the Senator yield?

Mr. HULL. I yield.

Mr. REED. Would the Senator make that answer to the cotton grower and the cotton textile plants, after it had been brought out that the monthly importations of cotton fabrics had nearly trebled as the result of Great Britain going off the gold standard, and that importations of the single item of sheets, pillowcases, towels, and napkins have gone up from 900,000 pieces a month to 2,248,000 pieces a month, articles made of Egyptian cotton by cheap English labor, whose wages have been invisibly reduced by England going off the gold standard?

Would the Senator say to the idle operatives of the cotton textile plants and to the cotton growers, who can not sell their products, that this was a trifle, that it was weak and pusillanimous for us even to ask information about it?

Mr. HULL. Mr. President, I have noticed the Senator confuse terms, but I had not observed him confuse words before until this question was asked. I was referring to an international policy when I used the word "pusillanimous."

Mr. REED. The Senator said that the policy which underlay the pending resolution was a weak and pusillanimous policy.

Mr. HULL. If the Senator insists on taking that to himself, I can not protest any further.

Mr. REED. The Senator ascribes a particular intention to me in offering the resolution, and then he says that the policy which he ascribes to me is weak and pusillanimous. I wonder whether he will say that to the idle American workmen who make these articles which are being replaced by these increased imports?

Mr. HULL. That is somewhat like the coal proposition I have discussed, a proposition which is held up to the miner in Pennsylvania, to the effect that coal imports would furnish employment to a thousand miners, but the fact that there were 16,000,000 tons of exports, that would furnish employment to sixteen times a thousand miners, was concealed.

We have a similar situation in the cotton matter. If the Senator will look and see what the export side of our books shows, he will find that we are exporting all kinds and qualities of cotton textiles, made out of forties and forty-fives and under, to 55 nations of the world, and that they constitute one of the largest favorable items in our international trade balance. So that if 1 man is cut out because some sort of specialty happens to drift in here, we will find work here for 10 in his place to turn out export products in the cotton and other textile industries.

Mr. REED. Mr. President, if the Senator will yield again, it is just such facts as that that I am trying to get by this resolution, and it is just that kind of information which the Senator would deny us, because he says some sinister policy inspires this innocent request for the facts.

Mr. HULL. Mr. President, when I was a young lawyer, just to the bar, I went in to listen to the trial of a very big lawsuit. A most able attorney represented one side, and it was really a desperate case for him to win. When court convened he had a little, insignificant associate attorney to offer a motion to dismiss the case, setting forth certain grounds. The real lawyer seemed to be entirely indifferent to what was going on. He was looking in other directions a part of the time. He planned for the court to overrule the motion and then reverse him in the higher court, which he did.

With all due respect, I am trying to emphasize the serious and the ultimate purpose which in all probability would characterize the further course of gentlemen who are pressing this resolution. I have not seen in the Senate in years an abler gentleman than the senior Senator from Pennsylvania. I always pay tribute to his great ability. For that reason, when he is dealing with a strictly partisan and selfish problem, I hope that he will give those of us who are about him the privilege of scrutinizing both his utterances and his actions.

Mr. President, I was about to say, when interrupted—and I shall come to this depreciated-exchange matter in a few moments—that this Nation, and other creditor and surplus-producing nations, have reached a stage where they must decide either to go forward or continue to go backward financially, industrially, and economically generally.

I sat down one day in an effort to see what international trade really meant and signified to important countries, and to civilization itself. I saw, first, that the ancient city of Tyre was originally founded out on a barren piece of ground projecting from the little country of Phœnicia, just a few miles wide and a few miles long, lying there between the mountains of Lebanon and the sea. There was not a vestige of natural resources there. But they proceeded to erect a trading point, and in the course of years, Tyre became a great outstanding nation of the world. It had assembled from all parts of the then known world, and from all races, everything they could contribute in the way of money, and learning, and culture, and civilization.

Then Sidon came along, then Palmyra, exclusively trading nations. Then came Carthage and Rome and Venice, and later came Amsterdam, and the nation of Spain, and finally London, and then, as the result of the Great War, we literally had dropped into our lap as a ripe plum the great position which we to-day occupy in the world financial and economic situation.

Mr. President, when I listened to the Senator from Pennsylvania, who was not urging a constructive idea—and no one possesses more of them than he does—when I listened to him in his efforts to distract this great young country away from its true course under the law of manifest destiny, I immediately thought about the amazing contrast between our forbears and our civilization, people who would stand for and tolerate this proposal.

There were our British ancestors, comprising a hardy race, who settled on those cold, barren islands which we recognize to-day as the United Kingdom, with no natural resources except a little coal and a few other minor minerals. Yet they went out resolutely to every part of the world, established new markets, and proceeded to make themselves a manufacturing and trading nation.

The result is that in the course of generations on those barren isles by world trading and with labor paid higher then in any other nation in history except our own and one or two other new North American countries they forged along until when the World War overtook us that nation had become the center of world finance, the world's banker, the world's chief exporter, and with $20,000,000,000 loaned securely abroad, with which she was able to bear the lion's share of all that vast financing which the World War imposed upon the Allies. Yet in the face of these plain but mighty lessons of history we find the old, fossilized, narrow, selfish, reactionary state of mind among the dominant forces which are leading and governing the American people at this critical time.

Every little, insignificant thing which selfishness could conceive is to-day projected at every step, when the American people should have the privilege of sitting down and diagnosing and analyzing these unprecedented panic condi-

tions and in the most nonpartisan manner deciding whether our new and transformed economic situation as a result of the war does not call for new economic policies to some extent and then proceed with resoluteness and patriotism to carry them out.

Out of a large list of accounts of reprisals and embargoes and retaliations on the part of other nations I shall just read one line about Japan. She yesterday decided to increase her specific rates and her ad valorem rates, and here is one of the reasons:

Raising the duties on imports from certain countries in proportion to recent tariff increases in those countries.

There is the entire story. There is the moving influence that is behind this wild and panic-stricken world movement in support of extreme economic nationalism.

The question of debased currencies due to nations going off the gold standard was mentioned yesterday. In the first place no one living can single and sort out all the different factors and conditions that have a bearing upon fluctuating prices and changing price levels in this and other countries to-day. The world is in a strait-jacket, as I have tried to say. Every sort of restrictions of exchanges largely prevents the transfer of either money or goods. Every kind of obstruction interferes with price levels, with the result that the most artificial price conditions exist everywhere. I picked up at random some figures as to England since the Senator from Pennsylvania [Mr. REED] had called especial attention to England. I pointed out on yesterday that British exports to this country were steadily growing less instead of greater since England went off the gold standard; so why should we be alarmed? Why should we allow a spirit of unreasoning fear to grip our imagination and send us rushing into this body to make preparations against possibilities that are so remote that they are not even speculative?

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Tennessee yield to the Senator from Utah?

Mr. HULL. Certainly.

Mr. KING. Perhaps the Senator has alluded to it, and if so I ask his pardon, but the Balkan States—four of them now and a fifth will be drawn into the periphery of their activities—are trying to make plans with the aid of MacDonald, of Great Britain, and Tardieu, of France, for the purpose of breaking down tariff barriers in order to save their countries from complete economic destruction. Whereas those states away off in the southeastern part of Europe perceive the importance of trade and commerce and more cooperation among the nations, we, the United States, who ought to take the lead in all great moral as well as financial measures for the advancement of the world, are setting just the reverse example, are leading the battalions in the direction of economic disequilibrium and destruction rather than toward the heights of prosperity.

Mr. HULL. The Senator is correct. We are headed along precisely the course pursued by Spain as she became stagnant economically and became a primitive country. The same identical course was, some thousands of years ago, pursued by China. It is, of course, economic suicide; and I am appealing to this Chamber and appealing to the country, in so far as I can, to halt and reexamine these new and wholly changed postwar conditions with a view to ascertaining whether we should not, as quickly as possible, give the American people and the world a leadership along sound, basic, and constructive economic lines that will be calculated gradually to bring this and other countries out of the awful morass into which they have stumbled under blind, incompetent, and narrow leadership.

Mr. President, here is the situation: In the complete topsy-turvy state of economic affairs everywhere it is not at all significant to single out the effect of the depreciated currency alone in examining the movement of international trade and price fluctuations. For instance, in the case of England, the first condition that confronted her when she went off the gold standard in September last was the fact that several other countries were off and several others proceeded immediately to follow. The result was that most of her markets were related to countries that were off the gold standard, while as to this country she is buying from us just twice what we buy from her, paying for raw materials and foodstuffs at our gold prices. So that, instead of prices in England permitting increased exports to this country, thus far there has really been no appreciable change as a whole. Instead of prices in that country going up in a ratio corresponding to the decline of the pound sterling in terms of gold, prices have only risen to a very scant extent.

That has been true in Japan, which later went off the gold standard. There was a fluctuation upward in their prices, but soon they reacted back to a level not so much above the level that existed when they went off the gold standard. In the face of that one single factor, we are called upon to turn away from the other factors that vitally or materially affect price levels or price fluctuations and trade everywhere, whether nations are on or off the gold standard, and enter upon what I predict will be another wild tariff movement or, as I said, a drive for another layer of obstruction on our already skyscraping structure that we have, because, forsooth, a few hundred thousand dollars of sporadic imports are filtering in here.

Will we never learn what trade means? Can we not realize that if a well-to-do American, for example, wants a Scotch-tweed suit and brings it in here and pays more for it than he would pay for similar goods in this country, we would be able to exchange for such cloth a bale or two of cotton, to exchange a few dozen bushels of wheat or other extremely burdensome surplus commodities that we have on hand? In the first place, a trading nation will go out and hunt new markets and develop them. There never was a greater opportunity, except within recent years, than there is to-day for this Nation, with all of its financial equipment, its overproductive capacity, its transportation facilities, and its loans abroad, to go forward in such a manner as would put to shame even the wonderful achievements of England and other great trading nations that have gone before us.

I insist, Mr. President, that we should take one side or the other of the issue of excessive tariffs and economic nationalism, and not keep the American people suffering longer without some effort at basic remedy. Here is the consensus of opinion, if I may revert just a moment to the price situation. This is from the Agricultural Economic Bureau of March 15:

The commodity price level in England has remained practically unchanged during January and February at a slightly higher level than that which prevailed just before the value of British exchange was lowered in September.

There is the whole story. Mr. President, I could read for an hour similar statements. I have here from the Bureau of Foreign and Domestic Commerce a rather elaborate statement on this question, which I ask permission to insert in the RECORD without reading and without regard to any views therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

RESPONSE OF PRICES TO CURRENCY DEPRECIATION

According to official index numbers of wholesale prices of various countries, assembled in the Monthly Bulletin of Statistics of the League of Nations, those countries whose currencies depreciated radically in the fall of 1931, owing to the abandonment of the gold standard, experienced a counterbalancing rise in wholesale prices toward the close of the year. This price advance, however, lagged behind the depreciation of the currency in each case, and, moreover, was less pronounced than such depreciation. English prices, for example, reached their lowest level in September—although the pound depreciated rapidly in the last 10 days of that month—and advanced only a little over 7 per cent between September and November, 1931—as against a further decline of slightly over 2 per cent in United States prices—although the pound depreciated by over 23 per cent in the same period.

The following table gives a comparison of wholesale-price developments in leading countries, whose currencies remained virtually at par and those whose currencies depreciated to a considerable degree during September and October, 1931:

Development of wholesale price indexes in certain gold-standard countries and countries which have lately gone off gold

	Base	Average, 1930	August, 1931	September, 1931	October, 1931	November, 1931
Gold-standard countries:						
United States	1913=100	123.6	100.6	99.0	98.0	97.9
Belgium	1913=100	108.4	89.8	85.0	86.2	84.2
France	1913=100	108.7	90.5	86.9	94.1	82.9
Germany	1913=100	124.6	110.2	108.6	107.1	106.3
Italy	1913=100	111.6	89.8	88.9	88.0	88.5
Netherlands	1913=100	117.0	94.0	91.0	89.0	89.0
Switzerland	1914=100	126.5	105.1	106.3	105.4	106.2
Czechoslovakia	1914=100	117.9	105.1	104.6	104.3	103.8
Non-gold-standard countries:						
United Kingdom	1913=100	110.5	90.5	99.2	104.4	106.4
Canada	1913=100	135.3	110.8	108.4	110.0	110.3
Denmark	1913=100	130.0	109.0	109.0	113.0	117.0
Sweden	1913=100	122.0	109.0	107.0	108.0	110.0
Norway	1913=100	137.0	120.0	117.0	119.0	119.0
Australia	1911=100	159.6	139.9	139.1	140.2	.....
Finland	1926=100	90.0	81.0	79.0	82.0	.....
British India	1914=100	118.0	92.0	91.0	96.0	97.0

COMPARISON BETWEEN THE UNITED STATES AND THE UNITED KINGDOM

It is difficult to obtain comparable data as to actual prices of individual commodities in various countries to determine the effect of exchange developments, owing to the difference in grade or character of the products on which statistics are obtainable. Considerable material is compiled, however, by the Annalist (New York) and the Board of Trade Journal (London), which gives a fair basis for comparison between the United States and Great Britain. On the basis of these data the attached tables, Exhibit A and Exhibit B, have been prepared. As even in these periodicals the commodities are only partially comparable, the percentage of change rather than the actual change in gold prices has been stressed in Exhibit B, while in Exhibit A (index numbers of commodities groups) the groupings constitute merely a rough approximation in the various commodities covered.

In view of the material at hand, a comparison between the United States as representative of gold-standard countries and the United Kingdom as representative of non-gold-standard countries seems to be of greater value than any other method of bringing out the facts of the case.

PRICE TRENDS IN THE UNITED STATES AND THE UNITED KINGDOM AS SHOWN BY COMMODITY INDEX FIGURES

As between the United States and Great Britain the influence of exchange depreciation has tended to be offset, so far as wholesale prices of primary commodities are concerned, by advances in prices. Between January and August, 1931, indexes of all groups of commodities, as shown in the accompanying table (Exhibit A), declined in both countries. The pound sterling went off gold in September, 1931, and indexes of all commodities groups, as well as the general index, advanced in Great Britain, while in the United States the individual indexes continued to decline, except fuels, and the general index also declined. Between January, 1931, and August, 1931, the United States wholesale index for all commodities declined 11.4 per cent, while the United Kingdom index declined 6.8 per cent; between August, 1931, and December, 1931, however, while the United States index showed a further decline of 4 per cent, the United Kingdom index recovered by 6.3 per cent. There was a depreciation of 29.5 per cent in the British pound between August 31 and December 31. Apparently British prices, on the average, are in the neighborhood of 10 per cent higher than would have been the case had the pound sterling remained at par; evidently the increase in prices was an offset, though only partial, to the currency depreciation.

EXHIBIT A

Wholesale price variations in United States and United Kingdom

[Indexes—Sources: For United Kingdom, Board of Trade Journal, January 7, 1932; for United States, the Annalist, January 29, 1932]

United Kingdom					United States			
Jan., 1931	Aug., 1931	Dec., 1931			Jan., 1931	Aug., 1931	Dec., 1931
Based on 1924 average—100					Based on 1913 average—100		
44.0	37.9	42.6	Textile products		105.2	91.5	81.3
45.3	43.3	46.9	Farm products		107.7	87.7	83.7
50.4	45.7	54.1					
54.8	53.0	62.8					
68.4	67.3	70.0	Food products		118.9	113.1	109.3
70.9	68.7	74.6	Fuels		140.8	120.9	126.9
75.9	71.8	72.7	Metals		105.8	101.7	98.7
68.5	60.5	71.5					
64.3	59.9	63.7	All commodities		114.8	101.7	97.6
Cotton							
Wool							
Other textiles							
Cereals							
Foods (other than cereals, meat, and fish).							
Coal							
Iron and steel							
Minerals and metals (other than coal, iron, and steel).							
All commodities							

PRICE DEVELOPMENTS IN INDIVIDUAL COMMODITIES DURING 1931 IN THE UNITED STATES AND THE UNITED KINGDOM, AS INDICATED BY ANNALIST AND BOARD OF TRADE STATISTICS

Continuing the comparison of price developments in the United States (as representative of countries remaining on the gold standard) and the United Kingdom (as representative of countries which went off gold during 1931), the attached table (Exhibit B) gives the situation as concerns 13 commodities for which more or less comparable data are obtainable. This table brings out the following points: (a) The decline in prices (on the basis of quotations in gold values) was greater in the United Kingdom than in the United States, but evidently not to the extent of the depreciation of the pound sterling (the gold value of the pound in December, 1931, was nearly 31 per cent lower than in December, 1930); (b) the discrepancy between the decline in gold prices in the United Kingdom and the United States was most pronounced in those commodities which are obtained locally in the United Kingdom, or the supplies of which are derived from countries which have likewise gone off gold—e. g., fresh beef, bricks, and lumber; (c) the discrepancy is least in those commodities which are derived from the United States or other high-exchange countries, or which are such staples in world trade as to be influenced more by world developments than by currency fluctuations—e. g., cotton, copper, gasoline, and wheat (in the case of cotton and copper it will be noted that the decline in gold prices in the United Kingdom was actually smaller than in the United States); (d) the United Kingdom has obtained an advantage where local labor is a notable factor in the cost of commodity (such as pig iron, wool yarns, etc.), as there has been little advance in wages in England to compensate for the decline in the exchange value of the pound, hence manufactured products, especially those in which the labor element is predominant, have received the greatest advantage.

It may also be observed that the benefits derived from exchange developments will tend to be eliminated as adjustments are made to the new exchange value in the way of wages, costs of living, etc., provided there is no renewed depreciation of the pound sterling. It was pointed out in connection with earlier currency depreciations (Germany, France, Italy, Belgium, etc.) that the internal value of the currency was temporarily greater than its external purchasing power, but that this advantage disappeared gradually when the depreciation was halted.

EXHIBIT B

Wholesale prices (gold) of primary commodities in the United States and England

(Development during 1931)

	United States			United Kingdom		
	Jan. 6, 1931	Jan. 6, 1932	Per cent decline	Average Dec. 1930	Average Dec. 1931	Per cent decline
Wheat, per bushel	$0.979	$0.724	26	$0.706	$0.628	21
Flour, per 196 pounds (barrel)	6.30	5.45	13	3.43	2.69	22
Beef, per 100 pounds	18.00	14.50	19	20.89	12.57	40
Pig iron, per gross ton	16.90	14.79	7	15.43	9.89	36
Steel, finished (per 100 pounds)	2.12	2.05	3			
Steel, rails, heavy (per 100 pounds)				1.84	1.24	33
Copper, electrolytic (per long ton)	235.20	162.40	31	243.33	150.79	38
Cotton, American middling (per 100 pounds)	10.15	6.33	37	11.00	7.33	33
Cotton yarn (per pound)	.21	.155	26	.165	.129	30
Wool yarns (worsted) (per pound)	1.45	1.20	17	.794	.537	30
Bricks (per thousand)	12.64	11.93	6	12.60	8.65	32
Lumber (United States, per 1,000 feet; United Kingdom, per standard)	19.40	16.50	15	133.50	82.05	38
Gasoline (per gallon)	.0531	.04	25	.304	.218	28
Rubber (per pound)	.6825	.05	39	.092	.043	53

EXCHANGE NOT THE ONLY FACTOR IN PRICE DISCREPANCIES

From statistics available regarding the change in actual prices of primary commodities over a period of years it appears that other factors in certain cases have exerted an even greater influence than have the variations in exchange. Among these may be mentioned price fixing to protect domestic agriculture or industry. For example, the price of wheat in France and Germany is at present practically as high as in 1925 and 1926, owing to Government regulation, while in Canada, the United States, and Great Britain the price has declined over 50 per cent. The statistics given in Exhibit B show a heavy decline in the price of pig iron in the United Kingdom as against only a slight decline in the United States; that this is not attributable wholly to the exchange factor, however, is proved by the fact that in France, a high-exchange country, the decline has been even sharper than in England, where the exchange has weakened. The international data on commodity prices are rather incomplete and the countries for which statistics are available vary considerably for the different commodities; no tabular statement is therefore appended, but the material available can be compiled if the Senator desires.

Mr. HULL. This confirms what I have been undertaking to say to the Senate as to the effect of currency depreciation thus far on price levels. I, of course, agree that when any country goes off the gold standard there is in a local sense a percentage of decline in its unit of currency, such as the pound sterling, and a corresponding rise of prices; but while on one occasion in the past there was somewhat of a corresponding increase in domestic price levels, that has not been true except during certain portions of the World War in certain countries. The point I am making is that there are four or five material factors beyond the control of any one nation that are apparent in all the changing and fluctuating price levels which we observe, both in a domestic and an international way.

Mr. President, almost every utterance on the economic situation relates to labor. I think I have been as sympathetic with labor in my votes and in my utterances and actions as any person on this floor during my twenty-odd years of service in the Congress; but I have often wondered how long it will be possible for these special pleaders to mislead 80 to 85 per cent of the wage earners in industry in the United States. We have about 28,000,000 wage earners, all told, leaving out some twelve or fifteen million salaried earners; but of that number only about 8,500,000 are employed in what we call the manufacturing industry. There is such a vast portion of manufacturing industry that either has no tariffs at all or tariffs that confer no benefits whatever, as in the case of the automobile industry; that scarcely more than 15 or 20 per cent of that 8,500,000 wage earners employed in the manufacturing industry are in businesses that pretend to derive any shelter from it whatsoever. There has not been one dollar of wage increase in this country during the past 15 years, with rare exceptions, on account of tariff shelter.

Wage increases have come from the increased productivity of our American industrial system, greater horsepower, up-to-date plants, efficient management, vast materials very handy, highly skilled and intelligent labor. There is the whole story. Some of these days, Mr. President—and it is tragic even to contemplate it—when enough millions of American wage earners are kept out of employment long enough, they will finally demand a showdown, just as President Roosevelt in 1912 demanded a showdown for them as to what amount was in the pay envelope.

Here is a most astonishing situation. A comparatively few dollars' worth of imports come in here, and instead of letting us exchange them for a few thousand bushels of wheat or cotton or automobiles or machinery or cotton textiles or any of the scores of other surpluses of the great industries in this country, we must stop and undertake to find ways to shut them out, while we proceed to harbor the vast surpluses which glut our markets and dislocate and destroy our prices and consign to indefinite unemployment from eight to ten million of our patriotic wage earners.

Mr. President, this question will not down, and I confidently hope soon to see the day when we shall have a line-up between some two political organizations on the question of whether we are going to shrivel and scrooch up and sit down here and undertake merely to live off ourselves or whether we are going to broaden out like the great, far-seeing, forward-looking American people we are and take our rightful place as the leader in the trade affairs of the world. It will be the issue of economic nationalism versus moderation of existing extreme tariff and like obstructions and liberalization of trade policies.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Louisiana?

Mr. HULL. Yes.

Mr. LONG. A great deal of that shriveling up has been due not only to the loss of our foreign trade but I will ask the Senator if he does not think that the concentration of wealth within the country has had a great deal to do with the shriveling-up process?

Mr. HULL. I never previously mentioned this, Mr. President, but I will now state that, with the great help of others, I struggled for seven years to get an estate and an income tax system drafted, and finally it was enacted by Congress. From such taxes we collected $15,000,000,000 off the war profits to pay that much of the expenses of the war, instead of issuing bonds. Since then we have assessed over $18,000,000,000 of the wealth of the country, exempting all farmers and all wage earners, and until the present panic we were getting about 62 per cent of our tax revenue from income and inheritance taxes.

Mr. LONG. I will say to the Senator that that does not alter the fact that the wealth of the country, regardless of the income tax—and I think that tax is a wonderful thing, and that the services of the Senator in that regard have been of great benefit to the Nation—since 1916 has become doubly concentrated. In 1916, 2 per cent of the people owned 60 per cent of the wealth, while to-day 1 per cent of the people own 60 per cent of the wealth.

I agree with the Senator that the stifling of our exports is largely the cause of our trouble; but the point I am making is, Are we not shriveling up within by letting large fortunes continue to be accumulated in this country and the masses to become paupers?

Mr. HULL. Frankly, I had in mind to discuss that question when we reach the tax bill provided we can identify it from the tariff bill; but I think the Senator from Louisiana has a great many strong facts to support the idea that he suggests. I have discussed that more or less in the past.

Mr. President, I wish to refer to just another phase of the labor situation. We have been led to believe that the little driblets of imports of commodities which we produce to some trivial or minor extent, together with many that we do not produce at all, should pay a tax at the custom-house, because they displace American labor and do it a positive injury.

Mr. President, there never was such an outrageous fraud perpetrated upon American labor. The fact is, for instance, that in 1930 we exported $3,781,000,000 worth of goods which American labor produced at a good price and with a high living standard. At the same time we imported only $398,000,000 worth of finished dutiable manufactures, and that included from $70,000,000 to $80,000,000 worth of burlaps or other commodities that are not competitive in this country.

The balance of our imports, outside sugar and wool and a number of other products which we do not produce in sufficient quantities, were made up largely of such raw materials as silk and rubber and tin, and a long list of other commodities that we must have in the United States in carrying on our domestic production. Yet, Mr. President, American labor is taught that it is being crucified every time some commodity filters in here even though we make the most profitable exchange of some of our surpluses which labor has produced.

Mr. President, I suggest to the Senator from Pennsylvania, if he is searching for items in the tariff law that need a little attention, he will find, I think in the basket clause in paragraph 372—I know that was the number of the paragraph in the Fordney-McCumber Act—the item of promiscuous machinery of which we imported $10,000,000 worth and exported $250,000,000 worth, while the domestic production of such machinery is $1,400,000,000 worth. The duty is 27½ per cent. The tariff law is filled with that kind of provisions affecting commodities of which there are small importations or none at all, and from two to five or ten or twenty times that amount of exportations, the benefit of which goes not only to American capital but to American labor, and to the American producer.

One other result of this narrow policy of economic internationalism which I desire to emphasize before closing is that we have to-day more than 2,000 either branch or other plants that American capital has been literally or almost forced to establish and construct abroad in order to make itself a profitable part of the economic system of the world. Just a few weeks ago I observed that within one week practically 10 such plants had gone into Canada. A stream of American capital is going abroad in order to get behind the



impregnable tariff walls which have been constructed under our leadership, to a large extent, seeking refuge there in order to find a place for its utilization. If that condition shall be allowed to continue, this Nation, in my judgment, will within a very few years reach a humiliating position besides prolonging and protracting the unsound and uncertain economic conditions which underly the present panic situation.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Reed
Austin	Couzens	Johnson	Robinson, Ark.
Bailey	Cutting	Jones	Schall
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	Kendrick	Shipstead
Bingham	Dickinson	Keyes	Shortridge
Black	Dill	King	Smoot
Blaine	Fess	Logan	Steiwer
Borah	Fletcher	Long	Thomas, Idaho
Bratton	Frazier	McGill	Thomas, Okla.
Brookhart	George	McKellar	Townsend
Brussard	Glenn	McNary	Trammell
Bulkley	Goldsborough	Metcalf	Tydings
Bulow	Gore	Morrison	Vandenberg
Byrnes	Hale	Moses	Wagner
Capper	Harrison	Neely	Walcott
Caraway	Hatfield	Norbeck	Walsh, Mont.
Carey	Hawes	Norris	Wheeler
Connally	Hayden	Nye	White
Coolidge	Hebert	Oddie	
Copeland	Howell	Pittman	

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

Mr. HARRISON. Mr. President, I understood that the amendment had been agreed to changing the date from February, I believe, to the 1st of April; has it not?

Mr. REED. Yes; the amendment to the committee amendment has been agreed to, and the amendment itself has been agreed to as amended.

Mr. BAILEY. Mr. President, I do not intend to detain the Senate save for a moment.

I shall vote for the resolution. I wish to read a letter from a manufacturer in North Carolina, addressed to myself, under date of March 24 of the present year, as follows:

I am engaged in the manufacture of rayon goods. The rayon industry has in the past occupied a field which, in the price range, is located between cotton and cotton fabrics in the cheaper field and silk and silk fabrics in the more expensive trade. There has always been ample territory between the price range of cotton and silk in which the rayon industry has properly developed.

On account of the wide fluctuation in exchange, silk, when priced in American money, has declined to the point where it now occupies the field heretofore occupied by rayon. To illustrate: When the war started between Japan and China, and before the principal foreign countries went off the gold standard, Japanese silk was selling at 4 yens per pound, and the yen was worth 50 cents of American money, which made the price of silk in America $2 per pound. At present silk has advanced to 5 yens per pound, but in American money the yen is only worth 32 cents, and therefore silk at 5 yens per pound is costing only $1.60 in American money.

After the passage of our last tariff act many foreign countries set up tariff schedules against articles manufactured in the United States. To nullify this many of our big corporations established branches in foreign countries, while small companies like ours have necessarily gone out of the export business. The condition of the exchange is now destroying the American market for the American manufacturer in a manner similar to the way our export business was destroyed more than a year ago. We are not going to be able to pay for our raw products and pay our labor in American money and compete with the foreign manufacturer who can sell his goods to our people for American money and get the enormous advantage that comes when he exchanges American money for the money of his government. I write mainly to inquire if anything can be done to remedy the situation; and if so, what?

I take it that the first step in answering an inquiry like this, or finding a remedy for a situation like this, is to ascertain the facts. Whatever they may predicate, I do not know; but, regardless of any suspicion of motives—and I have none whatever—I wish to face the realities of a very grave situation, and then find my way according to the facts as they may be developed.

For that reason I shall vote for the resolution.

Mr. WALSH of Montana. Mr. President, on yesterday, in connection with the debate on the pending resolution, reference was made to importations of copper and the declining price of that product.

Inasmuch as the matter is of very grave importance to the people of my State, I ask that there may be incorporated in the RECORD figures with relation to that industry contained in the compilation which I send to the desk, entitled "Copper Tariff Statistics."

Inasmuch as the compilation of the pamphlet extends only to and including the year 1930, I offer from the last monthly Summary of Foreign Commerce of the United States the statistics of exportations and importations of copper for the six months ending December, 1930, and December, 1931, and similar statistics for January, 1931, and January, 1932. I ask that these likewise be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, the compilations referred to will be printed in the RECORD.

The matter referred to is as follows:

COPPER TARIFF STATISTICS

MEMORANDUM TO ACCOMPANY COPPER TARIFF STATISTICS

Analytical study of these statistics and charts (omitted) points to the following general conclusions:

1. Exhibits A-1 and A-2 show that there has existed an exportable surplus of copper in the United States for over 30 years. That just as long as this condition of exportable surplus exists, a copper tariff would not be effective in permanently increasing the domestic as compared to the foreign price of copper is proved by.

2. Exhibits B-1 and B-2, which show that during the last four years of the former copper tariff, 1891 to 1894, inclusive, when there was an export surplus of the metal, the difference between the New York and London prices of copper was negligible, so that in 1894 the duty, universally recognized to be useless, was removed without a protest.

3. Exhibit C, showing foreign and domestic prices of wheat with a 42-cent duty during recent years, offers further proof of the futility of a tariff where an export commodity is concerned.

4. Exhibits D-1, D-2, and D-3, showing in detail the present productive capacity of the United States copper mines and statistics of past United States consumption, indicate that with a normal annual increase in the latter, our domestic mines as now equipped can and probably will produce more copper than the country can consume until at least 1943. It therefore follows that a tariff can not be made effective for over 10 years.

5. Exhibits E-1, E-2, E-3, E-4, and E-5 include a highly optimistic, detailed estimate of the world's productive capacity and indicate that world copper consumption is very likely to overtake this developed productive capacity of the world's copper mines within a much shorter length of time, which will soon place the industry once more on a sound basis.

6. Exhibit F shows the important part which foreign copper plays in the refining industry of the United States and suggests the serious injury which exclusion of foreign copper would cause to this important industry.

LIST OF EXHIBITS

A-1: Copper statistics showing United States production, consumption, stocks, and exportable surplus annually from 1902 to 1930, inclusive, considering Cuban production as domestic.

A-2: Chart showing graphically United States production, consumption, and exportable surplus from 1902 to 1930, inclusive, based on the statistics of Exhibit A-1. (Omitted.)

B-1: Copper imports, exports, and excess exports, 1889 to 1895, inclusive.

B-2: Copper prices in New York and London by months, 1890 to 1899, inclusive.

B-3: Chart showing graphically comparative London and New York copper prices for the years 1890 to 1899, inclusive, based on the statistics of Exhibit B-2. (Omitted.)

C: Wheat prices, comparison of foreign and domestic, 1926-1930, inclusive.

D-1: Potential copper production of the United States mines as now equipped.

D-2: United States copper consumption, 1890 to 1930, inclusive.

D-3: Chart showing United States consumption and potential production, 1890 to 1930, inclusive. (Omitted.)

E-1: Potential copper production of the world as now equipped.

E-2: World copper consumption, 1890 to 1930, inclusive.

E-3: Possible world copper situation in 1941.

E-4: Chart showing world consumption, 1890 to 1930, inclusive, and potential production. (Omitted.)

E-5: Chart showing both United States and world consumption, 1890 to 1930, and United States and world potential production. (Omitted.)

F: United States and foreign copper production and refinery capacities compared.

EXHIBIT A–1

Copper statistics—United States

(Preliminary. Cuba considered as domestic. In short tons)

	1931
Stocks beginning of year:	
Refined	307,500
Blister	225,000
Production of primary refined copper:	
United States	523,000
Cuba	10,498
Imports (less Cuba)	279,881
	1,345,879
Exports	[1] 280,000

[1] Returns for this figure not quite complete, so estimated in small part.

	1931
Stocks end of year:	
Blister	156,000
Refined	452,500
Apparent consumption	457,379
	1,345,879
RECONCILIATION	
Imports (less Cuba)	279,881
Exports	280,000
Excess exports	119
Increased stocks	76,000
Surplus	76,119

NOTE.—Imports and exports taken from A. B. of M. S. monthly reports. These reports use Bureau of Foreign and Domestic Commerce figures which are the same as used heretofore.

Copper statistics—United States

(Cuba considered as domestic)

(Short tons)

	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	Total, 11 years
Stocks beginning of year:												
Refined	315,500	229,500	229,500	108,000	132,000	121,500	62,000	73,000	85,500	57,000	153,000	315,500
Blister	136,500	232,500	141,500	180,500	216,000	196,500	216,000	227,500	200,500	211,500	250,000	136,500
Production of primary refined copper (United States and Cuba)	600,460	313,728	485,320	744,161	843,063	858,103	876,570	874,615	903,263	906,441	708,616	8,100,346
Imports (less Cuba)	233,581	166,215	257,522	326,156	372,451	309,831	378,800	344,022	386,173	482,031	395,574	3,652,406
	1,286,047	1,041,943	1,093,842	1,358,819	1,569,514	1,485,934	1,533,370	1,519,137	1,575,436	1,747,022	1,507,190	12,294,754
Exports	312,027	314,402	371,520	414,657	558,458	542,104	482,843	538,365	562,510	496,448	376,884	4,970,218
Stocks end of year:												
Refined	229,500	229,500	108,000	132,000	121,500	62,000	73,000	85,500	57,000	153,000	307,500	307,500
Blister	232,500	141,500	180,500	216,000	196,500	216,000	227,500	200,500	211,500	250,000	225,000	225,000
Apparent consumption	412,020	356,541	433,822	500,162	693,056	665,830	730,027	694,772	744,426	847,574	597,806	6,792,036
	1,286,047	1,041,943	1,093,842	1,358,819	1,569,514	1,485,934	1,533,370	1,519,137	1,575,436	1,747,022	1,507,190	12,294,754
RECONCILIATION												
Imports (less Cuba)	233,581	166,215	257,522	326,156	372,451	309,831	378,800	344,022	386,173	482,031	395,574	3,652,403
Exports	312,027	314,402	371,520	414,657	558,458	542,104	482,843	538,365	562,510	496,448	376,884	4,970,218
Excess exports	78,446	148,187	113,998	88,499	186,007	232,273	104,043	194,343	176,337	14,367	*18,690*	1,317,810
Decreased stocks	*191,000*	*83,500*			*20,000*	*46,000*		*14,500*	*17,500*			
Increased stocks	110,000			59,500			22,500			134,500	139,000	82,500
Surplus	163,446	*42,313*	31,498	147,999	166,007	192,273	126,543	179,843	158,837	148,867	110,310	1,398,310

	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919
Stocks beginning of year:											
Refined	60,038	70,743	61,402	44,186	52,749	45,193	86,820	41,215	64,028	57,000	90,000
Blister	117,007	133,377	122,609	109,932	137,036	123,895	101,534	137,000	212,000	205,500	281,000
Production of primary refined copper (United States and Cuba)	4,918	44,429	5,394	5,144	2,681	9,330	14,959	21,064	23,003	14,662	8,178
	532,782	535,947	550,635	601,838	618,412	605,212	693,853	944,376	936,773	941,437	716,743
Imports (excluding Cuba)	156,982	167,790	161,910	199,977	202,099	143,845	142,890	210,104	255,117	273,241	206,516
	871,627	912,286	901,950	961,077	1,012,977	927,475	1,040,056	1,353,759	1,491,011	1,491,840	1,302,437
Exports	341,423	354,158	398,277	387,500	463,221	420,040	340,959	394,896	566,416	373,845	258,314
Stocks end of year:											
Refined	70,743	61,402	44,186	52,749	45,193	86,820	41,215	64,028	57,000	90,000	315,500
Blister	133,377	122,609	109,932	137,036	123,895	101,534	137,000	212,000	205,500	281,000	136,500
Apparent consumption	326,084	374,117	354,555	383,792	380,668	319,081	520,682	682,835	662,095	746,995	592,123
	871,627	912,286	901,950	961,077	1,012,977	927,475	1,040,056	1,353,759	1,491,011	1,491,840	1,302,437
RECONCILIATION											
Imports (excluding Cuba)	155,982	167,790	161,910	199,977	202,099	143,845	142,890	210,104	255,117	273,241	206,516
Exports	341,423	354,158	398,277	387,500	463,221	420,040	340,959	394,896	566,416	373,845	258,314
Excess exports	185,441	186,368	231,367	187,523	261,122	276,195	198,069	184,792	311,299	100,604	51,798
Decreased stocks		*20,109*	*29,823*		*20,697*		*10,159*		*18,528*		
Increased stocks	26,175			35,057		19,266		97,813		168,500	81,060
Surplus	211,616	166,259	201,474	222,190	240,425	295,461	187,930	282,605	297,771	269,104	132,798

	1902	1903	1904	1905	1906	1907	1908
Stocks beginning of year:							
Refined	141,607	78,606	87,537	47,531	36,135	23,249	62,873
Blister					55,000	67,655	87,627
Production of primary refined copper (United States and Cuba)	329,754	349,022	406,269	450,954	443,841	392,136	437,925
Imports (less Cuba)	71,565	84,354	90,646	105,362	125,926	109,178	
	542,326	511,984	584,452	603,847	640,316	636,966	607,603
Exports	[1] 188,649	[1] 160,161	[1] 283,619	[1] 276,313	[1] 223,350	[1] 254,514	[1] 330,970
Stocks end of year:							
Refined	78,606	87,537	47,531	36,135	23,249	62,873	60,938
Blister					67,655	87,627	117,007
Apparent consumption	275,069	264,286	253,102	291,390	326,062	203,952	198,688
	542,326	511,984	584,452	603,847	640,316	636,966	607,603

Copper statistics—United States—Continued

	1902	1903	1904	1905	1906	1907	1908
RECONCILIATION							
Imports (excluding Cuba)	71, 505	84, 254	90, 646	105, 362	105, 340	125, 926	109, 178
Exports	[1] 188, 649	[1] 160, 161	[1] 283, 819	[1] 276, 313	[1] 223, 350	[1] 254, 514	[1] 330, 970
Excess exports	117, 084	75, 907	193, 173	170, 951	118, 010	128, 588	221, 792
Decreased stocks	*62, 339*		*40, 000*	*11, 596*	*231*		
Increased stocks		8, 929				59, 596	27, 445
Surplus	54, 695	83, 736	153, 167	159, 555	117, 779	188, 184	249, 237

[1] These figures do not include manufactures for export.

EXHIBIT A–2

Chart omitted.

EXPORTS

Exports do not include a considerable quantity of copper in fabricated and manufactured form, as electrical manufactures, automobiles, freight cars, and locomotives, in brass ingots, plates, bars, pipes, tubes, brass or bronze wire, builders' hardware, other brass and bronze manufactures, nickel—silver and copper sulphate. Copper exported in these forms would be included in the totals for exports if authentic Government figures were available, and the exportable surplus totals for each year, shown above, would be augmented by this very considerable amount.

APPARENT CONSUMPTION

Calculation starts with stocks at beginning of year, both blister and refined, plus domestic refined production (including Cuba) and imports of all classes of material (excluding Cuba), giving a total supply from which are deducted all exports (except certain manufactures) and stocks at end of year, giving a figure which we call "apparent consumption."

EXHIBIT B–1

COPPER IMPORTS (SHORT TONS)

	1889	1890	1891	1892	1893	1894	1895
Copper contents of ores	1, 886	1, 724	4, 466	3, 835	3, 628	2, 402	4, 401
Copper contents of regulus, etc	30	111	1, 202	152	1, 588	2, 037	1, 352
Bars, ingots, and pigs	2	3	1	11	277	303	3, 990
Scrap	10	142	67	36	30	80	668
Total imports	1, 928	1, 980	5, 736	4, 034	5, 523	5, 722	10, 671

COPPER EXPORTS (SHORT TONS)

Ore and matte	409	216	336	472	418	44	138
Pigs, bars, sheets, and old	8, 407	5, 486	34, 640	15, 258	69, 492	81, 197	60, 664
Total exports	8, 816	5, 702	34, 976	15, 730	69, 910	81, 241	60, 802
Excess exports	6, 888	3, 722	29, 240	11, 696	64, 387	75, 519	50, 131

NOTE.—Published by the U. S. Geological Survey, 1900, pp. 162, 163, 166.

EXHIBIT B–2

Copper prices

	New York, Lake	London, best select	Difference
4 CENTS PER POUND DUTY			
1890—January	14. 80	12. 53	2. 27
February	14. 33	11. 94	2. 39
March	14. 50	11. 83	2. 67
April	14. 40	12. 08	2. 32
May	15. 125	12. 95	2. 17
June	16. 00	14. 01	1. 99
July	16. 80	14. 15	2. 65
August	15. 40	14. 24	1. 16
September	17. 00	14. 58	2. 42
October	16. 90	14. 47	2. 43
1¼ CENTS PER POUND DUTY			
November	16. 80	13. 91	2. 80
December	15. 90	13. 33	2. 57
Average, 1890	15. 75	13. 33	2. 29
1891—January	14. 75	12. 88	1. 87
February	14. 50	12. 89	1. 61
March	14. 00	12. 67	1. 33
April	13. 75	12. 47	1. 28
May	13. 20	12. 56	.64
June	13. 00	12. 97	.03
July	13. 00	12. 94	.06
August	12. 20	12. 48	.23
September	12. 50	12. 13	.37
October	12. 25	11. 40	.85

Copper prices—Continued

	New York, Lake	London, best select	Difference
1¼ CENTS PER POUND DUTY—continued			
1891—November	11. 00	10. 78	0. 22
December	10. 63	10. 79	.16
Average, 1891	12. 63	12. 27	.36
1892—January	11. 00	10. 80	.20
February	10. 63	10. 40	.23
March	10. 38	10. 90	.52
April	11. 50	10. 90	.60
May	11. 63	11. 05	.58
June	11. 88	11. 04	.84
July	11. 50	10. 66	.84
August	11. 50	10. 58	.92
September	11. 13	10. 53	.60
October	11. 50	10. 88	.62
November	11. 88	11. 16	.72
December	12. 38	11. 33	1. 06
Average, 1892	11. 55	10. 87	.68
1893—January	12. 13	11. 03	1. 10
February	12. 00	10. 78	1. 22
March	11. 88	10. 83	1. 05
April	11. 38	10. 79	.59
May	11. 00	10. 57	.43
June	11. 00	10. 55	.45
July	10. 88	10. 35	.53
August	10. 00	10. 07	.07
September	9. 88	10. 26	.38
October	9. 75	10. 04	.29
November	10. 00	10. 06	.06
December	10. 25	10. 24	.01
Average, 1893	10. 75	10. 41	.34
1894—January	10. 13	9. 95	.18
February	9. 63	9. 66	.03
March	9. 81	9. 61	.20
April	9. 50	9. 61	.11
May	9. 80	9. 35	.45
June	8. 94	9. 11	.17
July	9. 00	9. 16	.16
August	9. 13	9. 30	.17
September	9. 40	9. 68	.28
FREE OF DUTY			
October	9. 88	9. 89	.01
November	9. 60	9. 49	.11
December	9. 80	9. 54	.26
Average, 1894	9. 56	9. 44	.12
1895—January	10. 00	9. 65	.35
February	10. 00	9. 52	.48
March	9. 75	9. 31	.44
April	9. 75	9. 52	.23
May	10. 25	10. 15	.10
June	10. 63	10. 15	.48
July	11. 25	10. 43	.82
August	12. 00	11. 13	.87
September	12. 25	11. 34	.91
October	12. 00	11. 03	.97
November	11. 00	10. 44	.56
December	10. 50	10. 22	.28
Average, 1895	10. 76	20. 22	.54
1896—January	9. 87	9. 94	.07
February	10. 64	10. 79	.15
March	11. 03	10. 97	.06
April	10. 98	10. 93	.05
May	11. 15	11. 34	.19
June	11. 67	11. 71	.04
July	11. 40	11. 60	.20
August	10. 98	11. 12	.14
September	10. 66	11. 03	.37
October	10. 66	11. 03	.37
November	11. 23	11. 63	.40
December	11. 28	11. 58	.30
Average, 1896	10. 88	11. 14	.26

Copper prices—Continued

	New York, Lake	London, best select	Difference
FREE OF DUTY—continued			
1897—January	11.75	11.72	0.03
February	11.92	11.86	.06
March	11.80	11.63	.17
April	11.48	11.31	.17
May	11.03	11.27	.24
June	11.11	11.37	.26
July	11.11	11.18	.07
August	11.16	11.28	.12
September	11.30	11.44	.14
October	11.13	11.20	.07
November	10.88	11.04	.16
December	10.78	11.06	.26
Average, 1897	11.29	11.37	.08
1898—January	10.99	11.31	.32
February	11.28	11.44	.16
March	11.98	11.80	.18
April	12.14	12.08	.06
May	12.00	12.02	.02
June	11.89	11.72	.17
July	11.63	11.64	.01
August	11.89	11.91	.02
September	12.31	12.01	.30
October	12.41	12.31	.10
November	12.86	12.87	.01
December	12.93	12.95	.02
Average, 1898	12.03	12.01	.02
1899—January	14.75	14.65	.10
February	18.00	17.02	.98
March	17.54	16.01	1.53
April	18.43	16.98	1.45
May	18.25	17.55	.70
June	17.93	17.47	.46
July	18.33	17.63	.70
August	18.50	17.51	.99
September	18.46	17.58	.88
October	17.76	17.49	.27
November	16.93	17.30	.37
December	16.40	16.79	.39
Average, 1899	17.61	17.00	.61

EXHIBIT D-2

Chart omitted.

EXHIBIT C

Comparative wheat prices received by the American farmer and in Liverpool

YEARBOOK OF AGRICULTURE, 1931

	American farmer [1]	Liverpool [2]	Differential [3]	
			Liverpool less United States	Both prices referred to Galveston
1926	Cents	Cents	Cents	Cents
January	158.1	191		
February	155.5	175		
March	146.0	161		
April	142.2	171		
May	142.1	173		
June	138.9	169		
July	127.7	167		
August	126.1	162		
September	117.7	160		
October	121.4	171		
November	123.6	171		
December	122.8	163		
Average	135	168.66	33.66	17.16
1927				
January	122.2	160		
February	122.8	157		
March	120.9	155		
April	117.2	156		
May	123.2	165		
June	130.1	165		
July	127.3	161		
August	123.5	160		
September	110.2	151		
October	113.7	149		
November	111.4	147		
December	113.9	148		
Average	120.45	156.16	35.71	19.21
1928				
January	115.2	149		
February	116.2	146		
March	121.6	151		
April	129.2	159		
May	144.3	155		

YEARBOOK OF AGRICULTURE, 1931—continued

	American farmer	Liverpool	Differential	
			Liverpool less United States	Both prices referred to Galveston
1928—Continued	Cents	Cents	Cents	Cents
June	132.0	147		
July	118.1	141		
August	95.2	126		
September	94.4	126		
October	98.7	129		
November	97.1	129		
December	98.2	126		
Average	113.35	140.33	26.98	10.48
1929				
January	98.5	131		
February	104.2	135		
March	104.7	131		
April	99.8	125		
May	90.1	116		
June	86.8	117		
July	102.4	141		
August	110.7	142		
September	112.1	137		
October	111.5	136		
November	103.4	128		
December	108.1	141		
Average	102.85	131.41	28.56	12.06
1930				
January	107.5	140		
February	101.3	124		
March	91.9	119		
April	93.4	120		
May	87.5	114		
June	87.9	110		
July	76.8	106		
August	74.0	105		
September	70.3	92		
October	65.6	86		
November	60.0	81		
December	61.3	74		
Average	80.94	105.83	24.89	8.39

[1] Estimated average price per bushel received by producers of all wheat. Monthly prices weighted by production for each State.

[2] Average price per bushel of all imported wheat.

[3] After adding to American farmer price 22 cents per bushel, freight Kansas to Galveston, and deducting from Liverpool price 6¼ cents per bushel, freight Liverpool to Galveston or a net differential of 16¼ cents per bushel.

EXHIBIT D-1

Potential copper production—United States of America

	Short tons
Anaconda, Butte	181,000
Calumet and Hecla	90,000
Copper Range	20,000
Consolidated Copper Mines	30,000
Ducktown	6,000
East Butte	3,500
Engels	6,000
Inspiration	70,000
Isle Royal	5,400
Kennecott-Alaska	14,000
Lebanon	2,000
Magma	30,000
Matahambre (Cuba)	22,500
Miami	55,000
Mohawk	12,000
Mother Lode	6,000
Nevada-Ray-Chino	183,000
North Butte	4,000
Ohio	1,500
Old Dominion	10,000
Phelps Dodge—United States	220,000
Quincy	12,000
Seneca	2,000
Shattuck-Denn	5,000
Tennessee	7,500
United Verde	81,000
United Verde Extension	27,000
Utah	200,000
Utah Apex	2,300
Utah Delaware	2,700
Walker	7,500
Total primary	1,318,900
Secondary to primary refineries	150,000
Total copper	1,468,900

EXHIBIT D-2

United States copper consumption

	Short tons
1890	95, 224
1891	88, 534
1892	128, 165
1893	75, 805
1894	98, 745
1895	129, 351
1896	97, 626
1897	116, 997
1898	139, 703
1899	205, 758
1900	181, 446
1901	258, 881
1902	275, 069
1903	264, 286
1904	253, 102
1905	291, 399
1906	326, 062
1907	203, 952
1908	188, 688
1909	326, 084
1910	374, 117
1911	354, 555
1912	383, 792
1913	380, 668
1914	319, 081
1915	520, 882
1916	632, 835
1917	662, 095
1918	746, 995
1919	592, 123
1920	412, 020
1921	356, 541
1922	433, 822
1923	596, 162
1924	693, 056
1925	665, 830
1926	750, 027
1927	694, 772
1928	744, 426
1929	847, 574
1930	597, 806

NOTE.—United States figures from 1890–1901 inclusive are the "available supplies" as reported by the U. S. Geological Survey; from 1902 to 1930, inclusive, are the result of calculations made, details of which are shown in Exhibit A. All figures used in this connection come from Government sources.

EXHIBIT D-3

Chart omitted.

EXHIBIT E-1

Potential world copper production

SUMMARY

	Short tons
United States, primary	1, 319, 000
United States, secondary to primary refineries	150, 000

	Short tons	Short tons
United States total		1, 469, 000
South America		495, 000
Mexico		90, 000
Europe		148, 000
Australia		12, 000
Asia		93, 000
Canada		273, 000
Africa:		
Rhodesia	272, 000	
Katanga	216, 000	
Miscellaneous	10, 000	
		498, 000
		3, 078, 000

SOUTH AMERICA

	Short tons
Andes	95, 000
Braden	125, 000
Cerro de Pasco	66, 000
Chile	180, 000
Gatico	3, 000
Naltagua	7, 000
Poderosa	3, 000
Miscellaneous	16, 000
	495, 000

MEXICO

	Short tons
Boleo	12, 000
Cananea	50, 000
Masapil	5, 000
Moctezuma	21, 000
Tezuitlan	1, 700
	89, 700

EUROPE

	Short tons
Bor	45, 000
Mansfeld (and other Germany)	36, 000
Rio Tinto	42, 000
Miscellaneous northern ore (Scandinavian, etc.)	25, 000
	148, 000

AUSTRALIA

	Short tons
Mount Lyell	12, 000

ASIA

	Short tons
Furukawa	19, 000
Indian Copper	3, 500
Sumitomo	20, 000
Japan, miscellaneous	50, 000
	92, 500

CANADA

	Short tons
Abana	3, 000
Amulet	3, 000
Britannia	24, 000
Consolidated M. & S.	7, 000
Eustis	2, 000
Granby	27, 000
Hudson Bay	25, 000
International Nickel	120, 000
Noranda	50, 000
Sherritt-Gordon	12, 000
	273, 000

AFRICA

	Short tons
Mufulira	66, 500
Rhokana	130, 000
Roan Antelope	75, 000
Total Rhodesia	271, 500
Katanga	216, 000
Messina	7, 000
Namaqua	2, 500
	497, 000

EXHIBIT E-2

World copper consumption

	Short tons
1890	318, 019
1891	331, 475
1892	344, 770
1893	330, 962
1894	366, 142
1895	391, 730
1896	426, 311
1897	464, 301
1898	477, 870
1899	515, 546
1900	565, 149
1901	544, 757
1902	642, 090
1903	646, 719
1904	730, 164
1905	801, 813
1906	796, 522
1907	731, 486
1908	785, 389
1909	871, 589
1910	1, 010, 589
1911	1, 051, 704
1912	1, 144, 959
1913	1, 203, 739
1914	1, 056, 044
1915	1, 249, 788
1916	1, 480, 609
1917	1, 523, 263
1918	1, 556, 337
1919	1, 010, 580
1920	1, 150, 651
1921	778, 648
1922	1, 095, 811
1923	1, 331, 040
1924	1, 491, 923
1925	1, 673, 843
1926	1, 726, 532
1927	1, 758, 720
1928	2, 019, 965
1929	2, 090, 953
1930	1, 731, 713

NOTE.—World figures from 1890–1912, inclusive, as reported by the Metallgesellschaft, Germany; from 1913–1930, inclusive, as reported by the American Bureau of Metal Statistics.

EXHIBIT E-3

Potential copper production

	Short tons
United States	1,469,000
Foreign	1,609,000
World	3,078,000

Possible copper situation in 1941

	Short tons
World consumption in 1941, if it should reach potential, would be	3,078,000
United States consumption (estimated)	1,350,000
Foreign consumption would be	1,728,000
Plus 50 per cent increase foreign consumption per capita	864,000
Foreign consumption might be	2,592,000
United States consumption (without per capita increase) (estimated)	1,350,000
Possible world consumption (1941)	3,942,000

EXHIBIT E-4

Chart omitted.

EXHIBIT E-5

Chart omitted.

EXHIBIT F

United States refined copper production (excluding secondary)

	1928		1929		1930	
	Total	Electro only	Total	Electro only	Total	Electro only
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Domestic sources	1,791,707,387	1,607,120,026	1,982,732,280	1,785,754,654	1,391,224,206	1,228,416,733
Foreign sources	695,810,392	693,787,036	757,380,087	756,555,087	765,834,973	765,189,037
Total	2,487,607,779	2,300,907,062	2,740,112,376	2,542,309,741	2,157,059,178	1,993,605,770
Per cent of total from foreign sources	28	30.1	27.6	29.7	35.5	38.4

Primary and secondary copper produced by primary refining plants

	1928		1929		1930	
	Total	Electro only	Total	Electro only	Total	Electro only
UNITED STATES PRODUCTION[1]	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Domestic sources	2,024,443,192	1,798,442,055	2,316,890,302	2,117,612,787	1,671,753,699	1,507,610,103
Foreign sources	695,810,392	693,787,036	757,380,087	756,555,087	765,834,973	765,189,037
Total	2,720,253,584	2,492,229,091	3,074,270,479	2,874,167,844	2,437,588,602	2,273,029,140
Per cent of total from foreign sources	25.5	27.8	24.6	26.3	31.4	33.7
WORLD PRODUCTION[2]						
Total	3,925,854,000	3,365,988,000	4,535,132,000	3,938,800,000	3,877,256,000	3,362,630,000
Per cent of world total refined in United States	69.3	74.0	67.7	72.8	62.8	67.5

[1] As reported by United States Department of Commerce (Bureau of Mines). Mineral Resources, Copper in 1928, 1929, 1930.
[2] American Bureau of Metal Statistics.

Custom electrolytic refinery capacity (estimated), 1931–32

	Pounds
United States	3,394,000,000
Canada	360,000,000
Europe	656,000,000
Total North America and Europe	4,410,000,000
United States, per cent of total	76.9

Monthly summary of foreign commerce—Exports of domestic merchandise, by articles and principal countries

[From p. 29 of the Monthly Summary of Foreign Commerce of the United States for January, 1932]

Articles, and countries to which exported	Unit of quantity	January—				6 months ending December—			
		1931		1932		1930		1931	
Copper	Lb.	[4] 85,996,328	9,699,601	[4] 34,406,431	2,718,527	[4] 398,182,125	46,550,410	[4] 202,748,904	17,082,501
Ore, concentrates, matte, and regulus (copper content)	Lb.	19,151	1,333			116,139	10,341	17,143	2,445
Refined copper in ingots, bars, or other forms	Lb.	68,017,608	7,021,718	26,200,849	1,945,806	311,841,409	34,819,919	141,627,318	11,568,667
Belgium	Lb.	5,770,194	615,455	650,810	46,627	14,122,503	1,559,731	7,560,979	642,354
France	Lb.	20,074,301	2,057,881	11,284,134	811,661	79,771,510	8,839,526	38,100,828	3,111,323
Germany	Lb.	13,628,373	1,384,901	3,051,182	224,521	54,008,843	5,967,078	18,582,088	1,473,967
Italy	Lb.	5,575,645	574,495	3,364,236	272,533	36,453,204	4,139,277	13,707,098	1,408,323
Netherlands	Lb.	3,284,989	330,929	437,197	38,008	16,306,621	1,828,626	6,902,654	563,134
Sweden	Lb.	4,053,349	409,687	1,839,631	133,936	15,876,370	1,828,013	7,386,701	625,408
United Kingdom	Lb.	13,374,783	1,417,083	4,411,048	327,880	65,689,759	7,436,309	32,815,972	2,709,336
Other Europe	Lb.	1,123,148	114,226	326,083	27,565	11,993,643	1,295,774	2,379,193	204,365
Canada	Lb.	203,786	22,139	16,525	1,498	5,931,178	681,340	3,923,936	321,944
British India	Lb.	25,250	2,661			1,772,681	194,029	150,267	14,242
China [3]	Lb.	705,561	70,052	145,586	10,191	3,472,631	366,910	2,799,232	206,791
Japan	Lb.			448,044	33,603	2,414,539	245,286		
Old and scrap	Lb.	8,541,803	783,106	3,809,916	246,355	22,290,073	2,216,564	28,412,624	2,049,957
Pipes and tubes	Lb.	151,361	29,560	107,783	19,829	1,362,164	300,250	912,508	173,441
Plates and sheets	Lb.	577,476	92,433	134,341	22,188	7,119,153	1,012,417	1,872,915	243,476
Rods	Lb.	6,009,950	576,309	2,995,263	260,663	39,617,217	4,896,296	28,742,608	2,338,407
Belgium	Lb.	853,915	92,180	336,619	33,418	6,334,946	786,338	4,871,732	498,751
Denmark	Lb.	224,212	26,233	347,532	27,159	784,182	94,352	448,190	47,167
Finland	Lb.			110,342	9,103	866,902	115,729	661,939	55,160
France	Lb.			336,591	27,383	1,378,618	142,040	2,459,315	247,552

Monthly summary of foreign commerce—Exports of domestic merchandise, by articles and principal countries—Continued

Articles, and countries to which exported	Unit of quantity	January—				6 months ending December—			
		1931		1932		1930		1931	
Copper—Continued.									
Rods—Continued.									
Norway	Lb.	371,477	40,100	45,005	3,946	1,887,732	195,187	812,133	77,093
United Kingdom	Lb.	2,634,278	297,621	1,356,701	119,425	11,871,206	1,548,281	6,371,967	831,733
Other Europe	Lb.	1,065,836	127,100	294,219	17,378	5,698,017	498,798	2,883,576	371,765
Canada	Lb.	663,945	68,914	3,450	494	9,937,092	1,183,192	787,168	74,904
Brazil	Lb.	80,089	8,815	156,942	13,982	2,156,322	261,623	1,367,951	111,947
Wire	Lb.	905,352	129,602	413,055	48,743	8,205,416	896,449	1,704,441	211,414
Insulated copper wire and cable—									
Rubber-covered wire	Lb.	207,650	61,955	207,477	46,044	1,735,096	379,782	862,009	202,687
Weatherproof wire	Lb.	151,431	21,862	171,972	24,304	1,083,118	179,890	798,178	114,478
Telephone cable	Lb.	177,805	28,832	90,786	12,304	840,779	90,601	308,651	47,374
Other insulated copper wire	Lb.	1,146,741	214,830	276,987	73,104	6,271,571	1,340,787	2,400,410	536,532
United Kingdom	Lb.	86,481	26,175	178,515	52,766	543,449	163,889	504,472	148,262
Other Europe	Lb.	26,386	11,817	17,926	4,701	211,534	68,753	98,870	30,691
Canada	Lb.	61,410	20,722	9,184	510	666,314	205,630	237,468	57,341
Central America	Lb.	68,193	11,745	14,624	1,906	267,220	46,631	281,345	40,989
Mexico	Lb.	90,354	14,351	4,852	889	423,457	84,280	74,966	16,552
Cuba	Lb.	186,759	27,051	14,913	2,039	545,981	87,151	105,949	18,473
Brazil	Lb.	15,503	3,040	335	60	97,192	25,581	58,954	10,521
Chile	Lb.	61,811	12,597	3,573	531	476,927	92,496	148,560	27,811
Colombia	Lb.	6,218	1,409	91	172	122,250	20,374	44,861	9,669
Venezuela	Lb.	133,510	19,156	7,285	1,109	268,830	50,143	54,784	7,475
Other South America	Lb.	101,617	18,260	581	155	208,935	51,561	190,799	44,675
China [1]	Lb.	18,594	4,755	29	17	142,578	33,803	102,353	19,474
Philippine Islands	Lb.	184,428	27,588	6,641	1,139	610,304	120,659	224,947	32,115
Australia	Lb.	10,804	4,913	9,639	3,171	107,633	43,974	81,274	25,909
Other copper manufactures			40,704		19,267		416,147		203,773
Brass and bronze			773,115		272,582		5,153,253		2,387,881
Scrap and old	Lb.	3,208,174	245,212	1,407,537	65,637	20,169,934	1,617,815	7,928,573	445,454
Ingots	Lb.	102,013	9,873			779,790	88,374	323,876	28,582
Bars and rods	Lb.	459,751	59,968	50,813	7,949	1,081,823	182,134	962,202	119,395
Plates and sheets	Lb.	59,420	14,200	28,297	5,143	556,299	128,769	227,938	44,102
Pipes and tubes	Lb.	317,555	55,188	129,273	22,141	2,069,488	414,383	1,364,293	247,593
Pipe fittings and valves	Lb.	230,315	126,308	76,409	43,156	1,278,592	738,765	746,841	399,584
Plumbers' brass goods	Lb.	74,175	40,357	21,162	12,204	483,723	266,412	299,573	162,461
Wire of brass or bronze	Lb.	146,856	43,677	8,059	2,666	727,619	209,086	523,929	115,320
Brass wood screws	Gross	23,016	5,645	7,421	2,207	178,254	53,866	221,553	40,201
Hinges and butts of brass or bronze	Doz. prs.	1,262	3,004	1,662	2,575	9,641	30,766	5,526	14,052
Other hardware of brass or bronze (excluding locks)			82,014		17,511		235,985		133,135
Other brass and bronze manufactures			139,609		91,393		1,186,695		636,954

[1] Not including pounds of "Other copper manufactures."
[2] Prior to 1932 includes Hong Kong and Kwantung.

Monthly summary of foreign commerce—General imports of merchandise, by articles and principal countries

[From p. 64 of the Monthly Summary of Foreign Commerce of the United States for January, 1932]

Articles, and countries from which imported	Unit of quantity	January—				6 months ending December—			
		1931		1932		1930		1931	
Copper	Lb.[1]	46,726,142	4,977,672	78,155,004	5,324,517	381,830,057	39,474,526	325,484,451	24,225,521
Ore (copper content) free	Lb.	515,255	51,461	2,172,827	107,373	46,175,068	6,491,277	8,712,813	682,022
Germany	Lb.					189,556	19,061		
Spain	Lb.					4,184,837	415,786		
United Kingdom	Lb.	94,890	9,489			10,420	1,082		
Canada	Lb.					21,992,085	2,233,797		
Mexico	Lb.	113,423	11,175	35,243	2,181	482,212	58,292	394,578	30,620
Cuba	Lb.	103,140	10,504			5,319,106	512,266	547,360	31,770
Chile	Lb.	67,074	6,707	2,083,912	101,998	12,723,457	1,309,631	6,997,877	365,016
Peru	Lb.	22,202	2,220	47,032	2,881	291,822	44,310	502,565	37,908
Concentrates (copper content) free	Lb.	10,736,937	878,306	6,677,118	384,564	33,770,605	2,892,605	58,815,989	3,817,063
Canada	Lb.	3,491,511	283,909	2,909,830	200,468	3,892,091	297,055	17,157,743	1,210,287
Mexico	Lb.	2,927,849	292,785	4,240	254	12,902,640	1,296,429	9,565,749	657,627
Cuba	Lb.	3,348,000	221,830			15,709,000	1,108,348	10,780,000	736,795
Chile	Lb.	963,310	71,145			56,413	10,363	319,779	21,479
Regulus, coarse metal, and cement copper (copper content) free	Lb.	244,817	22,649	105,179	8,893	1,411,180	126,197	647,387	44,300
Unrefined, black, blister, and converter free	Lb.	26,288,220	3,097,876	21,258,922	1,424,109	253,027,755	26,772,966	133,115,276	9,523,049
United Kingdom	Lb.					103,683	10,035		
Canada	Lb.	7,508,828	1,374,671	2,512,991	228,285	68,630,120	8,310,623	19,583,127	1,462,515
Mexico	Lb.	9,754,754	918,035	7,526,134	535,225	55,479,843	5,442,773	40,813,669	3,129,885
Chile	Lb.	5,407,811	489,559	2,521,625	131,969	40,459,265	4,075,032	25,837,523	1,820,861
Peru	Lb.	1,544,793	161,727	6,948,318	432,156	54,136,624	4,731,227	44,175,605	2,939,787
Africa	Lb.	2,072,034	253,824	1,749,854	96,483	28,104,245	3,563,574		
Refined free	Lb.	8,577,059	897,436	47,315,301	3,363,914	44,329,688	4,608,207	121,657,296	10,201,297
Canada	Lb.	2,653,282	276,187	16,604,134	1,301,655	6,266,188	726,978	64,330,221	5,677,821
Chile	Lb.	5,924,270	621,251	30,709,917	2,062,186	38,563,500	4,081,319	57,092,416	4,502,894
Scrap, scale, and clippings free	Lb.	262,651	25,165	544,188	29,152	2,549,097	200,681	2,535,445	115,610
Composition metal, copper chief value free	Lb.	710	51	31,439	951	66,696	5,453	245	20
Copper manufactures, n. e. s. dut			4,726		5,341		127,450		43,070
Brass and bronze			127,020		71,600		1,121,009		720,046
Brass, old, etc., for remanufacture free	Lb.	515,419	34,490	404,886	13,404	2,304,874	147,957	1,940,723	80,625
Brass manufactures dut			40,002		22,273		522,156		345,530
Bronze manufactures dut			52,525		35,923		450,896		293,891

Mr. HARRISON. Mr. President, it can not be forgotten that in the tariff bills heretofore proposed by our friends on the opposite side, the excuse was advanced, generally speaking, that currencies had depreciated in foreign countries, or that exchange was out of gear, causing the necessity for tariff revision. So we have the matter up this time, coming right after the consideration of a tariff bill, but the purposes of which have been very clearly stated by the Senator from Pennsylvania [Mr. REED]. He was very candid; he was very frank; and I desire to serve notice on the Senate of what the Senator from Pennsylvania on yesterday said in the discussion, so that the objects of this proposal can not be misunderstood.

I read from the RECORD.

Mr. REED. What page?

Mr. HARRISON. Page 7674:

Mr. HARRISON. Suppose the Senator's resolution passes and we get the information. What does the Senator propose to do then? In other words, what is the object of passing the resolution and getting the information?

Mr. REED. I tried to answer that a little while ago.

Mr. HARRISON. I am sorry I did not hear it.

Mr. REED. For myself, I want to disclaim with emphasis any desire to make a permanent change in any item of the tariff law on the information that this resolution produces.

Mr. HARRISON. The Senator says "permanent change." Does he, then, intend to make a temporary change?

Mr. REED. That depends entirely upon the gravity of the case.

Mr. HARRISON. Yes. Then if the commission should send in an opinion that would justify the Senator temporarily in asking for a still higher rate of duty on certain items, he would feel justified in doing it and feel impelled to do it?

Mr. REED. No; I would not ask for any permanent amendment in the tariff act——

He was fencing a little bit then. He was not as direct in his answer as later.

Mr. HARRISON. I did not say "permanent"; I said "temporary."

Mr. REED. Temporary, yes; and if, on the other hand, the information that comes in shows that the specific duties are too high—and it may well show it—then I should expect similar action to be taken temporarily in the other direction.

So there is no difference of opinion on this score, that if the information which is sought to be obtained shows that there ought to be a temporary increase in tariff rates, the Senator from Pennsylvania, powerful member of the Finance Committee, expects to sponsor it, and the object of getting this information is to write still higher tariff rates into the law; temporarily, he says; but sometimes when we put them in temporarily it is hard to get them out. So I say to Senators not to be deceived into thinking that this is not a movement to get increased tariff duties. Notice has been served by no less a distinguished figure in this body than the distinguished Senator from Pennsylvania.

Now, let me refer to what was said in 1921. Our friends on the other side tried to write an emergency tariff bill. It originated in the House and was known as the Young bill. Exchange difference at that time was pronounced. There were depreciated currencies in foreign countries, and the Republicans wanted to do what they seem to want to do now.

There was written into that emergency tariff law at that time, which was supposed to afford some relief to farmers, a provision which dealt with depreciated currencies. That was the act of 1921. The provision to which I refer was not enacted. The bill went to the House, it was passed by the House, it came to the Senate, but that provision did not get anywhere. The Senator from Utah, Mr. SMOOT, and the Senator from North Dakota, Mr. McCUMBER, who at that time was chairman of the Committee on Finance, struck it from the bill.

The distinguished leader on the Democratic side in the House at that time, Mr. Kitchin, one of the ablest men who ever graced the House of Representatives, and certainly one who was an expert in tariff matters, as ranking minority member of the Ways and Means Committee at that time, made this observation in his report on the Fordney bill, which came a year later. Mr. Kitchin said:

In the emergency tariff, as reported to the House, the majority of the Ways and Means Committee inserted a provision regarding the depreciation of foreign money and attempted to justify it by the fall which had taken place in foreign currency.

The exact situation we have now. Already in the House at least 20 bills have been introduced seeking what was sought at that time. My friend from Pennsylvania, smart, astute, and able, tries to take another tack and is now attempting to lay the foundation for it, because he knew that at this particular time, with the atmosphere charged against increasing tariff rates, he could not get the other thing done, but thought, perhaps, he might squeeze this innocent-looking little proposition through the Senate, and that some would fall for it.

Mr. Kitchin in this report further said:

This is the same reason, in other words, for the present proposition.

In other words, in 1921, when the Fordney bill was reported to the House, and Mr. Fordney presented his reasons, in a report, for the high tariff rates sought to be imposed in that proposal, he coupled with it, too, the so-called American valuation scheme, which my friend the Senator from Utah remembers so well, and which was repudiated by him and his colleagues on the Finance Committee. The object in 1921, when Mr. Fordney was in charge of that proposal, was to put the American valuation proposition in the law in order to take care of the depreciated currency situation in the world at that time and to lift rates higher. It was that phase of the bill to which Mr. Kitchin, in the report on the Fordney bill in 1921, was alluding. He said:

This is the same reason, in other words, for the present proposition. In the debate in the House, and in the subsequent consideration in the Senate, the falsity of this argument was so conclusively shown that the proposition of the majority of the Ways and Means Committee was absolutely excised from the bill.

That is, the depreciated currency provision of the Young bill in 1921, which was the forerunner of the Fordney bill, was stricken out by the Finance Committee over here, and it did not get a chance; and there was never a word said about it on the floor of the Senate in the discussion of the emergency tariff.

Mr. Kitchin said:

We do not recall an instance in legislation where the Senate so completely extirpated a provision insisted on by the House majority, where the leaders of that majority came back to the House and never in the slightest degree explained how thoroughly they had been emasculated, how completely their proposition had been repudiated. Their proposal was so conclusively shown to be a preposterous blunder that they never mentioned it when they came back with their conference report and let their humiliation go by in silence. Although we can assure them that while not mentioned upon the floor of the House, their discredit was an object of amusement.

He cited the case of Germany and quoted this statement of the majority of the Ways and Means Committee:

That equal quantities of bread in the city of Berlin cost in September, 1913, 2.83 marks; and in September, 1920, 22.5 marks; cereals in September, 1913, 0.30 mark; and in September, 1920, 4.87 marks.

Exchanges were fluctuating, prices were changing in those days, just the same as they are now, and, as I have shown, in 1921, when the emergency tariff bill was proposed by the Republicans of the House, they tried to do what is being attempted to be followed here after this is done in the Senate, take care of depreciated currencies.

Let us see how different the situation was in 1921 from the situation now. Mr. Fordney said in his report to the House, in substantiation of his American valuation scheme, which was supposed to take care of the depreciated currency and difference in exchanges:

The necessity for this remedial legislation is accentuated by after-war conditions which have resulted in the depreciation in the value of the currency of the nations of Europe in general. The effect of depreciated currency has been to reduce production costs in many countries with whose products American goods must compete. It is against these countries that protection is most needed.

Several proposals have been submitted to the committee to overcome adverse conditions resulting from the depreciation of foreign exchange. After much careful consideration of the question in general, the committee has come to the conclusion that the assess-

ment of ad valorem duties on the values of comparable articles in the principal markets of the United States will have a beneficial result, and in a large degree overcome the difficulties occasioned by the rapid decline in the value of the currency of some of the principal competing nations.

So that was the scheme at that time, for the American valuation, which was proposed to take care of that situation, quite similar to the situation to-day. When his scheme got over to the Senate, the distinguished Senator from Utah [Mr. SMOOT] and the chairman of the committee, Mr. McCumber, and the Republican leadership here would not stand for the American valuation scheme as an attempt to take care of the depreciated currency. So they temporarily suggested the flexible provision.

I read, during the discussion of the recent tariff bill, the views expressed by Mr. McCumber, the chairman of the Finance Committee when the McCumber bill was being considered, and by other distinguished Republican leaders, to show that at that time the flexible provision was a temporary proposal, and intended merely to meet the fluctuating changes in commodity prices and depreciated currencies in the world—the difference in exchanges.

The object of those who sought the high protective duties was to find some reason upon which they might reach the higher rates. So they made the rates in the Fordney bill tremendously high, because of world conditions and depreciated currencies and difference in exchanges.

Mr. President, I was not surprised when the very able Senator from Pennsylvania, just on the eve of our passing tariff legislation at this session, should conceive an idea quite similar to what his predecessors of the Republican Party had conceived in 1921 in the writing of the emergency tariff bill and in 1921, also, when they put through the Fordney-McCumber measure. One day, out of a clear sky—innocent little proposition as it was—my friend offered this little resolution. It was not as broad in those days as it is now. He just called on the Tariff Commission for their opinion, and so it was passed here, and no questions were asked about it; it just went through.

That was before we took up in the Senate for consideration the last tariff bill. The Senator was trying to lay his foundations for a fight against that bill. I was not in the Senate at the particular time the resolution came up, or I certainly would have opposed it. Next morning, looking over the CONGRESSIONAL RECORD, I saw that it had passed, and I came upon the floor of the Senate at 12 o'clock and moved to reconsider the vote by which it had been agreed to, and the Senate is aware of what happened. By a very large vote, over the objection of the Senator from Pennsylvania, the vote was reconsidered, the resolution was sent to the Committee on Finance, and the committee broadened it and changed it in a great many respects.

I think it is a better resolution now than it was in its original form, because it does ask the commission to investigate the increases of commodity prices resulting from the depreciated currencies, as well as the difference in exchange features.

After the committee reported the resolution and it was placed upon the Senate calendar, it will be recalled that the Senator from Pennsylvania was able to get a place for his resolution on the program promulgated by the majority party. So it was placed on the calendar, to be taken up at a certain time for consideration. One day the Senator, not being willing to take his chance of the resolution being reached on the calendar, because it would come then after the passage of the tariff bill, made a motion to bring his resolution up, trying all the time to shoot it ahead of the tariff controversy and the tariff bill. He wanted to get the information, perhaps, which the Tariff Commission already had, that he might buttress his arguments for higher tariff duties and higher tariff arguments.

Oh, yes, the Tariff Commission is supposed to be not very partisan, but we know what the Tariff Commission has done. We know the influences that are at work upon certain members of the Tariff Commission. Their opinion is sought. Mere facts are not sought. The tariff is a fact-finding commission and not a commission to give opinions. The Senator tried to force his measure before we considered the tariff bill, but the sense of the Senate was too fair for that and would not stand for it, so he was repulsed in that movement, and he had to await his time with patience until after the tariff bill was passed. Now it has been passed. That is the reason why I asked the Senator yesterday what was his object in passing the resolution, and if he got the information what he was going to do with it. He told us candidly and frankly that temporarily he intended, where the facts warranted, to try to increase the rates.

Mr. President, the situation to-day is bad, of course. There are differences in exchanges throughout the world. Depreciated currencies in many of the European and other countries have, of course, affected world trade. They have made it difficult in some instances for us to sell to them; and, as stated by the Senator from Pennsylvania, it has caused them perhaps to increase their export trade. But this is nothing new. We have had fluctuations in commodity prices at times. We have had differences in exchange values. Currencies of various kinds are not maintained at the same stable price always. We have had it through the years, and we are going to continue to have it. We can not sit in judgment upon the constant changes of price levels and price commodities and currencies. They are changing all the time. The Senator stated yesterday, I think, that in those countries where they have gone off the gold standard and the currency has been depreciated, the community prices have increased. That is exactly what I have found from my investigation of the subject matter. Indeed, they have increased almost proportionately upward as the currency has depreciated downward; and in the end, so far as this country is concerned, the effect would be not very great.

The Senator from Pennsylvania is doing a very unusual thing here. We heard him yesterday defend the gold standard and decry any attempt to go off the gold standard. I take it that those are his views. But the Senator knows that the impression has gone upon the winds at times here, based upon rumors, that this country was about to go off the gold standard, and it has had its effect. Its repercussions have been felt not only here but throughout the world. Men high up in the affairs of the Nation have had to send out their notices of warning that it was not true. And yet, Mr. President, the Senator's speech on yesterday shows, if it shows anything, that in those countries which were on the gold standard and which have suspended it and depreciated their currency, the commodity prices have increased and their exports have increased and perhaps their imports have fallen off.

The Senator cited Great Britain as a case. I compliment the statesmanship of England. Too much praise can not be showered upon her statesmanship in this tragic time, when they are burdened with heavy debts and have tremendous unemployment; and when her currency was going down and down as well as her commodity prices, her statesmanship had wisdom enough and courage enough to adopt a plan that lifted commodity prices, that lessened and reduced unemployment and balanced the budget in a very short time. But the statesmanship of this country has in a spineless way witnessed day after day a decline of commodity prices, refusing to do anything that might cure the situation, but just letting it shift and drift along.

Mr. REED rose.

Mr. HARRISON. From the arguments made by the Senator from Pennsylvania it would seem very possible for a lot of people throughout the world to gather the impression that going off the gold standard might increase commodity prices and help the economic condition of the country. They may think that the Senator, being so close to the administration as he is, is intimating that this is the first step toward this Government going off the gold standard or at least suspending it for a time. That it is gathering information for that purpose.

I yield to the Senator from Pennsylvania.

Mr. REED. It would still be easier for the people to think, from what the Senator has just said, that the statesmen of

England, whom he praises so highly, purposely and intentionally went off the gold standard. The Senator must know that they did not want to abandon the gold standard but were driven from it.

Mr. HARRISON. I think it is quite true that they were driven from it; but the Senator's argument yesterday was that after they were driven from it and the gold standard was suspended, commodity prices went up, unemployment was lessened, and that the budget has been balanced in that country, and the situation has been greatly helped.

Mr. REED. Of course, there was a temporary benefit, but they will pay for it in the future many times over.

Mr. HARRISON. I am not here to-day criticizing English statesmanship for what they have done when it is shown that her situation is very much improved. I hope the ill effects which the Senator prophesies will not come true.

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. HARRISON. I yield.

Mr. THOMAS of Oklahoma. If I may suggest it to the Senator, conditions are much better in Great Britain. The pound went so low and gave such satisfactory results that when the pound started to go up again the statesmen of Great Britain proposed to put into circulation £100,000,000 to keep it from going up. They wanted it kept down. That is the deliberate judgment of the English statesmen at this hour.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. HARRISON. I yield.

Mr. SHIPSTEAD. The majority of the committee which made the report stated in the report that they considered they had made a mistake when they went off the gold standard in 1925. They had the experience of being on the gold standard until September, 1931. That report came out last June. In that report several members of that committee, including Reginald McKenna, manager of the biggest bank in England with the exception of the Bank of England, made that statement.

Mr. HARRISON. I thank the Senator. I do not want anyone to misconstrue what I am saying. I say that the argument of the Senator from Pennsylvania presents that situation. I am not advocating that this country should go off the gold standard or suspend it. I do think, however, that something ought to be done by those who direct the Federal reserve system or the fiscal policies of the country, if it be possible, to put a stop to further decline of commodity prices. What we need now is—I will not say inflation, but, as Irving Fisher said reflation—or something so that prices can at least go up to some measure of what they should be.

The Senator from Pennsylvania cites these depreciated currencies; and I am saying that the argument he has made is liable to give the impression to the world that this is the first step in this country toward taking a different position with reference to the gold standard.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Ohio?

Mr. HARRISON. I yield.

Mr. FESS. I am glad to hear the Senator say that his words are not to be interpreted as a recommendation that we leave the gold standard.

Mr. HARRISON. The Senator from Ohio was not here when I made my statement. I was answering the argument of the Senator from Pennsylvania [Mr. REED] and stating that his argument would give the impression to the world that this was the first step that might be taken in that direction.

Mr. FESS. The statement I heard the Senator make seemed to compliment Great Britain for what she did.

Mr. HARRISON. That is true. Does not the Senator compliment Great Britain for what she did?

Mr. FESS. No.

Mr. HARRISON. If the Senator had been there, he would have acted differently and probably would then have had more unemployment and a more greatly unbalanced budget than now.

Mr. FESS. The question was what a public man might do in the face of a mutiny in the British fleet if he were a member of Parliament of England. The Senator knows the gold standard was recommended to be preserved and steps were taken to do it. They had two ways to do it, one being to deflate the cost of government and the other to inflate the purchasing power. They decided to adopt the former plan, to deflate the cost of government which meant a reduction of wages and unemployment allowances. Immediately it was followed in five days by a mutiny in the British fleet. The day after that they recommended going off the gold standard. I do not know what a man might do in the face of a situation like that, but certainly no one is going to say that Great Britain voluntarily went off the gold standard.

Mr. HARRISON. I do not say that Great Britain went voluntarily off the gold standard, but I do say that I admire the statesmanship of Great Britain that they had the courage and forethought to do something, whether it was balancing the budget, or whether it was deflation of government expenditures, or going off the gold standard and suspending it temporarily in order to inflate commodity prices, or whatnot. The proof of the pudding is the eating thereof. They have made pretty much of a success of the situation. They have relieved unemployment largely. They have caused commodity prices to be lifted. They have balanced their budget.

Mr. FESS. That is true, but the Senator recognizes that Great Britain has become a debtor country, and a debtor country as a rule agrees to cheapen the money and repudiate a part of her obligations. Great Britain never did it until she came to that stage. France will probably do it if she gets to that stage, but I doubt it very much. What I am concerned about is whether the words of the Senator—and I say this because it is true—which are read and considered with considerable conviction throughout the country, are to be interpreted as meaning that he is commending what has been done in Great Britain as being an example that we should follow. I assume that such a statement would have a tremendously injurious effect in the country to-morrow if that were his meaning.

Mr. HARRISON. Now that the Senator has finished lecturing me [laughter]——

Mr. FESS. I withdraw my statement if the Senator takes it that way.

Mr. HARRISON. That is all right. I like to be lectured by the Senator from Ohio, because he is a very good schoolteacher, but a very poor Senator. [Laughter.] I may say, of course, that the situation in England is such that they have been confronted with many problems different from our own. I have voted for some legislation here that I did not like, because I thought it might tend to inflate a little bit. I think we have deflated too greatly, too precipitously, and now we have to inflate back a little bit. I do not think we are going to have a normal return to economic conditions until commodity prices have gone up somewhat. So, having that very largely in view, I voted for the Reconstruction Finance Corporation act, which I hoped might stop the closing of so many banks by affording them some credit, in order that they might in turn extend credit to their customers, thereby putting more money in circulation and tending slightly to inflate the currency and start the prices of commodities upward.

I then voted for the so-called Glass-Steagall bill as a temporary measure. I hoped that the Federal Reserve Board would heed the admonition, because it appeared at that time that the administration was strongly in favor of such legislation and that it was going to use it as a means of putting more money into circulation and causing some inflation. I do not mean radical inflation; I do not mean skyrocketing inflation; but I mean reasonable, rational inflation; for I realize, as every Senator and every American citizen must

realize, that no one who incurred indebtedness in the flush times of four or five years ago and who to-day is in debt, the value of his property, whatever it may be, whether stock or land or commodities, or whatnot, having declined to the present figures under the enormous deflation which has occurred, can ever expect to see the light of day so far as being removed from under the burden of debt is concerned. So we have got to inflate in some rational way in order to increase the prices of commodities in this country.

Therefore I find no fault, may I say, with the statesmanship of England because of what that Government did when it temporarily went off the gold standard, if that was the only resource left to them in order to increase the price of commodities and balance their budget.

I stated that I voted for these other pieces of legislation, the Reconstruction Finance Corporation bill, the bill to increase the capital stock of the Federal land banks, and the Glass-Steagall bill, in the hope that it would not be necessary for us to be compelled to suspend the gold standard in this country even temporarily. I believe yet that those who direct the fiscal policies of this Nation can work out some policy through the Glass-Steagall law which may give us a little inflation; at least, I hope so.

Mr. REED. Mr. President, will the Senator from Mississippi yield to me?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. I yield to the Senator.

Mr. REED. While the Senator from Mississippi is praising British statesmen so highly for their conduct last September, does he include in that praise their action in establishing a protective tariff?

Mr. HARRISON. The Senator from Pennsylvania has heard me speak about that four hundred and ninety-nine times, or a little more, I think.

Mr. REED. A few more times, I think.

Mr. HARRISON. Yet, may I say, I can not blame England, I can not blame France, nor Germany, nor Spain, nor Canada, nor any of the other nations of the world. When this great giant Nation here, that had a trade with them, took the first step in imposing enormous tariff rates, against their protest and over their admonitions, building tariff walls here so high that their goods could not come here and help to pay, to the slightest extent, even, the debts they owed us, what was left for them to do? Was it not perfectly natural that they should retaliate? Was it not perfectly natural that they should establish boycotts and cartels? We led them into the war of tariff reprisals and retaliation, and until we do something to inflate the prices of commodities somewhat and remove tariff barriers to some extent, and build up a little exchange of trade and commerce, we are going to continue to walk in the mud and to bog down as we have been during the last three years.

I yet hope that my friends who smilingly sit here with me now will change their policy and will bring their influence on those at the other end of the Avenue to admit that they have been wrong, and will say, "Let us change our policy now a little bit; we have been narrow; we have been too selfish; we have been looking out for the steel interests; we have been looking out for the sugar interests and this interest and that interest; now let us look at this thing in a broad way and try to help restore world economic conditions."

Mr. President, this is about all I have to say. I think it is unfortunate that the pending proposition is before us. I do not think we ought to reconstitute the Tariff Commission and make of it a body to report its opinions about economic questions; but if the Senator from Pennsylvania insists upon the adoption of his resolution, I expect to offer a substitute for it, providing that the President of the Senate shall appoint a committee to investigate this subject, using the exact words of the Senator's resolution. Then the committee may draw to itself all the agencies of the Government from the Tariff Commission, the Treasury Department, the Department of Commerce, and everywhere else, and may submit their opinions to the Senate as to all the facts but not alone the opinions of the Tariff Commission, about which in some aspects I care very little.

Mr. SHIPSTEAD. Mr. President, a great deal has been said about British statesmanship incidental to Great Britain going off the gold standard. It is true that many of the business men and statesmen of Great Britain were opposed to Great Britain going off the gold standard. Ever since they returned to the gold standard in 1925 great controversy has taken place there between, on the one hand, shippers and men of commerce and men of industry and, on the other hand, men connected with the banking business. It is true they were forced off the gold standard in a sense because the descending price level, the deflation that was going on there, as it is going on here, brought on a situation that made economic conditions so bad that the safety of the government was threatened. The process of deflating price levels could not go on any further without danger of a revolution. We may have to go that far here; we are moving in that direction. Some one asked the other day what we would do in case we were forced off the gold standard.

In reference to what the Senator from Mississippi [Mr. HARRISON] said regarding inflation under the Glass-Steagall bill, I wish to say that I do not think it can be brought about, because that bill is based upon inflating through the banks, and the banking system is based upon credit, and credit again is based upon confidence, and, when confidence is gone, the credit structure can not be inflated, as it was in 1924, 1925, 1926, 1927, 1928, and 1929, because borrowers can not be found with collateral. When we talk about inflation and the cheap dollar, that is what we did during the period of those years by inflating the credit structure. The banking system inflated credits for the financing of $70,000,000,000 in new stocks and bonds.

If the credit structure can not be inflated because confidence, which is the foundation of the credit structure and the banking system, has gone, is there another way by which inflation can be brought about by inflating the currency? I know that the term inflation is an obnoxious one; it is offensive; it used to be called expansion of the currency; but the only difference between inflation of the credit system and inflation of the currency is, that when credit is inflated, as it was during the war and as it was after the deflation of 1920, which was another artificial deflation, debts were increased, and to that extent the dollar was cheapened. Inflating credits increases debts. Inflating currency makes it possible to pay debts. Either method carried to the extreme is dangerous.

As we have created the enormous amount of debts now outstanding, the production of gold with which to pay them has not kept pace. I am not advocating now that we should go off the gold standard; I do not think that is necessary as yet; but every responsible economist in the world will say that 40 per cent gold coverage for currency is not necessary. We have, now, enough gold to cover an additional $2,000,000,000 in currency. If it is necessary further to inflate the currency and do it on the gold standard, the gold coverage can be cut to 30 or 20 per cent and we would still be on a safe basis.

In regard to what has been said about the British imposing tariff duties, a British statesman told me in June that for the last fiscal year, the year ending on June 30, 1931, the British Government found that they had a surplus of imports over exports of $1,500,000,000. He said, "Since you raised your tariff other countries have raised their tariff against our goods, and we bought a billion and a half dollars' worth more than we have been able to sell, and," he said, "that policy continued would bankrupt any nation. We will have to do something to shut you out." He said further, "We may have to eat less, but we can not afford to permit to come in every year a billion and a half dollars' worth of goods more than we are able to sell."

In Germany I asked a German statesman why, in view of the fact that Germany had on the average imported annually $800,000,000 of agricultural products, she had put a tariff on food products, increasing the cost of food to her

people? "Well," he said, "you know we have not the gold with which to pay for imports of agricultural products. Your people will not take our goods in payment for agricultural products we buy from you, and so," he said, "we have nothing with which to pay. We can not afford to let your agricultural products come in here, because we have nothing with which to pay for them, and so we had to levy a high tariff in order to shut you out and to stimulate agricultural production at home."

Mr. President, much has been said about the butter market going to smash in the United States because of the flood of imports from Canada following the depreciation of the Canadian currency in comparison with our gold dollar. For the purpose of the RECORD, I want to insert the figures which I have of butter imports from Canada, the figures having been furnished me by the Department of Commerce. They show that instead of there having been an increased flood of butter from Canada since last September there has been, in fact, a great decrease of such importations. In October, just after Canada, at least for practical purposes but not theoretical, went off the gold standard, butter imported into the United States from Canada in terms of Canadian dollars was valued at $53,895; in November the imports increased to $73,142 worth; but in December they dropped to $6,668, and in January this year the importations of butter from Canada amounted only to $1,999.

While we are discussing the question of international exchange I should like to have read at the desk an editorial from a very conservative Republican newspaper, the St. Paul Pioneer Press.

The PRESIDING OFFICER (Mr. FESS in the chair). Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

[From the St. Paul Pioneer Press, Monday, March 14, 1932]

A WORLD MONEY CONFERENCE

At a meeting of the House Committee on Coinage, Weights, and Measures last week the members were advised by several distinguished economists of the desirability of a world conference on monetary problems. James Heckscher, vice president of the Irving Trust Co., of New York, told the committee that monetary dislocation undoubtedly has played an important rôle in the depression. Winston Churchill, distinguished British statesman, has recently spoken to the same purpose.

The last Congress appointed a committee for study of one aspect of the monetary question—the silver problem. As the purchasing medium of half the people of the world, the stabilization of silver is an important part of the question. An international conference on silver was also authorized but never summoned.

Since the silver situation could hardly be divorced from the monetary question as a whole, a conference devoted to the broader program would seem more practical. There are few subjects more closely related to the economic well-being of the world. An international study might clarify many aspects of the problem about which there now is only confusion or disagreement. The findings of such a conference would be of the greatest value to every civilized nation.

Mr. SHIPSTEAD. Mr. President, I believe it is proper in discussing this resolution to call the attention of the Senate to the fact that the Senate has requested the President to call an international conference on the stabilization of exchange and international currencies. The President has not done so. The reasons for not doing so I think we ought to know.

The question of international exchange is undoubtedly as important in connection with international trade as the question of tariffs. We can not solve this problem by discussing tariffs alone. We must probe and discuss every part of the picture, and the question of international exchange, the export of capital, the segregation of gold, and the lack of a medium of exchange upon which to make settlement, certainly must be faced by this Congress and by the parliament of every government in the world. Unless this Congress and this Government will get down to rock-bottom matters, and do something to relieve the situation, instead of enacting legislation consisting merely of palliatives, this Congress had better not go home. The attack upon the Parliament of Newfoundland the other day should be a lesson to every government in the world.

In one of the concluding paragraphs of the McMillan report, which I quote because it was a report made by some of the most distinguished statesmen and economists of England, they said that it was evident that the monetary system had failed to solve the problems presented to them by non-monetary problems. They also said that one of the great difficulties in making a report was that the question of money, even to intelligent people, was a mystery. It was a closed book. Therefore, I believe the Senator from Mississippi is justified in emphasizing the study that ought to be made of the monetary question mentioned in this resolution in connection with the effect of tariffs upon international trade; that not only must the depreciation of foreign currency be studied, but whether or not it is a fact that the appreciation of the American gold dollar has had as much effect upon stopping our foreign commerce as has the depreciation of foreign currency in comparison to the dollar.

I should like to have printed in the RECORD at this point as a part of my remarks—and with this statement I will conclude—an editorial from the Daily News of New York, a Republican newspaper, a newspaper that I understand has the largest circulation of any newspaper in the city of New York. This editorial asks for a study of this problem. We must do away with our prejudices, we must search for the facts that we may find a decision based upon the facts of the situation as it is presented to us in relation to our international trade, in relation to the descending price level, in connection with the wiping out of all values.

It is said that we must let the depression take its natural course. There is no natural course in questions of finance. It is all artificial manipulation. If we say, "Let matters take their natural course," the bottom is zero. Who will say that it is 5 or 10 or 15 degrees above zero?

If I may be permitted to do so, I want to remind the Senate that a year ago, when the Federal Reserve Board cut the rediscount rate to 1½ per cent, the newspapers quite generally said this meant another inflation of the credit system, such as we had in 1924. I took occasion at that time to say:

This time you can not do it. This time you can not inflate the credit system, because that system is based on confidence, and confidence is gone. Therefore you have a paralysis of the credit system, and this time it can not be done.

Now a year has gone by, and instead of stopping the deflation, deflation has continued and values have been wiped out and they are disappearing; and still statesmen sit expecting the old tricks and the old art of credit jugglery to perform miracles when it can not be done.

Mr. President, I send to the desk this editorial and ask that it be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the New York Daily News of Wednesday, March 30, 1932]

SHOULD WE INFLATE?

Wheat made a net gain of 1⅛ cents on the Chicago Board of Trade one day this week, and all the traders felt encouraged. The high reached that day was 57⅝ for September wheat. This was encouraging only if you concentrated on the present time. When you looked back at the $3.50 wheat of 1919, you didn't feel so rosy.

The wheat-price curves shown here make us wonder whether gold after all is the commodity to use as a standard of value. Everything seems to march up and down with the price of wheat—business activity, other grain prices, the prices of manufactured goods, and, needless to say, the farmer's prosperity. And the farmer, whatever you may think of him personally, comes pretty close to being the foundation man of the country. Our farm population is 49 per cent of the total. When the farmer suffers all of us suffer. Is it possible, as some unorthodox economic thinkers say, that we should base our business system on the price of wheat rather than gold?

We don't know. It is a fact, though, that most other nations since the war have found gold too expensive (because it takes so much goods or labor to buy gold nowadays) to be used as their standard of value. Great Britain has quit the gold standard; France has telescoped the franc 80 per cent; Germany has leaped from the mark to the rentenmark; Russia has repudiated every pre-Bolshevik public debt, domestic as well as foreign.

Almost alone among nations we struggle on to pay in more and more expensive gold-standard money the public debts we piled up in the war and the boom days.

The Federal Government's total debt is sixteen billions. States, cities, counties are in debt for roads, bridges, public improvements of every kind, bought in the days when there seemed no limit to prosperity. Farmers are mortgaged for land bought in the $3 and $2.50 wheat days and priced accordingly. But the bottom has dropped out of wheat prices, and incidentally out of farm-land prices. Staggering under these old debts the farmers can not buy new shoes, radios, cars; and so business stagnates.

Yet we go on trying to pay these debts in gold-standard money which grows dearer and dearer.

Is there anything left to do except to inflate the currency, meaning to cheapen our money? Currency inflation is an economic heresy, we know. But economic orthodoxy—gold-standard orthodoxy—seems to be pushing us deeper into the swamp of business stagnation and bankruptcy.

We have never before been left high and dry on the gold standard, almost alone among nations. It may be just possible—we don't say it is, but we do say there should be more frank argument and less horrified refusing to think about the proposition—that this new situation of ours calls for the adoption of new economic principles.

Memo: Whatever we do, let's not cut the national defense expenses below the $700,000,000 which President Hoover has called the irreducible minimum. The Shanghai and Manchuria episodes indicate that such a saving of $700,000,000 now might cost us seven billions, or seventeen or even seventy billions a few years hence.

Mr. GEORGE. Mr. President, when this resolution was presented to the Finance Committee I voted against it. I voted against it for two reasons.

In the first place, the Tariff Commission itself is authorized to increase rates on dutiable merchandise to a maximum of 50 per cent to meet exactly the situation presented by depreciated currencies. It is true that within the limitation of 50 per cent the Tariff Commission may not be able to make the duty imposed in our tariff act fully effective in every instance. Nevertheless, that was the purpose; that, at least, was the avowed reason upon which the flexible provision was inserted in the tariff act of 1922.

Again I felt that we were depending too much upon the recommendations of departments and commissions in writing and enacting laws general in character.

It is of the essence of bureaucracy that it tends to shape the policies and control the action of government; the legislative branch of government depends more and more upon the recommendations of boards, bureaus, and commissions.

On the question of depreciated currencies, it seemed to me that if the Tariff Commission had any function to perform, it might well perform that function by recommending to the President increases in the duties imposed in the act. If an increase of 50 per cent of a duty fixed in the act will not provide adequate relief, then the matter is clearly one for Congress; and the opinion and judgment of the Tariff Commission on the question should have but little weight with the Congress.

Mr. President, I do not go as far as some have gone in suggesting that the purpose of the Senator from Pennsylvania [Mr. REED] is to bring about a marked increase in tariff duties, but I am compelled to make this statement: The passage of this resolution at this time will be interpreted by most of the nations of the world as a move on the part of the United States again to raise its tariff duties. It is true that the purpose of the resolution may be to obtain information upon which to base legislation to meet a passing difficulty or condition, but it is hardly probable that other nations will so regard it.

In 1922, when the flexible provision became law, it was said again and again in the Congress that the necessity for it arose out of the chaotic condition of European exchanges and currencies, and therefore that the flexible provision should be inserted for the express purpose, as declared by responsible spokesmen on the other side of the aisle, of enabling the President, with the aid of the commission, to adjust the duties fixed in that act when conditions in Europe had become normal.

The effect of depreciated currencies upon our tariffs is appreciated. Whether we have suffered generally from such cause is questionable. In the case of certain articles of commerce and trade our industries have unquestionably felt the effect of depreciated currencies. The point I make, however, is that the passage of this resolution at this time will be interpreted by the industrial nations as the first step toward a further increase in tariff duties by the United States. Indeed, during the last week, when we were discussing the bill dealing with the tariff, more than one responsible spokesman on the Republican side expressed the view that our tariff rates were too low, rather than too high.

I believe that the distinguished Senator from Utah, the chairman of the Finance Committee, emphasized the thought that we needed to increase rather than decrease many of our tariff duties. This resolution, if it is passed in its present form, will be interpreted, I think, as a definite step in the direction of higher duties.

What is the situation? Without discussing the merits or demerits of the tariff act, without regard to particular duties in the act, the fact is that it has long since gone around the world and is believed by most of the nations of the earth that we have established here in the United States a virtual embargo, so far as dutiable merchandise is concerned. That has led to competition in tariff making, to intense competition in the writing of tariff schedules by other nations, and that competition undoubtedly has contributed to general business conditions in the United States and outside the United States. I do not say that it is the primary cause; I do not say that it is the chief cause, but unquestionably it is a contributing cause.

Mr. President, I want to put into the RECORD at this point some statistics which I believe to be illuminating. In 1925 and 1926 there were 16 upward revisions of tariffs in European countries. In 1927 there was upward revision in 10 European countries. It was in 1926 and 1927 that many of the world's leading industrialists and financiers pointed out that this competition in tariff making was undermining the prosperity of the world. The then Secretary of the Treasury, Mr. Mellon, joined in that declaration. He stated that the competition in tariff making, especially in European countries, containing but small populations and covering but relatively small areas, was adversely affecting the commerce and trade and therefore the prosperity of the world.

Following the declaration of the industrialists and financiers in 1928 there was an upward revision of tariffs in only five European countries. In 1929 probably only two European countries revised their tariffs upward.

In 1929 we entered upon the consideration of what we now know as the Smoot-Hawley bill. Even before we had passed that bill Canada had raised against us countervailing duties. Immediately after its passage Mexico placed a high tariff against our wheat and against our flour, and within six months important groups in Argentina were advocating a boycott of American goods.

The boycott failed, but Argentina and the United Kingdom negotiated reciprocal treaty arrangements under which Great Britain's finished or manufactured articles could go into Argentina and Argentina's raw products would be favored in British markets.

What has been the result? Argentina's commerce during the first six months of 1931 decreased only 24 per cent; her commerce with the United States decreased 57 per cent during the same period. Yet we are dumb enough to wonder whether our tariff policy has affected the prosperity of producers in the United States.

Mr. President, I desire to put into the RECORD some additional figures which I have collected. I claim no credit for the compilation of the figures, but I have collected them and attempted to verify them. These figures respect the loss in foreign trade in 1930 in 10 important countries of the world, both in the Eastern and in the Western Hemispheres. This loss is expressed in percentages.

The United Kingdom during 1930 lost 17.3 per cent of its foreign trade, Germany lost 16.6 per cent, France 12.2 per cent, Canada 23.6 per cent, British India 23.7 per cent, Japan 26 per cent, Holland 12.7 per cent, Belgium 14.9 per cent, Argentina 34 and a fraction per cent, the United States 28.4 per cent.

Of the 10 important commercial nations, the loss in percentage in foreign trade by the United States was greater than that in any one of the countries in the Eastern Hemi-

sphere, more than that of any country of the Western Hemisphere save Argentina alone.

In 1931 the foreign commerce of four important or leading industrial and commercial nations discloses losses in 1930 and 1931 as follows: The United Kingdom, 36.2 per cent; Germany, 39.9 per cent; France, 33 per cent; the United States, 53.2 per cent.

The loss, expressed in percentages, of the four leading industrial countries during 1930 and 1931 amounted to an average of 41.9 per cent, while the loss of the United States in foreign commerce was 53.2 per cent.

Mr. President, I have already drawn attention to the facts with reference to the loss of trade by Argentina and the loss of business with Argentina by the United States following the tariff agreement between the United Kingdom and Argentina after the passage of the Smoot-Hawley Act.

Our foreign trade during January and February, 1932, dropped more than one-third below the figures for 1931, and about two-thirds below the figures for 1929. The value of our foreign trade was not only cut, according to the figures of the Department of Commerce, but the volume of our foreign trade has been reduced; that is, between 1930 and 1931 exports were reduced 20 per cent, imports 10 per cent.

I gave these figures yesterday, and as given at the point in the address of the Senator from Pennsylvania it might be inferred that the figures represented the status of commerce between the United States and Great Britain, in part, at least, since Great Britain went off the gold standard. The figures were not intended to apply to that situation at all.

Mr. President, I wish to put into the RECORD the following figures: During the first six months of 1930 exports of all the industrial and commercial nations fell off, but it is a notable fact that the exports of the United States during that period, when we had, of course, virtually agreed upon the Smoot-Hawley tariff rates, declined 21 per cent. Great Britain's exports declined 15 per cent, Italy's 11 per cent, France's 5.5 per cent, Germany's 5 per cent.

The Department of Commerce has furnished figures showing that since the passage of the Smoot-Hawley Act, and during 1930 alone, there were six general revisions, upward, of course, of tariffs in European countries; there were 19 limited revisions of tariffs upward in European countries; there were 5 general revisions upward in Latin-American countries.

In 1931 this process went on, this tariff war continued, until at this time nearly all of the important nations have revised their tariffs upward or have imposed quota, license, or currency control measures.

Mr. President, the question is not whether a particular rate is wise or unwise, not whether a particular duty is proper or improper, but whether any move by the United States which unquestionably may be and will be interpreted as the first step toward another revision upward of tariff duties will contribute to the return of normal business or whether it will retard the return of normal intercourse between the trading nations of the world.

Following the passage of the Fordney-McCumber Act we witnessed the upward revision of tariff duties in most important countries. This tendency had been checked when we entered upon the consideration of the tariff which ended in the Smoot-Hawley Act. Immediately after the passage of that act, indeed before it was passed, we again witnessed rising tariff walls in Europe and Latin America.

Whether duties were or should have been raised in retaliation is not the question. The fact is that duties were raised in Europe and in the Western Hemisphere. The fact is that the Smoot-Hawley Tariff Act operated as a fire alarm in the night. It excited the other nations of the world and, whether from necessity or fear, they raised their tariff duties. Duties were generally increased everywhere.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. I yield.

Mr. SMOOT. Am I to understand the Senator to say that he would like the rates in the present tariff act decreased?

Mr. GEORGE. I said I would not discuss the merits or demerits of our rates for the time being.

Mr. SMOOT. Does the Senator prefer not to express an opinion as to what rates in the present act he would like to have decreased?

Mr. GEORGE. I am not discussing that question now. I unhesitatingly say many of them are too high, but I am not discussing that question. I am discussing a broader question.

Mr. SMOOT. I will undertake to show, as to almost any rate the Senator would cite as being too high, that we have petitions for an advance in the rates.

Mr. GEORGE. Yes; I know. I know the Senator has petitions for increases in rates. I recall that last week he stated many of the rates were too low and ought to be raised rather than decreased. It is exactly that state of mind, that policy, about which I am talking. The passage of the pending resolution is serving notice again on the world that the Republican Party proposes to increase rates. No more economically insane policy could possibly be adopted by any commercial and industrial country at this time. As a matter of fact, the tariff does not operate under present conditions. As a matter of fact, the tariff can not effectively operate under present conditions.

Mr. SMOOT. Even under the conditions existing to-day, the Senator must admit that importations are not falling off very much in the United States. So far as yards and pounds are concerned, the importations under the existing tariff law are almost equal to what they were before the extreme depression came upon the United States.

Mr. GEORGE. I have put the figures in the RECORD, and I have quoted the Department of Commerce. The Department of Commerce has made the estimate, based upon a large number of articles considered by the department, that between 1930 and 1931 there was a decline in our exports of 20 per cent in volume and 10 per cent in imports.

But, Mr. President, I wish to come back to a further discussion of the pending resolution and the results of the passage of the resolution. About 1886 American factories began to move into other countries. It is true that migration of American manufacturing plants and American capital for the construction of new plants abroad was in progress many years before the passage of the Fordney-McCumber or the Smoot-Hawley Acts. But it is also true that the tendency to remove manufacturing plants from the United States, the tendency of American capital to migrate into other countries for the purpose of constructing American-owned manufacturing plants or factories received a notable check by the events of the World War. Seizure of alien property by nearly every country involved in the war, indeed, as I recollect it, by all the countries involved in the war, served definitely to check the tendency upon the part of American manufacturers to extend their plants into other countries.

The Smoot-Hawley Tariff Act, beyond question of doubt, supplementing the Fordney-McCumber Act, again set in motion the migration of American manufacturing plants abroad.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. GEORGE. I yield.

Mr. LONG. With all that the Senator has said I agree very much, but what about the copper mines in this country which are closed down because we have no tariff on copper?

Mr. GEORGE. I do not want to enter into a discussion of the copper question at this time, nor the oil question, but I will say to the Senator, and I invite him to examine the statement: Wherever any American product must meet the competition of the world, either in this market or abroad, the tariff is not going to be of very much service.

The migration of American capital, the migration of American plants, has gone on at an accelerated pace since the passage of the Smoot-Hawley Act. Let me invite the

attention of Senators to the fact that it is mainly American factories which are standing idle even in Canada; it is mainly American machinery that is not turning in Canada. The biggest thing we have exported since 1922, when the Fordney-McCumber Act was passed, has been capital, has been money. We have displaced Great Britain as the creditor and banker nation of the world.

We loudly profess that we do not intend to give up our debts against foreign governments. We loudly proclaim that we intend to insist upon payment of our debts, and yet it is obvious that we can not have our principal back or even the interest on it if we will not take merchandise. We have already taken the gold. We have already drawn the gold from other great industrial countries of the globe. It has been brought here and put down 85 feet beneath the surface of Wall Street, where it has lain almost as useless during many of the distressing months just passed as if it had never been mined out of the bowels of the earth. We can not have our payment in gold because we have the gold. We have assisted in forcing other nations off the gold standard. They have exhausted their supplies of gold.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Utah?

Mr. GEORGE. Certainly.

Mr. SMOOT. The Senator must admit that France to-day has as much gold as we have.

Mr. GEORGE. I am coming to that.

Mr. SMOOT. The United States had about $5,000,000,000 of gold, and it went down to about $2,500,000,000, and the other day France had more gold than the United States had.

Mr. GEORGE. I am coming to that matter.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. GEORGE. I yield.

Mr. THOMAS of Oklahoma. I do not want the statement to go in the RECORD unchallenged that the United States has only $2,000,000,000 of gold. That is about 50 per cent correct. The Federal Reserve Bank of New York City has $3,000,000,000 of gold, where the Senator from Georgia just stated it is. According to a statement of a few days ago from the Treasury, we have $4,388,000,000 of gold.

Mr. GEORGE. I thank the Senator from Oklahoma. I do not think the Senator from Utah wants to lead me from my line of argument.

Mr. SMOOT. Nor do I want the statement of the Senator from Oklahoma to go unchallenged. I was speaking of one time and he referred to another entirely.

Mr. GEORGE. Very well.

Mr. President, for a long time Great Britain was the creditor nation of the world. Great Britain was the banking nation of the world. Great Britain was on a free-trade basis. Great Britain not only did accept but she gladly accepted the merchandise sent her by all of her debtor nations, sent to her, indeed, by any nation whether debtor or not. What now has happened?

The creditor nations of the world have become the United States and France. They have the gold. Both are protectionists. Both France and the United States believe in protection. Both France and the United States have carried the protective theory to the extreme. How, then, are these creditor nations of this New World and this new era to be satisfied? We will not accept the goods of our debtors. We will not accept the commerce of our debtors, but we insist upon the payment of our debts.

Mr. President, if the United States sincerely insists upon the payment of the debts due by other governments, by other peoples, we have followed an inconsistent course in so arranging our tariff walls as to make the payment of those debts impossible except in gold. Our trade and commerce, it has been pointed out many times, following the Fordney-McCumber Act of 1922, was sustained in large part by the great volume of capital, money which the United States placed abroad either in the form of investment or in the form of loans. We reached the limit, of course. We can not continue to place gold abroad. We therefore can not continue by that means to sustain our foreign commerce. Every dependable figure that has a bearing upon the subject indicates beyond a question of doubt that exports from the United States have declined more rapidly than the exports from any other commercial nation.

We have suffered a greater loss in percentage of our foreign commerce than any European country, greater than any single country in the Western Hemisphere, Argentina alone excepted, at the time the figures which I have placed in the RECORD were compiled. Now, we are invited to pass the pending resolution, a resolution which can but be interpreted by other nations as a necessary step in the further upward revision of our tariff duties.

Mr. President, when a nation has perfected its machinery, when it has perfected its manufacturing, when it has developed mass production, is it not sensible that attention be given to the expansion of the foreign market? Is it not time that we were giving more thought to the development of our international trade and commerce? I think we have made the most remarkable progress in the development of our machinery here and in the development of production here. In the state of our development we can not hope to continue the rate of expansion and growth and progress heretofore enjoyed unless we do give attention to our foreign markets.

The progress of the United States does not call for drastic reduction and removal of all tariff duties, but for more liberal trade policies, for greater concern for our position in foreign trade. It must depend more and more upon the development and expansion of trade and commerce wherever it is possible to expand trade and commerce without injury to our industry at home.

So I think, Mr. President, the adoption of this resolution, while unobjectionable as making effective the rates as actually written in our tariff act, will be interpreted as preparatory to another general upward revision of our tariff—not a limited revision, I will say to the Senators who believe that the time has come when there should be a duty placed upon copper or oil or on any particular product, but another general upward revision of the tariff which will intensify and prolong the tariff competition among the nations of Europe and of this hemisphere, and which must necessarily prolong the period of stagnation in commerce and business from which the world is now suffering.

Before I take my seat, Mr. President, I desire to call attention to another fact, and it is a fact that no sophistry can explain away: From 1922 to 1929 industry in the United States was at the peak. We experienced the high tide of our industrial expansion. Yet, with the home market in this condition, American agriculture lost ground from 1922 to 1929 and on until this day.

How did agriculture share in this prosperity? If there were no other reason why we should give more attention to foreign markets, if there were no other reason why we should be more considerate of those who now wish to trade with us, and who are yet willing to trade with us, certainly a reason can be found in the condition of American agriculture. We have lost ground in our international trade and commerce until to-day we are back where we were in the closing months of 1910, both with respect to exports and imports; and when we find ourselves back in our old position of November and December of 1910, we find our commodity prices low; there are new lows for wheat and cotton and all other raw products which must meet the competition of the world, either in the United States or in the foreign market.

It is true that commodity prices are low elsewhere; it is true that commodity prices have everywhere broken down; it is also true that the prices of protected articles have broken down, because the tariff can not be made to effectively function in the face of world conditions as they exist to-day. However, whenever conditions begin to move back toward normal the tariff, of course, will function so far as

industry is concerned and so far even as raw products are concerned which do not have to meet world competition either at home or abroad.

Mr. President, I have finished what I desire to say, but I wish again to emphasize the thought that if we are sincere in our statement that we wish to collect our foreign debts, if we are to take at least a consistent and understandable position as the creditor nation of the world, as the banking nation of the world, we must be willing to accept something other than gold not only for the debts now due but for debts that will be or may be hereafter created in our favor.

It is no answer, Mr. President, to say that rather than reduce our duties in any degree it would be better for American industry to forego the collection of every dollar due us by European governments. That is only a partial answer to the universal question: What is the creditor nation of the world to do? The United States and France have become the creditor nations of the world. Are they to maintain protection, insisting upon higher and higher duties, upon higher and yet higher tariff rates, and yet perform the functions of creditor to the remainder of the world? I dare say, Mr. President, that the shifting of position of the free-trade United Kingdom, the United States, and France, with their contrary, hostile tariff policies, has raised an important economic question the answer to which is not in sight.

Mr. SMOOT obtained the floor.

Mr. HARRISON. Mr. President, will the Senator permit me at this time to offer a substitute for the pending resolution?

Mr. SMOOT. I have no objection.

Mr. HARRISON. I offer a substitute for the pending resolution and the Senator from Nevada [Mr. PITTMAN] has suggested an amendment to it, which I shall accept and perfect the substitute in that way.

I may say in explanation, so that the time of the Senate may not be unduly taken up, that the substitute which I propose is in the exact language of the resolution of the Senator from Pennsylvania [Mr. REED]. It provides, however, for the appointment by the Presiding Officer of the Senate of a special committee of five Senators to make the investigation, using the agencies of the Tariff Commission, the Treasury Department, or what not, as the committee may see fit.

The amendment of Mr. HARRISON, as modified, in the nature of a substitute, is as follows:

Strike out all after the word "*Resolved*" and in lieu thereof insert:

"That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into and exportation from the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932.

"For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

"In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Mississippi, as modified.

Mr. SMOOT. Mr. President, I intend to take but little of the time of the Senate. Those who are opposing the pending resolution in all the speeches that have been made have pointed to the fact that the rates in the existing tariff law were responsible for the decline of our exports as well as the decline of our imports. It is true, however, that in the case of many commodities our exports in 1931 increased over those of 1930.

To-day I received from the Commerce Department a report to which I am going to call attention, for the reason that I doubt very much whether Senators have read it. I quote from the report as follows:

A large number of widely different commodities valued at $597,000,000 in 1931, or 25 per cent of the total value of all exports, were exported in larger quantity in 1931 than during 1930.

The following statement shows commodities which are representative of those exported in larger quantity in 1931 than during 1930:

	Per cent increase
Dried milk and cream	106
Fresh fish, including shell fish	13
Cattle hides	18
Patent side upper leather	21
Sole leather	11
Oil cake and meal	78
Oranges	117
Apples	12
Dried and evaporated fruits	15
Ginseng	29
Raw cotton	5
Sheeting, unbleached, 40 inches wide and wider	7
Cotton denims	4
Printed cotton fabrics, 7½ and more yards per pound	25
Cotton fabrics sold by the pound	27
Doors of wood	10
Crude petroleum	8
Electrical refrigerators, commercial, up to 1 ton	12
Radio receiving sets	92
Diesel engines over 10 horsepower	9
Borax	5
Hydroxide caustic soda	4
Carbon black	15
Motion-picture films, sensitized, not exposed	24

There was, however, a much larger number of leading commodities that were exported in much smaller quantities than in 1930 or in other recent years.

I will call the attention of the Senate to what they are——

Mr. HULL. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. HULL. The Senator, of course, is aware that the total exports of this country declined in dollars—and the monetary value is what the people are interested in more than anything else—from $3,843,181,282 in 1930 to $2,423,759,239 in 1931?

Mr. SMOOT. That has nothing to do with what I am speaking about, Mr. President.

Mr. HULL. I may have misunderstood the Senator; I thought he was referring to certain commodities which we exported in larger value in 1931 than in 1930.

Mr. SMOOT. I did read a list of them, and I say again that they represented a value of $597,000,000, which is 25 per cent of the total value of our exports.

Mr. HULL. I merely called attention to the huge loss in our total foreign trade rather than singling out some few items which might be an exception within themselves.

Mr. SMOOT. There is no need of saying anything about that, because I stated to the Senate that the commodities, the exports of which have increased, represent 25 per cent of our total exports, and I was about to say that there are a larger number of leading commodities which were exported in much smaller quantity than in 1930 or in any other recent year. I want to mention the principal ones:

Among those which declined in quantity between 1930 and 1931 were heavy iron and steel (51 per cent), passenger automobiles



(46 per cent), motor trucks and busses (43 per cent), wheel tractors (39 per cent), and copper, gasoline, lumber, and meat products with quantity declines ranging from 26 to 33 per cent.

Mr. HULL. At the present rate of decline in those exports, how long, in the Senator's opinion, will it take for them to disappear entirely?

Mr. SMOOT. Let me take, for instance, automobiles. The tariff duty on automobiles was reduced from 25 per cent to 10 per cent.

Mr. GEORGE. Mr. President, will the Senator yield to me for just a moment on that point?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I yield.

Mr. GEORGE. Following the enactment of our tariff act, Canada and Australia negotiated a reciprocal trade arrangement by the terms of which American automobiles and automobile chassis and parts made in Canadian factories by Canadian workmen could be admitted into Australia on the payment of a duty of 15 per cent; but the chassis and parts of an American automobile, made in an American factory by an American workman, had to pay a duty, and to-day have to pay a duty of about 32 per cent to get into Australia. Does the Senator wonder why our exports of automobiles and automobile chassis and parts have therefore declined?

Mr. SMOOT. I would rather take a different illustration than Australia, where very, very few American automobiles have ever been sent.

Mr. GEORGE. O Mr. President, the last year before the passage of the Smoot-Hawley Act we sold to Australia $16,500,000 worth of chassis and parts, and last year we sold to Australia $3,000,000 worth. The export is not big but it is material.

Mr. SMOOT. Then I will say to the Senator, as far as the percentage is concerned, that it is greater in the case of the other powers of the world than in the case of Australia. There has been a reduction in the automobiles exported from the United States of 46 per cent. The few that went to Australia make no difference, or little difference, as affecting the 46 per cent; and the Senator knows it.

Mr. GEORGE. Mr. President, the same trade relationships have been created between all members of the British Empire.

Mr. SMOOT. I want to say, and the Senator knows it, that American automobile manufacturers have made automobiles in nearly all countries.

Mr. GEORGE. Exactly.

Mr. SMOOT. That was not on account of the tariff. The Senator knows, I think, that when the tariff bill was up the question arose, and the automobile people told us they did not care whether there was any tariff on automobiles or not.

Mr. GEORGE. I know that; and Mr. Ford came down here——

Mr. SMOOT. It was not Mr. Ford.

Mr. GEORGE. His representatives came down and said that they not only did not want a tariff on automobiles, but that it would be against their interest to have it, and asked that it be not put on.

Mr. SMOOT. I am speaking of Mr. Ford. He did not come to me personally.

Mr. GEORGE. No; but his representative came before the committee.

Mr. SMOOT. I am speaking, however, of the officials of other automobile manufacturing concerns in the United States. Does the Senator think the 10 per cent duty that we get at least a little revenue out of made any difference whatever as to the exportation of our automobiles?

Mr. GEORGE. The 10 per cent duty that we imposed on their automobiles?

Mr. SMOOT. Yes.

Mr. GEORGE. No; but when we shut out the wheat of Argentina, and when we shut out other things produced in Argentina, and Argentina made trade arrangements with Great Britain by which she got all of her finished goods from Great Britain or the United Kingdom, and none of them or virtually none of them from us, that affected automobiles.

Mr. SMOOT. The importations from all South American countries fell off. Why? Because the farmers of our country demanded certain protection on the products of the farm and all that was made from the products of the farm; and we complied with the wishes of the representatives of the farm organizations, and the rates of duty on farm products in the present tariff were raised higher than any other duties in the bill. There is where the great increases in the Smoot-Hawley tariff bill are found.

Mr. GEORGE. What good has it done the farmer?

Mr. SMOOT. Just let the Senator try to take the duty off butter, and see whether the farmers will not think it did them any good. Take the duty off milk, take it off other farm products, and see whether it does not do them any good. The Senator will see.

Mr. GEORGE. Is it doing wheat much good?

Mr. SMOOT. I knew the Senator would say "wheat."

Mr. GEORGE. It is not doing cotton any good. It is not doing any good to any product that we have to export.

Mr. SMOOT. Why did the Senator vote, then, for a duty of 7 cents a pound on cotton?

Mr. GEORGE. I said at the time that it would not do any good.

Mr. SMOOT. Ah, but the Senator from Mississippi [Mr. HARRISON] does not say so.

Mr. GEORGE. I do not know about the Senator from Mississippi.

Mr. SMOOT. No; nor the other Senators. They all voted for it.

Mr. GEORGE. I say, and the RECORD will bear me out, that it was utterly worthless.

Mr. SMOOT. I say right now that if we put the matter to a vote here in the Senate, and had it in such shape that the Senators could vote for it, they would vote for 7 cents a pound on long-staple cotton, just the same as they did before. Does the Senator say that the duty on sand produced in Georgia has not done his State any good? Does he say that the duty upon pitch has done Georgia no good?

Mr. GEORGE. Mr. President, the waves of the ocean bring in the sand, and the tariff is not effective against it. There is not any tariff on sand.

Mr. SMOOT. The Senator knows what sand I meant, and he knows that it is produced in Georgia.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. SMOOT. Certainly.

Mr. ROBINSON of Arkansas. It would be interesting to know what sand the Senator means.

Mr. SMOOT. It is the white sand produced in Georgia.

Mr. ROBINSON of Arkansas. Why does the Senator think the Senator from Georgia needs sand especially? [Laughter.]

Mr. SMOOT. Well, we all have a little sand in us—sometimes not enough.

Mr. President, there is no need of talking any further in relation to the details. We could go right along down the road here. I do not know whether the Senator from Georgia is going to vote for a duty on copper or not. I judge he is not, from what he said to-day. There are a lot of Senators who are going to vote for a duty on copper. I know the Senator from Oklahoma [Mr. THOMAS] is going to vote for a duty on oil, and I want the Senator to know that I am not complaining of it.

Mr. THOMAS of Oklahoma. Mr. President, I am going to vote for a tax on oil, not a duty.

Mr. SMOOT. Oh, yes.

I think we ought to vote upon this resolution, because I should like to get the Interior Department appropriation bill through before we adjourn this afternoon; so I will say no more, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, understanding that the Senate wishes to vote on this resolution,

I shall not attempt to enter upon a complete discussion of the issues that have been raised here.

Mr. HARRISON. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. Does the Senator yield for that purpose?

Mr. ROBINSON of Arkansas. I do.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Reed
Austin	Couzens	Johnson	Robinson, Ark.
Bailey	Cutting	Jones	Schall
Bankhead	Dale	Kean	Sheppard
Barbour	Davis	Kendrick	Shipstead
Bingham	Dickinson	Keyes	Shortridge
Black	Dill	King	Smoot
Blaine	Fess	Logan	Steiwer
Borah	Fletcher	Long	Thomas, Idaho
Bratton	Frazier	McGill	Thomas, Okla.
Brookhart	George	McKellar	Townsend
Broussard	Glenn	McNary	Trammell
Bulkley	Goldsborough	Metcalf	Tydings
Bulow	Gore	Morrison	Vandenberg
Byrnes	Hale	Moses	Wagner
Capper	Harrison	Neely	Walcott
Caraway	Hatfield	Norbeck	Walsh, Mass.
Carey	Hawes	Norris	Walsh, Mont.
Connally	Hayden	Nye	Wheeler
Coolidge	Hebert	Oddie	White
Copeland	Howell	Pittman	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, there is a quorum present.

Mr. ROBINSON of Arkansas. Mr. President, there is no intention of prolonging this discussion indefinitely. The Senate is about ready to vote. The debate has taken a very wide range and has comprehended subjects which are related but are somewhat remote from the resolution and the purposes underlying it.

Through the confusion and dispute which usually envelop tariff debates, one fact stands out indisputably. That fact is that in spite of the high tariff rates imposed under what we know as the Smoot-Hawley Tariff Act, commercial and business conditions in the United States are worse than at any time in the memory of the oldest Senator. The declaration that is often made, here and in political campaigns, that high tariffs certainly bring prosperity to American interests, has been shown to be untrue, has been proved to be unfounded.

When the present tariff law was under consideration in the Senate in 1930, the leader of the majority, the senior Senator from Indiana [Mr. WATSON], expressed the opinion that within 30 days after the enactment of the law there would be such a marked change in business conditions as to give assurance of the early, if not the immediate, return of prosperity. With the rates carried in the Smoot-Hawley Act in force, business has been constantly declining, and many doubt whether the decline has reached the bottom. So that those who have heretofore regarded high protective tariffs as guarantees of prosperity in this country, must now recognize the unwisdom of their attitude and look to some other means and measures of restoring prosperity which has disappeared or vanished in spite of high import duties.

The second thought I wish to emphasize is that the effect, if not the purpose, of this resolution of the Senator from Pennsylvania will be to give notice to mankind of a movement in the Congress to increase existing rates, which, on the whole, are so high as to have provoked retaliatory tariff measures on the part of our foreign competitors.

If the resolution, in my judgment, were calculated to obtain for the Senate information not readily procurable from existing sources, information of real value in the determination of such issues as are now or soon will be confronting us, I should make no objection to its passage. But to me it is doubtful policy to pass a resolution which must prove futile, which in large measure, I believe, is unnecessary, at the risk of stimulating those antagonisms, rivalries, and jealousies which have already gathered such momentum and volume as to threaten the expansion of our foreign commercial interests.

The resolution imposes five obligations on the Tariff Commission, all related but differing in important features from one another. The first is "to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and exportation from, the United States of all of the more important commodities."

That task, if it is to be done in a scientific and reliable way, can not be quickly performed. It will require a considerable period. There is now in the Department of Commere nearly all the information which could be obtained through this resolution. It is true that the opinion of the Tariff Commission called for by the resolution is not comprehended in the records of the Department of Commerce.

The finding of the effect on importations and exportations of the depreciation in currencies of foreign countries involves not alone the discovery and disclosure of the facts, but also conclusions from those facts.

The second feature of the resolution relates to "the effect of such depreciation on the general trend of international trade in the same period," not so much calling for facts or records as for findings or conclusions on the part of the Tariff Commission. Whatever may be its value, the point I am making is that if these investigations are made by the commission in the usual way and under the usual circumstances, months will be required before they can report.

The third subject matter of investigation is "the increase in purchasing power of all gold-standard currencies."

One can readily see from the mere expression that this feature of the examination is almost world-wide; it extends to every country which remains on the gold standard.

The fourth is "the general decrease in commodity prices in the United States and elsewhere."

How long do Senators think it would take the Tariff Commission to reach a conclusion as to the effect on our commerce of the decline of commodity prices in this country and in all the other countries of the world? We know that commodity prices are not stable, they vary from day to day, from week to week, and from month to month, and that process of variation still continues. The standard of conclusion or finding required of the commission under this feature would require an indefinite period.

Before the work of the commission contemplated by the resolution could be completed, the conditions would have so materially changed as to make the findings and conclusions inapplicable.

In illustration of what I am saying, just a few months ago we read in the press that the value of the pound sterling was $3.16. Now it is said to be something like $3.84. Yesterday it was something slightly different from that, I believe. The point I am making is that this currency or exchange is not maintained on a fixed basis. It is constantly varying so that at last we come as an important matter to one general question, What is the effect upon American commerce of the constantly fluctuating standards of exchange in countries with which we are competitor for trade or commerce? That question can be answered upon the facts which are easily obtainable from the Department of Commerce. That question can be answered in so far as it is possible to answer it from facts that are already available to the Congress.

The fifth feature of the resolution that calls for action by the commission will require a great amount of work:

> The said commission is directed to compute and report to the Senate as soon as practicable the ad valorem equivalent of specific duties imposed by said tariff act as of the date of the passage of said act and as of February 1, 1932.

Everyone knows now that as commodity prices decline the measure of protection afforded by specific duties is increased. It does not require an investigation by the Tariff Commission to reach that conclusion. If the Tariff Commission is required to make all five of these investigations as one, and the commission performs its duties in the manner and through the agencies to which it usually resorts, it

will probably be a year or more before the report can be available. We hope that within the next year conditions will have changed so notably as to make conclusions applicable to the 1st of February, 1932, useless in the consideration of measures relating to the tariff.

It is for these reasons that I do not give my approval to the resolution of the Senator from Pennsylvania.

Mr. PITTMAN. Mr. President, the Senator from Mississippi [Mr. HARRISON], who has offered a substitute, has accepted an amendment which I have proposed as a part of his substitute. I wish to explain that amendment.

I think the question that is aroused by the original resolution, or the most important question so aroused, is the effect of the depreciation in the exchange value of the foreign currencies upon our export trade, not upon our import trade. Since 1929 our export trade has decreased over 53 per cent. The total consumption in the United States has decreased 52 per cent. Of the total consumption in the United States, not to exceed 3 per cent comes from abroad. If none of that 3 per cent came from abroad, if there was an entire embargo upon it, we would still have a decreased consumption in this country of 49 per cent.

A report made by the Foreign Relations Committee over a year ago disclosed very clearly what had happened to our exports to China and to all silver-using countries. The matter is well known to the Senator from Pennsylvania [Mr. REED], as disclosed by our colloquy yesterday. China uses silver as money. In the interior and all through China it passes at par just as our silver dollar does here. One can go into China and buy silk very cheaply and bring it over here because he can exchange one of our dollars for four and one-half of theirs with which to buy their silk. As far as they are concerned, they are getting the same amount of dollars for their labor and the same amount for their silk as ever. But when we reverse the situation, see what the result is.

We sold a great many automobiles in China prior to 1929 or prior to the sudden drop in the price of silver. The lowest-priced automobile was $600 in Shanghai. That is $600 in our money, gold. When silver was around 60 cents an ounce we valued their silver dollar at 50 cents, because there is seventy-eight one-hundredths of an ounce of silver in a dollar, and at 60 cents an ounce that meant the silver in a dollar was worth about 50 cents. When the buyer of an automobile in China went to pay $600 in gold, he paid for the gold with silver at 50 cents on the dollar, and so it cost him $1,200 in his money for an automobile. The same conditions exist in China to-day except that to-day he has to pay $2,700 for the same automobile in his money, because he has to pay four and one-half dollars of his money for one dollar of our gold, as silver is now below 30 cents an ounce, thus making the cost of the automobile $2,700.

That is not all. How does it affect the tariff? We have given them tariff autonomy with the understanding that the revenues collected shall go to pay the foreign debts. Let us say that there is a 10 per cent ad valorem duty on an automobile. That is $60 in gold, but when they pay that duty in silver, as it is based on the gold unit, $270 in their money or four and one-half times $60. That means $2,700 plus $270 tariff, and as they earn no more than they have ever earned, they have ceased to buy automobiles. They have ceased to buy lumber from the Pacific coast, and, therefore, three of the big banks in Tacoma have failed since the passage of the Reconstruction Finance Corporation act and the Glass-Steagall bill. The banks were carrying lumber paper. Our exports to China have dropped off over 65 per cent in the chief commodity.

But it is said it has dropped off almost as much to England. It may be true, but exchange is triangular. According to British reports from 1929 to 1930 their exports of cotton piece goods to China dropped off from 210,000,000 linear yards to 64,000,000 linear years; and when it did that, Great Britain ceased to buy cotton, with the result that the exports of our raw cotton to England dropped off 40 per cent. That is the triangular effect of exchange fluctuation.

It is a fine thing to try to investigate the effect of exchange upon trade and commerce, but I contend that its effects on increased importations to this country are infinitesimal as compared with the effect on exports to this country.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Pennsylvania?

Mr. PITTMAN. Certainly.

Mr. REED. The resolution calls for information on both phases, imports and exports.

Mr. PITTMAN. In my opinion the Senator emphasizes the value of one phase of it, and I sought by amendment to emphasize the phase with regard to export for fear that it might be overlooked. I believe that the Senator would accept my proposal if he understood its purpose. I have offered it to the amendment of the Senator from Mississippi, and if it is adopted, all right; if not, I shall ask the Senate to accept it as an amendment to the original resolution.

I wish to say, as everyone knows, except possibly the Treasury Department—and I do not wish to misquote any member of the department—that over half the people of the world use silver as money just as we use gold as money. We can not shut our eyes to that fact in dealing with them. The exchange value of that money has its effect on how much they buy from us. We all know, as the Senator from Pennsylvania knows and said yesterday, that no matter what par value they place on their money, we give it only the intrinsic value of the silver in it based on the world market price. Consequently, we have no power to aid in the raising of the purchasing power of silver money throughout the world or its exchange value with our gold money except by aiding in increasing the price of that silver.

We have been shown time and time again that it has been artificially beaten down by an oversupply from India from the melting of silver coins. We can not stop that. We could stop it by an international conference, and that, too, whether Great Britain was in the conference or not and whether France was in the conference or not. It could be stopped easily; but we can not get the conference, so we have quit trying to do that thing.

But we offer another measure which will not cost the United States Government a cent, but by which they may take off the supply of American production for about a year or two and offset the oversupply from these melted-up coins. We are told by our Treasury Department that silver is nothing but a commodity, like potatoes or anything else, and that we can not treat it in any other way.

Mr. NORRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. I am very much interested in the illustration the Senator gave about the actual operations that would occur in the exporting of an automobile to China, where she is on one monetary basis and we on another. I am curious to have the Senator express his opinion as to what would be the result in that particular illustration if we were on the same silver basis as China.

Mr. PITTMAN. We were once on the same basis in this way, by comparison: In 1920 silver was $1.38 an ounce, which was higher than our parity price of silver, with the result that one silver dollar in China bought one gold dollar of the United States, and we had the highest exportation trade to China that we ever had. It in no way whatever affected our economic system.

Mr. NORRIS. I agree to all that; I think that is perfectly correct; but right at the present time, when the question is about remaining on or going off the gold standard, suppose we went off the gold standard, what would be the practical application of the situation to a sale of that same automobile? What if any difficulty would arise?

Mr. PITTMAN. Take the situation of China to-day. They have to exchange four and one-half of their silver dollars for one of our gold dollars to pay for the automobile. In England to-day, assuming the exchange has gone down 25 per cent, they have to pay one-fourth less of the amount of silver for a gold unit in England that they have to pay

here. In other words, England has 25 per cent the best of it in selling to China to-day, because Chinese can buy British money for 25 per cent less than they can buy ours, with the result that the British factories are increasing in production and unemployment is decreasing. The exchange value of the pound sterling is going up all the time as measured by our gold. If their trade continues sufficiently, which I hope it will, they will be back on the gold standard in a short time. The whole discrimination between the United States and Great Britain then will be wiped out.

But it is inevitable that we have the worst of it in every market of the world when we hold our money at a higher value than that of the exchange value of the currencies of the other countries of the world.

As was stated by the Senator from Pennsylvania [Mr. REED] yesterday, there are practically only two countries left on the gold basis, namely, the United States and France. There are some that may be said to be on the gold basis, such as Belgium and Switzerland, Norway and Sweden; they are nominally on the gold basis; and if conditions should not change, they may remain there.

However, all admit that we have the worst of it, because of the high value at which we hold our money by comparison with the value we place on the currency of other countries of the world. We lose by it; it reduces our tariff wall to that extent, I will admit, of course, and that can not be helped.

A man who can go to England and buy first the pound sterling with gold for 25 per cent less than he could buy it a year ago, and with the pound sterling buy goods in England, in reality gets those goods 25 per cent cheaper than he used to be able to get them; there is no question about that; we do not deny it. That is the import side of it. The export side of it, however, is exactly the opposite, because when they come over here with their money they have got to pay 25 per cent more with the pound sterling for our gold with which to buy our goods than they used to have to pay; and the Chinese have to pay two and a half times more than they had to pay two years ago for our gold with which to buy our goods. So they have stopped buying them. There is not any doubt in my mind that until we can reopen the natural markets for our surplus products in the channels of trade which that surplus was originated for the purpose of filling, there can never be prosperity in this country or any other country that has such surpluses.

Oh, it is said, the surplus is only about 10 per cent of our production; but when that 10 per cent, with nowhere else to go, is dumped upon the domestic market it is bidding for gold with which to pay debts and is beating prices down to the point where we find them to-day, and that surplus which labor and machinery have cooperated to create never can be gotten rid of until those markets shall be opened up again.

Those markets are closed by two causes. One of them is tariff walls and the other, which, in my opinion, is far more effective, because it is four or five times as high as the tariff wall, is the fact that their money, which at home is good and which passes at par, when they try to exchange it for our gold they have got to exchange too much of it to enable them to deal with us profitably.

Nothing can be done to increase the purchasing power in exchange value of the pound sterling except to aid in opening up the markets of the world; and they are being opened up and England's pound sterling is going back to the gold exchange value; but her markets in China and in India were destroyed because of decrease in the value of exchange of her customers. It is true that it was the British Government from India that destroyed it, because after the other countries quit debasing their silver coinage and dumping silver on the markets of the world, India, with over a billion ounces of silver coin subject to being melted, started to melt it, and throw the silver on the markets of the world as bullion. They did not have sense enough to know the history of the production and consumption of silver for money. That is the trouble. They did not know that the production of silver has never increased more than about 3 per cent annually from the beginning of time, just sufficient to meet the increased demands of population and business, and when they started to dump an extra supply over the mine supply they broke the price down from 60 cents an ounce, where it had remained for 20 years, to 25½ cents an ounce, and with it they broke the purchasing power of India, the purchasing power of China, and Mexico and South America. When they did so, England lost a market in China and India and those other countries for her cotton goods, and we lost our market for our raw cotton. That is the triangular effect of variations in exchange.

All I see that we can do is to use every power at our command to remove or offset the unnatural dumping of silver by India, so long as we can not stop it. We could stop it by a conference, but we can not get a conference because the President will not call one. Not being able to get a conference, all that we can possibly do is to buy with silver certificates, which cost the Government nothing, the American supply at the world's market price and store it here in the vaults, redeeming the silver certificates if presented with silver dollars. That will take off the market 31,000,000 ounces a year, the American production, which is not much, but it will offset the 35,000,000 ounces a year India is dumping. That will bring about the status quo that existed before the dumping commenced and silver should go to what is regarded as its normal price where it remained for 20 years, namely, around 60 cents an ounce, in which case the Chinese can start up buying from us as they bought up to that time.

Therefore I am interested in this resolution. I have studied it; I have read the reports from the various departments. I think that the Tariff Commission knows less about this subject than does the Department of Commerce; I think it knows less about it than does the Bureau of the Mint; but I think we could secure valuable information if a committee, headed by the Senator from Pennsylvania, would call the Tariff Commission before it and tell them what they wanted, and when the Tariff Commission supplied the information, if it was not sufficient, have them go back and get more, and tell the Department of Commerce to do the same thing and the Treasury Department to do the same thing; that is, if we could get it into the heads of the members of the Treasury Department that silver is money.

When the silver aspect of the situation was brought to the attention of the Treasury Department, the answer we got back from that department was, "Why should we think about silver; it is a commodity?" Do they not realize that since the beginning of time up to now four-fifths of the silver ever produced was and is used for monetary purposes, while on the other hand only half the gold of the world now being produced by the mines and only half of that which has ever been produced has been used for monetary purposes and the other half has gone into the arts and sciences? Until they realize, no matter how we treat silver in this country, that other countries treat it as money and until they are willing to consider it in that light in dealing with the exchange question we will get nowhere.

We have passed the Reconstruction Finance Corporation act. It has probably prevented the failing of some banks; I think it has reduced the number of failures, and it may have prevented some railroads from going into the hands of receivers; but ever since its passage the prices of stocks on the New York Stock Exchange have steadily gone down; the prices of commodities have steadily fallen; unemployment has steadily increased. What is the answer? Was that the remedy we ought to have had? If not, what is the remedy? We passed the Steagall-Glass banking bill, making possible an increase of a billion dollars or two in the currency. That bill has been a law for some time; and yet since the additional currency was available under that act the prices of stocks in this country have continued to go down, commodity prices have continued to fall, and the number of bank failures, although reduced, is still appreciable.

Mr. LONG. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nevada yield to the Senator from Louisiana?

Mr. PITTMAN. I will yield in a few moments. Will not the Treasury Department ever understand that people can not buy unless commodity prices are such that there is a profit in them after paying their debts and expenses of operation? Do they not understand that the reason the Steel Corporation to-day is running on 25 per cent capacity is because the automobile factories and other factories are working on 30 or 40 per cent capacity? Why are the automobile factories working on such a low capacity? Because the people who used to buy automobiles can not now buy them. How can we expect the people of the cotton sections, numbering over 10,000,000, whose cotton is selling for 5½ cents a pound, to buy automobiles, when, after their crop is sold, they have not sufficient money left with which to buy anything, and not even sufficient to save their property from sale on account of unpaid taxes? Nor can we expect the wheat producer, at the price he obtains for his wheat after paying his debts, to have anything with which to buy manufactures. Is it not fundamental?

However, that is not all. Take the vicious circle and see what happens. When the Steel Corporation dropped its capacity 25 per cent, it followed that 75 per cent of its employees were discharged; and when the automobile factories reduced their capacity by 30 per cent, then 70 per cent of their employees were discharged. What happened? Before their discharge those men and their families were purchasers; but when the employees were discharged and placed among the idle of the country, they ceased to be purchasers, and when they ceased to be purchasers there could not be a demand for the products of increased capacity production. It is perfectly evident that we have got to open the markets of trade in the world by so far, as it lies in our power, removing the artificial barriers that are responsible for the obstruction of the movement of trade in its natural channels.

I am dealing principally not with the tariff question, because I am not an expert upon it, but I am dealing with and have been studying for months the money question, particularly as affected by silver. A committee of which I am a member has been studying that question for months, and the fact stands undenied that so long as the price of silver is beaten down unnaturally by the melting up of large amounts of silver coin in India and dumping it, the price of silver can never rise; and so long as it can never rise, the countries using silver can not afford to exchange four and one-half of their dollars for one of our dollars with which to buy our goods. They can not afford to do it. England can not afford to do so, even with a 25 per cent reduction in the value of her money, and when England can not sell her cotton goods to China or India, she is in the same position as our own people who can not sell our goods there, and she will not buy our raw cotton. It is a circle that must be broken, and yet we have tried for over a year, in fact, for nearly two years, after a unanimous report from the Foreign Relations Committee going fully into this subject and furnishing the evidence—proof—to get some action, and we can hardly get consideration from any source whatsoever.

Great bankers, who think they know when a bank is sound, great bankers who think they know what money is, great bankers who have not the slightest knowledge of international trade and who have never cared anything about it, come to us with the sole remedy, "Sustain our banks; sustain our railroads; sustain our bonds, and this country will flourish and prosper." We have done that and the country is sinking faster and faster every day.

It is said that the great emergency measure is to balance the Budget; that the great emergency is to assure the people that the bonds and securities of this Government will be paid. Suppose we do tell them that; suppose we prove to them that they will be paid, then what will happen? Will conditions ease? Suppose a man has a million dollars in a bank, what will he buy with it to-day—farm products, land, manufactures? He will buy nothing, for nothing will pay. Will the banks lend on farms, manufacturing plants, railroads, or anything else? No, because they will not pay them to do so. The foundation of all prosperity goes back to the proposition of disposing of the surplus of this country and the surpluses of every other country, and it can not be done until we remove the pressure on the exchange of other countries. Now I yield to the Senator from Louisiana.

Mr. LONG. I notice that the Senator states that relieving the inequality that exists in the relative exchanges between China and England and America would naturally afford a market for our goods and take up the surplus; and the Senator naturally concludes from that that that would relieve the existing distress, dispose of the surplus, create a market, and probably bring up purchasing power. Does he think, even though that were done, that in a country with 1 per cent of the people owning 60 per cent of the wealth there could be any respectable market for the class of people, practically 90 per cent of the whole, who own none of the property, regardless of credit?

Mr. PITTMAN. Of course we would enrich them as we enriched the masses of the people. I mean, it would not change the relative wealth of different people.

Mr. LONG. No; but I conclude from what the Senator said that it would naturally provide credit and furnish a better market. Regardless of the currency, however, and regardless of the credit, and regardless of the gold, and regardless of the silver, and regardless of the medium of exchange, how are we going to restore prosperity in a country when 90 per cent of the people are practically pauperized and penniless and have no property, regardless of what the currency is?

Mr. PITTMAN. If we could put raw cotton back to 23 cents a pound, where it was in 1929, when they sold practically all of their 13,000,000 bales, we would have three billions in gold coming into the South when only one billion is coming into the South now. That two billions coming into the South would be as much as the Reconstruction Finance Corporation can distribute. There is no doubt that 23-cent cotton would make the South prosperous, and the South would start buying new automobiles and radios and clothing, and when they did, the factories would start employing men, and the employees of those factories would start buying things to eat and live on. I can not help but say that when we got rid of the surplus by sending it into the channels that it was created to fill, the competition of commodities within a country to buy gold to pay debts would be less.

Mr. REED. Mr. President, I am not going to delay the vote more than five minutes; but I want to say, in reply to what our Democratic friends have been telling us all day long, that the contrast we make with the Governments of Great Britain and France and Germany in this time of crisis is not at all to our credit.

Great Britain last September, in 48 hours, put on a protective tariff, because she had come to the conclusion that it was necessary to her people's welfare that she do so. She went off the gold standard. She was forced off it. Almost instantly, by presidential decree, Germany put up compensatory duties against those British products to protect German work people against sudden gushes of imports from countries that had gone off the gold standard. With similar promptness, France did the same thing. By executive decree she put on more than a tariff; she put on an absolute embargo of the importation of goods from those countries beyond specified quotas, which were purposely held down very low.

Contrast that with what we are doing. Here is a resolution merely asking for facts, and it is being fought as if it were a comprehensive change of our tariff system. None of us knows what the facts are that would be given in response to this resolution, and none of us can know what action would be indicated by those facts when we get them. But what impression must it create on our people who are walking the streets because British factories are doing their work, because the output of British workmen comes in to take the place of that of American workmen? What impression must we give to those Americans who are unemployed when we say to them, "No; we are so afraid of what the facts may be that we will not even let the American peo-

ple know the facts. We are going to beat this resolution, so that the facts will never come to the knowledge of the Congress or the knowledge of the Americans who are suffering from this upset in normal trade"?

What a picture we paint when we take that position! What can there be so delicate or fragile about the tariff policy of my friend from Mississippi that he can not face the facts with it, that he can not expose it to the people in company with a knowledge of the existing situation?

It must be a fine theory of government, Mr. President, that can not bear the scrutiny of people who know what the facts are. The Senator puts himself in the position of a fugitive from truth when he refuses to let us know just what is happening to American industry as the result of this financial catastrophe abroad.

Mr. NORRIS. Mr. President, the immediate question before the Senate is whether we will substitute the amendment offered by the Senator from Mississippi for the pending resolution.

I may not be able to fathom this proposal; I may not understand it; I admit I am not an expert on it; and, after listening to Senators making very interesting addresses, I conclude that I am not the only Senator who is not an expert on the subject; yet I have been greatly impressed with many things that have been said. I can not lead myself to the theory that we ought to reject this resolution, which, in the main, calls for information that would be, I think, very interesting and instructive, if we could get it.

I am not sure that we are going to be able to get it. I am not at all convinced that the Tariff Commission is the proper tribunal through which we ought to seek it. I am not at all fearful that a committee of the Senate could not get this information, as provided for by the substitute; but I am utterly unconvinced on the proposition that we ought to defeat the resolution itself.

Whatever good there is in the replies that may come, we will be able to get out and analyze, it seems to me. If something comes that is not founded upon fact, we ought to be able to find that out upon an analysis of it. If it is of value in legislation that we are trying to enact or to study, certainly we shall be able to ascertain that fact when we get an opportunity to look into it.

If the Senator from Mississippi will offer his substitute as an amendment, I shall be very glad to support it. I believe, too, that if the Senator from Mississippi had offered his resolution first, and the resolution of the Senator from Pennsylvania had been offered as a substitute for it, I should have voted against the substitute. I think it would be of great value to the Senate to pass the substitute that has been offered as an independent proposition, or as an amendment to this resolution; and then we would be able to compare the results that we get from the Tariff Commission and from the investigation of the committee.

Mr. HARRISON. Mr. President——

Mr. NORRIS. I yield to the Senator from Mississippi.

Mr. HARRISON. Under the substitute proposition, if some other plan could be offered that would accomplish the same result, of course that would be all right. I think it is broadened by the appointment of a committee—not just the Finance Committee, but a select committee. All the information that is requested in the resolution of the Senator from Pennsylvania can be obtained through that committee. They can go farther and get it from the Treasury Department or from the Commerce Department or anywhere else if they want to.

If the Senator and the Senate suggest that we create, for instance, a select committee, with specific instructions by the Senate that the Tariff Commission send this report to the special committee, I have no objection in the world. That gets it just the same; but let them go farther if they want to. I want to get the opinion of a select committee that might study the proposition rather than just the opinion of the Tariff Commission, which may already have an opinion on the subject. I am willing to get that, and go farther and get more.

Mr. NORRIS. Mr. President, I am not one who believes that the opinion of the Tariff Commission as now constituted is anything sacred. I would not agree in advance to accept their conclusions; but if any reasonable number of Members of the Senate feel that they can get valuable information from the Tariff Commission, I am perfectly willing that they should get it. I would not stand in the way of their getting it, even though I had no faith in it.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. NORRIS. Just a moment further.

The Senator's substitute may be a better way to get this information. I am not denying that; but as long as there is doubt as to which is the better way—and, in my judgment, it will be an inexpensive thing, although it will entail considerable labor—I am perfectly willing that we should adopt both methods. If it were known in advance that we had done so, I think it would have a tendency to induce both the Tariff Commission and the committee to be more careful, more cautious, more judicial, more earnest in their efforts to get the real facts, than though only one of them were studying the subject.

Mr. REED. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment I will yield to the Senator from Pennsylvania. I promised to yield to the Senator from Mississippi.

Mr. HARRISON. Mr. President, the Senator has suggested that if my amendment had been offered as an amendment to this resolution, rather than as a substitute for it, it would have been more to his liking, as I understood, because he does not want to be put in the attitude of denying information. Of course we go on the theory that this is not denying it but it is getting it, but getting it through a committee, and broadening the matter so that they can get it in another way.

Mr. NORRIS. Yes.

Mr. HARRISION. In the time of the Senator from Nebraska, would the Senator from Pennsylvania have any objection to my offering this as an amendment to the Senator's proposition, so that we can go at it in both ways?

Mr. REED. The Senator means as an addition to the original resolution? I should be very glad indeed to accept that suggestion.

Mr. NORRIS. All right, if that is agreeable to the Senator.

Mr. HARRISON. Then, of course, the report of the commission, while coming to the Senate, would naturally be referred to the select committee; and if they wanted to go farther, they might be able to do so.

Mr. REED. The Senate could determine what it wanted to do with the information when it got it, but I should think it probably would be treated as a public document and referred to that committee.

Mr. HARRISON. I think, then, that that might be a solution of the problem.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SHIPSTEAD. I do not want anything I have said to be construed as an attack upon the resolution of the Senator from Pennsylvania. I think he has rendered a great service by bringing it here. I believe, also, that the Senator from Mississippi has rendered a service by broadening, in my opinion, the scope of the investigation.

I do not like to have this question, or the many questions involved in this problem, passed upon solely by the Tariff Commission. Certainly the Tariff Commission can give us a great deal of information, so far as that part of the picture affected by the tariff is concerned, but I believe that if the two ideas can be combined so that a committee of the Senate can have control of the investigation and get information wherever they may find it available and find it reliable, and then base an opinion or a report to the Senate on that, we would get a better report than by getting a report from the Tariff Commission alone.

I do not want the opinion of the Tariff Commission. I am perfectly willing that they shall send a report of the facts. I want to form my own opinion.

Mr. NORRIS. Mr. President, I think that what the Senator from Minnesota has said only adds to the force of my argument, and he has done it in a much better and more concise way. We ought to respect each other's judgment. There are some Senators who would like to have the Tariff Commission do it; other Senators say, "Let us have a committee do it."

Any reasonable number of Senators, in my judgment, seeking for information on an important subject like this, ought to be enabled to get the information from the source they pick and in the way in which they want it, because there may be dispute when it comes here, if we get it from one source only, as to whether it is reliable or otherwise.

The solution I have suggested, it seems to me, will not only bring information which will be more thorough and which will be more carefully prepared for us when it comes, but it will satisfy all Senators I should think, and when the information came we would be better enabled to use it profitably if some one criticized it and said it was not reliable.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HARRISON. Carrying out that suggestion—and there seems to be no opposition to it—I offer the amendment which I send to the clerk's desk, not in the form of a substitute but to be written in following the resolution of the Senator from Pennsylvania, at the end of his resolution.

Mr. REED. As a second paragraph?

Mr. HARRISON. As a second paragraph to it.

The PRESIDENT pro tempore. The Chair understands the question to be in this form: The Senator from Mississippi offers an amendment which, on page 2 of the printed resolution, will be added with the words "and be it further resolved."

Mr. REED. That is exactly right.

Mr. SMOOT. I would like to have it read.

Mr. HARRISON. I would like to state that the Senator from Nevada suggested an amendment which I have given to the clerk and explained. I think the amendment suggested by the Senator from Nevada, which broadens the resolution, should be incorporated not only in the resolution of the Senator from Pennsylvania, but also in the other resolution.

Mr. REED. I think that on further reading of the original resolution the Senator has found that it covers exports just as much as imports. I must have misled him in my discussion yesterday about imports. It does cover exports, just in the same way.

Mr. PITTMAN. The Senator makes particular reference to the increased purchasing power of gold-standard currencies, and I added after that, "and depreciation of the currencies of other countries as affecting the export trade of the United States."

Mr. REED. That is all right.

Mr. HARRISON. The Senator has no objection to having his resolution amended at the same place, because what I have offered is a reproduction of what the Senator has said.

Mr. REED. That is all right.

The PRESIDENT pro tempore. The Chair understands the Senator from Pennsylvania to have accepted the language suggested by the Senator from Nevada as a portion of his resolution.

Mr. REED. That is correct.

The PRESIDENT pro tempore. The Senator from Pennsylvania is in control of his own resolution, and may modify it, and does modify it to that extent.

The Senator from Mississippi offers an amendment in the way of a further resolution, which the Senator from Utah wishes to have read. The clerk will read.

The LEGISLATIVE CLERK. The Senator from Mississippi [Mr. HARRISON] moves to add, at the end of the resolution of the Senator from Pennsylvania [Mr. REED], the following:

Resolved further, That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and exportation from, the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States, and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of February 1, 1932.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. SMOOT. Mr. President, I do not want to delay the passage of the resolution, because I agree with both of the suggestions, but if I am correct, there is an expense attached to the resolution just read, and under the law it will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. That is correct.

Mr. FESS. I think that is not quite accurate. It is only when the expenses are to be paid out of the contingent fund of the Senate that a resolution has to go to the Committee to Audit and Control the Contingent Expenses. I do not think this would come under that heading.

Mr. HARRISON. Mr. President, I left the amount blank, expecting that when the resolution was passed, I would ask that it go to the Committee to Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. If the amendment is agreed to in the form in which it is proposed, the Chair will hold that under the law the resolution must go to the Committee to Audit and Control the Contingent Expenses of the Senate. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

The amendment was agreed to.

The PRESIDENT pro tempore. The resolution as amended is referred, under the law, to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution as amended was referred as follows:

Resolved, That the United States Tariff Commission is directed to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and exportation from, the United States of all of the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decreases in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States, and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and be it further

Resolved, That said commission be directed to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932.

Resolved further, That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and

exportation from, the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of February 1, 1932.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance.

EXPENDITURES OF THE UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Secretary Hyde in reply to a chart published with reference to expenditures in the Department of Agriculture, the letter appearing in the Chicago Tribune.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 2, 1932.*

On March 13 the Tribune printed a chart which purported to show that the expenditures of the United States Department of Agriculture had increased from $30,000,000 in 1917 to nearly $300,000,000 in 1931.

No explanation, no statement of items accompanied the chart. It created the impression that this increase was for agricultural purposes.

Because this impression is wholly false, and because it does an injustice to the cause of the American farmer, I am asking you to give equal publicity to the following facts:

One hundred seventy-four million dollars of the 1931 expenditures went to the States as Federal aid in highway construction. This money served the general welfare and relieved unemployment.

Fifty million dollars went to farmers in drought areas as emergency-relief loans. The Department of Agriculture did not ask for the money. It was no part of our regular program.

Fourteen million dollars went to the States for experiment stations, extension services, and forest-fire prevention. The Department of Agriculture did not spend it. We were merely the channel through which the money passed.

Deducting these sums leaves $58,000,000 spent by the department. This contrasts with the $30,000,000 spent in 1917. (All other moneys were either paid to the States direct or were emergency funds for which this department made no request.)

But even this $58,000,000 is not a fair statement of the expenditures for agricultural purposes.

Four million dollars, in 1931, went to the Weather Bureau, including $1,200,000 for commercial aviation—only $50,000 of the entire appropriation being directly for agriculture.

Six million dollars went for eradication of bovine tuberculosis—a public-health service fully as much as an agricultural service.

Five million dollars went for meat inspection—another service primarily for public health.

One million six hundred thousand dollars was expended for enforcement of the food and drugs laws—another health service.

Fifteen million dollars, in addition to payments to States for forests roads already counted, went to the Forest Service to conserve our national resources for all the people.

Two million dollars went to Biological Survey, principally for wild-life conservation.

These items add up to $33,600,000. Minor nonagricultural items bring the total well above $35,000,000. That leaves, of the $58,000,000, only $23,000,000 that can properly be charged against the Department of Agriculture for strictly agricultural expenditures. Of the $30,000,000 expended in 1917 about $11,000,000 was for strictly agricultural purposes.

The increase in expenditures by the Department of Agriculture for agricultural purposes from 1917 to 1931 was, therefore, about $12,000,000. Any other statement is unjust to agriculture.

Since 1917 Congress has enacted 24 laws to be administered by the Department of Agriculture. Here are 24 reasons why it costs more to run the department now than in 1917. In spending money to enforce these laws the department merely obeys a mandate from Congress.

Is the department justified, is it intelligent in spending $17,000,000 for agricultural research as it did in 1931? Agriculture has long thought so. Business and the general public must think so, too, if they will recall items like these:

Research on the southern cattle tick not only showed us how to control that disease-carrying insect, but demonstrated how yellow fever, malaria, typhus fever, African sleeping sickness, Rocky Mountain fever, and other maladies are transmitted.

Hog cholera losses have been reduced because the Department of Agriculture developed a preventive serum. That is of importance to one of Chicago's largest industries.

A calcium salt, once so rare it cost $150 a pound, now may be had for 50 cents a pound because of work by the department's chemists.

New vat dyes, which permit the dye industry to meet competition from abroad, and to use cotton and artificial silk to better advantage, are in wide use because the department some years ago synthesized an entire new series of vat-dye intermediates.

Cheap nitrogen from the air, of importance to our national defense as well as to agriculture, is in large part a reality because of research in this department.

Instances might be multiplied which would convince you that our expenditures for agricultural purposes are thoroughly justified. This does not minimize the need for economy and for reduction of expenditures at this time. We have reduced our expenditures so far as it lies in our power to do so. Our 1933 budget estimates for general bureau expenditures are $7,457,714 less than the 1932 appropriations provided. The total budget estimate for 1933, including payments to States, road funds, is $49,500,000 less than the 1932 appropriations. The Senate has added $1,000,000 for Government participation in the Century of Progress at Chicago, which is only incidentally agricultural.

We shall continue to cooperate in every possible way to reduce expenditures. The amount of savings which it is possible to make must depend upon Congress. We shall interpose no objection to any economy the Congress may make; we ask only that Congress and the public be truthfully informed.

ARTHUR M. HYDE,
Secretary of Agriculture.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I move that the Senate proceed to the consideration of House bill 8397, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for action on the committee amendments.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and that order will be entered.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

[For nominations this day received see the end of Senate proceedings.]

MERGER OF DISTRICT STREET RAILWAYS

Mr. NORRIS. Mr. President, with the hope that Senators may read what will possibly come before us later for action, I ask unanimous consent to have printed in the RECORD an editorial quoting from and commenting on a report made by the Senator from Kansas [Mr. CAPPER] and the Senator from Wisconsin [Mr. BLAINE], from the Committee on the District of Columbia, on the merger of the street railways in the District.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Washington Herald of Friday, April 8, 1932]

MERGER COST TOO HIGH

Senators CAPPER and BLAINE, leading members of the Senate District Committee, have performed an admirable public service for the people of Washington, street-car riders and nonpatrons as

well, by filing a minority report setting forth their objections to the pending traction merger resolution and offering vital amendments.

The essence of the brief report is that—

"The public is, in principle, in favor of a merger of the local street railways, but the price exacted by the resolution is too great.

"No direct benefits flow to the public by this legislation. The companies are relieved of substantial burdens at the expense of the general public.

"The form of the legislation is contrary to public policy in that certain inviolable rights are created which are immune from regulation, even by the supreme legislative body, the Congress of the United States.

"Extraordinary powers are conferred on the public utilities involved. The merger resolution goes far beyond the scope of the act of March 4, 1925, which authorized the merger of the local street-railway companies, subject to the approval by a joint resolution of Congress."

Careful analysis of the merger resolution, which the Public Utilities Commission drafted, without reflecting any credit on itself, reveals that issuance of universal transfers was the only direct benefit the public could hope to derive from the legislation. Yet, strangely enough, the resolution made no provision for the compulsory issuance of such transfers. Unless the Capper-Blaine amendments are adopted, every taxpayer in the District will have to bear his share of the financial burden for paving and police of which the companies would be relieved.

ADJOURNMENT TO MONDAY

Mr. McNARY. I move that the Senate adjourn until Monday at 12 o'clock.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) adjourned until Monday, April 11, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 8 (legislative day of April 7), 1932

FOREIGN SERVICE OFFICER (CLASS 5), CONSUL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Paul Trauger Culbertson, of Kansas, to be a Foreign Service officer of class 5, a consul, and a secretary in the Diplomatic Service of the United States of America.

UNITED STATES ATTORNEYS

Lewis L. Drill, of Minnesota, to be United States attorney, district of Minnesota. He is now serving in this position under an appointment which expires May 23, 1932.

Robert W. Colflesh, of Iowa, to be United States attorney, southern district of Iowa, to succeed Ross R. Mowry, whose term will expire May 26, 1932.

UNITED STATES MARSHALS

R. John Allen, of Wyoming, to be United States marshal, district of Wyoming, to succeed Hugh L. Patton, deceased.

Rolla Duncan, of Montana, to be United States marshal, district of Montana, to succeed Thomas Bolton, whose term will expire May 2, 1932.

PUBLIC HEALTH SERVICE

Dr. Estella Ford Warner to be a surgeon in the Public Health Service, to take effect from date of oath.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO INFANTRY

Lieut. Col. Edwin Gunner, Quartermaster Corps (detailed in General Staff Corps), with rank from November 6, 1927, effective July 1, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. John Henry Read, jr., Ordnance Department, from April 1, 1932.

Lieut. Col. Robert John Binford, Infantry, from April 1, 1932.

Lieut. Col. John Augustus Brockman, Infantry, from April 1, 1932.

To be lieutenant colonels

Maj. James Hutchings Cunningham, Coast Artillery Corps, from April 1, 1932.

Maj. Simon Bolivar Buckner, jr., Infantry, from April 1, 1932.

Maj. John Kimball Brown, Cavalry, from April 1, 1932.

To be majors

Capt. William Henry Halstead, Infantry, from April 1, 1932.

Capt. Randolph Gordon, Infantry, from April 1, 1932.

Capt. Charles McDonald Parkin, Infantry, from April 1, 1932.

To be captains

First Lieut. Oakley George Kelly, Air Corps, from April 1, 1932.

First Lieut. Bernard Tobias Castor, Air Corps, from April 1, 1932.

First Lieut. James Alexander Mollison, Air Corps, from April 1, 1932.

First Lieut. Harold Webster Beaton, Air Corps, from April 1, 1932.

First Lieut. Lawrence Brownlee Savage, Quartermaster Corps, from April 1, 1932.

First Lieut. Richard Clark Jacobs, jr., Infantry, from April 1, 1932.

First Lieut. Richard Earl Moore, Infantry, from April 1, 1932.

First Lieut. Charles Stricklen Shadle, Chemical Warfare Service, from April 1, 1932.

To be first lieutenants

Second Lieut. Roy Jacob Herte, Infantry, from April 1, 1932.

Second Lieut. Arthur Edwin Watson, jr., Coast Artillery Corps, from April 1, 1932.

Second Lieut. James Oka Wade, Infantry, from April 1, 1932.

Second Lieut. Brookner West Brady, Infantry, from April 1, 1932.

Second Lieut. Harry McNeill Grizzard, Infantry, from April 1, 1932.

Second Lieut. Charles Herman Deerwester, Air Corps, from April 1, 1932.

Second Lieut. Charles Winslow O'Connor, Air Corps, from April 1, 1932.

Second Lieut. Bernard Alexander Bridget, Air Corps, from April 1, 1932.

Second Lieut. Josiah Ross, Infantry, from April 1, 1932.

Second Lieut. Charles Arthur Bassett, Air Corps, from April 1, 1932.

Second Lieut. Grant Albert Williams, Cavalry, from April 1, 1932.

VETERINARY CORPS

To be major

Capt. Herbert Kelly Moore, Veterinary Corps, from April 2, 1932.

CHAPLAIN

To be chaplain with the rank of major

Chaplain Harry Dubois Southard (captain), United States Army, from April 4, 1932.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 8, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Again our Lord and our God, Thou hast manifested Thyself as our merciful Heavenly Father. We thank Thee for all the days of strength we have had in the midst of weakness and for the comforts we have had in the midst of sorrows. To-day may we stand with open vision and with grateful hearts toward Thy throne of confession and thanksgiving. May we understand more perfectly how great is the goodness of the Lord toward us. Send forth Thy light upon our great nation. Grant that ignorance may flee away and that knowledge may prevail. Thou art calling us these days by unnumbered blessings. Bring all our fellow citizens together at our country's altar in praise and gratitude for

all Thy wondrous works, and may we cheerfully accept sacrificial duty and not fail in our patriotic devotion at such a time as this. Inspire our people everywhere with confidence and faith in our Government, which secures our safety, our happiness, and our liberties. In the adorable name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 131. Joint resolution to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

RESIGNATION

The SPEAKER laid before the House the following communication:

WASHINGTON, D. C., *April 7, 1932.*

Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Since my appointment by you upon the Board of Regents of the Smithsonian Institution I learn that Senator SWANSON and the Hon. R. Walton Moore are already members of this board, and I think that the selection of another member from Virginia at this time would be rather detrimental to the influence and interests of the institution, and, therefore, I respectfully tender my resignation as a member of the board to which you were so generous as to appoint me.

With high appreciation of your consideration of myself in the matter, I am, dear Mr. Speaker,

Yours most respectfully,

A. J. MONTAGUE.

The SPEAKER appointed Mr. E. H. CRUMP, of Tennessee, as a member of the Board of Regents of the Smithsonian Institution.

CLERK OF THE HOUSE

The SPEAKER also laid before the House the following communication, which was ordered spread upon the Journal:

WASHINGTON, D. C., *April 7, 1932.*

Hon. JOHN N. GARNER,
Speaker of the House of Representatives,
Washington, D. C.

DEAR SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to sign any and all papers for me which he would be authorized to sign by virtue of this designation and of clause 4, Rule III, of the House.

Yours respectfully,

SOUTH TRIMBLE,
Clerk of the House of Representatives.

PHILIPPINE INDEPENDENCE

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Philippine independence.

The SPEAKER. Is there objection.

There was no objection.

Mr. WELCH of California. Mr. Speaker, H. R. 7233, a bill granting independence to the people of the Philippine Islands, which passed the House under suspension of rules by a vote of 306 to 47, was not surprise legislation.

When Admiral Dewey destroyed the Spanish fleet in Manila Bay on May 1, 1898, he immediately withdrew his fleet from Manila, which was the first indication that it was not the intention of the people of the United States in the War with Spain to make it a war of conquest.

The treaty of Paris between the United States and Spain, signed December 10, 1898, gave further evidence of this fact. Under that treaty citizens of the Philippine Islands were denied citizenship of the United States. They were given the status of an insular possession and not that of a Territory. The act of 1916, known as the Jones Act, which provided for their present form of government, clearly indicated in the preamble of the act the position of the people of the United States in reference to sovereignty over the Philippine Islands, as follows:

Whereas it was never the intention of the people of the United States in the incipiency of the war with Spain to make it a war of conquest or for territorial aggrandizement; and

Whereas it is, as it has always been, the purpose of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein; and

Whereas for the speedy accomplishment of such purpose it is desirable to place in the hands of the people of the Philippines as large a control of their domestic affairs as can be given them without, in the meantime, impairing the exercise of the rights of sovereignty by the people of the United States, in order that, by the use and exercise of popular franchise and governmental powers, they may be the better prepared to fully assume the responsibilities and enjoy the privileges of complete independence.

Mr. Speaker, this is a solemn promise, a contract written into the statutes of the United States. Who will say that the people of the Philippine Islands have not fulfilled their part of this contract? The people of the United States, through the Congress, are called upon to-day to fulfill our part of the contract. It is up to you, my Republican colleagues, to keep the promise of the immortal McKinley and vote to fulfill our obligation to the people of the Philippine Islands.

The people of the Philippine Islands have demonstrated their ability to govern themselves, and that right should be granted them at this time.

If independence is granted to the people of the Philippine Islands, they should be given sufficient time, as provided for in the bill, to adjust their foreign trade to our tariffs before taking the reins of their own government.

Their trade interests deserve that consideration and it should be given them. But human interests should come before trade interests. The present migration of Filipino laborers in unlimited numbers to the United States is a problem that should be terminated at the earliest moment, as provided for in the bill. This bill, if passed by the Senate, will stop this flow 60 days after approval by the President of the United States.

For the sake of our social and economic welfare, we should release the Philippines and give them complete independence. The right of self-determination or independence at some time has been directly or indirectly promised by every President, commencing with President McKinley down to the present time. Both our great national parties have repeatedly declared in favor of it. Congress should now authorize it.

There is one fact that seems to clearly indicate self-government for the Philippines was sincerely intended. When the islands were acquired by the United States the Congress did not make the inhabitants citizens of the United States. That was undoubtedly because Congress did not intend that the Filipinos were to merge with our population and remain under the same Government permanently.

To those who object to Filipino exclusion on ethical grounds I can say there was far more justification for denying the Filipinos the privilege of free entry to the States than there was for withholding from them the privilege of United States citizenship. I believe that if Congress could have foreseen at that time the present serious difficulties that have arisen from their unrestricted migration to America, it would have withheld that privilege of unrestricted entry into the United States.

Filipino laborers, many of whom were first lured to the Hawaiian Islands by American proprietors of the extensive sugarcane fields and sugar mills, have recently been coming to the Pacific coast in large numbers. During 1929, 11,360; during 1930, 8,173; and during 1931, 4,606 entered. These figures were taken from the United States Department of Labor, Bureau of Immigration, Washington, D. C., on January 28, 1932.

It will be seen that a number in excess of one-half of the total number as shown by the United States census of 1930 arrived in continental United States during the last three fiscal years. This is conclusive proof that while the 1930 census shows a Filipino population of only 45,208, the actual Filipino population is far greater than the official figures indicate.

Their presence in competition with the white workingman has so roused the latter that he has resorted to unlawful violence and bloodshed. We of California deeply deplore such occurrences, but we must admit that we foresaw them as inevitable. We are now doing and will continue to do our utmost to insure protection for the thousands of Filipinos now residing in our State, but the real solution of this problem, my friends, can be made only here in Congress.

I have no racial prejudices. Every man and woman in this country are descendants of foreigners, no matter whether our ancestors landed on Plymouth Rock or Castle Garden. We have reached the saturation point with 8,000,000 idle men in this country at the present time. It is unjust alike to American and foreign laborers to add more to this deplorable list of unemployed. God gave the nonassimilable Asiatics a place in the sun, and that place is the Orient.

I introduced, at the beginning of this session of Congress and during the two preceding sessions, bills providing for Filipino exclusion. The Committee on Insular Affairs, of which I am a member, on my motion, by unanimous vote, incorporated the substance of my bill in section 8 of the Philippine independence bill.

I advocate the passage of this measure because it will not only give independence to the Philippine people but also because it will give protection to the American workingman. I do not judge the Filipinos by the undesirable types of labor that have come to our country, but Filipino exclusion is necessary because those types will inevitably ruin the standards of labor that have been so laboriously achieved by our American men and women.

The entire California delegation is in favor of excluding Filipino immigration from entering the United States. The American Federation of Labor has indorsed this measure. The American Farm Bureau Federation has indorsed it. The American Legion, Department of California, and many veteran organizations throughout the entire country have gone on record in favor of Filipino independence and exclusion. In justice to the people of this country and in justice to the people of the Philippine Islands this bill should be speedily enacted into law.

PENSIONS

Mr. LOZIER. Mr. Speaker, by direction of the Committee on Invalid Pensions, I call up the bill (H. R. 10486) granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War, and certain widows and dependent children of soldiers, sailors, and marines of said war, and pending that I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SNELL. Is this the regular pension bill?

Mr. LOZIER. It is.

Mr. STAFFORD. Reserving the right to object, we have been passing a number of invalid pensions bills at this session. I would like to ask the gentleman what additional expense to the Treasury this will entail if the bill is enacted into law?

Mr. LOZIER. The bill carries 824 different items, with an appropriation of $151,276.

Mr. STAFFORD. That is for the fiscal year?

Mr. LOZIER. Yes. It calls for a maximum annual expenditure of $151,276, but these pensioners are dying rapidly, which means that this expenditure will be substantially reduced each year. May I say to the gentleman that this bill deals very largely with widows from 75 to 90 years of age, nearly all invalids, and all in indigent circumstances. Most of these items are only increases of $10 a month. May I also say that every item in this omnibus bill complies with the rules of both the House and the Senate. Every item in this bill has been checked not only by Mr. Mathias, the clerk of the Invalid Pensions Committee, a very efficient and conscientious officer, but also by the clerk of the Senate Committee on Pensions.

Mr. STAFFORD. In how many instances do you depart from the established law with relation to widows married after a certain date?

Mr. LOZIER. I can not answer the gentleman in detail, but no bill is included in this omnibus bill which shows a marriage after June 27, 1915, the date fixed by the rules of both House and Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill at length:

This bill is a substitute for the following House bills referred to this committee:

H. R. 507. Margaret Price.
H. R. 508. Adelia A. Masters.
H. R. 509. Sophia Snuffin.
H. R. 510. Maria J. Harner.
H. R. 511. Ava Denton.
H. R. 512. Sarah Raney.
H. R. 513. Eliza Peddicord.
H. R. 514. Laura S. Hicks.
H. R. 515. Delliah Rice.
H. R. 516. Elvert Mouser.
H. R. 526. Mary E. Turbeville.
H. R. 529. John T. Garrison.
H. R. 535. Eliza A. Buzzard.
H. R. 539. Mary J. Hall.
H. R. 540. Josephine Criswell
H. R. 558. Maggie E. Steadman.
H. R. 560. Blanche Bradbury Littlefield.
H. R. 586. Jesse Cotton.
H. R. 596. Sarah Jane Miller.
H. R. 597. Martha Litsey.
H. R. 661. Clara Carnahan.
H. R. 696. Safrona Elliott.
H. R. 702. Esther J. Smith.
H. R. 709. Mariah A. Morris.
H. R. 713. Martha J. Carr.
H. R. 720. Sarah A. Hyatt.
H. R. 721. Sarah E. Huffman.
H. R. 722. Sarah Harrold.
H. R. 724. Mary A. Swander.
H. R. 725. Alice A. Slater.
H. R. 727. Cynthia Davis.
H. R. 728. Matilda Vanniman.
H. R. 731. Catherine Keyser.
H. R. 736. Josephine E. Sears.
H. R. 742. Edith A. Miller.
H. R. 751. Margaret A. Oliver.
H. R. 752. Allie B. Tuttle.
H. R. 765. Helen Burchett.
H. R. 766. Sarah Jane Wiegel.
H. R. 768. Peter Cuddy.
H. R. 769. Stella Coffield.
H. R. 775. Alvesta Otto.
H. R. 776. Martha A. Edwards.
H. R. 777. Rosa M. Green.
H. R. 787. Mary Quirk.
H. R. 820. Hannah C. A. Hoke.
H. R. 823. Martha E. Joslin.
H. R. 824. Rachel Reeter.
H. R. 825. Elizabeth Harris.
H. R. 827. Ann Laird.
H. R. 828. Julia A. Fuson.
H. R. 829. Mary Ann Taylor.
H. R. 830. Frances M. Clark.
H. R. 831. Analiza Robb.
H. R. 832. Martha E. Humphreys.
H. R. 833. Mary F. Hudgens.
H. R. 836. Eliza J. Kennedy.
H. R. 838. Kisiah J. Hunefelt.
H. R. 844. Sarah A. Peters.
H. R. 845. Eliza A. Johnson.
H. R. 848. Mary E. Henley.
H. R. 849. Martha Ann Parsley.
H. R. 853. Margaret Schofield.
H. R. 855. Josephine Minter.
H. R. 891. Barbara Horine.
H. R. 892. Mary A. Templeton.
H. R. 893. Ella F. Webster.
H. R. 900. Tabitha Bundy.
H. R. 907. Walter O'Connor.
H. R. 917. Minnie Betz.
H. R. 976. Jennie S. Bogardus.
H. R. 981. Mariah C. Kent.
H. R. 988. Clarice Radcliff.
H. R. 1004. Minnie Harrington.
H. R. 1006. Louise Grasshoff.
H. R. 1007. Rachel A. Jackson.
H. R. 1009. Elizabeth Connor.
H. R. 1010. Edna Elliott.
H. R. 1011. Harriet A. Irvin.
H. R. 1013. Benjamin F. Mathers.
H. R. 1014. Angelina Spiker.
H. R. 1017. Marian Lawson.
H. R. 1022. Frank T. Mason.
H. R. 1024. Clara V. Crossland.
H. R. 1025. Edgar F. Heidler.
H. R. 1050. Sarah Farmer.
H. R. 1051. Sarah L. Hadley.
H. R. 1075. Cynthia E. Roberts.
H. R. 1076. Lucy I. Brake.
H. R. 1081. John C. Camden.
H. R. 1083. Hector O. Downey.
H. R. 1085. Rachel Gibson.
H. R. 1096. Mary C. Davis.
H. R. 1112. Ruth E. Simpson.
H. R. 1118. Amanda Jarvis.
H. R. 1141. Lettie J. M. Craig.
H. R. 1145. Mary J. Gwinn.
H. R. 1146. Judy Stuffle.
H. R. 1148. Mary Evilsizer.
H. R. 1151. Harriet Snowberger.
H. R. 1154. Milton Warner.
H. R. 1155. Sarah Miller.
H. R. 1157. Eliza J. Weimer.
H. R. 1158. Martha Gorsuch.
H. R. 1159. Mary E. Gary.
H. R. 1160. Lois E. McLain.
H. R. 1162. Barbara E. Roley.
H. R. 1164. Mary Wilson.
H. R. 1165. Margaret C. Mills.
H. R. 1166. Harriet Niederhiser.
H. R. 1191. Dora Hilton.
H. R. 1195. Cassie B. McBane.
H. R. 1199. Alice D. Smith.
H. R. 1211. Martha L. Ferbrache.
H. R. 1212. Maria J. McNurland.
H. R. 1214. Mary E. McCoy.
H. R. 1215. Nancy E. Allen.
H. R. 1216. Adline Dillehay.
H. R. 1224. Maretta A. Booher.
H. R. 1227. Lucy T. Burns.
H. R. 1235. Sarah J. Wishart.
H. R. 1243. Mabel L. F. Schultz.
H. R. 1245. Julietta R. Moody.
H. R. 1247. Maggie Pyles.
H. R. 1253. Samuel W. Stewart.
H. R. 1254. Mary M. Ensminger.
H. R. 1266. Cora W. Merryman.
H. R. 1283. Elizabeth Ellen Barker.
H. R. 1326. Martha B. Roberts.
H. R. 1328. Anna Barfield.
H. R. 1359. Nancy Shawhan.
H. R. 1360. Hannah P. Walling.
H. R. 1361. Martha A. McDole.
H. R. 1362. Emily A. Smith.
H. R. 1363. Annie B. Chedester.
H. R. 1368. Elizabeth Campbell.
H. R. 1370. Catherine Gunderman
H. R. 1371. Sophia Rademaker.
H. R. 1374. Mary Glascock.
H. R. 1395. Moses C. Rogers, alias Peter Boyle.
H. R. 1399. Jennie Van Rensselaer.
H. R. 1400. Mary B. Ray.
H. R. 1401. Emma Buchanan.
H. R. 1426. Susan E. Boswell.
H. R. 1427. Theodosia A. Isbell.
H. R. 1445. Laura J. Pedrick.
H. R. 1467. Lusina Morris.
H. R. 1468. Martha A. Tiffany.
H. R. 1469. Elizabeth Anderton.
H. R. 1470. Virginia Canon.
H. R. 1471. Samantha M. Stiles.
H. R. 1473. Mattie B. Lawrence.
H. R. 1474. Eliza W. Horton.
H. R. 1477. Nancy J. Ashley.
H. R. 1480. Hannah L. B. Quinn.
H. R. 1482. Martha E. Horn.
H. R. 1483. Lucy J. Lyon.

H. R. 1484. Clara B. Teegarden.
H. R. 1438. Sarah M. Sloan.
H. R. 1489. Mary E. Galbreath.
H. R. 1499. Alice Green.
H. R. 1506. Sophia Pinger.
H. R. 1515. Eliza J. Gates.
H. R. 1519. Carrie Jones.
H. R. 1543. Polk Stewart.
H. R. 1544. Harriet Bryner.
H. R. 1545. Susan Hoover.
H. R. 1547. Martha Buffington.
H. R. 1548. Nancy L. Corwin.
H. R. 1549. Ella F. Lane.
H. R. 1551. Emma A. McDuffie.
H. R. 1563. Catherine Stout.
H. R. 1570. Walter Clice.
H. R. 1572. Georgana Layman.
H. R. 1573. Mazie Layman.
H. R. 1575. Tracy Huffman.
H. R. 1576. Sarah M. Flowers.
H. R. 1577. Margaret A. Hansen.
H. R. 1578. Elizabeth Jane Bernhart.
H. R. 1581. Emma Wiley.
H. R. 1583. Lucy K. Lambright.
H. R. 1584. Adaline Lowry.
H. R. 1586. Thomas M. Teeters.
H. R. 1587. Ammon Barkman.
H. R. 1588. Jennie Shearer.
H. R. 1589. William Barkman.
H. R. 1602. Edgar R. Wheeler.
H. R. 1616. Electa O. Hancock.
H. R. 1619. Martha Wyatt.
H. R. 1626. Julia R. Moore.
H. R. 1627. Mary E. Norris.
H. R. 1631. Mary A. Phillips.
H. R. 1632. Mary R. Ramsey.
H. R. 1637. Melissa P. Seneker.
H. R. 1638. Freely M. Seward.
H. R. 1643. Ellen Theurer.
H. R. 1655. Mary E. Bonebrake.
H. R. 1656. Frank A. Boster.
H. R. 1659. Anna Callahan.
H. R. 1666. Manda J. Estes.
H. R. 1667. Mary M. Fipps.
H. R. 1669. Missouri E. Griffith.
H. R. 1670. Caroline Hall.
H. R. 1671. Angeline Hart.
H. R. 1673. Mary E. Hiles.
H. R. 1677. Martha Hill.
H. R. 1678. Hattie Hodges.
H. R. 1681. Serena Ivey.
H. R. 1685. Virginia Lee.
H. R. 1734. Amanda Napier.
H. R. 1739. Sarah A. Coonradt.
H. R. 1744. Mary Maley.
H. R. 1751. Mary A. W. Barr.
H. R. 1754. Nellie Jennings.
H. R. 1790. Leona J. Strickland.
H. R. 1795. Sarah A. Turner.
H. R. 1796. Eva G. Brown.
H. R. 1875. Birdie L. Santee.
H. R. 1876. Norma Roush.
H. R. 1882. Stella Littlejohn.
H. R. 1883. Mary A. Little.
H. R. 1887. Nettie Huffman.
H. R. 1888. Caroline Hogan.
H. R. 1894. Mary Briggs.
H. R. 1901. Mary O. Settle.
H. R. 1902. Sarah Carl.
H. R. 1908. Mary H. Roberts.
H. R. 1914. Adelaide Manington.
H. R. 1915. Mary A. Shelly.
H. R. 1916. Dartha C. Swihart.
H. R. 1918. William Bills.
H. R. 1920. Mariah Dry.
H. R. 1926. Margaret E. Wright.
H. R. 1940. Catharine Hawley.
H. R. 1944. Harriet E. Tally.
H. R. 1945. Viola A. Shaw.
H. R. 1958. Martha M. Founds.
H. R. 1973. Emma E. Clouser.
H. R. 1974. Catharine Kern.
H. R. 1975. Martha J. Miller.
H. R. 1976. Mary A. Schindledecker.
H. R. 1977. Anna E. Ripple.
H. R. 1978. Margaret Martin.
H. R. 1979. Emma Kerns.
H. R. 1980. Annie E. Harris.
H. R. 1982. Margaret E. Snyder.
H. R. 1983. Barbara A. Bryson.
H. R. 1885. Susannah Long.
H. R. 1987. Mary A. Showers.
H. R. 1988. Harriet Reichenbach.
H. R. 1989. Isabel Wilson.
H. R. 1991. Mary J. Elme.
H. R. 2006. Jim Meredith.
H. R. 2007. George Meredith.
H. R. 2014. Mary E. Sutherland.
H. R. 2024. Mary E. Cannon.
H. R. 2031. Harry Dubs.
H. R. 2068. Catharine Long.
H. R. 2072. Melissa Fitch.
H. R. 2081. Augusta J. Barnes.
H. R. 2099. Frances A. Shaklee.
H. R. 2100. Lucinda King.
H. R. 2101. Narcissa Walter.
H. R. 2102. Martha J. Marlott.
H. R. 2104. Mollie E. Shrier.
H. R. 2106. Effie Sullivan.
H. R. 2108. Polley Ann Moore.
H. R. 2110. Mary E. Hays.
H. R. 2111. Hanie Marshall.
H. R. 2123. Mary J. Edwards.
H. R. 2124. Josephine B. Bills.
H. R. 2132. Fannie Stults.
H. R. 2134. Grover Peoples.
H. R. 2137. Edith Stickels.
H. R. 2138. Lucretia C. Bailey.
H. R. 2144. Amanda Sumner.
H. R. 2181. William W. Holmes.
H. R. 2222. Mary E. Whitlock.
H. R. 2223. Laura A. Stuffel.
H. R. 2227. Hattie McIntosh.
H. R. 2262. Susan E. Raser.
H. R. 2322. Martha Bell.
H. R. 2323. Melissa Jones.
H. R. 2325. Mary A. Snyder.
H. R. 2328. Lucy A. Whittemore.
H. R. 2329. Emmaline E. Travis.
H. R. 2336. Annie Marie Swingle.
H. R. 2337. Leslie D. Hood.
H. R. 2338. Caroline Rupe.
H. R. 2339. Sarah Shoemaker.
H. R. 2340. Eva Barlow.
H. R. 2341. Mary C. Arthur.
H. R. 2342. Elizabeth Board.
H. R. 2343. Eliza A. Black.
H. R. 2344. Adabelle Brown.
H. R. 2351. Mary S. Carsey.
H. R. 2352. Mary Conaway.
H. R. 2353. Julina Crabtree.
H. R. 2358. California Farmer.
H. R. 2359. Melissa Endicott.
H. R. 2360. Mary E. Gramm.
H. R. 2361. Elizabeth Harkins.
H. R. 2363. Kate Matthews.
H. R. 2367. Hattie Morris.
H. R. 2369. Catherine Ribel.
H. R. 2375. Caroline Webb.
H. R. 2388. Belle M. Halley.
H. R. 2392. Elizabeth Russell.
H. R. 2402. Ella Carl.
H. R. 2403. Nola S. Butcher.
H. R. 2415. Emilie Feuerstake.
H. R. 2425. Katherine Baxter.
H. R. 2426. Maggie H. Collins.
H. R. 2427. Josephine Gabriel.
H. R. 2428. George N. Groff.
H. R. 2429. Sarah J. Lafferty.
H. R. 2430. Annie Metzger.
H. R. 2431. Anna B. Miller.
H. R. 2432. Emma J. Miller.
H. R. 2434. Sarah E. O'Bryan.
H. R. 2436. Lydia A. Stuard.
H. R. 2446. Mary J. Willey.
H. R. 2449. Anna M. Shumaker.
H. R. 2451. Anna Ross.
H. R. 2452. Lydia J. Barton.
H. R. 2474. Gracie Marie Kent.
H. R. 2483. Abbie Stuck.
H. R. 2493. Mary J. Blackman.
H. R. 2494. Julia E. Alcorn.
H. R. 2539. Maria C. Atherly.
H. R. 2573. Emma Waldo.
H. R. 2578. Lulu M. Williams.
H. R. 2580. Elizabeth L. Crist.
H. R. 2581. Kate L. Rodimer.
H. R. 2589. Mary J. Sherwood.
H. R. 2632. Mary Fogle.
H. R. 2638. Mary F. Beeson.
H. R. 2666. Catherine Schaffner.
H. R. 2669. Nancy J. Critchlow.
H. R. 2671. Florence E. Moody.
H. R. 2672. Rebecca Lewis.
H. R. 2673. Kezia H. Miller.
H. R. 2674. Samantha M. Simpson.
H. R. 2676. Hannah M. Wilson.
H. R. 2679. Teresa V. Millward.
H. R. 2680. Anna M. Stockburger.
H. R. 2681. Mary M. Ralston.
H. R. 2682. Matilda Tarno.
H. R. 2683. Minerva Griffiths.
H. R. 2712. Ellen L. Andrews.
H. R. 2719. Lucinda Cable.
H. R. 2720. Mary Welever.
H. R. 2721. Susan Taylor.
H. R. 2725. Arlotha M. Perkins.
H. R. 2750. Julia A. Fowler.
H. R. 2782. Sarah A. Jones.
H. R. 2783. Mary Emerick.
H. R. 2784. Mary L. Curtiss.
H. R. 2789. Abbie Collins.
H. R. 2790. Lucinda Lehman.
H. R. 2795. Rebecca Shiffler.
H. R. 2799. Mary Ann Wright.
H. R. 2801. Addie Ellis.
H. R. 2822. Edith M. Cruise.
H. R. 2825. Mary C. Paulhanus.
H. R. 2850. Henrietta L. Whitney.
H. R. 2856. Mary J. Carr.
H. R. 2876. Sarah R. Cole.
H. R. 2888. Caroline Engelhart.
H. R. 2891. Kate Rogers.
H. R. 2894. Jane A. Taylor.
H. R. 2895. Julia A. Love.
H. R. 2896. Emma Martin.
H. R. 2897. Mary Jones.
H. R. 2898. Martha R. Bebb.
H. R. 2900. Mary Prugh.
H. R. 2902. Mary Schutte.
H. R. 2904. Sarah J. Moody.
H. R. 2905. Emeline B. Gilpin.
H. R. 2936. Mary E. Field.
H. R. 2937. Emma S. Rakestraw.
H. R. 2939. Mary C. McKarnin.
H. R. 2940. Edna A. Cole.
H. R. 2942. Mariah E. Groom.
H. R. 2943. Mary F. Williams.
H. R. 2945. Susan Harder.
H. R. 2954. Sarah Ann B. Emry.
H. R. 2956. Belle B. Hood.
H. R. 2965. Robert Templeton, alias Richard Taylor.
H. R. 2973. Polly Tippetts.
H. R. 2980. Mary E. Porter.
H. R. 2984. Nellie J. Grim.
H. R. 3003. Henrietta Zenke.
H. R. 3005. Friederika Bartels.
H. R. 3006. Alice E. Leeson.
H. R. 3027. Sarah E. Hoffner.
H. R. 3038. Emma S. Boutwell.
H. R. 3046. Maria Smith.
H. R. 3235. Kate Thompson.
H. R. 3409. Katie Carpenter.
H. R. 3442. Emma Staples.
H. R. 3443. Cornelia J. Osborn.
H. R. 3482. Christena Gibson.
H. R. 3486. Mary McKee.
H. R. 3487. Mariah Mock.
H. R. 3489. Martha M. Poffenberger.
H. R. 3542. Christiana Fishley.
H. R. 3554. Frank B. Oatman.
H. R. 3555. Susan M. Brennan.
H. R. 3556. Sarah J. Clifton.
H. R. 3562. Maria B. Thompson.
H. R. 3563. Margret Martin.
H. R. 3574. Adeline Boldus.
H. R. 3583. Belle Hill.
H. R. 3593. Mary Rollman.
H. R. 3597. Euphina Nevenhuisen.
H. R. 3616. Sarah E. Young.
H. R. 3619. Mary J. Hobgood.
H. R. 3620. Nola Forrester.
H. R. 3642. Jennie Hoffman.
H. R. 3643. Catharine L. Jessop.
H. R. 3695. Mary E. Fenicle.
H. R. 3707. Jane Wiley.
H. R. 3708. Julia E. Clark.
H. R. 3713. Anne Harris.
H. R. 3714. Mollie R. Crane.
H. R. 3715. Elizabeth Gordon.
H. R. 3716. Rebecca E. Sanders.
H. R. 3758. Effie Dean.
H. R. 3759. Maria Bigham.
H. R. 3760. Sarah J. Weaver.
H. R. 3761. Crescence Streib.
H. R. 3762. Esther D. Lynch.
H. R. 3764. Malinda M. Kistler.
H. R. 3769. Margaret Solmire.
H. R. 3776. Amanda E. Hummel.
H. R. 3777. Hattie B. Roberts.
H. R. 3780. Maria A. Vance.
H. R. 3781. Sarah M. Brown.
H. R. 3804. Johannah Sweet.
H. R. 3806. Elizabeth Frances Baker.
H. R. 3809. Laura E. McLaughlin.
H. R. 3817. Emma R. Pettie.
H. R. 3820. Grace A. Walker.
H. R. 3828. Rozillah Walters.
H. R. 3862. Catharine Grunert.
H. R. 3886. Frances M. Hayden.
H. R. 3889. Frances S. O'Connor.
H. R. 3891. Sophia M. A. Canfield.
H. R. 3892. Miranda L. Aldous.
H. R. 3893. Lottie E. Benson.
H. R. 3901. Lura P. Markley.
H. R. 3932. Sophia Springer.
H. R. 3934. Mary E. Mitchell.
H. R. 3935. Stillman Garrett.
H. R. 3936. Isaac W. Bilyeu, alias Isaac W. Bilyew, alias Isaac Bilyeu.
H. R. 3942. Gabriel Patrick.
H. R. 3943. Gemima Reeves.
H. R. 3944. Lou Jones.
H. R. 3945. Lillie Siemiller.
H. R. 3965. Nancy E. Bucher.
H. R. 3967. Paulina E. Cooper.
H. R. 3968. Belle Armel.
H. R. 3970. Elizabeth J. Cunningham.
H. R. 3974. Sierra Garrison.
H. R. 3975. Clarissa J. Goldsberry.
H. R. 3976. Cynthia Jones.
H. R. 3980. Nettie B. Protzman.
H. R. 3981. Tenie Ross.
H. R. 3982. Almira West.
H. R. 4005. Martha E. Jennings.
H. R. 4013. Anna M. Parish.
H. R. 4020. Joanna Weekly.
H. R. 4021. Mary A. J. Wilson.
H. R. 4023. Mary I. D. Bigley.
H. R. 4033. Maggie A. Louderbough.
H. R. 4035. Ella Slaughter.
H. R. 4041. Elizabeth C. Clark.
H. R. 4042. Catherine Walters.
H. R. 4043. Jennie Paniska.
H. R. 4048. Louisa S. Robinson.
H. R. 4049. Anna Flint.
H. R. 4050. Hattie A. Newcomer.
H. R. 4051. Elizabeth Stimlee.
H. R. 4053. Ethel S. Ferguson.
H. R. 4082. Rebecca Patterson.
H. R. 4089. Harriett Ware.
H. R. 4093. Mary C. Croman.
H. R. 4130. Catherine E. Elliott.
H. R. 4137. Matilda P. Dawson.
H. R. 4168. Mary E. Oliver.
H. R. 4180. Mary Agnes Barnes.
H. R. 4186. Sally J. Hendrix.
H. R. 4188. Martha E. McLellen.
H. R. 4218. Augusta M. Stratford.
H. R. 4221. Margaret Carroll.
H. R. 4240. Frances A. Stringham.
H. R. 4258. Elizabeth Corkery.
H. R. 4263. Elizabeth H. Camp.
H. R. 4267. Mary E. Stewart.
H. R. 4298. Helen R. Pitney.
H. R. 4303. Susan B. Mitchell.
H. R. 4304. Bessie Hall.
H. R. 4320. Lydia Springster.
H. R. 4321. Catharine E. DeWolf.
H. R. 4325. Mary J. Roush.
H. R. 4356. Ann E. Rickards.
H. R. 4357. Mary L. Bruner.
H. R. 4365. Elizabeth Myers.
H. R. 4366. Isabelle M. Lusk.
H. R. 4393. William B. Mullins.
H. R. 4399. Nancy Rollyson.
H. R. 4417. Elmira E. Daugherty.
H. R. 4432. Ned Johnston.
H. R. 4434. Thomas Johnston.
H. R. 4435. Dora McCallister.
H. R. 4438. Mina Turner.
H. R. 4459. Alice E. Lisk.
H. R. 4461. Fidelia Yerden.
H. R. 4462. Elizabeth F. Taylor.
H. R. 4463. Elizabeth Prior.
H. R. 4465. Marilla Hutchinson.
H. R. 4467. Jennie F. Seavey.
H. R. 4766. Matilda J. Henderson.
H. R. 4768. Hanna H. Maddux.
H. R. 4769. Jeritha Love Claxton.
H. R. 4776. Grace Lankester.
H. R. 4791. Louisa F. Byrd.
H. R. 4792. Melissa McCaulla.
H. R. 4793. Elizabeth Raymond.
H. R. 4794. Lavina Haines.
H. R. 4795. Anna B. Moore.
H. R. 4796. Louisa D. Crawford.
H. R. 4797. Sabrina J. Acord.
H. R. 4798. Susan J. Bradford.

H. R. 4799. Anna Van Camp.
H. R. 4800. Elizabeth Pidgeon.
H. R. 4805. Ella Hatfield.
H. R. 4855. Elizabeth Miller.
H. R. 4856. Matilda A. Button.
H. R. 4857. Malinda Staring.
H. R. 4861. Sarah E. Pile.
H. R. 4873. Eulie Beedle.
H. R. 4875. Rhoda H. Lozier.
H. R. 4877. Jennie M. Sheard.
H. R. 4890. Mary L. Chrisope.
H. R. 4891. Drusa Trullinger.
H. R. 4894. Florence Kemp.
H. R. 4896. Lucina A. Hulbert.
H. R. 4897. Sarah J. Collins.
H. R. 4901. Catharine H. Best.
H. R. 4902. Cynthia A. Mitchell.
H. R. 4904. Alice Jordan.
H. R. 4905. Jennie Beadle.
H. R. 4952. Sarah E. Crooks.
H. R. 4954. Isabell Cory.
H. R. 4955. Cora L. Cole.
H. R. 4958. Mary J. Lett.
H. R. 4962. Mary A. Oswald.
H. R. 4966. Sarah M. Wade.
H. R. 4978. Cuma Young.
H. R. 4980. Chester D. Green.
H. R. 4981. Lydia M. Sisk.
H. R. 4982. Flossie M. Ramsey.
H. R. 4993. Mary L. Cole.
H. R. 4994. Ellen E. Miller.
H. R. 4996. Emma L. Long.
H. R. 4997. Sarah Roberts.
H. R. 5017. Mary E. Whiting.
H. R. 5018. Lydia E. Perkins.
H. R. 5020. Addie Allen.
H. R. 5021. Margaret A. Huff.
H. R. 5022. Hattie B. Wade.
H. R. 5023. Ellen M. Field.
H. R. 5024. Mary J. A. White.
H. R. 5025. Eliza J. Hagan.
H. R. 5026. Ellanor Green.
H. R. 5029. Mary E. Proper.
H. R. 5031. Mary E. Tucker.
H. R. 5050. Sarah E. Pruner.
H. R. 5051. Margaret E. Pryce.
H. R. 5055. Rachel A. McGee.
H. R. 5139. Sarah Ayres.
H. R. 5161. Henrietta Dewey.
H. R. 5168. Mary Gruman.
H. R. 5192. Annie E. Robinson.
H. R. 5239. Chloe E. Blankenship.
H. R. 5257. Susan Van Pelt.
H. R. 5280. Susan A. Miller.
H. R. 5298. Hattie B. Golden.
H. R. 5300. Leah Buren
H. R. 5369. Mary J. Brown.
H. R. 5386. Mary L. Parker.
H. R. 5387. Hannah S. Robertson.
H. R. 5403. Flora Coulter.
H. R. 5405. Margaret J. McClure.
H. R. 5408. Mary M. Gibbs.
H. R. 5409. Eliza A. Britton.
H. R. 5419. Elisabeth C. Warren.
H. R. 5439. Ella Orr.
H. R. 5520. Lizzie Robinson.
H. R. 5524. Fannie Flansburg.
H. R. 5536. Sarah A. Howell.
H. R. 5537. Maggie Ervin.
H. R. 5540. Irenie Thompson.
H. R. 5545. Catharine Gillaspie.
H. R. 5546. Mary M. Miller.
H. R. 5560. Robert T. Bland.
H. R. 5562. Elizabeth S. Simpson.
H. R. 5563. Annie E. Imbler.
H. R. 5672. Lena Margraffe.
H. R. 5675. Margaret Michaels.
H. R. 5689. Mary E. Benner.
H. R. 5701. Kate M. Kirby.
H. R. 5705. Ellen V. Gillson.
H. R. 5719. Catharine Myers.
H. R. 5724. Lina Buckley.
H. R. 5730. Sarah C. Friend.
H. R. 5732. Martha C. Howe.
H. R. 5744. Mary A. Layne.
H. R. 5747. Eleonore Kopp.
H. R. 5748. Alice M. Stites.
H. R. 5755. Nancy Young.
H. R. 5761. Louisa Mitchell.
H. R. 5762. Hanah O. Johnson.
H. R. 5781. Wealtha V. Waite.
H. R. 5788. Sarah J. F. Youngker.
H. R. 5802. Anna Agnew.
H. R. 5804. Emma E. Sperry.
H. R. 5814. Julia Pitts.
H. R. 5815. Bettie Wood.
H. R. 5899. Emma Springer.
H. R. 5919. Edeluvina G. Romero.
H. R. 5924. Flerria Messick.
H. R. 5936. Sophie M. Swigert.
H. R. 5937. Mary Baker.
H. R. 5943. Sarah I. Tomlin.
H. R. 5944. Sophia Huber.
H. R. 5945. Flora V. Reid.
H. R. 5948. Emily F. Allshie.
H. R. 5953. Louisa Wainscott.
H. R. 5964. Bertha T. Hastings.
H. R. 5966. Susan F. Coats.
H. R. 5973. Harriet McEntire.
H. R. 5977. Mary P. Elam.
H. R. 5992. Mary H. Auch.
H. R. 6004. Caroline Winfield.
H. R. 6064. Mary N. Stanley.
H. R. 6082. Mary E. Taylor.
H. R. 6004. Catharine March.
H. R. 6109. Cora B. Gardner.
H. R. 6130. Caroline Collier.
H. R. 6205. Jemima H. Conner.
H. R. 6213. Fronia L. B. Norwood
H. R. 6220. Catharine J. Paul.
H. R. 6224. Emma M. Carrow.
H. R. 6225. Mary A. Quillen.
H. R. 6229. Belle Hockensmith.
H. R. 6230. Rebecca J. Gaddie.
H. R. 6237. Eva J. Tucker.
H. R. 6243. Mary E. Bunnell.
H. R. 6261. Elizabeth Detwiler.
H. R. 6263. Georgia Brown.
H. R. 6271. Clara H. Miller.
H. R. 6338. Emeline Kinnaman.
H. R. 6340. Sarah Finton.
H. R. 6369. Mary Baker.
H. R. 6372. Mary D. Maloney.
H. R. 6407. Sarah J. Crichfield.
H. R. 6411. Elizabeth M. Patton.
H. R. 6412. Sarah A. Miller.
H. R. 6413. Isadora S. Crane.
H. R. 6459. Hannah Johnston.
H. R. 6464. Frederick Boller.
H. R. 6471. Margret Welch.
H. R. 6502. Edna P. Welsh.
H. R. 6504. Eunice Reed.
H. R. 6516. Josephine Hale.
H. R. 6537. Anna Shannessay.
H. R. 6557. Adelia Kent.
H. R. 6558. Dora B. Reynolds.
H. R. 6559. Mary Henning.
H. R. 6576. Martha J. Woods.
H. R. 6606. Alfred Daugherty.
H. R. 6616. Willanna Green.
H. R. 6617. Henrietta B. Banks.
H. R. 6625. Elizabeth Hahn.
H. R. 6627. Phebe A. Fife.
H. R. 6628. Elizabeth Snyder.
H. R. 6633. Sarah W. McPherson.
H. R. 6635. Kate Walker.
H. R. 6652. Margaret V. Myers.
H. R. 6760. Mary E. Eberly.
H. R. 6787. Margaret Holden.
H. R. 6823. Lizzie Gasaway.
H. R. 6830. Alice Payton.
H. R. 6833. Marion M. Jones.
H. R. 6868. Catherine J. Cupp.
H. R. 6871. Hattie G. Kennedy.
H. R. 6875. Nora A. Kitchen.
H. R. 6884. Lena Many.
H. R. 6895. Lorella Roller.
H. R. 6896. Henry Brown.
H. R. 6899. Mary L. Bryant.
H. R. 6902. Abigail J. Brown.
H. R. 6903. Laura A. Smith.
H. R. 6912. Jane Battin.
H. R. 6918. Mary Holtz.
H. R. 6942. Elizabeth Guy.
H. R. 6945. Mary Smith.
H. R. 6946. Reatha Reneau.
H. R. 6947. Allie M. Walker.
H. R. 6954. Zubie Owens.
H. R. 6958. John J. Rosier.
H. R. 6970. Lewis Stamper.
H. R. 6971. Dicey Terry.
H. R. 6980. Ida M. Stough.
H. R. 6981. Isabel Warner.
H. R. 6986. Margaret Bartlett.
H. R. 7033. Rhoda E. Sperry.
H. R. 7053. Joanna E. Vickers.
H. R. 7054. Lucy A. Vandiver.
H. R. 7060. Annie I. McCoy.
H. R. 7068. Mary E. Van Treese.
H. R. 7075. Sofrona P. Wolf.
H. R. 7078. Isabella B. McCandless.
H. R. 7093. Martha Jane Miller.
H. R. 7103. Mary T. Calef.
H. R. 7130. Caroline Risk.
H. R. 7141. Ada A. Bevers.
H. R. 7143. Emma Roberts.
H. R. 7156. Miranda C. Thompson.
H. R. 7180. Kisy A. Butler.
H. R. 7193. Susan Brown.
H. R. 7204. Catharine Brown.
H. R. 7268. Jennie S. Bruce.
H. R. 7269. Mary A. Brownell.
H. R. 7270. Mary T. Cory.
H. R. 7283. Agnes Crawford.
H. R. 7290. Gertrude Kaup.
H. R. 7294. Mary E. Cole.
H. R. 7319. Nellie Marshall.
H. R. 7332. Treca Honey.
H. R. 7338. Sarah E. Adair.
H. R. 7346. Sarah A. Swick.
H. R. 7384. Drusilla Barnhart.
H. R. 7390. Mary A. Thackara.
H. R. 7401. Mary C. Hunter.
H. R. 7402. Mary Gibson.
H. R. 7404. Rebecca L. Beach.
H. R. 7423. Margaret R. Sapp.
H. R. 7463. Lavina E. Toby.
H. R. 7466. Mary E. Grace.
H. R. 7467. Nannie Blades.
H. R. 7483. Charlotte A. Castimore.
H. R. 7546. Mary Roby.
H. R. 7565. Miram Colby.
H. R. 7571. Lottie Hoxie.
H. R. 7580. Emily J. Morning.
H. R. 7581. Emma J. McBride.
H. R. 7582. Amanda C. Reed.
H. R. 7584. Mary A. Fellows.
H. R. 7595. Syntha A. Stewart.
H. R. 7601. Sarah Shultsman.
H. R. 7646. Ellen C. Clum.
H. R. 7647. Minnie G. Jones.
H. R. 7648. Emily McPherran.
H. R. 7669. Minnie Phelps.
H. R. 7695. Sarah L. Kooken.
H. R. 7737. Jane Kiel.
H. R. 7766. Emma S. Richards.
H. R. 7768. Lily V. Durham.
H. R. 7771. Celia Piper.
H. R. 7812. John Henry.
H. R. 7852. Minnie B. Leonard.
H. R. 7854. Mary A. Bayles.
H. R. 7861. Kate Potter.
H. R. 7867. Mary F. Barton.
H. R. 7869. Hattie A. Adams.
H. R. 7871. Mary E. Fish.
H. R. 7872. Ella J. Vermillion.
H. R. 7874. Susannah Duvall.
H. R. 7875. Rosanna Bell.
H. R. 7876. Mary S. Fankhouser.
H. R. 7878. Sadie Ward.
H. R. 7879. Malinda Gillaspie.
H. R. 7880. Callie A. Gibson.
H. R. 7882. Margaret Lloyd.
H. R. 7932. Mathilda Dan[illegible]on.
H. R. 7952. Elizabeth M. Harrah.
H. R. 7976. Mary P. Ackley.
H. R. 7978. Almeda Burkholder.
H. R. 8034. Hannah M. Acheson.
H. R. 8035. Lucy S. Tolles.
H. R. 8106. Cynthia P. Chiles and Effie P. Chiles.
H. R. 8107. Artalissa McElhaney.
H. R. 8145. Margaret Farley.
H. R. 8146. Rebecca Teed.
H. R. 8149. Emma Boys.
H. R. 8156. Nancy Jane Branham.
H. R. 8181. Sarah A. Hunt.
H. R. 8191. Mary E. Curd Wright.
H. R. 8208. Indamora Francis.
H. R. 8272. Mary A. McCullough.
H. R. 8293. Mary E. Blair.
H. R. 8294. Mary Lacy.
H. R. 8346. Phebe Thompson
H. R. 8347. Laura Slotterbeck.
H. R. 8426. Delia Porter.
H. R. 8434. Alverda J. Elmore.
H. R. 8480. Mary Melissa Ross.
H. R. 8483. Mary J. Babcock.
H. R. 8644. George H. Miller, alias G. H. Miller.
H. R. 8660. Elizabeth Corrigan.
H. R. 8675. Serena E. Rayhill.
H. R. 8794. Catherine Burkholder.
H. R. 8866. Alta Manypenny.
H. R. 8891. Martha J. Crete.
H. R. 8955. John Westerkamp.
H. R. 9044. Amelia J. Wharram.
H. R. 9052. Esther S. Bingham.
H. R. 9100. Sarah A. Burd.
H. R. 9130. Eliza Noble.
H. R. 9132. Flora Smith.
H. R. 9135. Ellen J. Vince.
H. R. 9238. Susan C. Stanley.
H. R. 9247. Jane S. Hickman.
H. R. 9276. Mary P. Culbertson.
H. R. 9289. Menerva E. Herren.

Mr. LOZIER. Mr. Speaker, I offer the following amendments.

The Clerk read as follows:

Page 25, strike out lines 1 to 4, inclusive, the proposed beneficiary, Juliette R. Moody, having died.

Page 81, strike out lines 15 to 18, inclusive, the proposed beneficiary, Mollie R. Crane, having died.

Page 84, strike out lines 6 to 9, inclusive, the proposed beneficiary, Maria A. Vance, having died.

Page 118, strike out lines 17 to 20, inclusive, the proposed beneficiary, Anna Agnew, having died.

Page 132, strike out lines 3 to 6 inclusive, the proposed beneficiary, Lena Many, having died.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion by Mr. LOZIER to reconsider the vote whereby the bill was passed was laid on the table.

PUBLIC BUILDINGS AND GROUNDS

Mr. SNELL. Mr. Speaker, I submit the following privileged resolution.

The Clerk read as follows:

House Resolution 187

Resolved, That JOHN C. ALLEN, of Illinois, be, and he is hereby, elected a member of the standing Committee on Public Buildings and Grounds.

The resolution was agreed to.

LEAVE TO ADDRESS THE HOUSE

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent that on Thursday next, immediately after the reading of the Journal and the disposal of business on the Speaker's table, I be allowed to address the House for 15 minutes on the Pan-American day.

The SPEAKER. Permit the Chair to say to the gentleman from Maryland, as he said to the gentleman from New York yesterday, that the policy was entered into at the beginning of this Congress not to permit unanimous consent

for speeches to be made on a future day. The Chair yesterday took the responsibility of objecting.

Mr. LINTHICUM. May I make a statement to the Chair?

The 14th of this month is set aside by all the States in South America and the United States as Pan-American day.

It is desired to make just a short address upon that day, as that day will be celebrated in all the schools in all of those countries.

The SPEAKER. The gentleman can make his request on that day as well as to-day.

Mr. SNELL. Mr. Speaker, for the present I object.

PHILIPPINE INDEPENDENCE

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks by printing my answer to a criticism of my vote on Philippine independence.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, I was one of the 306 Members of this House who voted for the Hare bill (H. R. 7233) granting independence to the Philippines.

The bill provides that the Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands, and that on the 4th of July immediately following the expiration of a period of eight years from the inauguration of said Commonwealth American sovereignty shall be withdrawn and the complete independence of the Philippines formally recognized.

My vote on this bill has been generally approved. The only dissenting note in the chorus of approbation has been this telegram:

I was amazed at your action in voting in favor of the Philippine bill. For the House to rush through a bill of such importance to the Nation in 40 minutes is outrageous and unpardonable.

H. V. W. H.

APRIL 5, 1932.

MY DEAR MISS H.: You must certainly have been indignant when you took the trouble to send me a telegram protesting against my vote in favor of Philippine independence, and I judge from its context that the major part of your dissatisfaction is directed at what you conceive to be the haste with which the bill was considered and passed.

Let me assure you that the 40-minute limitation on debate was brought about by the opponents of the bill in the hope that it might be killed. The chairman of the committee, through an understanding with the Speaker, designed to consider the bill under the rules, which would give two hours' debate. Under that method of consideration the bill only required a majority vote to secure passage. Realizing this, an opponent of the bill objected, so that it was incumbent upon the chairman of the committee to ask for consideration of the bill under unanimous consent. Under that parliamentary procedure only 40 minutes' debate is permissible, and it requires a two-thirds vote to pass the bill.

Notwithstanding that the limitation of debate was brought about by their own actions, the opponents of the bill laid much stress during the debate on the brief time which was allowed for consideration; and I notice that the newspapers which opposed Philippine independence also emphasized the shortness of the debate and maliciously tried to color public opinion and stir up sentiment at a situation which was brought about designedly and inexcusably by those who form their opinions on newspaper editorials rather than on their own convictions.

For my part I want to tell you that I am glad I have lived to see the day when the United States has been able to keep its pledged word through the courageous and conscientious action of its Representatives in Congress. From the time that the Philippine Islands passed into our custody no President or Congress has ever dared to assert that our possession of the islands was any more than a sacred trust. President after President has declared that it was the purpose of this Government to hold the islands only for the benefit of the people and prepare them for ultimate independence. Furthermore, Congress in 1916 specifically declared: "It has always been the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established."

The Hare bill, just passed by the House, provides for the establishment of such a stable government—allows eight years to do so, and then concedes to the Philippines what every nation in the world is entitled to, namely, an opportunity to control its own destinies.

When President McKinley, President Roosevelt, and President Wilson gave their assurances of ultimate independence and even when the Jones Act was passed in 1916, skeptics among foreign nations doubted our sincerity, because they could not understand how any nation could ever deny itself the opportunity to grasp more territory and put more people under the domination of its flag. By the act of yesterday we set an example to the world of national integrity and instead of jeopardizing our prestige abroad, as Secretary of State Stimson says in his published letter, we inspired the admiration and respect of all the world. The act was most timely because it comes at a time when Europe is expressing its lack of faith in our sincerity and charging us with the worship of the almighty dollar. In answer to this the American Congress has registered, by one of the greatest majorities in parliamentary annals, its devotion to democratic ideals and to the sacred principle of morality among nations.

ANTHONY J. GRIFFIN.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks on the Philippine independence bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARE. Mr. Speaker, upward of 30 years ago the United States went into the Philippine Islands—not as a conquering but as a liberating Nation. "Forcible annexation," said President McKinley at the time, "can not be thought of; that, according to the American code of morals, is criminal aggression." In his first message to Congress after the Philippine Islands were acquired President McKinley declared, "We shall continue as we have begun—to make these people feel that it is their liberty and not our power we are seeking to advance." The only condition precedent to granting independence following the acquisition of the islands as expressed by the President was "the establishment of a stable government."

President Roosevelt in 1915 stated:

Personally I think it is a fine, a high thing for a nation to have done such a deed (our work in the Philippines) with such a purpose. But we can not taint it with bad faith. If we act so that the natives understand us to have made a definite promise, then we should live up to that promise.

President Taft, while Secretary of War, in 1908 said:

If the American Government can only remain in the islands long enough to educate the entire people, to give them a language which enables them to come into contact with modern civilization, and to extend to them from time to time additional political rights so that by the exercise of them they shall learn the use and responsibilities necessary to their proper exercise, independence can be granted with entire safety to the people. I have an abiding conviction that the Philippine people are capable of being taught self-government in the process of their self-development.

President Wilson, in his message to Congress in 1920, stated:

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition precedent set by the Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence they so honorably covet.

President Coolidge, in a letter to the Speaker of the Philippine House of Representatives in 1924, said:

It is not possible to believe that the American people would wish to continue their responsibility in regard to the sovereignty and administration of the islands. It is not conceivable that they would desire, merely because they possessed the power, to continue exercising any measure of authority over a people who could better govern themselves on a basis of complete independence.

If the time comes when it is apparent that independence would be better for the people of the Philippines from the point of view of both their domestic concerns and their status in the world, and if when that time comes the Filipino people desire complete independence, it is not possible to doubt that the American Government and people will gladly accord it.

It is clear, therefore, that the United States assumed an obligation toward the Philippine Islands when we took possession in 1899. The obligation has been recognized time and time again, both by the representatives of our country and Congress as well. As we have already stated, the only condition precedent was the establishment of a stable government.

Therefore, as chairman of the Committee on Insular Affairs, my purpose in conducting hearings several weeks ago was to ascertain whether or not the condition precedent to granting independence had been met or fulfilled. In my judgment, the factors to be considered in determining whether the Filipinos are capable of establishing a stable government may be classified under three headings—educa-

tion, politics, and economics. That is, before definite action is taken it should first be determined whether they are intellectually qualified, politically capable, and financially able to establish a stable government. If it is found from a review of the facts that such inquiries are without doubt answered in the affirmative, there is but one course to follow.

We can best reach a definite conclusion by reviewing the progress and history made since we took charge of the islands in 1899, the data being found in the hearings before our committee and in my report.

PROGRESS IN EDUCATION

Popular education is everywhere and always a stimulus and assistance to popular interest and participation in government. The Filipino people, as evidence submitted to the committee attested, are eager for education and willing to expend large sums on their schools of every level. In September, 1929, there were 9,063 schools in the islands, an increase of approximately 7,000 since we obtained possession of the islands. Of these, 8,442 were public schools. Enrolled in these schools, public and private, were 1,316,126 students. The public schools are staffed by 28,519 supervisors, principals, and teachers, all but about 300 of whom are Filipinos. The annual expenditure for public education in the Philippines for 1932 will represent almost 30 per cent of the government's income, the whole cost of which is paid by the people of the islands.

Included in this great educational establishment, public and private, are four universities of high academic standard. One of these, that of Santo Thomas, in Manila, was founded in 1611, or 25 years before Harvard University. Some 19,500 young men and young women are preparing themselves at these universities for the professions. Many others are attending the normal schools for the teaching profession. Many Filipinos are also attending colleges and universities in America and other countries. In all the schools of the islands—primary, secondary, and higher—the language of instruction is English.

In the legislative, executive, and judicial departments of the insular establishment proper, in the provincial and municipal offices, including Manila and Baguio, there were on December 31, 1930, some 21,700 civil-service employees. All but 461 of these were Filipinos. Of the Americans remaining in the service, nearly all are teachers. In the office of the Governor General there are 35 Filipino civil employees.

PROGRESS IN SELF-GOVERNMENT

In 1901 the Filipinos were given control of municipal governments. Beginning in 1903 the people of the Provinces were permitted to elect the provincial governors. At first the two members who, with the governor, constituted the provincial board were appointive officials; but they, too, were soon made elective. In 1907, under the provisions of the Cooper Act, the first elective assembly was inaugurated. The legislature was then composed of this elective assembly as its lower house and a commission appointed by the President of the United States as the upper house, whose presiding officer was the Governor General. The share of the Filipino people in the government was still further enlarged in 1913, when a majority of Filipinos was appointed to the commission. This, for practical purposes, gave the Filipinos control of the legislature.

Under the Jones law, passed in 1916, the Filipino people were given a very large and important participation in their government. To a great measure the government of the islands was placed in their hands. This active, responsible part in making and administering their laws and in conducting their other public affairs has been for them a practical apprenticeship in self-government.

The Jones Act provided for an elective senate and house of representatives as the legislative department of the insular government. The Governor General ceased to be the presiding officer of the upper house, but continued as the chief executive official. Though the Governor General is the chief executive official, the executive departments perform all executive functions. The secretaries of these departments are all, with the exception of the vice governor, Filipinos, appointed by the Governor General upon the recommendation of the party in power in the legislature, and confirmed by the Philippine Senate. The vice governor is secretary of the department of public instruction.

A notably useful institution is the council of state, created some 14 years ago. Members of the council are chosen by the Governor General. Thus far the secretaries of the various departments and the presiding officers and the majority leaders of the two houses of the legislature have constituted its membership, under the chairmanship of the Governor General. The council acts in an advisory capacity, and has served to reconcile divergent views of the executive and the legislature with reference to fundamental questions of policy. Governors General have recorded their indebtedness to the council of state for its helpful cooperation.

ADMINISTRATION OF JUSTICE

Interesting and significant facts regarding the administration of justice in the islands were presented in oral testimony and in official statistics received by the committee. The judicial system of the islands includes a supreme court, 28 courts of first instance in as many different districts, and 865 justices of the peace. There are one or more judges for each of the 28 district courts. Thirty-one auxiliary judges assist these district judges. All the justices of the peace and all the district judges save two are Filipinos. Until 1913 the judges of the supreme court numbered 9—5 Americans and 4 Filipinos.

It would seem to be conclusive, therefore, from the standpoint of training, experience, and demonstrated ability there is no room for doubt but what the Filipino people are capable of establishing a stable form of government. However, it has been suggested by some that they are not financially and economically able to maintain and perpetuate such a government. In reply to this suggestion it may be said that our Government at no time assumed the obligation to see to it that the Filipino people would be able indefinitely to maintain a government from a financial standpoint before granting them independence. Nevertheless, we are thoroughly convinced that they are as able to maintain and govern in their way as we are to maintain a stable government in our way.

However, it may be of interest to review the financial situation in the islands as shown from the hearings and our report, and in doing this it should be observed that the financial administration of the Philippines is directed by Filipinos and not by Americans, as is thought by some.

ECONOMIC STATUS AS REFLECTED BY MONETARY SYSTEM, NATIONAL WEALTH, AND TRADE

Insular currency

The soundness of Philippine currency was persuasively demonstrated at the hearings, it being stated that on December 31, 1930, the total net circulation of insular currency was 108,000,000 pesos. The several forms of this currency and the amount of each were: Treasury certificates, 71,000,000 pesos; Philippine silver coin, 20,000,000 pesos; bank notes, 16,000,000 pesos. By way of guaranty for this circulation there was, as of October 31, 1931, a gold-standard fund of a little over 38,000,000 pesos, divided thus: 10,755,000 pesos in Philippine currency and 7,000,000 pesos in United States currency deposited in the Philippine Treasury, and 20,343,000 pesos in gold currency in several Federal reserve banks in the United States.

The law of 1903 requires that the gold-standard fund shall be at all times not less than 15 per cent nor more than 25 per cent of the total or available circulation of Philippine currency. The 38,000,000 pesos gold-standard reserve is therefore 16,000,000 pesos in excess of the legal requirement on the basis of actual circulation.

The treasury certificates in circulation on December 31, 1930, were backed more than dollar for dollar by a reserve taking the form of American currency and held in Federal reserve banks in the United States. On the date given this reserve was 81,000,000 pesos—that is, 10,000,000 pesos larger

than the aggregate of treasury certificates. In addition to this reserve there are 13,000,000 pesos in the treasury of the Philippine Islands behind these certificates. Of this sum, 3,700,000 pesos is in American currency, the remainder being in Philippine silver coins.

It was pointed out that the operation of the act of 1903 requiring these protective reserves behind the Philippine currency makes it one of the most dependable currencies in the world to-day. While there is no provision for gold reserves in the islands, an equivalent is supplied by the backing of gold currency in the United States. The stability of the Philippine currency is thus made as safe and stable as American currency. The fact that, despite the present depression, Philippine currency remains at par with the American gold dollar is evidence of its soundness.

NATIONAL WEALTH AND TRADE

The Secretary of War reports that in 1930 the trade of the Philippines with the United States and foreign countries aggregated ₱512,520,162, a decrease of about 17.8 per cent from that of 1929. The insular collector of customs, in his report, gives the value of imports as ₱266,334,255. The balance of trade in favor of the islands was ₱20,148,348. The bulk of the overseas trade was with the United States. The total of this was ₱367,050,179, and its proportion of the entire foreign commerce of the islands 72 per cent. Of the whole volume of trade with the United States ₱156,366,057 represents imports and ₱210,684,122 exports. The balance in favor of the islands, accordingly, was ₱54,318,065.

Since 1909, when free trade with the United States was established, the insular trade with the United States has risen from ₱10,576,682, equal to 16 per cent of their entire foreign commerce, to ₱367,050,179, or 72 per cent, in 1930.

Sugar, coconut oil, cordage, and tobacco are the principal exports to the United States and these have been growing steadily in volume. They come to the United States duty free.

It is natural that the domestic industries and foreign commerce of the islands should enlarge in keeping with the increase in population. There were only 4,500,000 Filipinos in 1866 and about 7,500,000 in 1898. The Philippines are rich in many products which the world needs. The national wealth is estimated at ₱5,905,085,000—1927—or ₱478 per capita. If independence be bestowed on them, the Filipino people will begin their separate existence with a greater patrimony than was possessed by many of the peoples who recently have joined the ranks of sovereign nations.

INSULAR BUDGET

At a time of universal depression, when most nations, large and small, are beset with fiscal difficulties, the government of the Philippines is in a sound financial condition. This statement is corroborated by the report of the insular auditor. From the exhibits left with the committee it appears that the Philippines not only have succeeded in balancing their budget but have in fact accumulated a surplus. Even in 1932, and in the face of curtailment of revenues, the Philippine budget will be balanced without increased taxation or abandonment of essential government services. The budgetary system was adopted in the Philippine Islands before it became operative here.

It was urged by the proponents of independence in the presentation of their views to the committee that this wise stewardship of the insular revenues evidences the ability of the Filipinos to manage one of the most difficult departments of government in one of the worst financial dislocations of recent years.

THE NATIONAL DEBT

The present outstanding bonded indebtedness of the Philippine Islands is ₱170,000,000, as against which there has already been built up a sinking fund of ₱50,000,000, now on deposit in American banks. This leaves a net outstanding indebtedness of ₱120,000,000. The present national debt is but 48 per cent of the bonded-debt limit fixed by the Congress of the United States, and the evidence submitted at the hearings showed that the Philippine government is regularly meeting both interest and the required amortization of said bonds.

In his annual report for 1930 the Secretary of War said:

> The total amount of outstanding indebtedness is well within the limits provided by law, and sinking funds are fully maintained to cover all outstanding bonds.

THE RIGHT TO WITHDRAW SOVEREIGNTY

There was one witness before the committee, but there may be others, who take the position that the United States does not have the right to withdraw sovereignty from the Philippine Islands. They insist that we should hold the islands indefinitely. Due consideration was given to this thought, but it is generally agreed that if a country or government has the right to acquire territory it has a right to dispose of it. This seems to be elementary and well settled by those who have given the matter serious and studied consideration. It is sufficient to say in passing that the right to relinquish sovereignty was not denied in 1899, when the United States renounced her rights and claims in favor of Germany to certain islands of the Samoan group. It will be recalled that the United States relinquished sovereignty over a group of these islands to Germany and Great Britain upon the consideration that they release their sovereignty over certain other islands in the group to the United States. It would seem further that our action with regard to Cuba well illustrates the right to alienate sovereignty.

In response to a request from the chairman of the Committee on Insular Affairs in 1924 the Attorney General of the United States rendered the following formal opinion:

> Under the Constitution of the United States, Congress has complete control over Territories. It likewise has such control over insular possession, and may do with such possession as it may see fit. If Congress deems it expedient to grant complete independence to the people of the Philippine Islands, or a limited independence, it may, in my judgment, do so.

Furthermore, it was understood and agreed when the United States took possession of the Philippine Islands that sovereignty would be withdrawn at some future date. With that definite, certain understanding and agreement, I am quite sure the right to withdraw sovereignty under the circumstances can not be seriously questioned.

CONCLUSION

The representations made by the proponents of the bill, coupled with additional corroborative evidence from the opponents of the proposed legislation, force me to the conclusion that the Filipino people have a social, political, and economic life much higher than that for which they are generally credited. If we admit the representations to be true, and no one has dared to appear and say they are not absolutely correct, I am unable to conceive how it can be argued by anyone that the Philippine people are not able to establish a stable government. With this situation before us there is but one course to pursue, and that is to provide for independence and do it just as soon as circumstances will permit. There may be some objection to the transition period of eight years following the establishment of the Commonwealth of the Philippine Islands. Personally, I favored a shorter period, but we all know that customs, manners, habits, and business activities of a people can not be changed and successfully adjusted to new methods and new conditions within a year or so.

With this in mind the committee felt that a period of eight years in which the people of the islands, as well as American interests, should have to adjust and readjust production, markets, trade agreements, and so forth, would probably be required. I am convinced, however, that a long period would only operate in uncertainty, doubt, and business confusion in the readjustment.

The salient provisions of the bill may be summarized as follows:

First. Provision is made for the adoption of a constitution and the establishment of the government of the Commonwealth of the Philippine Islands, all to exist pending complete independence. From the date the new government is established and eight years following the people of the islands will enjoy complete autonomy as to the domestic affairs, subject only to certain reservations in-



tended to safeguard the sovereignty and responsibility of the United States.

Second. Following the establishment of the new government, provision is made for the transfer of property rights to the Philippine Commonwealth. In the transfer of such rights we have provided for certain reservations to the United States for military and commercial purposes.

Third. Pending final withdrawal of American sovereignty the bill provides specifically for trade relations between the islands and the United States. It was thought by some that during the transition period a graduated tariff should be placed on products shipped from the Philippine Islands to the United States. Others felt that such a policy would be inconsistent with that heretofore adhered to by our Government. That is, it would, in effect, be equivalent to levying an import duty on crops or products shipped from one possession of the United States to another, which would violate the spirit of our Constitution. The committee felt that the purpose contemplated by the graduated tariff proposed could be accomplished by placing a limit on the leading imports from the Philippine Islands during the transition period. The idea of limiting their exports to the United States under the free-trade arrangements that have existed for 30 years or more was that in the meantime the Filipino people would be forced, as a business necessity, to look for new and additional markets for their exports. In fixing the limitation of imports the committee endeavored to arrive at figures that would represent about the average annual shipment to this country. Any additional productions, therefore, would be subject to the same tariff as applied to other nations. Of course, following the withdrawal of sovereignty the islands will be considered as any other foreign nation, and therefore subject to the same or similar tariff laws and trade arrangements.

As we have already stated, the primary reason for granting independence to the Philippine Islands is that our Government promised it when certain conditions were fulfilled. It is true there are secondary reasons in the minds of many, because they believe that with continued growth and development, Philippine products will come more and more into competition with American products. This was emphasized by the beet-sugar growers and the cane-sugar growers, saying that both raw and refined sugar from the Philippine Islands are seriously competing with the growth and development of sugar production in the United States. Cotton producers and cottonseed-oil crushers insist that the increased importation of coconut oil comes more and more into competition with cottonseed oil and they feel that independence should be granted in order that legislation may be enacted to eliminate such competition. The dairying interests take the same position with reference to dairy products. There can be no doubt but what this phase of the problem would have to be met in some other way unless independence is granted.

Under existing law there is no restriction as to immigration from the Philippine Islands. As a consequence the number of Filipinos coming into the United States has increased from year to year, it being stated to the committee that within recent years the influx of Filipinos has become so great in sections that they are taking the place of American labor in many occupations. This is particularly true of the west coast, it being stated to the committee that there now are between 35,000 and 60,000 Filipinos in the State of California alone, where the large number, as compared with other nationalities, presents a rather serious social problem. Representative WELCH, a member of the committee from California, supplied us with very valuable information, and, I might say, it was upon his suggestion that the bill carries a provision fixing the quota not exceeding 50 to come in from the Philippine Islands annually during the transition period. This provision will become effective 60 days after the act is approved.

I believe that the bill recently presented and passed by the House of Representatives fulfills our obligations to the Filipino people, protects the honor and dignity of the American Government, and takes care of the rights and interests of all concerned as fully and completely as it is possible to do so.

Mr. CRAIL. Mr. Speaker, I renew my request for unanimous consent to extend my remarks on the Philippine independence bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAIL. Mr. Speaker and my colleagues, I am for full, absolute, and immediate independence for the Filipino people.

As a member of the Committee on Foreign Affairs of the House of Representatives of the Congress of the United States I have given this problem much study. As a result, I have a deep and earnest conviction. I wish I could say to every American citizen in a sincere and convincing way, "The Philippine Islands should be free. Their national independence should be recognized at the earliest possible moment."

The longer Philippine independence is put off, the more difficult it will become from every angle.

The Congress of the United States is definitely committed to Philippine independence. It passed a bill in 1916 that the Philippine Islands should be granted their independence "after" the Filipinos had demonstrated a capacity for self-government.

Mark that word "after." It has been given an indefinite and an uncertain meaning. The Filipinos long since demonstrated their capacity for self-government, but there are imperialists in America who claim that the word "after" means 25 years after, some who would make it mean 50 years after, and others who declare it should be more than 200 years after. How easy it is to find an excuse to justify wrongdoing.

Love of country is natural to every human being. It was Commodore Stephen Decatur who, in a burst of patriotic fervor, exclaimed, "Our country! In her intercourse with foreign nations, may she always be in the right; but our country right or wrong." It is but natural, then, for the Filipino people to love their country and to wish for it a rightful place among the nations of the world.

Patriots of the Philippine Islands, I salute you.

We know that our Revolutionary forefathers did not have 30 years in which to get ready for the problems of their self-government. They first declared their independence, then fought for it, and then worked up their Constitution and their Government afterwards. And these Filipino people, with the aid and the tutelage of the American people who have had the experience of upwards of a century and a half in self-government, will be in better position even than they were. The Filipino people are prepared now to take on the responsibilities of self-government, and surely they can be prepared by July 4, 1933, which is an appropriate time for them to take up their independence.

A very important part of this bill for Philippine independence is the provision that Filipinos shall be excluded from immigration to the United States.

I am not for Philippine independence merely for the purpose of excluding immigrants from the Philippine Islands, but I do believe that exclusion is vitally important to our welfare in the United States.

The Filipinos take no offense at independence coupled with exclusion, because they are fair-minded enough to concede that after they are liberated they should have no preferences over the Japanese, the Chinese, and other Asiatic peoples, who, under our laws, are ineligible for American citizenship, and who for that reason are excluded from immigration to the United States.

Why should we not give independence to the Philippine Islands? When our country took them over in 1898 it was with the express understanding that we were doing so for the good of the Filipinos themselves, and in order to help them and tutor them in a freedom and a self-government which we had successfully maintained but which they were not yet fully qualified to enjoy. It was expressly declared

also that we were not taking them over for selfish aggrandizement or profit.

That was more than a generation ago.

Thanks largely to the United States, the new generation of Filipinos are educated, liberty-loving, and law-abiding. They have made good. They have demonstrated a capacity for self-government far above and beyond the people of many other nations which are freely accorded the right of self-government in spite of their woeful ignorance, their deadly superstitions, and their effervescent temperaments. Some free peoples lack stability of character, lack a sense of justice, lack a comprehension of the rights of individuals, lack an understanding of the meaning of freedom and democracy. But not the Filipinos. They are prepared and ready and eagerly awaiting independence.

If America stays in the Philippine Islands any longer we will be fairly open to the charge of aggression and selfish interest.

America is not an imperialistic nation. There is no justifiable reason why we permanently should have dependent colonies, subject peoples, enslaved states, insular possessions, or whatever name you may use to designate or to try to excuse the holding of other peoples in subjugation against their will.

The United States of America was organized by subject peoples who had been ruled by an imperialistic nation across the seas, a nation in whose government they had no part, a nation which taxed them without representation. Their Declaration of Independence proclaimed the sovereignty of the people, the political equality of all men, and the right of nations to govern themselves.

What a strange anomaly, then, to see America, which is the beacon of liberty to the world, acting as the overlord and master to a nation whose people are of a different race than our own, a people which are twice as many in numbers as were the American colonists, and a people which are just as liberty loving and just as eager for self-expression and for self-government and for national independence as were our own American revolutionists.

Aside from the brutal declaration that America now is and should be an imperialistic Nation, a declaration so unjust and so unworthy as not to need a reply, I have heard only three arguments for further denying the Filipinos their independence. All three of these arguments were made more justly by England when the American Colonies declared their independence.

The first is that American capital has been invested in the Philippine Islands and needs American protection.

The complete answer to this is that not one dollar has been invested in these islands by an American without full knowledge on his part that America had promised the Filipinos their independence. If this were an argument, then the longer we hold the Philippines as a subject nation the stronger the argument would become, and Philippine independence would be put off longer and longer and forever.

The second argument is that the Philippine Islands are necessary to our national defense. This argument presumes upon our gullibility. The Philippine Islands are 10,000 miles from the Pacific coast of America. For military and naval purposes the islands are a liability rather than an asset. In the event of war they could be taken from us as easily as we took them from Spain. And they are now a constant menace to friendly relations with foreign nations.

The third argument is that the Philippine Islands are necessary to our business and commercial expansion. The fact is that the retention of the Philippine Islands in subjection against their will is the worst thing we could do to limit the expansion of our commerce and business.

There are in Asia 600,000,000 people who believe in the altruism and fairness of America, who trust America above all other nations. They are watching with confidence but with earnestness America's promise to help the Philippine people and to grant independence to the Philippine Islands. There is nothing so vital to success in business as a reputation for fair dealing.

The Chinese people have boycotted Japanese business men and Japanese-made goods because of Japanese aggressions and Japanese selfishness.

The American colonists fought for their independence and for 150 years thereafter English business men and English-made goods were boycotted and proscribed in America. American business and commerce were built up and fostered in the ill will and dislike of Americans for the people against whom it had been necessary to go to war for freedom and national independence.

And so I say, if we want to expand our business and our commerce in the Philippine Islands and in the Orient, let us be honest and just with the Philippine people and let us keep faith in our promise to grant them their national independence.

True to its traditions, but to the amazement of imperialistic nations, America stood firm at the close of the World War and refused to accept any of the German colonies as reparations for losses during that war.

Let us with equal firmness withdraw from the Philippine Islands now.

For more than 150 years the oppressed and downtrodden of every race and of every clime have looked to America as the friend of man and the unselfish champion of the people's rights.

To the wide world, America has symbolized freedom, justice, democracy, peace, and good will to all.

In giving the Philippine Islands their independence, America will be making good on its mission.

Let us then be just and generous, and maintain our good standing before the world by granting the Philippine Islands their full and unconditional independence now.

Righteousness exalteth a nation.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10022, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. SWANK in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

FEDERAL FARM BOARD

For salaries and expenses in accordance with the provisions of the agricultural marketing act approved June 15, 1929, and the act creating a Division of Cooperative Marketing in the Department of Agriculture, approved July 2, 1926, including stenographic reporting services to be obtained by the board through the civil service, by contract, or otherwise; not to exceed $750 for newspapers and clippings; membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; manuscripts, data, and special reports by purchase or by personal services without regard to the provisions of any other act; to procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50; purchase and exchange, maintenance, repair, and operation of motor-propelled, passenger-carrying vehicles and motor trucks to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; garage rental in the District of Columbia and elsewhere; traveling expenses, including attendance at meetings concerned with the work of the Federal Farm Board; payment of actual transportation expenses and not to exceed $10 per diem to cover subsistence and other expenses while in conference and en route from and to his home to any person other than an employee or a member of an advisory commodity committee whom the board may from time to time invite to the city of Washington and elsewhere for conference and advisory purposes in furthering the work of the board; the employment of persons, firms, and others for the performance of special services, including legal services, and other miscellaneous expenses, $1,000,000: *Provided*, That during the fiscal year 1933, when the Federal Farm Board requires cooperative work by any department or independent establishment of the Government within the scope of the functions of such department or establish-

ment, and which such department or establishment is unable to perform within the limits of its appropriations, the Federal Farm Board may transfer from this appropriation to such department or establishment, with the approval of the head thereof, such sum or sums for direct expenditure as may be necessary for the performance of such additional work: *Provided further*, That no part of this appropriation shall be used to pay any salary in excess of $12,000 per annum, or any salary in excess of $8,500 per annum except to members of the board and the general counsel.

Mr. BUCHANAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: Page 18, line 19, strike out the figures "$1,000,000" and insert in lieu thereof the figures "$1,380,000."

Mr. BUCHANAN. Mr. Chairman, I ask unanimous consent to proceed for 25 minutes.

The CHAIRMAN. Is there objection?

Mr. WOODRUM. Mr. Chairman, I reserve the right to object. This bill will have to be completed to-day under arrangements of the House. There are other controversial items in the bill after this. I hope the gentleman will not force me into the position of invoking the rules of the House. It occurred to me there might be liberal debate upon this item, and I had in mind after one or two speeches had been made to see if we could not agree upon an hour or an hour and a half to discuss this matter. I wish the gentleman from Texas would modify his request and make it 10 or 15 minutes, and perhaps some more later.

Mr. BUCHANAN. I suggest to the gentleman that Members on the other side had at least an hour, and this side has not had anything. I thought 25 minutes a moderate amount to cover a subject as broad as the United States.

Mr. WOODRUM. The gentleman made no request for time in general debate.

Mr. BUCHANAN. I would have, but some of the gentleman's colleagues told me that the gentleman had promised them time and had then come to them and told them that his time was taken up and could not give them any. I did not want to put the gentleman in the attitude of refusing a colleague on his committee, neither did I want to put myself in the attitude of having it refused to me.

Mr. GREENWOOD. Mr. Chairman, I suggest to the gentleman from Virginia that perhaps we might save time on this controversial issue by allowing the gentleman to discuss it fully. That may save several 5-minute speeches.

Mr. WOODRUM. Does the gentleman expect to complete his remarks in the time asked?

Mr. BUCHANAN. I do.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 25 minutes. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that I may have an amendment, which I propose to offer, read at this time for the information of the committee. It might influence the remarks of the gentleman from Texas.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read the amendment, as follows:

Page 17, strike out lines 12 to 25, inclusive; strike out all of page 18; and on page 19 strike out lines 1 to 7, inclusive, and insert in lieu thereof the following:

"For salaries and expenses necessary to enable the Secretary of Agriculture to close up the affairs of the Federal Farm Board, including personal services in the District of Columbia and elsewhere, printing and binding, rental of quarters outside of the District of Columbia, stationery, office supplies and equipment, traveling expenses, and other necessary miscellaneous items, $600,000: *Provided*, That no salary shall be paid hereunder at a rate exceeding $8,000 a year: *Provided further*, That the Federal Farm Board created by the agricultural marketing act of June 15, 1929 (U. S. C., Supp. V, title 7, ch. 22), including the offices of eight members of the board at $12,000 each and the respective positions of general counsel at $20,000 and secretary at $8,500, 10 in all, with annual salaries aggregating $124,500, is hereby abolished, effective at the close of business on June 30, 1932. The authority, powers, and duties vested in such board by law and the obligations and rights of such board are hereby transferred to, imposed upon, and vested in the Secretary of Agriculture."

Mr. LaGUARDIA. Mr. Chairman, I reserve half a dozen points of order on the amendment.

Mr. SIMMONS. I reserve the other 25 points of order.

Mr. BUCHANAN. Mr. Chairman, no doubt gentlemen here realize with what reluctance I take the floor and offer an amendment during this period of financial distress to increase an item in an appropriation bill that comes from my own committee. Nothing except the consciousness of a firm conviction that it is my duty would compel me to do it.

Realizing and believing it is my duty, I am going to perform that duty and leave it to the Members of this House to discharge their duty as they see it. I have offered this amendment increasing this appropriation $380,000.

The President recommended and the Budget recommended for the Farm Board $1,880,000 for the next fiscal year. The Farm Board this year has spent or will spend $1,483,000. So if my amendment is adopted, it will be in round numbers $500,000 less than the amount requested by the President and his Budget and $100,000 less than the Farm Board is actually expending this year. This means that it will be incumbent upon the Farm Board to discharge a considerable number of its trained personnel. It will be a backward step. In my personal opinion the Farm Board should have $1,500,000 for the next fiscal year.

Mr. JOHNSON of Texas. How much less is the gentleman's recommendation under that of the President?

Mr. BUCHANAN. Five hundred thousand dollars. My amendment provides $1,380,000 for the next year. I do not think even my amendment gives them enough to operate efficiently, but it does give them enough to look after the collection of the $400,000,000 that has been loaned out, and enough, and only enough, to attend to their duties under the farm relief act of organizing and promoting cooperative associations among the farmers of the United States.

I do not understand—I can not understand—the peculiar mentality of the gentlemen who composed this subcommittee. They must have had 20 or 30 independent establishments of the Government before their committee for which they made appropriations, and the Farm Board was the only one that they decreased such an enormous amount. The decrease amounts to 47 per cent of the President's estimates.

Why is that? There is but one explanation, and that is the subcommittee is dominated by men who are opposed to the farm relief act and opposed to the Farm Board. One member of that committee took the floor of the House the other day and stated he would have been glad to make that appropriation $80,000, thereby reducing the President and Budget's estimate $1,800,000.

Gentlemen, this is not only a question of what is necessary for the Farm Board, but it is a fight for the existence of the Farm Board and the existence of the farm relief act.

If we do not want cooperative marketing among farmers in this country, why not say so in terms which will deceive nobody and will be immediately effective? Why waste another million dollars, if in the wasting of it we accomplish the end of the destruction of the Government policy of aid to farmers in the marketing of their products? That is all this is; that is all it was intended to be; this is the desire of the enemies of cooperative marketing, and they are rich, organized, and powerful. Their propaganda, insidious, misrepresentative, spreads from coast to coast and loads our daily mail.

Congress committed this country, by the passage of the agricultural marketing act, to the policy of Government aid to cooperative-marketing associations owned, controlled, and managed by farmers. That was three years ago. The action of this subcommittee reverses the policy of Congress, nullifies the agricultural marketing act, and brings joy and gladness of heart to every cotton and grain gambler in New York and Chicago.

The Budget estimate for the work of the Federal Farm Board, carrying out the mandate of Congress under the marketing act, was $1,880,000. This subcommittee has cut that estimate $880,000, or approximately 47 per cent, while there is no other item in the independent offices bill, covering 56 measures and dozens of items, where the cut has been above 20 per cent.

Mr. RAYBURN. I am not interested in the abolishment of the Farm Board, but what is in my mind is the desire to know why it is necessary to appropriate this $380,000 additional contained in my colleague's amendment; whether or not the Farm Board can get along with $1,000,000, or whether it must have the $380,000 additional. That is the point I would like to hear the gentleman upon, because he has given this question great consideration. It is not a question of whether somebody is opposed to the Farm Board or whether somebody is in favor of the Farm Board.

Mr. BUCHANAN. It can not get along with $1,000,000.

Mr. RAYBURN. Why?

Mr. BUCHANAN. I will tell you why.

Mr. RAYBURN. Specifically.

Mr. BUCHANAN. I will state to my colleague from Texas that it can not get along and perform the functions imposed upon it by the farm relief act with $1,000,000.

Why? In the first place, $1,000,000 is barely sufficient to enable them to attend to the collections and the loans they have outstanding. Let me call your attention to the fact that in the Department of Agriculture last year and years before loans were made and $35,000,000 are now outstanding. That money must be collected, or they must try to collect it. How much was appropriated for collection purposes alone in the agricultural bill? Five hundred thousand dollars. Five hundred thousand dollars was appropriated to collect $35,000,000, and the department claimed that that would not be nearly enough to complete the job. Yet, having $400,000,000 loaned by the Farm Board, you have but $1,000,000 for collection and all other purposes.

The Farm Board has eleven times more money loaned out than the Department of Agriculture and is given only twice as much to collect it. We will lose money by not providing sufficiently therefor.

It is true that in the Agricultural Department the loans are small. On the other hand, many of the loans made by the Farm Board are in small amounts, with security on perishable products, that must be constantly looked after and sold before they decay and rot.

Now, gentlemen, I want to call your attention to a few comments which my colleague, Mr. WOODRUM, made in his address. You know, I was never more surprised in my life than I was in my colleague, Mr. WOODRUM. Judging from his ministerial face and affidavit voice, I was surprised at the violent language used by him and his misrepresentations of the facts. Listen, will you, to what he said:

> I think he (the farmer) is the most tragic figure, the most God-forsaken figure, the most pitiable figure in American life to-day; and he is in that position because Congress, in its generosity, trying to relieve him, has in truth and in fact relieved him of everything on the face of God's green earth that he has.

Congress has relieved the farmer of everything he has on the face of the earth—so admits Mr. WOODRUM. If I had to make that admission, I would quit Congress to-morrow. [Applause.]

Let us see what else he says. He tells you that the Farm Board does not disapprove the high salaries of the cooperatives, when his own hearings show, according to questions propounded by him in the committee, that Mr. Stone told him he did not approve of them and is in constant communication with them to try to get those salaries adjusted.

Let me discuss those salaries just a little bit. Now, gentlemen, I am not one who claims the Farm Board has not made any mistakes. We placed it out to navigate an uncharted sea. We expected it to make mistakes. It has made mistakes. It would not be human but divine if it had not made mistakes. But those mistakes furnish valuable lessons for the future guidance of that board and of farm relief.

The gentleman from Virginia [Mr. WOODRUM] said that these farmers were being robbed of everything they had by high-salaried employees. Listen, will you? The cost of the American Cotton Cooperative Association—the money they spend on administration—is $70,000 a month. Multiply that by 12 and you have $840,000. Add to that $75,000 for the salary of Mr. Creekmore and you have $915,000. It has 577 employees. Divide the total expenditure by the total number of employees and you have an average salary of $1,588. Yet the average salary in the Department of Justice is $2,399. The average salary in the State Department is $2,379. The average salary in the Department of Commerce is $2,338, and in the Department of Agriculture, $2,335. The kettle should not call the pot black.

Why this discrimination against agriculture? And that, too, is the very point where agriculture converts its yearly labor into cash through marketing. I challenge you to read line by line the statement of the chairman of the subcommittee, the gentleman from Virginia, and find one solitary statement therein in which this cut of 47 per cent is justified on the grounds of economy. His able and broad statement was filled with criticism of the activities of the Federal Farm Board and of cooperative-marketing associations in the country. There is not a word said about economy in that remarkable presentation. It is a criticism of these farmers' cooperatives which are exercising their right—the right inherent in any business organization—to go into the brain market and buy the best type of brain. I hold in my hand a statement appearing in the Washington Post of yesterday, April 7, the headline of which reads, "American Tobacco Head Paid $1,000,000 in 1931 as Salary and Bonus." The tobacco farmers of Virginia might well inquire of the gentleman of Virginia, who is so unconsciously rendering aid to their enemies, why he does not take some steps to rectify this situation.

Why give the enemies of cooperative marketing the free and unlimited right to go into the brain market and buy the best, and then put the ball and chain around the ankles of cooperative-marketing associations in their efforts to buy brains in order to compete with private marketing agencies? It can not be done. For Congress to take the attitude of trying to limit the ability of cooperative-marketing associations to pay for brains in competition with private bargaining agencies is tantamount to a destruction of cooperative marketing. The enemies of cooperative marketing know this, and I venture the belief that if a poll were taken of the heads of the various private marketing agencies, you would find them unanimously in favor of congressional action which would limit the salaries that cooperative farmers' marketing associations might pay to their officials and employees. No better way, they know, can be found to kill cooperative marketing than this.

You may wonder at my interest in this situation. Maybe I am unique in looking beyond my nose and unrolling the curtain of the future and seeing out yonder in the distance the coming of the day when organized consumers in great centers like New York and Chicago will be grasping the hands of organized producers throughout the land and wiping out thereby the greatest burden that rests upon the backs of both—the burden of distribution. That accounts for my interest in this matter; I am talking for these people as well as for farmers. The consumer has a vital and direct interest in agriculture; agriculture has a direct and vital interest in the consumer. They are just as interdependent as any two forces in our economic system can be interdependent. That representative of the consumer in this body who fails to recognize this fact is failing to measure to the high standards of statesmanship which the country demands so much in these distressing times.

But if I had no interest in these matters, if I were thoroughly indifferent to the interests of my own constituents in this item, there is another reason why I would support a decent portion of the amount which this subcommittee has indecently cut from the estimates of the Budget. I agree with Elbert Hubbard, who says "I judge the character of an institution by the enemies it makes." Who are the enemies of cooperative marketing among farmers in this country? Every farm organization is supporting the efforts of the Federal Farm Board. The American Farm Bureau Federation, the Farmers Union, the National Grange, the National Committee of Farm Organizations, and all cooperative associations, whether or not they have been aided by the

Farm Board, are unanimous in their support of my amendment to the Appropriation Committee report.

Mr. PARKS. Will the gentleman yield for a simple question?

Mr. BUCHANAN. Yes.

Mr. PARKS. Does the gentleman approve of a salary of $75,000 for Creekmore as cotton adviser?

Mr. BUCHANAN. I do not.

Mr. VINSON of Georgia. Mr. Stone approves of it.

Mr. BUCHANAN. Mr. Stone does not approve of it.

Mr. VINSON of Georgia. Read the letter that Mr. Stone wrote to the gentleman from Indiana [Mr. LUDLOW].

Mr. BUCHANAN. I am not going to get into any controversy with my colleague, but I ask you to read the hearings before this subcommittee. I will say to my colleague from Arkansas that when they employed Mr. Creekmore they employed him for a term of two years. The two years will not be up until some time this year, and then there will be a sincere and earnest effort made to reduce the salary, and the salary will be reduced. [Applause.]

Mr. SIMMONS. Will the gentleman yield?

Mr. BUCHANAN. If it is a short question.

Mr. SIMMONS. Not one penny involved in this appropriation goes to pay the salary of any of the men they are talking about. That is all beside the question that is presented here to-day, and the membership knows it.

Mr. BUCHANAN. Not one cent of this appropriation can be expended to pay salaries in cooperative associations. Not one cent of the interest on the revolving fund can be expended for administration, and not one cent of the revolving fund can be expended for administration. This is merely an appropriation for the administration of the Farm Board at Washington and the payment of the salaries of its employees here and in the field. That is all. Not one cent of this appropriation can be loaned to cooperative associations. All loans must come out of the revolving fund heretofore appropriated.

Mr. THATCHER. Will the gentleman yield?

Mr. BUCHANAN. Yes; for a short question.

Mr. THATCHER. How is the salary of Mr. Creekmore fixed? What has the Farm Board to do with that and who does fix the salary?

Mr. BUCHANAN. The directors of the American Cotton Association fix the salaries; but whenever an association owes the Farm Board, the Farm Board has the right to veto the salaries.

In other words, it is in the agreement of the American Cotton Cooperative Association that whenever it owes the Farm Board, the board has the right to pass upon salaries and approve or disapprove them, and this exists in every cooperative in the United States.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. BUCHANAN. For a short question; yes.

Mr. BLANTON. It is admitted that the salaries of these high-salaried men in the cooperatives come out of the farmer, and inasmuch as they do come out of the farmer, why can not we force them to reduce these salaries to something that is reasonable?

Mr. BUCHANAN. Oh, what we need is a legislative amendment of the farm act to control and fix that situation.

Mr. BLANTON. Let us put it on this bill.

Mr. BUCHANAN. When you have a farm relief act which has such great potentialities in it for the benefit of the farmers and our country, do not try to destroy it because of a little carbuncle on its neck. Cut out the carbuncle by amending the act.

I say without hesitation or fear of contradiction—the private marketing agencies—the American Cotton Shippers Association, with a membership of only 800, and their allied interests, who have sucked the blood of southern farmers ever since Eli Whitney invented the cotton gin on the back porch of the widow of Gen. Nathanael Greene; the grain trade, the speculator and gambler in foods and clothing; the New York and New Orleans Cotton Exchanges; the Chicago Grain Exchange—are the forces who are fighting this act and who are in favor of allowing the work of the subcommittee to stand unamended, because they know that it injures cooperative marketing in this country. To destroy the Farm Board would set the wheels of agricultural progress back a half century.

To substantiate the relentless warfare made upon the farm relief act, the Farm Board, and agricultural cooperative-marketing associations, I submit the following statements taken from confidential communications of the American Cotton Shippers Association and other allied interests:

First. Letter 42, sent out from the headquarters of the American Cotton Shippers Association to its members, urging them to get busy with Senators and Representatives. This letter is as follows:

JANUARY 13, 1932.

To the members, American Cotton Shippers Association.

GENTLEMEN: I wonder how many of you have talked to or written your respective Senators or Representatives. Some of the members have sent us copies of the exchange of correspondence and it is inspiring to your committee to see the interest evidenced in the replies received.

Congress, after our request for an inquiry, and in the face of all the discussion, editorial and otherwise, in the press and magazines, can not afford not to be interested, and your letters or words will have many times more weight than would have been the case a month or so ago.

If you haven't done this before, please do it now; if you have, a follow-up would be most effective.

Second. Excerpts from a letter marked "Confidential," addressed to members of the New York Cotton Exchange, appealing for contribution toward a $100,000 slush fund to influence Congress to repeal the farm relief act.

CONFIDENTIAL

NEW YORK, *December 8, 1930.*

GENTLEMEN: At the request of Mr. Chauncey W. Butler, chairman finance committee of the American Cotton Shippers' Association, the undersigned have consented to act as a committee to receive subscriptions from cotton merchants and others in New York who would like to contribute to a fund of $100,000 being raised by the American Cotton Shippers' Association in furtherance of two major activities: (a) To endeavor to secure amendment or repeal of the agricultural marketing act through Congress and (b) a country-wide publicity campaign to enlighten the public as to the activities of the Federal Farm Board as at present conducted, and to promulgate the policy of the American Cotton Shippers' Association as declared in the following resolution: * * *

Those subscribing to this fund are at liberty to designate the purpose for which the subscription shall be used, i. e., whether for the publicity campaign or for legislative action in an attempt to secure amendment or repeal of the agricultural marketing act; or both. A subscription card is inclosed which may be used; but in the event that you do not care to have your name disclosed check may be sent to Gardiner H. Miller, 60 Beaver Street, New York City, who will collect the funds and forward one check for the entire amount collected to the American Cotton Shippers' Association at Memphis, Tenn.

Third. The following telegram was sent out by D. T. Manget, cotton merchant of Newnan, Ga., to cotton shippers in Savannah:

You gentlemen are requested to act as a committee to solicit contributions from cotton factors and dealers at Savannah to support a movement fostered by the American Cotton Shippers' Association to raise funds to either amend or repeal the agricultural marketing act, with special reference to functions of the Farm Board. The amount to be raised from the Georgia shippers and factors is $4,000. In addition to this amount the firm of Clayton & McFadden will be solicited direct. The quota assessed on Dallas was $10,000, and they raised the amount in 30 minutes. Houston quota was $10,000, all of which has been pledged. Dameron Williams wires that the interest in the Memphis meeting is spreading, and other States are reporting excellent progress. Please be good enough to phone or wire the result of your efforts as early is possible, as I am obliged to make a report of the State to Dameron Williams this afternoon. We feel that our existence is at stake and that something must be done immediately, and will be done if we have the moral and financial support of the cotton trade. Terms of subscription: Fourth cash, balance as and if needed.

Fourth. An excerpt from an editorial of a newspaper known as the Cotton Trade Journal, as follows:

The world's largest cotton merchant told us recently: "In a democratic country such as ours the only way for the people to control the acts of their Government is to have the spotlight turned on its activities."

After careful consideration and consulting with the best legal and cotton-wise minds in the country we agree with this eminent

gentleman quoted above—and we have so formulated the policy of our paper in regard to the Farm Board act and the American Cotton Cooperative Association.

The Cotton Trade Journal is crystallizing the sentiment of the whole trade. We are going to be the spearhead in the voice of protest of the cotton trade against that part of the Farm Board act which places the Government in business.

And the sky is the limit. I protest against any such cold, crude, bold attempt to influence me and my brethren on the floor. In my experience of 20 years on the floor of the House this is the boldest attempt which paid propaganda has even undertaken to influence congressional action. As far as I am concerned, if there were no other reasons to move me, I would find myself fighting under the flag of the organized cooperative farmers of America rather than under the black flag of the slushers whose well-marked trail I have pointed out to you in this speech. Under whose flag are you going to stand? The issue is clear-cut and unmistakable.

Why are they fighting this act? They say that cooperative marketing has not succeeded. They convict themselves of misrepresentation in their own testimony. They know cooperative marketing is succeeding and that is why they want to beat it, strangle it, hamstring it. Am I justified in making this statement? Let me read from the telegram:

We feel that our existence is at stake and that something must be done immediately, and will be if we have the moral [God forbid—"moral!"] and financial support of the cotton trade.

Why are they trying to beat this act, to hamstring it? There is the answer to it: "Our existence is at stake." Why is it at stake? Because cooperative marketing has made more progress since the agricultural marketing act was passed in 1929 and the Government put its seal upon it than it had made in 50 years previously. If cooperative marketing under the agricultural marketing act were not succeeding, the Macedonian cry of one cotton gambler to another would not sound up to heaven—"Help me, Cassius, or I sink!" And who is "me"? The net fellow who has ridden the bent backs of cotton farmers of the South until his income for over 75 years of such riding has been less than $300 a year for each family. Let us get right on this thing, my colleagues. I stand for the rights of free-born American citizens to protect themselves against organized greed, and have always stood for it. By the same token I stand for the right of agriculture to organize. The right to organize, to exercise the inalienable right to market its own products for its own benefit in its own God-given way!

Mr. HART. Will the gentleman yield?

Mr. BUCHANAN. No.

Gentlemen, this is a fight for the existence of the Farm Board and the farm relief act. This is the first step toward its destruction by strangulation and by starvation.

Who brought on this fight? What sort of fight are they waging? Listen! I am going to comment on the quoted letters, and first the letter from the State of Georgia which is from the American Cotton Shippers Association:

You gentlemen are requested to act as a committee to solicit contributions from cotton factors and dealers at Savannah to support the movement fostered by the American Cotton Shippers' Association to raise funds to either amend or repeal the agricultural marketing act with special reference to functions of the Farm Board. The amount to be raised from the Georgia shippers and factors is $4,000. In addition to this amount the firm of Clayton & McFadden will be solicited direct.

The sky is the limit for this slush fund, this corruption fund or this education fund that these men who have been preying upon the cotton industry are seeking to raise.

The amount to be raised from the Georgia shippers and factors is $4,000. * * * The quota assessed on Dallas was $10,000, and they raised the amount in 30 minutes. Houston quota was $10,000, all of which has been pledged. Dameron Williams wires that the interest in the Memphis meeting is spreading, and other States are reporting excellent progress.

Now, along the same line they send a letter marked "Confidential" to the New York exchange and here is what they say. Listen to this. I want to show you where the fight is. I want to show you that the insidious interests, the moneyed men of the country, are seeking to undermine the farm act and destroy it in order that they may continue to prey upon the hard earnings of the tillers of the soil.

I will not again read all the letter because I have not the time. It is a letter to the New York Cotton Exchange soliciting subscriptions, and states, among other things:

Those subscribing to this fund are at liberty to designate the purpose for which the subscriptions shall be used; that is, whether for the publicity campaign or for legislative action in an attempt to secure amendment or repeal of the agricultural marketing act, or both.

Legislative action! In the name of God and common sense, these cotton shippers believe that money talks and votes in this House. It has not talked and voted in this House since I have been a Member. I do not believe it is going to talk and vote to-day, and I trust to God it will never talk and vote in this House. [Applause.]

How were they going to influence Congress? What are their methods? What was the language just read by me? Is there anything written between the lines that we can see? Are there hidden, devious ways of obtaining congressional or legislative action? If so, I would like to drag them out, let the rays of a noonday sun shine upon them that we might see them and honest men in every calling pass judgment thereon.

I want to call your attention to the language in the telegram which I have just read. "In addition to this amount, $100,000, the firms of Clayton and McFadden will be solicited direct." Who are the firms of Clayton and McFadden? They are the two biggest cotton firms in the world. Mr. Clayton is regarded as the greatest cotton man in the world. And why did not they allot him a certain amount of this fund as his contribution to this assessment of $100,000, as they allotted $10,000 to Dallas, $10,000 to Houston, $10,000 to Memphis? There is a nigger in the woodpile here, and I want to see it. This telegram means this: That you little pikers in Memphis and Houston and Dallas and Savannah have got to raise a minimum of $100,000, and if that does not do the job of repealing this act, then Clayton and McFadden will put up the difference. Listen again to a quotation from their letter:

A subscription card is inclosed which may be used, but in the event that you do not care to have your name disclosed, check may be sent to Gardiner H. Miller, 60 Beaver Street, New York City, who will collect the funds and forward one check for the entire amount collected.

Oh, these cotton shippers and kindred interests, to which they refer, are treading the dark and forbidden path of infernal chicanery to undermine the farm relief act and destroy the only hope that the farmers have of relief from the intolerable condition they are in now.

Listen to one more thing. Here is another letter which I have not time to again read, but I will tell you the statements in it. The American Cotton Shippers Association has asked their members and kindred interests to go and talk to their newspaper editors, and state that there may be a change of editorial policy because, "This writer knows of several that have changed their policy after being talked to," and after this slush fund has been raised.

Every means is being resorted to by the vested interests to destroy the only constructive piece of legislation this Congress has ever passed for the relief and benefit of the farmers.

Mr. THATCHER. Will the gentleman yield for a brief question?

Mr. BUCHANAN. For a brief question; yes.

Mr. THATCHER. Before the gentleman closes, will he state to the committee to what extent, and in what manner, will the activities of the Farm Board be crippled if the appropriation is limited to $1,000,000?

Mr. BUCHANAN. Because it will not give them a sufficient amount of money. They have so stated to me, and I have letters here that they will be compelled to refuse serving many associations already organized and others that will want to be organized on the same sensible businesslike basis. Let me tell you something. The subcommittee did not develop in its hearings——

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I would like to see if it is not possible by unanimous consent to limit debate on this section. I ask unanimous consent that all debate on the Farm Board item and all amendments thereto close at 2 o'clock. The time will be in the control of the chairman, and I am sure he will be fair.

Mr. McCLINTIC of Oklahoma. I hope the gentleman will not insist upon that.

Mr. LaGUARDIA. Is the gentleman going to seriously urge his amendment?

Mr. McCLINTIC of Oklahoma. I am.

Mr. WOODRUM. Mr. Chairman, I will modify my request, and ask unanimous consent that all debate close at 2.15 o'clock. That will give an additional hour and a half.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. SNELL. Reserving the right to object, I think for the present we had better let it run along.

The CHAIRMAN. Objection is heard.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to this amendment, and in discussing it I wish to confine the discussion to the naked question of whether the appropriation recommended by the committee is sufficient for the operation of the Farm Board for the coming fiscal year.

I do that because there is a law on the statute books creating the Farm Board, which is now in existence, and therefore the only question to be determined here is whether the amount recommended by the committee is sufficient. I contend that the committee has been most liberal in recommending $1,000,000 for the fiscal year of 1933.

Now, gentlemen, the estimate was made for $1,800,000 and the committee reduced it to $1,000,000. I want to say, with all deference to the Farm Board, that that is one department of the Government which comes before the committee of which I am a member and submits its estimates in less detail than any other department of the Government. They deal in glittering generalities and you can not get them to the point.

Now, I want to call your attention to some of the items that go to make up estimates of the Farm Board. I am going to submit some items for illustration of the way the Farm Board spends the people's money.

They have a personnel divided into grades. I take up grade 9, and under that grade they have eight members of the board drawing a salary of $12,000 and one general counsel drawing $20,000.

Grade 8, they have a secretary who draws $8,500.

Grade 7, they have one head agricultural economist drawing $6,500, two head agricultural economists drawing $6,500, and one attorney drawing $6,500.

Grade 6, chief of section $6,000, nine agricultural economists drawing $5,644 each.

They have one principal examiner on a salary of $6,500, then two principal attorneys drawing $5,600. In grade 5 they have six senior agricultural economists on salaries of $4,733 each and six senior agricultural economists at $4,700 each. They have a legal representative at $5,000 and a senior attorney at $4,600. In grade 4 they have six agricultural economists drawing $3,900, and a legal assistant, $4,000. In grade 3 they have seven agricultural economists drawing salaries of $3,314 each and three associate economists at $3,200 each. In grade 2 they have three assistant agricultural economists at $2,600 each, four assistant economists at $2,600 each, and four assistant economists at $2,600 each, and two assistant attorneys at $2,700 each, and one legal assistant at $2,700. I don't know just what he does, whether he is a lawyer or some kind of an expert.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. SNELL. When the original act was passed we fixed the salaries of the commissioners.

Mr. WRIGHT. Yes.

Mr. SNELL. I thought we had some limits on the salaries to be paid in the bill at that time.

Mr. WRIGHT. I do not think so, but we have put a limitation in this bill.

Mr. SNELL. Then, up to the present time they are not to blame for the salaries.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for 10 additional minutes.

The CHAIRMAN. Is there objection?

Mr. SNELL. The real matter of importance is not what the salaries are, but the kind and character of men occupying the positions and what they are doing.

Mr. WRIGHT. I call attention to this list of economists.

Mr. SNELL. What do they do?

Mr. WRIGHT. They do nothing but the work that is duplicated in the Department of Agriculture.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. SIMMONS. The work the gentleman is talking about was transferred from the Department of Agriculture to the Farm Board by Executive order, and it is not duplicated.

Mr. WRIGHT. If that be true, why did this Congress carry in the agricultural appropriation bill nearly $6,700,000 to carry on the Bureau of Agricultural Economics in the Department of Agriculture?

Mr. SIMMONS. The Bureau of Cooperating Marketing was transferred from the Agricultural Department to the Farm Board and this work is being done by former members of that bureau. It is not duplicated.

Mr. HART. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. HART. Can the gentleman tell the House what an agricultural economist is? I have been farming and marketing for 30 years, and I really do not know. Does he tell us when wheat goes up and when it goes down?

Mr. WRIGHT. They are supposed to investigate conditions generally all over the world and to know the quantity of crops produced and the prevailing prices, and judging from the number of economists that are employed down there at the Farm Board, they have enough of them there to solve every question in connection with the matter.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. BURTNESS. Getting back to the question of salaries, does the gentleman contend that any of these salaries with the exception of that of the general counsel are really higher than the standard paid usually?

Mr. WRIGHT. I insist that the salaries are excessive and that there are too many of these economists employed.

Mr. BURTNESS. Does the gentleman claim that the salaries paid to the economists are too high, assuming they do not have any more than they need?

Mr. WRIGHT. From the results obtained I would say that they are all overpaid.

Mr. BURTNESS. What about the general counsel? He receives $20,000, but the next highest salary in the legal division is $6,500.

Mr. WRIGHT. I do not think that the $20,000 man is worth it.

Mr. BURTNESS. So you are recommending $12,000?

Mr. WRIGHT. Yes; for the general attorney.

Mr. BURTNESS. Does the gentleman claim that the other men are being overpaid?

Mr. WRIGHT. I say they are all overpaid. I think the Farm Board is being overpaid.

Mr. BURTNESS. But Congress fixed the salary of the members of the Farm Board. I favored cutting it to $10,000 when we passed the bill.

Mr. WRIGHT. I would be in favor of reducing it to $10,000. I do not think they are worth any more than we are. As an illustration of what these gentlemen are worth in the way of salaries, last fall, after the people in the Cotton Belt had delved and striven and perspired to produce a cotton crop, and, when the crop had practically matured, the best advice the board offered was that these farmers deliberately go to the expense of plowing up every third row. This was after the crop had already been produced.

My friend, the gentleman from Texas [Mr. BUCHANAN] was talking about propaganda being used against the Farm Board. It may be. But propaganda is not confined to opposition to the Farm Board. The Farm Board have their propaganda, and we had before our committee a man named Moser. He is drawing $15,000 from this American Cotton Cooperative Association. I tried to ascertain from him what his duties were, and what he is doing here in Washington. He said, in short, that he was engaged in educational work. I asked him how he conducted it, whether through the press, magazines, or how, and he said that one way he was carrying it on was right there before the committee.

Mr. FULBRIGHT. I have just been thinking about these economists operating under the Farm Board and I am wondering if the information upon which the President based his suggestion to plow out every third row of cotton a few months ago was based on the information gathered from these economists?

Mr. WRIGHT. It must have come from that source. I can not imagine where they conceived the idea unless the economists told them.

Mr. EATON of Colorado. What did you say about the President making any such statement as that?

Mr. WRIGHT. I said the Farm Board. I hope the President had more sense.

Mr. EATON of Colorado. I am sure he had more sense; but I would like to know whether the gentleman referred to the President of the United States when he said "President."

Mr. FULBRIGHT. The gentleman referred to the chairman of the Farm Board. I think the President of the United States indorsed what the Farm Board suggested.

Mr. WRIGHT. I decline to yield further.

Mr. FULBRIGHT. The Secretary of Agriculture said it.

Mr. WRIGHT. Going back now to Mr. Moser, this man drawing $15,000 a year from the American Cotton Cooperative Association; I asked him where he had been the last 30 days. He said he had been here in Washington. I said, "Just preceding that date where were you?" It turned out that with the exception of 2, 3, or 4 days, an interim, I suppose, during which time he went out somewhere in the country, he was here around Washington. I said, "Mr. Moser, for the 30 days preceding that period, where were you?" With an interim of 3, 4, or 5 days he was here in Washington. I did not carry him back any farther than that, but for the past three months he had spent practically all of his time in Washington working at his so-called educational work.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. WRIGHT. Yes; for a very brief question only.

Mr. SMITH of Idaho. Who employed Mr. Moser?

Mr. WRIGHT. The American Cotton Cooperative Association.

Mr. SMITH of Idaho. Who pays him?

Mr. WRIGHT. And I want to say here and now that the Farm Board absolutely dictates the policy of the American Cotton Growers' Association.

Mr. SMITH of Idaho. Mr. Moser is paid by the association that employed him, is he not?

Mr. WRIGHT. Oh, yes; they pay him, but it comes out of the farmers' pockets, and it is sanctioned by this Farm Board.

Mr. SMITH of Idaho. The Farm Board is not responsible for the salaries paid by the cooperatives.

Mr. WRIGHT. I maintain the board could absolutely control them, and they do control the American Cotton Cooperative Association; they control its policy. Mr. Stone admits in his testimony that they have a right to look into the efficiency, and so forth, of their employees, and all those things; and, of course, a mere suggestion from the Farm Board would control the policy of this association.

Why? Because this association is practically financed by the Farm Board. The Farm Board holds the purse strings.

Whether the Farm Board is a success or failure is one question, but the important question here before us is whether or not $1,000,000 is not enough money for this board to spend in the fiscal year 1933.

I want to call the attention of the House to another thing so far as the looseness of their estimates are concerned: They admitted before our committee that during the past fiscal year they lacked $300,000 of spending what was appropriated.

Mr. SMITH of Idaho. Will the gentleman yield further?

Mr. WRIGHT. Yes; but make your question brief.

Mr. SMITH of Idaho. Has the gentleman any information that the American Cotton Cooperative Association is not satisfied with the services rendered by Mr. Moser?

Mr. WRIGHT. I do not know. The farmers, however, pay the bill.

Mr. SIMMONS. Will the gentleman yield?

Mr. WRIGHT. I yield.

Mr. SIMMONS. In order that we may have it clear, is it your position that the cooperatives exploit the farmers?

Mr. WRIGHT. I did not say anything about cooperatives.

Mr. SIMMONS. You are talking about one of the biggest cooperatives; you are talking about the American Cotton Cooperative Association.

Mr. WRIGHT. That is what I am talking about.

Mr. SIMMONS. Do they or do they not? That is the question.

Mr. WRIGHT. I have never seen any farm organization that existed very long into which did not enter a lot of broken-down politicians and men with smooth tongues, but who were business failures and who would exploit the farmers, and finally bring failure to the organization.

Mr. BURTNESS. Will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. BURTNESS. The gentleman calls attention to the looseness of the estimates, and calls attention also to the fact that the Farm Board this year is not spending as much as they were granted under the last appropriation.

Mr. WRIGHT. By $300,000.

Mr. BURTNESS. It will be at least $400,000, will it not?

Mr. WRIGHT. It may be.

Mr. BURTNESS. Surely the gentleman does not condemn the Farm Board for not spending what was appropriated, does he?

Mr. WRIGHT. For the five or six months preceding February, 1932, they increased the personnel of the board very materially.

Mr. BURTNESS. If the gentleman will yield, is it not a fact that the number of its personnel at the time the hearings were held was considerably less than it had been 30 or 60 days before?

Mr. WRIGHT. Yes. Gentlemen, economy has been loudly urged here on the floor. Let me say, the only way to reduce expenditures is to reduce. There is a way to "balance the Budget" other than by levying additional and onerous tax burdens on an already overtaxed and suffering people, and that way is to actually cut expenditures. Here is one opportunity. Let us embrace it by voting down this amendment. One million dollars is ample for the legitimate expenses of the operations of the Farm Board for the coming fiscal year.

[Here the gavel fell.]

Mr. SUMMERS of Washington. Mr. Chairman, the last statement of my colleague on the committee, the gentleman from Georgia, Judge WRIGHT, might be grossly misunderstood.

Mr. WRIGHT. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. WRIGHT. But the gentleman does not deny that four or five months before the close of last year they did increase the personnel?

Mr. SUMMERS of Washington. It is a new organization and they are building it up as they have demands from cooperatives.

Mr. BURTNESS. Will the gentleman yield on that point?

Mr. SUMMERS of Washington. Yes.

Mr. BURTNESS. The hearings show that 43 employees who had drawn compensation during the period from July 1, 1931, to January 31, 1932, were not on the pay roll when

the hearings were held, so that instead of increasing the personnel the fact is that the personnel had been decreased to that extent at the time the hearings were held.

Mr. SUMMERS of Washington. As a matter of fact, they are having requests to extend their work. They are organizing these cooperatives, one of the very purposes for which the board was created, and necessarily they will have to increase their personnel. Permit me to say these preliminary words: As a rather extensive wheat grower and engaged in farming all of my life, and knowing the needs of agriculture, I have supported previous legislation very strongly, the previous farm legislation for which we fought for many years. But I did not conceive this particular legislation. I had nothing to do with writing this bill, but I voted for the bill, as the rest of you did. It came in with a unanimous report of the Committee on Agriculture, after long hearings. We had confidence in that committee and it was passed by Congress almost unanimously. I want us to be reasonable in our acts here to-day.

We directed the Farm Board to do certain things, and among other things, in cases of great depression in farm-commodity prices, they were to set up a stabilization board and handle those commodities. The board, when those conditions arose, did that thing, but Mr. Stone, the chairman of the board, says he does not regard stabilization as one of the proper and normal functions of the board, and they only engaged in it because they were directed by the law to do so. The great criticism that has been made of the board has been because of its stabilization work. It is stated that great pressure was brought to bear by southern Congressmen that they stabilize cotton, and no doubt other Congressman asked for it in regard to wheat. I personally did not.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. VINSON of Georgia. The gentleman just said that the stabilization operations of the board had been a failure.

Mr. SUMMERS of Washington. No; I did not say that.

Mr. VINSON of Georgia. It is recognized throughout the country that they have been a failure. Now, let me ask the gentleman if you take the stabilization feature out, what is there left in the law that can not be better administered by the Department of Agriculture than the Farm Board? I would like the gentleman to explain to the committe about that.

Mr. SUMMERS of Washington. That is a legislative matter. If the Agricultural Committee wants to bring in legislation along that line it can do so and we will consider it on its merits. This is an appropriation bill only.

[Here the gavel fell.]

Mr. SUMMERS of Washington. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Does not the gentleman know that when you take the stabilization feature out of the marketing act you have nothing in the law that the Agricultural Department can not administer better than the Farm Board?

Mr. SUMMERS of Washington. That is the gentleman's statement but not mine. However, the board controls large quantities of stabilization wheat and cotton. If the board was to go out of existence June 30, they would of necessity have to dispose of these commodities immediately and at any price. Result: Present prices and for the 1932 crop would crash to new lows, banks would fail as never before, and a depression would promptly change to a nation-wide panic.

Mr. VINSON of Georgia. What else is left in the law?

Mr. SUMMERS of Washington. Here is Chairman Stone's statement on stabilization:

STABILIZATION

The principal thing we have been judged on has been our stabilization efforts of wheat and cotton, and yet here is what we were up against November 15 a year ago: There were sixty-odd bank failures in Arkansas the day before. The National Bank of Kentucky, in Louisville, failed with $60,000,000 of resources. There were 12 bank failures in North Carolina, 6 or 7 in Iowa, and 4 or 5 in Illinois. There was an undercurrent of uneasiness and rumors came to us in relation to two of the largest banking institutions of the country to the effect that they were not in very good shape. Nobody knew just exactly what was going to happen. The price of wheat had gradually gone down from around 90 cents a bushel to 69 cents a bushel, due to the methods followed by Russia in selling its wheat; not because of the amounts of wheat so much as the methods used in shipping it out and selling it.

We also knew at that time that there was something like thirty or forty million bushels of wheat on which loans had been made by banks, and we were told that if the price dropped 2 cents a bushel lower, this wheat would be thrown on the market in order to protect the loans against it. If that had been done, the price of wheat in November, 1930, would have dropped below 50 cents a bushel, in my opinion.

There we sat, with the authority of Congress, with the funds given us for that purpose, and we did act. We got back into the wheat market and we maintained the price for wheat at least 25 to 35 cents a bushel from that time on until the 5th of the following June.

Mr. SUMMERS. You mean above what it would have been?

Mr. STONE. Yes; above the world price. I think that was a very healthy thing and a very correct thing to have done. Suppose we had sat there and refrained from acting and any of these intangible things which I have related to you had happened. It may have cost the business structure of our country billions of dollars. And as to the criticism which has been heaped on the Farm Board, if we had not acted and any of those things had happened, it would have been tenfold more than it is to-day.

There are some rather interesting figures that I have been getting up recently. For instance: Prior to 1929 we all had confidence in the financial structure of this country; our banking institutions, our industrial structure, and retail and wholesale structure, and yet since 1929 we have had thousands of them fail, and yet I can not point to-day to a single failure of a cooperating marketing organization in America since 1929.

Mr. BOYLAN. None at all?

Mr. STONE. Not a single one that I know of which we have had any dealings with.

Mr. BOYLAN. Either wheat or cotton?

Mr. STONE. None; and if it had not been for the agricultural marketing act and the Farm Board's activity, many of the cooperative associations would have failed. I think this has been beneficial to the farmers of the country.

WHEAT SITUATION AND PROBLEMS

There is another interesting thing. Take the price of wheat to-day. You have heard much said by the grain trade about the depressing effect this wheat belonging to the Stabilization Corporation would have on the market, and yet the Liverpool price to-day is 2 cents a bushel less than the Chicago price, which means that everyone who sold a bushel of wheat in America to-day got 17 cents a bushel above the world price.

I do not think that indicates a very great depressing effect.

I am sure that every member of my subcommittee with whom I have labored for years will say that I am very attentive to the hearings. I tell you now, gentlemen, that on the showing made before our committee, judged as we judged every other board or commission that came before us, in my opinion, they were entitled to $1,442,000. They did not make a showing—unless it be allowed for expansion—for the total amount of $1,880,000, but they did make a showing that justifies well over $1,000,000. In my opinion, they justified $1,442,000, which is $62,000 more than the amendment calls for. I am not defending anybody. I am giving you the facts and pleading for fair play.

Mr. THATCHER. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. THATCHER. What will be the effect on the work of the board if the appropriation is limited to $1,000,000?

Mr. SUMMERS of Washington. It will cripple the work of the board. There has been more misrepresentation about this board than any other Federal agency to my knowledge. I have had my differences with them and have criticized them very severely. I do not agree with all they do. But, gentlemen, I am only pleading for fair play for one of the activities of the Federal Government that was created by act of Congress and that has a group of the hardest working men that I have ever seen in any activity of the Government, working day and night and Sundays, conscientiously trying to carry out the law as we handed it to them.

Statements have been made about $500,000,000 being lost; that it was a revolving fund but it did not revolve. The first thing the board did was to make loans for beans, cotton, dairy products, citrus fruits, grapes and raisins, other deciduous fruits, miscellaneous fruits and vegetables, grain,

honey, livestock, nuts, potatoes, poultry and eggs, rice, seeds, tobacco, wool, and mohair. Their total advances have been $895,000,000, and there has been repaid $457,000,000. They have also collected $8,000,000 in interest. So let us be reasonable in what we do here. They are assisting many organizations, grain organizations, cotton organizations, and all these other organizations in establishing their cooperatives. There are hundreds of thousands of farmers who belong to these cooperatives who are being assisted. The chairman of the board, Mr. Stone, emphasizes the cooperative and educational work.

Mr. PARSONS. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. PARSONS. What is the rate of interest charged the cooperatives?

Mr. SUMMERS of Washington. I do not have that in mind. I do not know exactly what it is.

Mr. BARBOUR. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. BARBOUR. Do I understand the gentleman to say that the Farm Board hearings justified an appropriation of $62,000 more than the $380,000 provided in this amendment?

Mr. SUMMERS of Washington. I said that they justified $62,000 more than the Buchanan amendment would provide.

Mr. BARBOUR. Is an amendment to be offered to add $62,000 to the Buchanan amendment?

Mr. SUMMERS of Washington. The friends of the Farm Board have decided that $1,380,000 is the amount that we should try for here.

Mr. BARBOUR. Is that the amount provided in the Buchanan amendment?

Mr. SUMMERS of Washington. That is the Buchanan amendment, and I am supporting the Buchanan amendment.

Mr. BARBOUR. Let me ask the gentleman another question. Is that agreeable to the people who are supporting the Farm Board here?

Mr. SUMMERS of Washington. As far as I know, it is; although it will mean a curtailment in their work.

In regard to salaries, I want to say that I have consistently opposed large salaries, and I do not approve of such salaries as are being paid by the cotton cooperatives or the grain cooperatives, but that does not come out of this fund nor out of the Federal Treasury, and the Farm Board is not responsible for them. Those salaries are fixed by the cooperatives or their chosen officers. I think the cooperatives should reduce them. I think the Farm Board should insist that they be reduced.

But it may be of interest to know a successful cotton cooperative was paying its manager $54,000 a year, and very successful California citrus and nut cooperatives are paying their managers $30,000 or $40,000 a year. These salaries were established before the marketing act or Farm Board came into existence. They never have been and are not now dependent on the Farm Board. They have not secured loans.

Mr. HASTINGS. Mr. Chairman, I appear before you as one having sympathy for the farmers. I was born on a farm, reared on a farm, and I own much farm land now. My district is supported by agriculture, which is its principal industry, and therefore no one could be more deeply interested in the welfare of the farmer or more in sympathy with legislation that would assist the farmer than myself.

I am a member of the subcommittee that prepared this bill. In the limited time I have—and I do not want to trespass upon your time further—I want to emphasize, if I may, two things:

First, no speaker in support of the amendment puts his finger upon any items that he says in the aggregate are necessary that are not included in this bill.

We listened to the gentleman from Texas [Mr. BUCHANAN] speak for 25 or 30 minutes, and I challenge any one of you to read his speech and see where he pointed out that the $1,000,000 appropriated for the Farm Board would not be adequate. He read both from the hearings and from letters received, but the gentleman does not specify any items added together to show that $1,000,000 is not adequate for the Farm Board. Now, that is the information we need. The burden is upon those who attack the adequacy of the amount appropriated.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HASTINGS. I was just going to get to my good friend the gentleman from Washington [Mr. SUMMERS], who has risen, and I make the same statement with reference to him. The gentleman from Washington [Mr. SUMMERS] states the board requires $442,000 additional, but he does not give any details or specify items, but just makes a statement to that effect.

Now, we are not going to appropriate $442,000 simply upon the estimate of some one Member of Congress. You have to have the facts to justify so large an appropriation or increase.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. SUMMERS of Washington. Is it not a positive fact that the subcommittee did not arrive at $1,000,000 by deducting or eliminating any particular items, but just in a lump-sum sort of way said, let us cut $100,000 here or $10,000 there, and in that way just hit upon $1,000,000, without discussing the individual items?

Mr. HASTINGS. The subcommittee thoroughly considered the entire testimony given by Mr. Stone and others before the committee. Mr. Stone indicated that he did not believe that the stabilization feature was effective, and indicated that it was not the purpose of the board to further expend money in an effort to stabilize prices through such corporations. He indicated also that the principal function of the board in the future would be to assist cooperatives. I am in sympathy with the cooperative movement. Money is loaned in bulk to them, or in large sums, and not to individuals, and is easily supervised at but little expense.

There are nine members of the board, and they get a salary of $12,000 a year, which is a total of $108,000. This leaves, in round numbers, $900,000 for a clerical force and other expenses to supervise collections and to make renewal loans to cooperatives out of the money in the revolving fund. There is not a Member of the House who has yet spoken who has attempted to show that this amount is not sufficient to do that work.

Cooperative marketing is being emphasized. Do you know how many cotton farmers there are estimated to be in the South? According to the testimony of Mr. Stone, there are about 2,000,000 cotton farmers and only 185,000 of them belong to cooperatives. Now, we are not guessing at these figures. The record shows them as stated. This means that only 9¼ per cent of the cotton farmers belong to cooperatives. This is not a sufficient number to influence the price of cotton.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. VINSON of Georgia. In view of the statement Mr. Stone made before the committee that the stabilization feature is out of the activities of the Farm Board, and in view of Congress having passed previous legislation establishing cooperative activities in the Department of Agriculture, can not that work be carried on under the Department of Agriculture as well as or better than by the Farm Board?

Mr. HASTINGS. In answer to the question of the gentleman from Georgia, I do not believe in legislating in that way. [Applause.] I believe it ought to be done in a systematic way. I believe such a radical change in existing law ought to go to the legislative Committee on Agriculture and hearings ought to be held and a well thought out bill should be prepared and reported to the House for its consideration. This is my judgment in the matter. Such important legislation should not be enacted by an amendment on an appropriation bill.

[Here the gavel fell.]

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. VINSON of Georgia. Then the only activity, as I understand the gentleman from Oklahoma, that the Farm Board is going to engage in is cooperative-marketing work?

Mr. HASTINGS. I would say for the most part, yes; and the collection of the amounts that have been previously loaned to cooperatives.

The Committee on Appropriations ought not to trespass upon and take away the powers of the legislative committees and insert amendments in appropriation bills which make fundamental changes in legislation that has been enacted by the Congress of the United States. As one personally interested in farming, one that is not antagonistic to the Farm Board, that in these days when we are trying to economize in every possible way, it is my judgment that a million dollars is adequate for the Farm Board for the next fiscal year. [Applause.] I do not believe we are justified in adopting the amendment of the gentleman from Texas, because it has not been shown that such additional amount is necessary. The committee believes that the amount in the bill will be sufficient to pay for all the necessary expenses of the Farm Board during the coming year.

The Farm Board has been functioning for almost three years. During that time there have been many bitter disappointments. We had hoped for better prices for farm products. We had hoped that the revolving fund would be more sympathetically expended. We were pleaded with while the Farm Board bill was pending in the House not to restrict it but to give it broad powers. We did this after we had tried to enact other legislation for the benefit of the farmers, but which had failed.

For myself, I had urged legislation embodying the equalization-fee principle. Legislatively speaking, this would have made all farmers cooperatives. This would have insured effective marketing. Then I cooperated in every way to secure the enactment of the debenture plan, which would have made the tariff effective as to farm products exported, and which, of course, would have brought the domestic price up to the export price of farm products. This was vetoed.

Not being able to secure the enactment of other more favorable legislation, Congress then passed the bill to establish the Farm Board and to give the board broad powers. Large salaries were voted in order to secure the services of the best-equipped men.

Notwithstanding this, wheat, at harvest time in the summer of 1931, fell as low as 25 cents per bushel to the wheat growers; corn at gathering time was around 18 cents per bushel, cotton brought around 1½ cents per pound, oats 12 to 15 cents per bushel, and other farm products brought far below the cost of production.

Hence, I reassert that the farmers have been bitterly disappointed at the low prices received since the establishment of the Farm Board.

Now, I am not going to vote, as an amendment to an appropriation bill, to change the entire policy with reference to the Farm Board. I do not want the cooperative feature destroyed. The board must have money with which to protect farm products purchased and with which to supervise the collection of approximately $450,000,000 loaned from the revolving fund.

However, I am in favor of the most rigid economy. I am not going to vote for any increase in this or any other appropriation bill that is not shown beyond any question to be thoroughly justified. The people are demanding economy. We should not vote a single dollar more than is absolutely necessary to defray the expenses of this Government, let me say, with the most brutal economy.

With this situation before us I think it is obvious to everyone who wants to guard the Treasury against extravagance that we should look carefully into the amounts that we appropriate, and, as one Member, I believe that a million dollars is amply sufficient for this board for the coming year. [Applause.]

Mr. REED of New York. Mr. Chairman and ladies and gentlemen of the committee, these are times when men can sometimes be hysterical when it comes to dealing with matters essential to the success of some great business enterprise. I think the time has come for us to stop and think for a minute what it is going to mean to one of the largest industries in this country if we start in to strangle an agency set up to afford some measure of relief at a time when the world is probably in a greater state of dislocation and depression than we have known in a century. It is not a small business we are attempting to assist.

It may be pertinent to remark that, measured by dollars, farm wealth produced each year is six times as great as the annual production of steel.

It is fifteen times greater than that of crude oil.

It is over two hundred times the value of all the gold produced annually in the United States.

Now, let us be fair to the Farm Board. In the first place, this bill was carried in this body by a vote of 366 to 35. It was almost a unanimous sentiment of the House that this particular machinery ought to be set up for the relief of the farmers.

When we set up this machinery, what did we do? We laid down the policy for the operation of the Farm Board, and this is no time to pass the buck and blame them for all the mistakes that have been made. If mistakes were made in the policy with relation to the cooperatives for the orderly marketing, we are to blame; we delivered a mandate in the bill and they were to carry out the policy.

Now, this Federal Farm Board has been in operation less than three years. It went into operation during world-wide depression and calamity. It went into operation at that time when there was terrific deflation.

Do the farmers need any assistance at this time? I know of no group in this country who were more patriotic during the war than the farmers. We went out into the byways, all through the different States, and urged the farmers to increase their crops and produce more wheat, more corn, more hogs, more dairy products. The farmers responded. The boys had gone to war, but the farmers and the women went to work.

I was in England during the war. I saw them breaking up those great estates, millions of acres, with our farm tractors. And who were running those tractors? British girls, trained in camps. The land is still in production. New buildings were built, new machinery was required. France did the same thing; the women did the work. I was on the French farms, and I know that the Government gave the women certificates in recognition of their patriotism in keeping the production of the farms up to pre-war level. They built up a large acreage in all of those countries. When the war ceased, those countries put up tariff barriers to try to protect their farmers. Take the tariffs in Germany and France and Italy against our wheat. They run all the way from $1.42 and $2 a bushel to practically an embargo in Spain.

The farmers can not adjust themselves as quickly as industry can. The question came up of orderly marketing, and just the minute we talked about orderly marketing for the farmers, then the propaganda started to throttle the movement. The farmers have been producing at farm values about $10,000,000,000 worth of products yearly, and the consumer has been paying from $20,000,000,000 to $22,000,000,000, a greater spread than you will find in any other industry. One of the purposes of this act was to build up national sales organizations and cooperatives all over the country to reduce the spread in price. The result is now that we have cooperatives established everywhere for this purpose, and they are establishing more of them all the time. In my district, for instance, loans have been made to farm organizations. Large loans have been made in New York State.

Statement showing advances, repayments, and balances outstanding in connection with loans made by the board to cooperative associations located in the State of New York, as shown by records of the treasurer's office, Federal Farm Board, as of March 31, 1932 (entry date)

Name and address of association	Advances	Repayments	Balance
Chautauqua & Erie Grape Growers Cooperative Association (Inc.), Westfield, N. Y.	$325,000.00	$105,000.00	$220,000.00
Clintondale Fruit Growers Cooperative (Inc.), Clintondale, N. Y.	175,000.00		175,000.00
Cooperative Grange League Federation (Inc.), Ithaca, N. Y.	250,000.00	50,000.00	200,000.00
Dairymen's League Cooperative Association (Inc.), New York, N. Y.	1,500,000.00		1,500,000.00
Growers Cooperative Grape Juice Co., Westfield, N. Y.	19,200.00		19,200.00
South Shore Cooperative Association, Silver Creek, N. Y.	8,000.00		8,000.00
Wayne Cooperative Cherry Growers Association, Sodus, N. Y.	14,299.78		14,299.78
Total	2,291,499.78	155,000.00	2,136,499.78

Had it not been for those loans they would have had to throw their crops on the market and take what they could get or let the things spoil in the fields. As a result of those loans, and they were large loans, they were able to market their products at a great advance in price, but at no higher prices to the consumer, but higher to the agencies to whom they sold. They have paid back thousands and thousands of dollars to the Federal Farm Board on the loans. The cooperatives without these loans would have been bankrupt. They could not get credit from the banks. Why did they build up this Federal Farm Board and enable it to loan money in this way? This Business Men's Commission on Agriculture was appointed and organized in 1926 by joint action of the National Industrial Conference Board (Inc.) and the Chamber of Commerce of the United States to inquire into the condition of agriculture in the United States and measures for its improvement.

The report of this commission was made and published in 1927. The report disclosed that hearings were held in New York, Chicago, Minneapolis, Des Moines, Memphis, Kansas City, Dallas, Atlanta, Greenville, and Washington, D. C. Witnesses were heard from the following States: Alabama, Arkansas, California, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Wisconsin, and Washington, D. C. The commission, in its report, states that 170 witnesses were heard.

After careful and intensive study of the facts presented at the hearings, information obtained through governmental agencies and educational institutions, the commission came to the conclusion that—

> For a situation at once so comprehensive and complicated there is no one panacea.

The investigation, however, brought out some facts with reference to the plight of the farmers so far as interest rates are concerned.

> A study made by the United States Department of Agriculture, Bulletin No. 1048, Bank Loans to Farmers on Personal and Collateral Security (1923), showed prevailing average interest rates to farmers on short-time loans of over $100 to be, in North Dakota, 9.82 per cent; in South Dakota, 9.59 per cent; and in Montana, 9.90 per cent. * * * It is common practice in the rural districts to add to the interest of a bank loan certain other items. Often a "commission" or "bonus" is charged and in many cases the borrower must leave permanently on deposit with the bank a certain portion of the loan. * * *
>
> Even to-day in rural districts of the West and South interest rates on bank loans to farmers (all additional charges included) often amount to 12 and even 15 per cent. * * *
>
> Interest charges are still higher where credit is obtained not from banks but from merchants and landlords. * * *
>
> During 1921 the average cost of merchant credit in selected areas of North Carolina was 22.3 per cent, as compared with 24.3 per cent in Georgia (in 1923) and 11.6 per cent in Tennessee.

How can you expect him to succeed? He could not get accommodations at the banks, but now he can get relief through the cooperatives in marketing his crops and get money at a much lower rate of interest, and thus protect his crops until marketed in an orderly manner.

If I had time, I would like to discuss another burden that the farmer is bearing, and that is the matter of high State and local taxes. Propaganda is appearing here all the time on the amount of taxes paid to the Federal Government by the farmer. It is not Federal taxes that trouble the farmer. That is not the burden that the farmer is facing. He is facing the heavy State and local taxes.

All taxes, direct and indirect, paid by the farmers in 1913 amounted to $624,000,000; in 1922, to $1,436,000,000, an increase of 130.1 per cent.

Considered on a per acre basis, the increase between 1914 and 1922 was 31 cents per acre in 1914 and 71 cents per acre in 1922; that is an increase of 125 per cent.

The general property tax levied by State and local governments took $308,000,000 from the farmer in 1913, but $787,000,000 in 1922, an increase of 155.5 per cent.

Less than $10,000,000 of the total of something like $1,500,000,000 of taxes paid by farmers in 1924–25 represented Federal income-tax payments. The State tax runs from 21 per cent to 22 per cent of the total State and local taxes. The farmers' tax burden takes the form, then, chiefly of general property tax payments, more than 90 per cent of these being for local purposes. State and local taxes are now 267 per cent above pre-war level.

There is but one fair, honest, statesmanlike thing to do, so far as this bill is concerned. Either destroy it body, soul, and breeches, or give it enough money to function properly and to aid these cooperatives that have been built up to render the service for which they were organized. There is no economy in strangulation. If you start to strangle this organization, you still have the organization with its hands tied, spending money but unable to do anything at all for the farmer. They have loaned out millions of dollars to farm cooperatives. They have sent their men into the field, and they have rendered remarkable service in helping the farmer to build up a businesslike, orderly cooperative association to market farm products. I hope that the amendment will prevail and that enough money will be given to this board so that it may continue to function during these depressed times. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, with due deference to the committee, I ask unanimous consent to proceed for an additional five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the Federal Farm Board, as the result of the efforts of years, was established by the agricultural marketing act approved June 15, 1929, to place agriculture on an equality with industry.

The Committee on Appropriations has reduced the Budget estimate for the administrative expenses of the board for 1933, 47 per cent, or from $1,880,000 to $1,000,000. I favor the amendment to increase the appropriation as proposed by the gentleman from Texas [Mr. BUCHANAN].

At the most critical period of its history, agriculture is in danger of being sacrificed on the altar of false economy. [Applause.]

If the Federal Farm Board is to function, it should be adequately maintained. Its enemies, unable to secure the repeal of the agricultural marketing act, have undertaken to destroy the board by opposing funds for its proper support. In reducing the Budget estimate by 47 per cent, the Committee on Appropriations is, unintentionally, of course, crippling the board.

The board has been operating for three years. In 1930, with an appropriation of $1,500,000, administrative expenses were $772,432. In 1931, with an appropriation of $1,900,000, its expenses were $1,407,253. The appropriation for 1932 was $1,900,000 and the estimated expenses are $1,484,411. The board by thus conserving expenditures has promoted economy. The expenses have increased as the operations of the board have enlarged. A revolving fund of $500,000,000 was provided in the agricultural marketing act, and Congress

has appropriated the entire amount. The board has made loans aggregating $440,000,000 and the remaining $60,000,000 has been diminished by at least $15,000,000 by recent act of Congress providing for the donation of not exceeding 40,000,000 bushels of wheat to be disbursed by the American Red Cross.

THREE THOUSAND SEVEN HUNDRED COOPERATIVES BENEFIT FROM THE REVOLVING FUND

The Farm Board has extended aid to approximately 3,700 cooperative associations, with an estimated membership of 1,160,000.

The total advances to cooperatives to March 1, 1932, aggregated $338,710,591.06, of which $182,010,349.44 had been repaid. There was a balance outstanding of $156,700,241.62. These figures do not include loans made to grain and cotton stabilization corporations.

COTTON

I shall speak of the Farm Board operations, particularly with respect to cotton. The outstanding loans to cotton cooperatives, of which there are 14 in number, are $84,799,076.87.

As provided by the agricultural marketing act, the board made loans to the Grain Stabilization Corporation in the sum of $186,856,320.43 and to the Cotton Stabilization Corporation amounting to $95,423,230.99, making a total of $282,279,551.42.

The Staple Cotton Cooperative Association in Mississippi, handling long-staple cotton, has been one of the most successful of all cotton cooperatives and is now and has been from the beginning the beneficiary of the operations of the Federal Farm Board. It has borrowed millions of dollars from the board. The cotton growers in the district that I represent are profoundly interested in the continued operations of the board. It is essential that the board continue to function if the members of the Staple Cotton Cooperative Association, who received 90 per cent advances from the crop of 1930, ever receive the amount to which they will be entitled if the operations are successful.

The members relied upon the protection of the Federal Farm Board in accepting the advances. The integrity of the board is involved. If the board is crippled, it means the loss of hundreds of thousands of dollars to the cotton growers of Mississippi.

ECONOMY

I believe in retrenchment and economy. Waste must be eliminated and overlapping must be abolished. Reduction in public expenditures is imperative. There should be retrenchment in all departments and establishments. It is universally recognized, however, that the existing world-wide depression will never end until commodity prices have increased. Agriculture is facing the most serious crisis in the history of the United States. Aid is more imperative than ever before. To handicap the Federal Farm Board in its legitimate functions will retard economic recovery. It is unfair and unjust to single out the Federal Farm Board and reduce its appropriations substantially 50 per cent, while other departments are reduced 5 and 10 per cent. The welfare of 6,000,000 farmers is involved, and the fate of agricultural products of the normal value of $15,000,000,000 is at stake.

The board is entitled to the same treatment that has been accorded to the Department of Agriculture. Reductions should be uniform. Thus far the appropriations in behalf of the Department of Agriculture have been reduced approximately 10 per cent. Discrimination against the Farm Board is unjust. But it is said that appropriations in behalf of other independent establishments have been reduced. It is argued that there has been a reduction of approximately $500,000 for the Federal Trade Commission.

The answer is that the Committee on Appropriations has not reduced the Budget estimate for the Federal Trade Commission one cent. The Budget estimate was approved. Investigations requiring prior appropriations have been eliminated in the Federal Trade Commission. The commission is not a new establishment. It has been in existence for years. The Federal Farm Board has been in existence only three years, but the welfare of 3,700 cooperatives is involved in its integrity, and they exist in practically every State in the Union. I favor equal treatment for the Federal Farm Board. I oppose discrimination. With all deference, the Committee on Appropriations by reducing the Budget $880,000 at one swoop would handicap the board and cripple agriculture in the hour of its direst need. I therefore trust that the amendment will be adopted to provide for $1,380,000. If Congress is justified in passing the agricultural bill, carrying as it does, with the approval of the Budget, an item of $1,450,000 for grasshopper control, surely Congress is justified in providing an equal amount for the support of the Federal Farm Board, involving directly and indirectly the welfare of one-third of the population of the United States.

It may be remarked in passing that the total administrative expenses for the year 1931 amounted to only 0.34 of the interest collected by the board, to say nothing at all of the millions of dollars handled by this institution. In the past fiscal year its interest collections were three times its administrative expenses.

COOPERATIVE MARKETING

This division, formerly in the Bureau of Agricultural Economics of the Department of Agriculture, was transferred by Executive order to the Federal Farm Board on October 1, 1929. It then carried an annual appropriation of $290,000. The amount expended during the current year, under the supervision of the Farm Board, notwithstanding the increasing activities, is $299,791.

The Farm Board has 365 employees. Eighty-one are in the division of cooperative marketing, and this division existed some years prior to the establishment of the Federal Farm Board. The appropriations in behalf of the board thus provide for this division that would otherwise be provided for in the general agricultural appropriation bill.

Those who oppose the Federal Farm Board insist that they are not opposed to cooperatives. They can, therefore, not object to the continuance of this item. The field representatives engaged in promoting cooperative marketing are from this division. There is no duplication with other activities of the board or the Department of Agriculture, for this division was transferred, as I have stated, from the Department of Agriculture.

It is sometimes asserted that cooperatives have not increased in numbers during the operations of the board. Such is not the case. The number has been increased by approximately 500, and the volume of business has greatly increased. There were approximately 11,950 cooperatives that operated during the years 1930, 1931, with a total membership of 3,000,000.

Again, it is said that cooperatives are handling less cotton than prior to the establishment of the board. The fact is otherwise. In 1927–28, the cotton cooperatives handled 825,786 bales. In 1930–31, the cotton cooperatives handled 2,442,001 bales of cotton. It has been urged by my friend from Oklahoma [Mr. HASTINGS] that those who are in favor of the amendment by the gentleman from Texas [Mr. BUCHANAN] increasing the support fund $380,000 have presented no facts to justify the increase. Such a statement comes with poor grace from a member of the Committee on Appropriations. The committee appropriated $1,900,000 for 1932, and without any explanation as to what expenditures are to be eliminated, the committee submits an appropriation of $1,000,000. Cooperative marketing in 1932 cost approximately one-third of the total appropriation of $1,000,000 recommended by the committee. Does the gentleman advocate the elimination of this item?

What are the chief items of expenditure? They consist of travel, administrative salaries, loans, cooperative marketing, and economists. The travel item is expended very largely by the division of cooperative marketing, yet the opponents say they believe in cooperative marketing. The amendment proposed by the gentleman from Texas, if adopted, will constitute a much greater reduction in the support fund for the board than in the general support fund for agriculture.

Personally, I believe that there should be further reductions. They should apply to the Farm Board and to other departments. All should receive equal treatment.

Much has been said about experts and economists. If the total salaries paid to them were eliminated, it would mean a reduction of approximately $143,000. Complaint was made of the salary paid the general counsel. Provision is made for the reduction of this salary in the bill. With the provisions for the reduction of other salaries, the committee has provided for reductions of about $25,000. While only criticizing the employment of economists and the salary of the general counsel, which aggregate about $165,000, the committee reduces the last annual appropriation by $900,000. The result is to cripple the Farm Board. It is a left-handed blow.

I do not undertake to justify the high salaries heretofore paid by cooperatives. The contracts, however, were made when cotton was selling at 18 cents a pound. Now that cotton and all commodities have declined the salaries of cooperatives should be reduced in line with the reduction in the price of cotton. Moreover, the Federal Farm Board should insist upon such reduction. While the salaries are fixed by the cooperatives, over whose management the Farm Board has no jurisdiction, yet the Farm Board has a right to demand economy and reduction in salaries wherever Federal funds are utilized. Men of executive ability are entitled to reasonable salaries. The Farm Board is no small affair. The American Cotton Cooperative Association is not a 10-cent store. It is entitled to the services of the most capable executives in the cotton business. Its general manager must compete with cotton men like Clayton and McFadden. The board is a $500,000,000 institution. The interest of both the grower and the Government requires that only capable executives be employed.

I challenge the committee to point out in the hearings or on the floor any justification for the huge reduction in the support fund. The gentleman from Georgia [Mr. VINSON] urges that inasmuch as the board has announced that it will engage in no further stabilization operations its functions can be performed by the Secretary of Agriculture. He wholly misinterprets the powers vested in the board. Cooperative marketing implies cooperative merchandising. There must be organized selling to compete with organized buying. All methods and all matters that affect agriculture are to be investigated by the board. Cotton and wheat are world products. The board advises domestic growers as to world conditions, world markets, and world supplies. Loans are essential to cooperative marketing. I know of no greater service that the board could render than to provide loans that will enable cotton growers to obtain cheaper warehousing facilities. Adequate loans and cheaper warehouse facilities would greatly aid cotton growers.

The aim of the agricultural marketing act is to decrease the costs of distribution and to enable the farmer to get more nearly the costs paid by the consumer for his product. There is a place for the cotton factor and cotton merchant. They are entitled to consideration.

The gentleman from Georgia [Mr. VINSON] has proposed an amendment to abolish the board by June 30, 1932, and to transfer its powers to the Secretary of Agriculture. It appears on page 7712 of the RECORD of Thursday, April 7, 1932. His amendment directs the Secretary of Agriculture to make no further loans. The opponents of cooperative marketing could ask nothing better. If they had written the amendment, they could not have improved the language. I do not believe the gentleman from Georgia will stand for denying loans to farmers while providing such loans for banks, insurance companies, and railroads. On reflection, he can not do otherwise than withdraw at least that part of his amendment.

The gentleman will doubtless remind the committee that it takes many bales of cotton raised by the farmers, whose friend he is, to pay the salary of Mr. Creekmore and other managers of cooperatives; but his amendment makes no effort to eliminate or restrict or prohibit excessive salaries. He is accomplished in both arithmetic and naval affairs. While the gentleman is speaking of salaries and comparing incomes, it might be helpful if he would calculate the number of bales of cotton it takes to pay the salary of a Member of Congress. Would he reduce his salary so that it would not exceed the income of the farmers who raise six and seven bales of cotton, worth $150? Would the gentleman be so kind in pursuing his arithmetic as to tell us how many bales of cotton, or rather how many million bales of cotton, it would take to pay annually for the hundreds of millions of dollars for naval armaments he, as chairman of the Committee on Naval Affairs, is urging Congress and the country to authorize? "Consistency, thou art a jewel."

SALARIES

Much has been said about salaries in connection with the Federal Farm Board. Practically the only salary paid by this $500,000,000 institution of which complaint has been made is the salary of $20,000 to the general counsel. I repeat that all salaries should be materially reduced in the Federal Farm Board and elsewhere. In all fairness, why criticize a $15,000 or $20,000 salary to the chief legal adviser of a board that has a revolving fund of $500,000,000, whose transactions already aggregate almost a billion dollars? The board should have the best legal talent that it can obtain.

Many cooperatives paid their executives large salaries before the Farm Board was organized. Yet it is said that Mr. E. F. Creekmore, general manager of the American Cotton Cooperative Association, handling more than 2,000,000,000 bales of cotton of the value of $60,000,000 to $100,000,000 annually, has received a salary of $75,000. Neither this salary nor any part of it is paid by the Federal Farm Board. The fact is that before cotton declined the American Cotton Cooperative Association employed Mr. Creekmore at a guaranteed salary of $25,000 and agreed to pay him 5 cents a bale additonal for every bale of cotton handled, the total not to exceed $75,000. I think in the economic crisis his salary, and all other salaries, should be materially reduced. When farmers are in distress, the salaries are too high. The representatives of the growers who are directors of the association should immediately provide for a reduction in salaries. However, it must be said that, with Creekmore's large salary, it cost the members of the association about 20 cents per bale to sell his cotton, while cotton factors in Mississippi charged $1 per bale to nonmembers.

It is said that the manager of the National Grain Corporation receives a salary of $50,000 annually. I think it is too much, but it is not paid by the Farm Board. It is paid by the wheat cooperatives and should be reduced.

Similar salaries have been paid to the managers of private grain corporations. Why condemn cooperatives for paying substantially the same salaries that private institutions have been paying for similar services? It is more a question of ability than a question of salary. The cotton cooperatives should be able to command the services of the ablest men in cotton marketing. They must compete with executives who have made millions in buying cotton. I am just wondering if Mr. W. L. Clayton, or any of the other large private operators, would work for a salary of $50,000 or $75,000 per year, even in the depression. I submit that cooperatives are entitled to executives who are as good as the best. But why select for criticism the salaries of the executives of cooperative associations? Newspapers and magazines which participate in the $96,000,000 deficit in the Postal Department have editors who receive salaries in excess of $75,000. The chief executives of many industrial concerns which profit by tariff protection receive salaries in excess of $50,000. The presidents of many banks, railroads, and insurance companies, who are the beneficiaries of loans from the Government by the Reconstruction Finance Corporation, receive salaries in excess of $75,000. Why impose restrictions on the beneficiaries of agricultural aid, without imposing similar restrictions on other beneficiaries of Federal assistance? [Applause.]

The enemies of cooperative marketing would want nothing better than restrictions that would prevent these institutions from obtaining men of ability to manage cooperatives to compete with similar executives in private

enterprises. The criticism of salaries is camouflage; the real objection is the success of the cooperatives. Under competent leadership, manipulators and speculators are losing and farmers are gaining.

PURPOSE

The Federal Farm Board has made mistakes. It is impossible to revolutionize in three years the marketing system that has obtained in agriculture in the United States for 125 years. Its purpose, however, was to help the grower. It was to eliminate some of the costs of distribution. It must be admitted that while the board has made mistakes, its operations have been to help and not to hinder farmers. Of course, there have been declines in agricultural products, but an investigation will disclose that the declines of cotton in 1929, 1930, and 1931 were less than the declines of stocks and bonds. Agricultural incomes have declined in the past three years. The net earnings of 14 companies engaged in the manufacture of automobiles and trucks declined from $393,000,000 in 1928 to $98,000,000 in 1931, and in 1932 they were lower and no income whatever. The decline in net income from iron and steel was much greater. The agricultural gross income declined from $12,000,000,000 in 1928 to $7,000,000,000 in 1931. Neither has the tariff been effective during the depression. Things are out of joint in both agriculture and industry. We must think in terms of normal conditions. All commodities and all products have declined, but the depression, and not the board, is to blame.

CRITICISMS

As I have stated, my observations are confined almost exclusively to the cotton operations of the board. The board has been criticized for pegging the price of cotton at 16 cents a pound in October, 1929, and its stabilization operations thereafter in the spring of 1930, and for its 90 per cent loan to cotton cooperatives during the season of 1930–31.

In all plans for agricultural relief, the aim is to secure a better price to the grower. The opponents of the Federal Farm Board seem willing for the board to engage in any activity except a plan that will bring to the grower a better price. Those who have heretofore profited from marketing agricultural products complain because they are deprived of the profits that now go to the grower. The opposition is selfish.

To place agriculture on a parity with industry, a higher domestic price has been urged for agricultural products. The board was criticized because the operations of 1929 resulted in the falling off of foreign consumption of American cotton. It was believed that the loan of 16 cents in 1929 was justified. Following the crash in the stock market, there was a threatened demoralization of the cotton market. The policy was commended by many cotton merchants. Mr. W. L. Clayton of Texas, one of the biggest cotton merchants in the country, indorsed the efforts as soon as the policy was announced, in the following telegram:

> Congratulations, excellent handling cotton problem. We try, always, to be very conservative in making any predictions about cotton prices and in giving advice to our spinner clients, but are to-day cabling all our sales offices as follows: "Believe Federal Farm Board statement they will advance about 16 quarter cents against middling seven-eighths at southern ports, which is about 90 per cent of present values, makes any further substantial decline very unlikely."

In the depression that followed, now in its third year, it was inevitable that there would be a decline, but it was slower in the case of cotton. The price did not fall below 16 cents until after January, 1930, when nearly 90 per cent of the crop had left the growers' hands. The 16-cent loan undoubtedly stabilized the price of cotton, while the growers were marketing their crop. During the same period, the prices of industrial stocks declined more than 35 per cent in less than 30 days. There is none to criticize the New York bankers for forming a pool to protect themselves from too drastic liquidation of securities. The board should not be too severely condemned for thus trying to help the farmer.

Again, the margins between the price of American and foreign cotton were actually widened during the year 1929–30 beyond the normal limits. The domestic grower thus received a better domestic price. It is impossible to raise the domestic price to American cotton growers without widening the spread between domestic and foreign cotton. Foreign consumption of American cotton is thus reduced. It is estimated that the consumption of American cotton abroad in 1929–30 was only a few hundred thousand bales below what it would have been but for the Farm Board operations. The growers gained more by the pegging of the price than they lost in foreign consumption.

The loan of 90 per cent to cotton cooperatives in 1930–31 encouraged cooperative marketing and increased the membership of the cooperatives. As a result the cooperatives acquired more than 2,000,000 bales of cotton during the period of heaviest marketing. The weight of this cotton was taken off the market. It is believed that if these 2,000,000 bales of cotton had been marketed instead of being acquired by the cooperatives there would have been an additional price-depressing factor.

I believed at the time and I still believe that the future operations by the cooperatives in the spring of 1930 were unjustified. The Farm Board has emphatically stated that the practice will not be repeated.

It is fair to say that the stabilization operations resulting from the pegging of the price in 1929, under which the Stabilization Corporation acquired 1,300,000 bales of cotton, and the loans of 90 per cent in 1930, under which the cooperatives acquired 2,200,000 additional bales, kept the prices above what they would have been had the cotton growers been forced to dump their cotton on an unwilling market.

BENEFITS

The cotton growers who are not members of cooperatives were benefited by the stabilization operations and by the 90 per cent loans. The growers got from 2 to 3 cents per pound more for their cotton than would have otherwise been the case. All growers, whether members of cooperatives or not, shared in the benefits. Those who were not members really received more benefits, for the members of cooperatives only obtained 90 per cent of the value of their cotton, whereas others who sold their cotton profited by the cooperatives withholding from the market the cotton on which advances were made. Members of cooperatives are depending upon the continuance of the board to protect them in the remaining 10 per cent.

It is my thought that the Farm Board promoted cotton prices during the season 1931–32. The bankers of the South cooperated. They agreed not to call loans on 3,000,000 bales of cotton, while the Federal Farm Board agreed to hold off of the market until July, 1932, the 1,300,000 bales of stabilization cotton and the 2,200,000 bales of the American Cotton Cooperative 1930 cotton.

Mr. Nathan Adams, president of the First National Bank of Dallas, Tex., took a leading part in securing the cooperation of bankers to finance 3,000,000 bales during the season of 1931–32. He said, on October 12, 1931, at the New Orleans conference:

> I have been one of the severest critics in the Southwest of the Farm Board activities, but from the information that I have been able to get by personal investigation in Washington and elsewhere, I have come to the conclusion that I have been wrong, and from now on I am going to be as ardent a supporter of the Farm Board as I have been a critic.

Mr. WHITTINGTON. Whatever may be said of the future operations by the cooperatives in 1930 and the stabilization operations of the board, we are now assured that there will be no further future operations. The board said so in their second annual report. I quote therefrom:

> The results were unsatisfactory. * * * This experience demonstrated to the cooperatives and the board that this was an undesirable way of acquiring large volumes of spot cotton for stabilization purposes.

The board has the experience of the past three years by which to profit. The leading cotton merchants of the country approved the stabilization operations. The board was evidently trying to help the farmer. It is now apparent that stabilization and future operations have been tried in the balance and found wanting.

But there is work for the Farm Board. Cooperative marketing and legitimate merchandising should characterize the future efforts of the board.

ECONOMICS DIVISION

Criticism has been made of the economics division. The Federal Farm Board was given a large task. It was designed to assist 6,000,000 farmers, producing over 100 different commercial products, the value of which, as I have stated, exceeds normally $15,000,000,000 annually.

Banking institutions and other large enterprises utilize the services of experts. Agriculture is certainly entitled to the best-trained economic minds. The Department of Agriculture furnishes basic statistics, but it is not equipped to recommend specific action in individual cases. The board must be advised as to economic conditions that prevail and as to the economic questions involved in the momentous questions brought constantly before them. The Ways and Means Committee of the House is provided with financial experts. The Treasury Department is furnished with such experts. It is equally essential that the 6,000,000 farmers of the United States have the benefit of all economic and statistical information available. Why deny experts and economists to the cotton growers of the country? [Applause.]

LOANS

An adequate staff to handle loans to the 3,700 cooperatives is essential. Accounting methods must be investigated. Loans must be renewed. Securities must be examined. The revolving fund must be maintained. A drastic reduction in the support fund of the Farm Board would undoubtedly result in delay in making or renewing loans to cooperative associations.

CALAMITY

The gentleman from Georgia [Mr. VINSON], as I have stated, has proposed an amendment to provide for the abolition of the Federal Farm Board by June 30, 1932.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the amendment transfers to the Secretary of Agriculture the powers, duties, and authorities vested in the board. It distinctly states that no further loans shall be made under the authority of the act.

I am sure that the gentleman favors cooperative marketing. His amendment denies financial aid to these institutions. The Reconstruction Finance Corporation placed $2,000,000,000 at the command of the bankers, railroads, and life-insurance companies, and yet the gentleman from Georgia would deny the further loan of a single dollar to the cotton growers of the South. Why should Congress discriminate against agriculture? The voice of the amendment may be the voice of Esau, but the hand of Jacob is easily seen.

No reasonable opponent of the Federal Farm Board can consistently advocate its immediate elimination or its elimination in the existing world-wide economic crisis. Its bitterest enemy must admit that it must be maintained to preserve the revolving fund and to handle the wheat and stabilization operations. I am not prepared to say that the 3,500,000 bales of cotton under the control and direction of the Farm Board, with a carry-over in excess of 12,000,000 bales, should be disposed of by June 30, 1932. The loans to the stabilization corporations are maturing. The amendment provides that no further loans shall be made. Inasmuch as the amendment abolishes the board, this would be construed to mean that loans must be paid at their maturity. There would be no renewals.

I believe all, whether for or against the board, will agree with me when I say that I can think of no greater calamity that could befall the cotton growers of the South than to have the Farm Board immediately abolished, as provided by the terms of the amendment of the gentleman from Georgia, and thus throw upon the weight of an already depressed market the 3,500,000 bales of cotton under the control of the Federal Farm Board. As a matter of self-preservation, the cotton growers of the South are interested in the proper functioning of the board. It has made mistakes. It should profit by these mistakes. Their mistakes were the mistakes of friends and not of enemies.

I protest against singling out the Farm Board by the enormous reduction of its support fund. If the Board is hindering and not helping agriculture, it should be abolished, but I submit that without any hearings by amendment on the floor of the House, the board should not be destroyed. Markets would be disrupted, cooperatives would be bankrupted, and agriculture, already prostrate, would be paralyzed. [Applause.] If the board is to be abolished there should be legislative action. Agriculture should be safeguarded; direct action should be taken. There should not be a stab in the back. It should not be crippled; it should not be handicapped. I ask that the board be given a square deal. [Applause.]

I now yield, and first to my friend from Georgia, although he has declined to yield to others or to me.

Mr. VINSON of Georgia. The gentleman from Washington [Mr. SUMMERS] has stated——

Mr. WHITTINGTON. I yield for a question, and I do not care about any repetition of statements. State the question, please.

Mr. VINSON of Georgia. If the gentleman will just be courteous, I will state the question. Of course, I know the gentleman does not want to get down to the facts, but wants to discuss generalities.

Mr. WHITTINGTON. With deference, I am as courteous as the gentleman, and I am just as anxious as the gentleman is to state the facts. Give me the question, please.

Mr. VINSON of Georgia. The gentleman from Oklahoma [Mr. HASTINGS] and the gentleman from Washington stated that Mr. Stone in testifying before the committee stated that the stabilization feature would go out of the operations of the Farm Board, and I ask the gentleman what is there left for the Farm Board to do?

Mr. WHITTINGTON. Reduction in the costs of distribution, organized selling to compete with organized buying, cooperative marketing and cooperative merchandising of agricultural commodities. [Applause.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I only want to take a few moments of the time of the committee. I regret very much I must differ with my personal and distinguished friend from Texas [Mr. BUCHANAN], the ranking majority member of the Committee on Appropriations, with reference to this amendment. There is no more able or conscientious member of the committee than the gentleman from Texas [Mr. BUCHANAN], and it is very seldom that he and I differ upon any proposition.

I also want to say that I have great admiration for the chairman of the Federal Farm Board, Mr. Stone, who comes from my neighboring State. He is an exceedingly able and conscientious man, and I am very sure is endeavoring to render the best service possible to the farmers and to the country.

We have just listened to a very eloquent speech about farmers and farming operations; but I submit, with all due respect, that the gentleman did not point out one real, solid, substantial reason why you should tax the American people with an additional $380,000 for this Farm Board. The gentleman never gave you a single fact. He never referred to a single necessary employee, and his whole speech was devoted to a eulogy upon farmers and farming operations. I yield to him or to no one else in my respect and admiration and recognition of the farmers, because they constitute the foundation of the prosperity of this country.

I am a member of the farm board of Tennessee, and I want to tell you that I do not wish to cripple, and I do not intend, so far as my vote is concerned, knowingly to interfere with the operations of this Farm Board in its work.

This question does not mean the existence of the Farm Board; not at all. Let us stop, gentlemen, and look at this





matter in a calm way. There was much said the other day about the necessity of balancing the Budget, and a great many on both sides have recognized and admitted the necessity of balancing the Budget. You were told when you passed the tax bill that if you did not reduce appropriations at least $200,000,000, or possibly $240,000,000, you would not have balanced it. If you are going to take every appropriation and add $300,000 here and $500,000 yonder, you are not going to do much toward bringing about this very happy result.

I want to ask you, in all fairness: Do you not think $1,000,000 for one year for the employment of personnel is a pretty good sum for any bureau? Just think of it! This is nearly all for personnel. Very little of it is for any other purpose, yet you are asked to vote $1,380,000 for one bureau. In the name of high Heaven, you who want to reduce expenditures, how are you going to reduce them if you proceed on the idea that bureaus are entitled to an amount of this sort for personnel?

Mr. BANKHEAD. Will the gentleman tell us how many men are employed by the Federal Farm Board?

Mr. BYRNS. I will ask my friend from Virginia to answer that question.

Mr. WOODRUM. They had actually on their roll for the fiscal year 1932, 365 employees, and the Budget estimated for 1933 an increase of some one hundred and sixty-odd employees, which the committee did not allow.

Mr. BYRNS. I now have the information here. Mr. Stone, in response to a question from Mr. WOODRUM, stated there were 365 employees at the time he gave his testimony, and, as the gentleman from Virginia has said, this proposition means an increase of 165 over those now employed.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Now, gentlemen, what are you and I going to do? Everybody in your district and mine is crying for relief. Relief from what? Relief from these great burdens of Government expense, which are depressing business and oppressing the farmers all over this country. Are you going to get rid of them by employing 165 more men down here in the Farm Board?

Mr. BUCHANAN. Will the gentleman yield?

Mr. BYRNS. If it is a very brief question; yes.

Mr. BUCHANAN. It is a brief question. I never take advantage of my colleagues. This appropriation does not contemplate additional men in the Farm Board but contemplates discharging men.

Mr. BYRNS. The amendment would authorize the employment of additional employees here and throughout the country over and above those allowed by the bill as reported by the committee. You just heard the gentleman from Virginia make his statement as the request for additional employees.

Mr. SIMMONS. Will the gentleman yield there?

Mr. BYRNS. Well, what do they need this money for?

Mr. SIMMONS. The gentleman has asked for an answer to his question——

Mr. BYRNS. I am not asking the gentleman any question.

Mr. SIMMONS. The gentleman has asked a question and then does not want us to tell him what are the facts.

Mr. BYRNS. What do they need this money for, if it is not for salaries?

Mr. SIMMONS. In five minutes I shall try to tell the House that in my own time. I simply wanted to answer the gentleman's question.

Mr. BYRNS. Then I do not yield further.

Mr. BUCHANAN. I just want to get this straight. If my amendment is adopted, it will cause the discharge of some men.

Mr. BYRNS. Then why do they need this $380,000 additional?

Mr. BUCHANAN. To attend to the revolving fund and to make loans and to collect loans and to encourage the organization of cooperatives——

Mr. BYRNS. Does not that involve the employment of additional men?

Mr. BUCHANAN. No.

Mr. BYRNS. It certainly does. It is not to lend any more money, and the appropriation could not be used for any other purposes. It will add to the number, which can be appointed under the appropriation carried in this bill.

Mr. HART. If the gentleman will yield for a short observation, I can tell what they want it for. They want it for further propaganda to build up the bureau.

Mr. BYRNS. Well, I do not know about that. I am not opposed to the Farm Bureau, but, gentlemen, I rose for simply one purpose, and that is to make an appeal to you, as the representatives of the taxpayers who have just passed a tax bill which is going to tax and burden your people and mine to a point almost beyond endurance, not to add $380,000 to this appropriation of $1,000,000 for one bureau.

Gentlemen, there ought to be a limit to appropriations. There must be a limit if your country and my country is to prosper and the people be given a chance. This can not be brought about by taking money out of the Federal Treasury for every purpose.

When you undertake to put it on the ground that it relieves the farmer, I am willing to leave it to the farmers themselves who are suffering, those who are unable to pay their taxes out of the proceeds of their work, if they do not think that $1,000,000 for current administration of a bureau in Washington or elsewhere is a sufficient sum.

You can talk about the revolving fund, about collecting money, but I want to tell you that $380,000 shown by this record will be used for employees in this bureau, whether in Washington or elsewhere. I for one am opposed to increasing the greatly enlarged force of Federal employees, as I am opposed to increasing salaries.

I rose simply to make an appeal to you not to be carried away by appeals that have been made to increase this appropriation of $380,000 over and above the amount that the committee has allowed. [Applause.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

Mr. BARBOUR. I object.

Mr. WOODRUM. Mr. Chairman, I move that all debate on this amendment close at 20 minutes after 2 o'clock.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were 73 ayes and 52 noes.

So the motion was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I realize that it is difficult to take issue with the distinguished chairman of the Committee on Appropriations. But I can not agree with him when he says that this appropriation is purely a farmer's proposition. I believe that the marketing act which we passed and the purposes of the Farm Board are for the benefit of the whole country and not only the farmers.

I am not interested in the personnel of the Farm Board, and I am not personally acquainted with any person on the board. I am interested particularly in establishing an economical system of marketing for the benefit of the farmer which means also the benefit of the consumer. We have written into the law an orderly cooperative marketing act. I consider that one of the important factors in an economic readjustment that is going on in this country at this time.

I take my cue from the opposition to the Farm Board. I know we in our city are going to get no comfort from McFadden and the rest of the speculators who are opposed to the Farm Board. [Applause.]

I want to say here to some gentlemen who are opposed to the Buchanan amendment, that this opposition is due to the vicious slush fund which was produced before the Senate committee. A slush fund, brazen in its attempt to raise money for what? To defeat the very purpose of the marketing act. They made no bones about it—$4,000 from Savannah, $10,000 from Memphis, $10,000 from Dallas, and

then, "If you need any more money we will go to Clayton & McFadden." If the Buchanan amendment is defeated, every stock-ticker farmer, every speculator, every tin-horn gambler, every factor that has been sucking the lifeblood of the farmer for the last generation will rejoice to-night. It is not necessary for me to describe these parasites. Let me quote an authority which answers the description of Clayton and McFadden, which answers the description of these parasites who are living off the farmer.

Mr. HART. Mr. Chairman, I rise to a question of personal privilege. I am engaged in farming and marketing, and I object to the gentleman calling me a parasite. The gentleman is out of order.

Mr. CLARKE of New York. I move that the gentleman from Michigan be permitted to define what he is.

Mr. HART. I am perfectly willing to define what I am. I object to the language used by the gentleman from New York and ask for an apology.

Mr. DYER. Mr. Chairman, the gentleman from New York has the floor and is entitled to the floor.

Mr. LaGUARDIA. If we do not want cooperative marketing among farmers in this country, why not say so in terms which will deceive nobody and will be immediately effective? Why spend another million dollars if it is desirable to end the Government policy of aid to farmers in the marketing of their products? That is what the committee's action does; that is all it was intended to do; this is the desire of the enemies of cooperative marketing, and they are prosperous, organized, and powerful. Their propaganda, insidious, misrepresentative, spreads from coast to coast.

This country is committed, by the passage of the agricultural marketing act, to the policy of Government aid to cooperative marketing associations owned, controlled, and managed by farmers. That passed three years ago. The action of this subcommittee reverses the policy of Congress, nullifies the agricultural marketing act, and brings joy and gladness of heart to every cotton and grain gambler in New York, Chicago, Dallas, New Orleans, and elsewhere.

The Budget estimate for the work of the Federal Farm Board, carrying out the mandate of Congress under the marketing act, was $1,880,000. This subcommittee has cut that estimate $880,000, or approximately 47 per cent, while there is no other item in the independent office bill, covering 56 pages and dozens of items, where the cut has been above 5 or 6 per cent.

Why this discrimination against agriculture in favor of the stock-ticker boys? And that, too, at the very point where agriculture converts its yearly labor into cash through marketing. I challenge a reading, line by line, of the statement of the chairman of the subcommittee, the gentleman from Virginia, to find one solitary statement therein in which this cut of 47 per cent is justified on the grounds of economy. His able and broad statement was filled with criticism of the activities of the Federal Farm Board and of cooperative-marketing associations in the country. There is not a word said about economy in that remarkable presentation.

You may wonder at my interest in this situation. Maybe I am unique in looking beyond my nose and unrolling the curtain of the future and seeing out yonder in the not-distant future to the day when organized consumers in great centers like New York and Chicago will be grasping the hands of organized producers throughout the land and wiping out thereby the greatest burden that rests upon the backs of both—the burden of distribution and the cost of the manipulation of gamblers. That accounts for my interest in this matter; I am talking for these people. The consumer has a vital and direct interest in agriculture; agriculture has a direct and vital interest in the consumer. They are just as interdependent as any two forces in our economic system can be interdependent. That representative of the consumer in this body who fails to recognize this fact is failing to measure to the high standards of statesmanship which the country demands so much in these distressing times.

But if I had no interest in these matters, if I were thoroughly indifferent to the interests of my own constituents in this item, there is another reason why I would support the efforts of the gentleman from Texas [Mr. BUCHANAN] to restore a decent portion of the amount which this subcommittee has indecently cut from the estimates of the Budget. I agree with Elbert Hubbard, who says, "I judge the character of an institution by the enemies it makes." Who are the enemies of cooperative marketing among farmers in this country? Every farm organization is supporting the efforts of the gentleman from Texas to treat the Federal Farm Board and its activities decently. The American Farm Bureau Federation, the Farmers' Union, the National Grange, the National Committee of Farm Organizations, and all cooperative associations, whether or not they have been aided by the Farm Board, are unanimous in their support of the efforts of the gentleman from Texas. Who is against them? I say without hesitation or fear of contradiction—the private marketing agencies.

The American Cotton Shippers' Association, with a membership of 800 only, who have sucked the blood of southern farmers ever since Eli Whitney invented the cotton gin on the back porch of the widow of Gen. Nathanael Greene; the grain trade; the speculator and gambler in foods and clothing; the New York and New Orleans Cotton Exchanges; the Chicago Grain Exchange—these are the forces who are fighting this act and who are in favor of allowing the work of the subcommittee to stand unamended, because they know that it kills cooperative marketing in this country. It sets the wheels of agricultural progress back a half century. And what are their methods? That is what gets me. I invite your attention to pages 393 and 394 of the hearings before the Committee on Agriculture and Forestry, United States Senate, this Congress, on November 24, 25, 27, and 28, 1931.

You will notice that a committee was appointed at the request of Chauncey W. Butler, chairman of the finance committee of the American Cotton Shippers Association, to raise a fund of $100,000 as a minimum to do what? Let us see. First. To conduct a publicity campaign against the agricultural marketing act, and, second, "file legislative action in an attempt to secure an amendment or repeal of the agricultural marketing act, or both." How were they going to influence Congress? What are their methods? What was the language just read by me? Is there anything written between the lines? Are there hidden, devious ways of obtaining congressional or legislative action? If so, I would like to drag them out, let the sun shine upon them that they might see them in their filth and sliminess.

I want to call your attention to the language in the telegram which I have just read:

> In addition to this amount the firm of Clayton & McFadden will be solicited direct.

Who is the firm of Clayton & McFadden? It is the biggest cotton firm in the world. The head of it, Mr. Clayton, is regarded as the greatest cotton man in the world. And why did not they allot him a certain amount of this fund as his contribution to this assessment of $100,000 as they allotted $10,000 to Dallas, $10,000 to Houston, $10,000 to Memphis? There is a joker somewhere, and I want to find it. This telegram means this: That the little pikers in Memphis and Houston and Dallas and Savannah have got to raise a minimum of $100,000, and if that does not do the job of repealing this act, then Clayton & McFadden Co. will put up the difference, and the sky is the limit. I protest against any such cold, crude, bold attempt to influence legislation.

In my experience of 14 years on the floor of the House, this is the boldest attempt which paid propaganda has ever undertaken to influence congressional action. As far as I am concerned, if there were no other reasons to move me, I would find myself fighting under the flag of the organized cooperative farmers of America rather than under the black flag of the slushers whose well-marked trail I have pointed out to you in this public document. Under whose flag are you going to stand? The issue is clear-cut and unmistakable.

Why are they fighting this act? They say that cooperative marketing has not succeeded. They convict themselves of lying in their own testimony. They know cooperative mar-

keting is succeeding and that is why they want to beat it, strangle it, hamstring it. Am I justified in making this statement? Let me read from the telegram:

> We feel that our existence is at stake and that something must be done immediately, and will be if we have the moral—

God forbid—"moral"—

> and financial support of the cotton trade.

Why are they trying to beat this act, to hamstring it? There is the answer to it:

> Our existence is at stake.

Why is it at stake? Because cooperative marketing has made more progress since the agricultural marketing act was passed in 1929 and the Government put its seal upon it than it had made in 50 years previously.

If cooperative marketing under the agricultural marketing act were not succeeding, the Macedonian cry of one cotton gambler to another would not sound up to heaven, "Help me, Cassius, or I sink!" And who is "me"? The fellow who has ridden the bent backs of cotton farmers of the South and wheat growers of the North and West until the income for over 75 years of such riding has been less than $300 a year for each family. Let us get right on this thing, my colleagues. I stand for the rights of organized labor and have always stood for them. By the same token I stand for the right of agriculture to organize. The right to organize, to exercise the inalienable right to market its own products in its own way in keeping with the intent of the marketing act which Congress passed two years ago.

I know of no better description of the parasites now living off the farmers than a short quotation from a great American. These words of wisdom, prophetic wisdom, fit to a T the condition of the farmers and the stock-ticker manipulators who have exploited them and now seek to destroy the only legislative act passed for the protection of the farmers. Listen to this:

> In the early days of our race the Almighty said to the first of our race, "In the sweat of thy face shalt thou eat bread"; and since then, if we except the light and the air of heaven, no good thing has been or can be enjoyed by us without having first cost labor. And inasmuch as most good things are produced by labor, it follows that all such things of right belong to those whose labor produced them. But it has so happened, in all ages of the world, that some have labored, and others have without labor enjoyed a large proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, or as nearly as possible, is a worthy object of any good government.

That was stated in the city of Washington on December 1, 1847, by Abraham Lincoln. That is exactly what we were doing when we enacted the farm relief bill. It was to prepare a system of orderly distribution and marketing, and every economist will concede that our present system is wasteful and makes possible the exploitation that is going on at the expense of the consumer and the farmer, and I, coming from a city, am going to support the Buchanan amendment. [Applause.]

Mr. MILLER. Mr. Chairman, it is apparent that the act of Congress creating the Farm Board was one of the most constructive pieces of legislation ever enacted by any lawmaking body. The policy of Congress was declared in the act, and I call attention to the provisions of the marketing act. The policy of our Government is laid down there in no uncertain terms. We are confronted to-day with a subtle move to destroy that policy which was deliberately adopted by the Congress—a policy against the wisdom of which no one can argue. We are confronted here to-day with an amendment to be offered by the gentleman from Georgia [Mr. VINSON] seeking to destroy that policy entirely and return the farmers of the country and the producers back to the old system of marketing. The declaration of policy states that the act was put into effect to place agriculture on a basis of economic equality with other industries, and it points out how it shall be done by minimizing speculation and by preventing inefficient and wasteful methods of distribution and encouraging the organization of producers into effective cooperative associations, and so forth, and by aiding in preventing and controlling surpluses of agricultural products. It is argued that the stabilization operations of the Farm Board will be abandoned, and that because of the abandonment of that operation the Vinson amendment ought to prevail, because the marketing act may be administered by the Department of Agriculture. I know of no way of judging the future except by the past. The marketing act has been on the statute books since 1926.

The old act was administered by the Department of Agriculture. That was a breakdown, a failure, and the situation became so acute that the public demanded that the marketing act be revamped and placed under the control of a board charged with its administration; and whenever you destroy the Farm Board by the adoption of such an amendment as that proposed by the gentleman from Georgia, you sound the death knell of cooperative marketing in this country [applause], and you do much to send agriculture into a state of serfdom. That is whither we are drifting.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. MILLER. Yes.

Mr. VINSON of Georgia. If the gentleman is familiar with my amendment from a reading of it, he will ascertain that it does not interfere with cooperative marketing at all.

Mr. SIMMONS. It starves it to death.

Mr. MILLER. The statement of the gentleman from Georgia is true, but it restores it to the Department of Agriculture. I say to you, Mr. Chairman, that the place for it to stay is just where it is placed under this act, and that administration should continue.

The only argument is that the cooperatives are paying too high salaries. Under the marketing act those salaries are paid by the owners of the associations. Who owns the cooperative marketing associations? The producers themselves own them. Let them make the complaint; they are the ones who own those organizations; let the complaint come from them.

The thing that I am interested in, and I represent an agricultural district, is that this Congress shall not remove the supervision provided by the Farm Board act and thus destroy cooperative marketing.

Mr. WOODRUM. Mr. Chairman, I rise in opposition to the amendment.

Mr. KELLER. Will the gentleman yield to me for a question?

Mr. WOODRUM. Certainly.

Mr. KELLER. I listened to the chairman's statement yesterday for two hours and a half and enjoyed every minute of it. I have been asking him ever since to listen to me for five minutes, and I shall be very greatly disappointed if he does not.

Mr. WOODRUM. Mr. Chairman, I will be glad to yield five minutes right now if I have the right to.

Mr. BARBOUR. Mr. Chairman, I desire to be recognized for five minutes in favor of the amendment.

The CHAIRMAN. The gentleman from Virginia, a member of the subcommittee, has been recognized.

Mr. WOODRUM. Mr. Chairman, I am in a rather peculiar position on these two amendments. I do not favor either one of them.

I would like, if I might have your attention for these five minutes, to speak in behalf of the committee of this House.

I might say that I entertained the hope that the committee would allow me to utilize 10 minutes to justify the action of the Appropriations Committee. I think we have been liberal in the debate on this amendment, and I would like to have that much time to justify the action of the committee. My distinguished colleague had 25 minutes, and other gentlemen have had plenty of time. If the idea prevails in the minds of the Members of the House at this time that this action is aimed at a scuttling or dismantling of the Federal Farm Board, I want to disabuse them of it. When I presented this matter in general debate, I said that we applied to the Federal Farm Board the same yardstick and the same rule that we applied to every other governmental department that came before our committee. We asked them to justify, if they could, the estimates that the Bureau of the Budget had sent down.

We found an amazing condition, however. We found that apparently the Budget had O. K.'d their request for appropriations, making no effort whatever to scrutinize them. Whereas the present personnel is 365 the Bureau of the Budget had estimated for a personnel of 487 for 1933. We found item after item in that estimate that went beyond the actual needs of the board. Members of this House have asked why we have reduced the appropriation. I can give an itemized statement if it is desired.

Mr. Chairman, the question that I am addressing myself to is a question of adequacy of appropriation, not a question of justification of the Farm Board. I do not believe that this is the tribunal to pass on whether or not there should or should not be a Farm Board or a marketing act, and I will not be a party to adopting this means of scuttling or dismantling the Farm Board. I have said nothing derogatory of the members of the Farm Board. I do say that there is a crowd of racketeers in this country that are bleeding white the real farmers of this country; and I do say that it is within the power of this Farm Board we have created to largely alleviate that condition, but they do not seem to be doing it.

To get back to the items, they had $250,000 for transportation, of which they used only $100,000 in the first half year. We took $50,000 from that item.

They had $50,000 for printing and binding. They used but $12,000 during the first half of the year, and we took $15,000 from that item.

They had $8,000 for rent in the field for 1933, and they used none in 1932. We disallowed that.

They had $5,000 for extensions and used only $1,200 the first half of 1932. We took $3,750 from that item.

For furniture, fixtures, and other items a similar situation existed.

They had $85,000 for advisory committees and used but $15,000 in 1932. We reduced that item by $70,000.

These figures add up to make a total of $155,750.

We eliminated the economics division, at a cost of some $144,000, which is duplicated in the Department of Agriculture appropriation bill.

BUREAU OF AGRICULTURAL ECONOMICS

I do not know the difference between an agricultural economist and a Farm Board economist. If there is a difference, nobody has pointed it out.

Mr. SIMMONS. It is clear they do not do the same work.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection?

Mr. BARBOUR. Mr. Chairman, reserving the right to object, would that end all debate?

The CHAIRMAN. At 2.20; yes.

Mr. BARBOUR. Then I shall have to object.

The CHAIRMAN. The Chair recognizes the gentleman from California.

Mr. BARBOUR. Mr. Chairman, I do not make the accusation nor would I even intimate that this subcommittee is in any way trying to hamper deliberately the operations of the Farm Board, but that is what it amounts to when you cut their appropriation from $1,880,000 this year to $1,000,000 for the coming fiscal year. Nobody who is interested in agriculture and in the success and well-being of the farmers of this country wants to destroy the Farm Board. Yet we all know there is a determined effort in this country to-day on the part of a large number of people, who are not farmers but are of that class that are sometimes spoken of as those who farm the farmers, to destroy the Farm Board. They would get a great amount of satisfaction out of the defeat of the Buchanan amendment.

We are asked to defeat this amendment in the name of economy. Almost every proposal that comes up in the House of Representatives nowadays is claimed to be in the interest of economy. I want to say that I am in favor of economy in governmental expenditures. Those who have been here during the past few years know that I have stood up and battled for reasonable economy when some of the gentlemen who are now making the most noise about it were ready to raid an appropriation bill and vote for any kind of an amendment increasing appropriations, and thereby helped to bring about the economic situation that now confronts us. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. JONES. I would like to call the gentleman's attention to the fact that the Interstate Commerce Commission is given $7,000,000; and it handles just one phase, transportation, while these cooperatives handle 128 different commodities. There are 60 different varieties of wheat, and there are 3,700 cooperatives. If we are going to permit the board to stay in existence it ought not to be hampered in carrying out its program.

Mr. BARBOUR. The gentleman is right. The Farm Board has been doing excellent work for the farmers. We passed the act three years ago creating this board, and we gave it almost unlimited power. We placed in their laps the most difficult problem the human mind has ever been called upon to solve, and that is to try to nullify or control the law of supply and demand. That is the problem the board has been working on. I want to say that so far as I am concerned I think they have made an unusual degree of success in attempting to solve this problem.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. WHITTINGTON. Is it not true that if we adopt the Buchana amendment we will reduce this appropriation far more than we have reduced the appropriations contained in the general agricultural bill?

Mr. BARBOUR. That is absolutely true.

Mr. HART. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. HART. Does the gentleman know what the price of wheat is in Europe?

Mr. BARBOUR. No; and I do not care. But I do know what the Farm Board is doing in this country, and that is enough for me.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Texas.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the Clerk may again report the amendment.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection.

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 99, noes 116.

Mr. BUCHANAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WOODRUM and Mr. BUCHANAN.

The committee again divided, and the tellers reported that there were—ayes 120, noes 123.

So the amendment was rejected.

Mr. VINSON of Georgia. Mr. Chairman, I have an amendment at the clerk's desk, which I will offer at this time.

The clerk read, as follows:

Amendment offered by Mr. VINSON of Georgia: Page 17, strike out lines 12 to 25, inclusive; strike out all of page 18; and on page 19 strike out lines 1 to 7, inclusive, and insert in lieu thereof the following:

"For salaries and expenses necessary to enable the Secretary of Agriculture to close up the affairs of the Federal Farm Board, including personal services in the District of Columbia and elsewhere, printing and binding, rental of quarters outside of the District of Columbia, stationery, office supplies and equipment, traveling expenses, and other necessary miscellaneous items, $600,000: *Provided*, That no salary shall be paid hereunder at a rate exceeding $8,000 a year: *Provided further*, That the Federal Farm Board created by the agricultural marketing act of June 15, 1929 (U. S. C., Supp. V, title 7, ch. 22), including the offices of eight members of the board at $12,000 each and the respective positions of general counsel at $20,000 and secretary at $8,500, 10 in all, with annual salaries aggregating $124,500, is hereby abolished, effective at the close of business on June 30, 1932. The

authority, powers, and duties vested in such board by law and the obligations and rights of such board are hereby transferred to, imposed upon, and vested in the Secretary of Agriculture."

Mr. LAGUARDIA. Mr. Chairman, I make the point of order that the amendment is not germane, that it is legislation on an appropriation bill, and that it goes beyond the scope of the Holman rule.

The CHAIRMAN. The Chair will hear the gentleman on his point of order.

Mr. LAGUARDIA. A casual reading of the amendment will disclose that its real purpose is the repeal of the agricultural marketing act, the abolition of the Farm Board, and the establishment of a new division in the Department of Agriculture.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. LAGUARDIA. In a moment.

It is quite true that under the Holman rule an amendment is germane to an appropriation bill, which retrenches expenditures by the reduction of the number and salary of officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of the amount of money covered by the bill; but the Holman rule, Mr. Chairman, is very careful in its language when it permits an amendment which would retrench expenditures, although that amendment may do what? "Change existing law," and that phrase was chosen no doubt purposely and advisedly to put a limit on what an amendment, under the guise of a retrenchment, could do.

For instance, if the amendment of the gentleman from Georgia had reduced salaries by eliminating entirely salaries of existing officers under the act, then he would come under the Holman rule, but the amendment goes further, Mr. Chairman. It takes the functions, the powers, and the duties of the Farm Board and transfers them to the Department of Agriculture. It creates new powers, new duties, new functions in the Department of Agriculture. The amendment not only changes law, repeals law, and makes new substantive law, but surely it goes way beyond the latitude permitted under the Holman rule.

Mr. Chairman, to come under the provisions of the Holman rule, which must be strictly construed, the amendment must come within all four provisions of the rule and its limitations but can not go beyond them. It may, as I have said, and as the rule plainly states, change existing law, but can not enact new law. By transferring the activities and the functions and the powers of the Farm Board to the Department of Agriculture, in this amendment there is written a new statute entirely, and while offices may be eliminated the duties imposed by the amendment in another department of government destroys even the technical feature of retrenchment and discloses a clumsy attempt to repeal existing law and enact a new statute by the subterfuge of a retrenching amendment.

I now yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Mr. Chairman, I am apprehensive that the distinguished gentleman from New York has not studied the amendment with the care that he usually studies amendments when he argues points of order. Let me call the gentleman's attention to the fact that all this amendment does is to abolish the Farm Board, the salaries of the members of the Farm Board, the secretary, and the general counsel. Then it transfers all the power invested in the board under the marketing act to the Secretary of Agriculture.

Mr. LAGUARDIA. That is all.

Mr. VINSON of Georgia. There is no repeal of anything and this is clearly within the Holman rule.

Mr. LAGUARDIA. The gentleman is unable to find anything in the Holman rule which permits the writing of entirely new legislation. The Holman rule is limited to a change of existing law.

Mr. VINSON of Georgia. Let me call the attention of the gentleman and the Chair also to the standards of the Holman rule.

There are five things that must necessarily occur before an amendment is germane, and the Chair has repeatedly held this, and has so held as recently as February 29. First, is it germane? Of course it is germane, because it is dealing with the Federal Farm Board. Second, it reduces the number and salary of officers of the United States. Here are 10 offices that are abolished. Third, it retrenches expenditures by a saving of $124,000. The retrenchment is not susceptible of argument but is specific. Here is a definite amount of retrenchment, the amount of expenditure paid to the Federal Farm Board, its secretary, and its attorney. Every part of the legislation is essential.

These are the only standards we can go by to say whether or not the amendment falls within the Holman rule, and I am merely putting this amendment on all five of these propositions which are the standards to govern the germaneness of an amendment.

Mr. LAGUARDIA. But the gentleman fails to point out that he goes farther and provides new powers and new duties and new functions in the Department of Agriculture.

Mr. VINSON of Georgia. Not at all; what other power the Federal Farm Board to-day has is vested in the Secretary of Agriculture.

Mr. LAGUARDIA. Would the gentleman say that an amendment offered to the naval appropriation bill abolishing the Chief of Aeronautics and transferring all aviation activities to the Army would be germane?

Mr. VINSON of Georgia. I am not engaged in naval activities to-day. I am trying to do something for the downtrodden farmers of this country.

Mr. BANKHEAD and Mr. BURTNESS rose.

Mr. BURTNESS. Mr. Chairman, I would like to be heard in support of the point of order, unless the Chair is ready to rule.

Mr. BANKHEAD. Mr. Chairman, while I may state I am not in sympathy with the amendment proposed by the gentleman from Georgia and shall not support it, in order to preserve the integrity of the precedents and to call the Chair's attention to the proposition that this is a germane amendment within the Holman rule, I desire to make a very brief statement to the Chair of my views upon the proposition.

The Chair, of course, is familiar with the exceptions set out in section 2 of Rule XXI, and I shall not repeat them, because the Chair undoubtedly has the manual before him.

The question for the Chair to determine primarily is whether the amendment is germane to the section of the bill to which it is offered. A casual inspection, not an analytical inspection, relating to the Federal Farm Board salaries clearly indicates that the amendment of the gentleman from Georgia is along identical lines and to set up a different system for the administrative features of the Farm Board. If it is germane, then, of course, the governing consideration in this case is whether it reduces expenditures. In other words, whether or not it comes within the exception set out. The gentleman from New York asked the gentleman from Georgia whether under certain hypotheses the amendment would be germane. I call the Chair's attention to the decision in the fourth volume of Hinds' Precedents, section 3887:

On February 10, 1893, the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill making appropriations for the payment of invalid and other pensions. The bill having been read, Mr. William Mutchler, of Pennsylvania, from the Committee on Appropriations, offered a series of amendments to the bill, providing (1) for the transfer of the Bureau of Pensions from the Interior to the War Department, abolishing the offices of Commissioner and Deputy Commissioner of Pensions, and designating Army officers to perform these duties without additional pay; (2) to substitute for the examining surgeons of pensions medical examiners in the Record and Pension Office of the War Department and a limited number of special medical examiners, such examiners and special examiners to be assigned to various suitable localities in the United States; and (3) for regulating the rating of pensioners, limiting the construction of the law of 1890 to persons incapable of manual labor and having an annual income of less than $600, and defining the status of certain soldiers' widows with the effect of limiting the pensionable class.

I may state that the point of order was interposed on the same ground suggested by the gentleman from New York, and the Chairman, William L. Wilson, of West Virginia, a

distinguished parliamentarian, overruled the point of order, and held that the amendment was germane under the Holman rule, and that it was not in violation of the Holman rule.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. LAGUARDIA. Can the gentleman tell us whether the activities of the Department of the Interior at that time were carried on by mandate of law?

Mr. BANKHEAD. Absolutely under the mandate of law, and they were seeking to abolish the statutory officials under the general law pertaining to the Bureau of Pensions.

Now, Mr. Chairman, I want to cite another precedent, one by Chairman CRISP, a distinguished parliamentarian, which will be found in Cannon's Precedents, page 1147.

> The Chair is aware that under the current law in the office of the Solicitor of the Treasury there is a chief clerk receiving a salary of $2,000. The language to which the point of order is made, the Chair thinks, clearly does away with the office of the chief clerk, thereby reducing by one the number of salaries paid out of the Treasury of the United States and places those duties upon the Solicitor of the Treasury. For these reasons the Chair overrules the point of order.

There are subsequent precedents which might be cited, if I did not want to conserve the time of the committee. The essential thing in the construction of the Holman rule is not to speculate on what might be the effect of a proposed amendment, as to whether it reduces expenditures, but the Chair is charged with the responsibility of reading into the section itself a mandate of a reduction of expenditures, and certainly there can be no question here about the effect of the amendment of the gentleman from Georgia, because it clearly in terms very greatly reduces the expenditures out of the Federal Treasury. For these reasons I have no hesitancy in coming to the conclusion that the amendment is germane.

Mr. WHITTINGTON. Mr. Chairman, I submit that this amendment is not within the Holman rule, because it not only imposes new duties but it likewise gives affirmative directions to the Secretary of Agriculture, and on those two points I call the attention of the Chair to the language of the amendment in respect to vesting new duties in the Secretary of Agriculture. The amendment provides:

> The authorities, powers, and duties vested in such board by law and the obligations and rights of such board are hereby transferred to, imposed upon, and vested in the Secretary of Agriculture.

It is not merely the case of a transfer of power, but it is vesting new power and new authority in the Secretary of Agriculture, and in addition to giving him new duties, it likewise gives the Secretary of Agriculture specific directions in that which is fundamental to the existence of agricultural marketing, because the amendment provides and the Secretary—

> Is directed to make no further loans under the authority of such act from the agricultural marketing fund.

Mr. VINSON of Georgia. But that is not the amendment that I have offered.

Mr. WHITTINGTON. Did I understand the gentleman to say that he has amended his amendment by striking out that provision in it?

Mr. VINSON of Georgia. Yes.

Mr. WHITTINGTON. I congratulate the gentleman, and if given further time, I believe he would withdraw his entire amendment.

The CHAIRMAN. The gentleman from Georgia [Mr. VINSON] proposes an amendment to the Federal Farm Board paragraph of the bill. The amendment in substance abolishes the Farm Board and transfers the duties and activities of that board to the Secretary of Agriculture. The question before the Chair, raised by the point of order, is as to whether or not the gentleman's amendment is in order under the Holman rule. The Holman rule provides that an amendment to be in order, carrying legislation on an appropriation bill, must be germane; that is, it must, under former holdings of Chairmen of this committee, be appropriate, pertinent, and must have a close relationship to the section to which the amendment is directed. In addition to that, it must retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts covered by the bill.

The Chair has read the opinion that the gentleman from Alabama [Mr. BANKHEAD] cited, decided by Mr. CRISP, who was acting as Chairman of the committee at that time.

When the naval appropriation bill was before the Committee of the Whole House on the state of the Union, Mr. Towner, Chairman of that committee, rendered an opinion, along the lines of this amendment, on April 18, 1922. The syllabus of the opinion, which may be found in Cannon's Precedents, section 8581, is as follows:

> A proposition to repeal law authorizing employment of officers was held to effect a reduction of the number and salary of officers of the United States and to be in order on an appropriation bill.

The Chair is of opinion, after reading those decisions and studying the Holman rule, that the amendment is in order, and, therefore, the Chair overrules the point of order.

Mr. VINSON of Georgia. Mr. Chairman, I rise in support of the amendment and ask unanimous consent to address the committee for 10 minutes.

The CHAIRMAN. Is there objection?

Mr. WOODRUM. Mr. Chairman, I reserve the right to object. I wonder if we can not have some agreement to close debate upon this amendment?

Mr. VINSON of Georgia. I am very anxious to aid the committee in expediting the consideration of the bill. As far as I am personally concerned, I shall not consume more than 10 minutes. I think a discussion of 30 minutes on the amendment should be sufficient, as probably no views will be changed by any argument that is made.

Mr. WOODRUM. I ask unanimous consent that debate upon this amendment and all amendments to this section conclude in 30 minutes.

The CHAIRMAN. Is there objection?

Mr. RAYBURN. Mr. Chairman, I reserve the right to object.

Mr. WOODRUM. Then I ask unanimous consent that debate upon this amendment and all amendments to this paragraph conclude at 3 o'clock and 30 minutes p. m.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, the committee the other day indulged me 30 minutes while I discussed the various phases of the operation of the Farm Board. I shall not consume any extra amount of time in presenting this amendment. I preface my remarks with the statement that I yield to no one in my desire to aid agriculture. I happen to be a bona fide dirt farmer. During the 18 years that I have been in Congress I have aided to place on the statute books legislation to help agriculture. I remember appearing before the Agriculture Committee in 1916 and aiding in the enactment of the law dealing with exchange.

I appeared when we passed a law establishing the Federal farm land banks. Time after time I have appeared before the Agriculture Committee asking that some regulatory law be enacted dealing with the operation of the exchange. I heartily supported the bill to appropriate $500,000,000 and establish the marketing act and create the Federal Farm Board; but, Mr. Chairman, mark my words when I say that no man in this committee has been more disappointed with the results of the Federal Farm Board than I have.

When we passed this bill in 1929 cotton was bringing 18½ cents a pound. After three years of operation under the policies of the Farm Board cotton to-day is bringing 5½ cents a pound. Wheat at that time was bringing $1.39 a bushel. After three years of operation under this same Farm Board it is bringing from 35 cents to 40 cents a bushel.

I challenge any advocate of the Farm Board to get upon this floor and show wherein the Federal Farm Board has been of any direct aid and benefit to farmers, either in the South or in the West, those who raise cotton or those who raise wheat.

What does this amendment propose to do? It does not propose to change one line in the marketing act. It proposes that the marketing act stand just as it is; but by this amendment I do propose that some one who is familiar with cooperative marketing, some one who is familiar with agriculture, have the administration of the marketing law. I propose to turn all the activities of the Farm Board over to the Agriculture Department.

The only thing left in the Farm Board's operation is what? Cooperative marketing. In 1926 this House passed a law establishing what is known as the Division of Cooperative Marketing. Where did we place it? We placed it in the Department of Agriculture. The Agriculture Department was administering that law until the establishment of the Federal Farm Board, and then by Executive order it was transferred to the Federal Farm Board.

I propose that the Federal Farm Board shall have the right to carry out all the provisions of the marketing act and of the Division of Cooperative Marketing. What harm can be done by placing this activity of agriculture under the Agriculture Department? There will be a saving of $124,000 if it is done.

Members of this House have spoken day after day in the interest of economy. Is that lip service? Are the Members willing to hear talk about the abolishment of boards, bureaus, and commissions, yet when the time comes that no harm can be done to agriculture hesitate to eliminate a board that has been tried and found wanting?

The gentleman from Mississippi talked about the justification of the salary of Mr. Creekmore. Let me tell the gentleman from Mississippi that it takes 250 farmers in his district working from January to December to pay the salary of Mr. Creekmore. Let me further tell the gentleman from Mississippi that it takes 1,250 people toiling in the fields of cotton in the Delta to pay this salary of $75,000 to Creekmore; that it takes 2,500 bales of cotton to pay Mr. Creekmore's salary; and that is a salary that the Farm Board condoned and indorsed.

Mr. Buchanan said that Mr. Stone did not approve of these salaries. Here is his letter to Mr. LUDLOW, dated February 29. Let me read a portion of it:

> You asked my opinion as to whether Congress should take action limiting to $15,000 the salaries which may be paid by cooperative associations borrowing money from the $500,000,000 fund. While I know your purpose is to do something you believe to be helpful, my best judgment is that such legislation would work irreparable harm to the cooperative movement, and I am, therefore, against it.

This board has 10 officials drawing $340,000 a year. Who pays these salaries? Either they are paid by the taxpayers of this country or they are paid by Mr. WHITTINGTON'S farmers. If Mr. WHITTINGTON wants his farmers in Mississippi, whose homes are being sold and whose lands are being confiscated for taxes, to pay these salaries, then let him vote to pay Mr. Creekmore's salary of $75,000.

Mr. WHITTINGTON. Is it not true that the gentleman in his amendment makes no provision at all for reducing those salaries?

Mr. VINSON of Georgia. Of course I do; because Mr. Hyde, being a public official, responsive to the Government, would not have the nerve or the temerity to run this Farm Board and these farm set-ups like this board has done.

The very purpose of this law was to minimize speculation. That is written in the very first line of it. What happened? This Farm Board engaged in the most gigantic speculation in the history of the cotton exchange or the wheat exchange. Mr. Creekmore owned a seat on the exchange. He went to New York and he paid one firm $450,000 to engage in speculation, when the very purpose of Congress was to limit speculation on the cotton exchange and on the wheat exchange. [Applause.]

If you take out of this law the stabilization feature, what is left in it? Nothing except cooperative marketing, and I give the Secretary of Agriculture the right to carry on cooperative marketing. He is given the right to loan money to these various cooperative associations.

Let me call your attention to this: Since the Federal Farm Board started there are fewer farmers in America to-day joining the farm organizations than at the time of the enactment of the law. There are fewer cooperative-marketing associations to-day than there were when the Farm Board was established.

Tell me what benefit the Farm Board has been. What benefit has it been to the man and his family who toil? They sat here in Washington City and permitted the wasting of $225,000,000 of the taxpayers' money. They have a loss to-day in that amount, and if the market continues to go down, God knows where the loss will be. Who pays it? The taxpayers of America pay it.

I say, gentlemen, in the interest of agriculture, place this marketing law in the hands of the Secretary of Agriculture. Let the Secretary administer it, and if the Secretary of Agriculture can not do any better than the Farm Board has done, then I have no doubt the Congress will wipe off of the statute books the agricultural marketing act. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, ladies and gentlemen of the committee, I hope no one will take this motion seriously just at this time. As a matter of fact, the Farm Board has 148,000,000 bushels of wheat in the Stabilization Corporation; it has 1,300,000 bales of cotton and the cooperatives have 1,800,000 bales of cotton on hand. If you abolish this Farm Board and let that wheat and that cotton fall on the market, you will produce wreckage not only in agriculture but in industry. [Applause.] You would break banks all over this country, for this thing is threaded through the financial structure of America. That being so, who will get up and say he wants to abolish something without making some other intelligent provision for it?

I think experience has shown that the stabilization feature of the marketing act and the stabilization activities of the Farm Board should be ended. But, as a matter of fact, that which they have on hand must be wound up in an orderly way. Would you gain anything by turning this over to a group of new men who with their inexperience would probably make some mistakes that these men with their experience might be able to avoid?

Mr. REED of New York. Will the gentleman yield?

Mr. JONES. For a short question; yes.

Mr. REED of New York. It is more than a question. Who is responsible for these stabilization activities? Did they not come and crowd them to do it? I was opposed to it.

Mr. JONES. I think the board itself had considerable pressure brought upon it before it entered that particular field.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. JONES. I can not yield, as my time is limited, and the gentleman has already had his say. A whole lot has been said about salaries. I do not believe in these salaries; and if the Farm Board does not see that they are reduced, I will join you next year in abolishing the whole business. I am sure that when the present contracts are out there will be a vast reduction.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. JONES. I can not yield.

Mr. MAY. Will the gentleman yield to me?

Mr. JONES. No; I will not yield, and I ask the gentlemen not to take up my time by asking me to yield. I tried to get time on the other amendment but could not get recognition.

Mr. MAY. So did I.

Mr. JONES. I do not think anybody would attempt to justify these high salaries. But, listen: When they made these salaries times were different. Since conditions have changed Congress has created the Reconstruction Finance Corporation. I asked the Interstate Commerce Commission, for which we appropriate more than is involved here, how much the railway presidents draw. They did not know, but they referred me to some hearings in 1921. In those hearings it is shown that the presidents of a number of leading railways range from $75,000 to $100,000 per year. In addition, many of the presidents of the banks, insurance com-

panies, and other corporations of this country which are borrowing money through the Reconstruction Finance Corporation are drawing high salaries. I am going to offer an amendment—it may not be germane, but no one need make a point of order against it—that no further loans shall be made by the Reconstruction Finance Corporation nor the Farm Board to any organization or person that is paying more than $20,000 a year in salaries. [Applause.]

I do not want to dictate their plans, but before they come to the United States Government for funds for the banks, insurance companies, and other organizations of America, let them get their salary lists on a right basis. At least let them be subject to the same limitations that are to be placed on the farm groups.

I do not justify these cooperatives paying these high salaries, but, listen. They have to compete with concerns that do pay them. Would you send a 1-legged man out to teach a Nurmi how to run? Would you select a jay bird to teach an eagle how to fly? You do not want to employ a failure when you are employing a marketing man. You have got to employ a man who has made a success, and you can not get one for $1,200 a year. It is idle, it is foolish, it is silly to talk about trying to dictate the terms down to nothing. If they are going to compete with the great marketing firms of this country, referred to a while ago, they are not going to get a man who can compete with a $50,000 man for $2,500.

This agricultural problem dates back to long before the enactment of the Farm Board. It is written in the structure of the tariff and in preferential freight rates, and it will be with us long after this vote is taken. The march toward equality for agriculture is a long one. It may be necessary to change. It may be necessary to shift. It may be necessary to take a new hitch in our belts. But the fight is on. [Applause.]

Mr. SIMMONS. Mr. Chairman, a number of gentlemen have stood before the House during this debate and told the country how much they love the farmer. They love the farmer just about as much as that father did who gave his child a nickel to go to bed hungry and stole the nickel while the child was asleep, and then made him go without his breakfast for losing the nickel, and then said, "I am sorry, my child, but you must be disciplined." These men in the House to-day who say they love the farmer but are against these things that have been set up by the Congress to aid agriculture are in just about the same state of friendliness to the best interests of the farmer as was the parent to whom I have referred to his child.

Now, what do we have? An effort on the part of the Congress to save money; but before we are through the record will show that a lot of false economists in this House are attempting to make savings on those things that benefit agriculture and agriculture alone. Why pick on agricultural activities alone as the basis of making savings?

Why is it that in an item where the Congress has set up a great piece of machinery to aid cooperative marketing the Committee on Appropriations makes a cut of 45 per cent? There is no other item cut like that in all the machinery of the Government. My good friend, Mr. BOYLAN, of New York, yesterday, or day before yesterday, bragged about the fact they had taken care of the Astrophysical Observatory so they could prophesy what the weather will be two years from now, but that they were going to cut these appropriations that were made for the benefit of cooperative marketing.

It is not the Farm Board that is the issue here this afternoon. It is not those who want to make political gain out of what they think is a popular trend in the United States now. This issue is an issue as to whether or not, finally, cooperative marketing that aims to give to the producer of foodstuffs the best possible price for his product, is going to prevail, or whether you are going to say to the farmers of this country that you believe the broker and the speculator and the man who has always made a profit out of their products shall continue to make these profits and the farmer not receive the best that can be gotten for him. This is the issue. Those of you who feel you are going to explain it on any other basis will be mistaken before the controversy is through.

Now, look at the absurd situation in which these men would put the House. A speech made by the mover of the motion condemns the Farm Board, praises the Secretary of Agriculture, and asks that this work be turned over to the Secretary of Agriculture, who himself is a member of the Farm Board.

Mr. VINSON of Georgia. A member ex officio.

Mr. SIMMONS. So you have gone around the bush and come back again. You have paid lip service to the farmer, you have stuck him in the back with your amendment, and the farmers of this country will know it.

Mr. BOYLAN. Will the gentleman yield for a question?

Mr. SIMMONS. Having referred to the gentleman, I yield.

Mr. BOYLAN. I would like to ask the gentleman if he knows one dirt farmer in the entire United States that the Farm Board has helped?

Mr. SIMMONS. Yes; and you show me, sir, one dirt farmer that came before your committee and asked for a reduction in these funds; not one. You had a cotton broker who came in at the close of the hearings and asked that the appropriations be cut in order that they might kill the Farm Board, and that this was an effective way to do it.

Mr. BOYLAN. The hearings were open to anyone who desired to come and they would have been heard if they had appeared.

Mr. SIMMONS. But not one farmer came before your committee, and not one farmer to-day is——

Mr. BOYLAN. They were open for him to come. Not a dirt farmer has gotten a nickel through this Farm Board, and the gentleman knows it.

Mr. SIMMONS. Those of us who know something about farming and who know there is a part of the United States west of the Hudson River, know far too much to take the statement of the gentleman from New York seriously.

Mr. BOYLAN. I have been a friend of the farmer during a legislative career of 23 years, but I do not believe in giving salaries to members of a board to mulct the farmer.

Mr. SIMMONS. That is not the issue and the gentleman knows it. Let me repeat that the hearings show this attack that the committee is making to-day upon the Farm Board and the agricultural marketing act was initiated by a group of cotton brokers and speculators, and not one farmer, or representative of a farmer, appeared before the committee against the Farm Board and asked for this reduction.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman——

Mr. JONES. Will the gentleman yield in order that I may ask unanimous consent to have an amendment read for information?

Mr. MAY. I yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Proposed amendment by Mr. JONES: Page 10, line 7, after the word "counsel," insert "*Provided*, That neither the Farm Board nor the Reconstruction Finance Corporation shall hereafter make any loan to any organization, institution, or firm which pays a salary in excess of $20,000, including any bonus, to any officer of such organization, institution, or firm."

The CHAIRMAN. This amendment has been read for the information of the committee.

Mr. MAY. Mr. Chairman, and ladies and gentlemen of the committee. I rise in support of the Vinson amendment. I want to begin my remarks with the statement that it is my judgment, and I think that this House will agree with me in that matter, that about the best way to relieve the farmer of his distress is to begin to relieve him of the burdens of taxation. [Applause.] The surest way to relieve the farmer of some of the most distressing burdens of taxation is to relieve him of contributing to the maintenance of some of the unnecessary boards and bureaus of the Federal Government.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. MAY. Yes.

Mr. SUMMERS of Washington. Can the gentleman name any farmers who are paying any income tax to the Federal Government?

Mr. MAY. I haven't time to go into the question of what farmers pay an income tax, but I imagine that if I did I would find that under the present circumstances very few pay an income tax. Those are the fellows I am interested in. I am a farmer in a small way myself, a very small farmer, but I want to say to the Democrats on this side and the Republicans on that side of the House that one of the most interesting things I have heard during the present session of Congress was the clash between the two sides of the House in the accusation and defense of the President on the question of practicing economy in the administration of the affairs of the Government.

If I am not mistaken, the President of the United States recommended to this Congress that it ought to abolish certain boards and departments in the interest of economy. If I am not mistaken, the Democratic leadership on this side of the House has appointed an Economy Committee and they are to confer with the President of the United States to formulate a plan of economy.

Now, when the gentleman from Georgia presents to the House of Representatives an amendment to this bill that proposes to abolish the Farm Board that has destroyed the farmers, and place it under the department created for looking after agricultural interests in this country, we hear a protest from both sides of the House. It is my view that the Secretary of Agriculture, who is a member of the Cabinet, who has been O. K.'d by the President of the United States and O. K.'d by the Senate when they confirmed his appointment, ought at least be, and doubtless is, competent to administer the affairs of the Farm Board.

I am persuaded that the Senate of the United States, when they voted to confirm a man, believed that he was capable of looking after the agricultural interests of the country, and of looking after the stabilization of farm prices and farm products.

Mr. HARE. Will the gentleman yield?

Mr. MAY. I yield.

Mr. HARE. Does not the Senate have to confirm the members of the Farm Board?

Mr. MAY. Certainly they do, but they did not determine whether they were essential or necessary to the farming interests.

Mr. HARE. Would not the same rule apply to members of the Cabinet?

Mr. MAY. Who believes that in this day any President of the United States would nominate a man for Secretary of Agriculture or any Cabinet position who was not qualified and capable of holding the office?

Now, I want to say in conclusion—for I realize that my time is rapidly passing—to the this House, that we are going to balance the Budget. You want to go home and tell your constituents that you practiced economy. You do not want to tell them that you defeated the very first proposal presented for economy by abolishing a board, because this is the first thing that proposes to carry out any plan along that line for economy. [Applause.]

We are all preaching economy and I say now is the time to begin to practice what you preach. [Applause.]

Mr. BURTNESS. Mr. Chairman and members of the committee, regardless of how any of you may have voted on the Buchanan amendment which I supported, it occurs to me that this is not the proper time or place to consider the fundamentals and far-reaching consequences involved in the amendment of the gentleman from Georgia [Mr. VINSON]. Whether you approve or disapprove of the agricultural marketing act, common decency should prevent its emasculation in this manner.

Some 10 years ago a demand arose throughout the country, due to the exigencies of the situation, for permanent legislation to help solve the difficult farm problem. People and students all over this Nation gave careful consideration to the factors involved. In the Northwest and the Middle West we proposed legislation that we believed in then and that we still believe in. I happened to be one of those not particularly enamored of the agricultural marketing act, and I am not so to-day. On the very day it passed this House I pointed out some of its weaknesses, but I recognized the practical situation then and I do likewise to-day. I know that little less than three years ago this Congress, by an almost unprecedented vote in both Houses, approved the agricultural marketing act. Every fair and unprejudiced person must concede the fact that no board was ever given a greater and more difficult task and responsibility nor under more difficult existing conditions and future tendencies than was the Federal Farm Board—conditions not only local or country-wide but world-wide in character.

The gentleman from Georgia [Mr. VINSON] tells you about the price of cotton and corn and wheat now and then and forthwith blames the Farm Board for the low prices to-day. How ridiculous! He could as well argue that the same reduction in price on every item, every commodity, on minerals and manufactured goods, on every piece of real estate in a city, and every stock and bond all over the country has also resulted from the act. Surely the gentleman from Georgia does not hold the Federal Farm Board responsible for all the evils that have come about during this world depression, which came upon us just as the act was passed.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BURTNESS. No; I have not sufficient time to do so. The gentleman also says that by this amendment he does not change a word of the present marketing act but merely turns its administration over to the Secretary of Agriculture, who happens to be one of the members of that board. His statement may be correct with reference to the amendment that we heard read to-day, but it is not correct with reference to the amendment that the gentleman announced on yesterday he would offer and which he inserted in the RECORD last evening, and if you will read that amendment as printed in the RECORD, you will find out the exact purpose in the minds of those who are behind the amendment offered to-day. The amendment is to be found on page 7946 of yesterday's RECORD, and it specifically provides that the Secretary of Agriculture is directed to make no more loans out of the revolving fund provided by the marketing act except such for which commitments have already been made. It seems obvious that this provision was omitted to-day solely so as not to make the amendment subject to a point of order.

You are therefore confronted with the proposition that if you support the theory of those behind this amendment you are going to entirely eliminate the authority given to the Federal Farm Board in the present act—to make loans to cooperative-marketing associations either for facilities or on commodities. That means, in substance, total repeal. I am not here to say whether or not the Farm Board should remain as one of the permanent agencies of our Government. I have serious doubts about its practicability without further powers, but I do say that no person who is intelligent can take the position that it is either fair or proper to wipe out the entire act by attaching a rider to an appropriation bill and passing it in a hurry on the floor of the House without thorough consideration. If the Federal Farm Board or the act itself is to be abolished, let it be done in an orderly way. Let the legislation proposing such a thing be brought before the Committee on Agriculture where hearings may be held and where all factors involved will receive the serious attention of those men who have that particular responsibility, and if that committee reports legislation for modification, repeal, or amendment of the act, let us then vote on each question as it comes before us in a regular way.

Let us not be guilty of stabbing the board in the back, as this amendment would be. So long as the law is on the statute books, give the men responsible for its administration a square deal. Cutting their appropriation below reasonable needs is a species of snipe shooting below the dignity of Congress. To suggest that the Secretary of

Agriculture, one of the busiest men in Washington, could administer the act in addition to his other duties is preposterous and merely a subterfuge. The amendment should be defeated. [Applause.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The question was taken; and on a division (demanded by Mr. VINSON of Georgia) there were—ayes 23, noes 152.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I ask that my amendment be reported.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 19, line 7, after the word "counsel," insert the following: "*Provided*, That neither the Farm Board nor the Reconstruction Finance Corporation shall hereafter make any loan to any organization, institution, or firm which pays a salary in excess of $20,000 (including any bonus) to any officer of such organization, institution, or firm."

Mr. LAGUARDIA. Mr. Chairman, I reserve a point of order on the amendment.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for two minutes. I hope the gentleman will reserve his point of order.

Mr. WOODRUM. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM. Has not all time for debate on this section and amendments thereto expired?

The CHAIRMAN. The time expired at 3.30.

Mr. WOODRUM. All time has expired, has it not?

The CHAIRMAN. That is correct.

Mr. LAGUARDIA. Mr. Chairman, I insist on my point of order.

Mr. JONES. I hope the gentleman will not insist on it. Mr. Chairman, I want to be heard on the point of order.

Mr. Chairman, this amendment is offered as a limitation on one of the most important features of this bill dealing with one of the organizations of the Government which engages in the lending of money.

The amendment names not only the Federal Farm Board but several other subsidiary organizations which engage in lending money. I have sought to cover the Federal Farm Board and these organizations, and also still another organization, the Reconstruction Finance Corporation. If we limit one why not the other? Why make discriminations?

By my amendment I simply put a limitation to the effect that none of these organizations named in the amendment shall be permitted to make a loan to any firm, corporation, or organization which pays any of its officials more than $20,000 a year, including bonus. Ordinarily I do not think it would be proper for the Government to in any way limit the salary lists of private institutions, but when those private institutions come to the Government and say they are in such desperate plight that they must have financial aid from a Government corporation then the United States Government has a perfect right to say that they must put their salary lists on a proper basis. At least they have as much right to say that to one as to the other.

Mr. STAFFORD. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to the point of order.

Mr. JONES. Mr. Chairman, I will discuss the point of order.

I hold in my hand a statement from yesterday morning's Post to the effect that the head of the American Tobacco Co. was paid $1,018,000 in salary and bonus for this past year, when the tobacco growers, who are involved, were furnishing the raw tobacco at less than the cost of production. This is a simple proposition, and I hoped no one would make a point of order, but if anybody makes the point of order and insists upon it the amendment would be subject to that point or order. However, since so much has been said here on the proposition of salaries I hoped we might be permitted to vote on it.

The CHAIRMAN (Mr. SWANK). The Chair sustains the point of order.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: Page 19, line 5, after the words "per annum," strike out the comma and insert a period. Strike out the remainder of the paragraph.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

Mr. BALDRIGE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Nebraska offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BALDRIGE: On page 19, line 7, after the word "counsel," strike out the period, insert a colon and the following: "*Provided further*, That no part of the funds of the Federal Farm Board shall be available during the fiscal year 1933 for the purchase of any wheat to be sold within the limits of the United States."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was rejected.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

For five commissioners, at $10,000 each per annum, and for all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including secretary to the commission and other personal services, contract stenographic reporting services without reference to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); supplies and equipment, law books, books of reference, periodicals, garage rental, traveling expenses, including not to exceed $900 for expenses of attendance, when specifically authorized by the commission, at meetings concerned with the work of the Federal Trade Commission, not to exceed $300 for newspapers, not to exceed $200 for newspaper clippings, foreign postage, and witness fees, and mileage in accordance with section 9 of the Federal Trade Commission act, $1,236,500, of which amount $300,000, or so much thereof as may be necessary, shall be for the power and gas utilities and chain-stores investigations, and not to exceed $970,500 may be expended for personal services in the District of Columbia, including witness fees.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 24, beginning with line 1, strike out the paragraph.

Mr. PATMAN. Mr. Chairman, I have asked for this time for the purpose of inviting the attention of the Economy Committee to the work of the Federal Trade Commission. The Federal Trade Commission was organized for one purpose, but it is now engaged in a separate and different purpose. It is not carrying out the object of its creation. I have before me the law creating the Federal Trade Commission. As to whether or not the commission should engage in Federal trade practice conferences there is much dispute. I am not talking about whether it is a good thing or whether it is a bad thing, but the point I desire to make is that the work is illegal and that it is unauthorized. If it is good work, it should be authorized by a law passed for that purpose. The commission should not engage in work if it is in violation of the law.

I respectfully submit to you that the law creating the Federal Trade Commission contemplated that in the event there were certain unfair practices growing out of any industry that a complaint should be filed, and that when a complaint was filed the commission was charged with the mandatory duty of doing certain things which the law prescribed must be done. Certainly it has no right to get these people who are accused of violating the law together for the purpose of asking them not to do it any more and excusing them for violating the law in the past.

I want to tell you about one specific instance where a Federal trade-practice conference was held that cost the farmers of the South at least $50,000,000 in one year, and, remember, when the farmers lose $50,000,000 that means $50,000,000 of purchasing power, and the manufacturers of the North and East are deprived of that much purchasing power.

At Memphis, Tenn., they held what was known as the cottonseed conference. All the oil mills of the South were invited into that conference for the purpose of deciding what should be done about unfair practices that had grown up in the industry. There were no unfair practices in the industry, and as evidence of that fact I have a letter from the Federal Trade Commission to the effect that no complaint had been filed within two years before that conference was held. Notwithstanding the fact that there were no unfair practices in the industry, the members of that industry were assembled and they were allowed to make rules and regulations governing their affairs. These rules and regulations resulted in setting the price of cottonseed, which caused the farmers of the South to lose $50,000,000 in one year on the price of those seed.

That is not right, and that was not within the contemplation of the lawmakers when they enacted this law.

I want to remind you further that they have held dozens and dozens of those conferences. I can take the proceedings and point them out to you. Practically every one of those conferences adopted rules and regulations which are in open and plain violation of the laws of the United States.

If the Economy Committee wants to do some good work, I would suggest that it should certainly consider abolishing the Federal Trade Commission.

Of course, you would say: What about the Power Trust investigation and the chain-store investigation? Let them go ahead and finish them if they want to, but those investigations are going to be worthless when they are completed, because the statute of limitations will have run against them.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

Mr. FREE. Mr. Chairman, I object.

Mr. WOODRUM. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Virginia offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM:

On page 21, in line 16, strike out the sum "$1,236,500" and insert in lieu thereof "$1,296,500."

In line 19, strike out the sum "$970,500" and insert in lieu thereof "$1,030,500."

In line 21, after the word "fees" and before the period, insert: "*: Provided*, That $60,000 of the amount appropriated shall be immediately available."

In line 24, strike out the sum "$1,266,500" and insert in lieu thereof "$1,326,500."

Mr. WOODRUM. Mr. Chairman, the effect of this amendment, I will say to the committee, is to increase the appropriation of the Federal Trade Commission in the sum of $60,000 and make it immediately available to take care of a deficiency in this fiscal year. The committee has gone into the matter very carefully, and we believe the Federal Trade Commission ought to have this amount of money.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PATMAN. Mr. Chairman, there was a Federal trade-practice conference of the petroleum industry in St. Louis, and at this conference the members of the industry representing the large oil companies assembled. They passed rules and regulations that showed on their face to have for their purpose the destruction of the independent oil dealers of the United States; and if you do not believe this, get the proceedings and read them for yourself. There was not a single retailer at this meeting, and yet the Federal Trade Commission member was presiding there and permitted this industry to pass rules and regulations that had for their object and intention the destruction of the independent oil dealers of the United States.

The American Automobile Association suggested to the Federal Trade Commission that in the event certain rules were promulgated, the commission should consider having some rule that would protect the public against short measure at gasoline stations; that something should be done to assure the public they were getting a good quality of gasoline. Of course, these were good suggestions, but they did not receive any consideration from this conference. Nothing was done to protect the public. Everything was done to protect the large oil companies, and had it not been for the depression and the East Texas oil field, you would be paying 25 or 30 cents a gallon for gasoline to-day, because they organized a trust and they did it under the supervision of a member of the Federal Trade Commission.

There is a lawsuit pending in Texas to-day, brought by the Hon. James V. Allred, attorney general of that State, for the purpose of breaking up a conspiracy in restraint of the laws of the State of Texas, and this conspiracy is represented in the Federal trade-practice rules and the Federal trade-practice conference that was held under the supervision of the Federal Trade Commission.

Now, you may talk about the Power Trust investigation or the chain-stores investigation, and of course there were a lot of things disclosed there that we did not know. I am mighty glad the investigations have been made. I feel they will be worth something, but nothing will come out of them. Nothing will be accomplished. The statutes of limitations will run against every criminal act that they disclose before they disclose it. How many people will be prosecuted for committing a violation of the criminal laws, as disclosed by the Federal Trade Commission? Not one, because the limitation laws will run against them before they are disclosed.

Take the chain-stores investigation; they are getting up a lot of facts and figures that will absolutely be obsolete by the time they are published. They will be so old before they are made public that they will be of no use.

I think if Congress wants an investigation made of any industry or an investigation made for any purpose, a Member of Congress should be on the investigating board. I feel that ten times as much can be accomplished in one-tenth of the time that has been consumed by working through the Federal Trade Commission, and I again suggest that the Economy Committee, instead of endeavoring to increase the appropriations for this commission that is going absolutely contrary to the law of its creation, should consider cutting down or abolishing the commission entirely. This Congress must abolish every unnecessary board and commission. We must reduce expenses where possible.

Mr. GARBER. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. GARBER. Inasmuch as the gentleman has investigated the subject, may I inquire if the Federal Trade Commission is not used as an agency in numerous instances to avoid the antitrust laws?

Mr. PATMAN. There is no question on earth about that. The industries think that a cloak of legality is thrown about them when the Federal Trade Commission authorizes them to do certain things. Of course, this is not true, but at the same time they do receive a certain amount of protection, probably by reason of such action.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Total, General Accounting Office, $4,290,830.

Mr. FRENCH. Mr. Chairman, I move to strike out the last word. The remarks I had in mind had more relation to

the Federal Trade Commission than to the General Accounting Office, and perhaps would not be in order here except on the assumption that the General Accounting Office has jurisdiction in a way over the legality of expenditures of the Federal Trade Commission.

The gentleman from Texas, who has just spoken in derogatory terms of the Federal Trade Commission, and who has indulged in a very severe tirade against the commission, I am sure can not be backed by the facts in the case. The Federal Trade Commission is not charged with the power of making rules and regulations that set aside the laws of the country, the Sherman Antitrust Act, and amendments thereto. The Federal Trade Commission is charged with definite responsibility to aid in the enforcement of those laws, in bringing violators to bar, and in pointing out the ways in which correct practices may be followed by the trade of the country. In this work it has performed a most important and significant service. In a long line of cases where concerns were competing with each other to the extent of engaging in contemptible trade practices inimical to the best interests of the country, ways have been found in trade conferences, not for perpetrating but for eliminating the wrong and the establishment of decency in business. Most business men want to do the square thing.

The commission has no power to set up any rules or regulations that are derogatory of the laws that we have created, and I challenge the gentleman who has spoken, or anyone else, to point to a single instance where that has been done, or where the court has set aside or declared illegal any one of these agreements to which he has referred as being a violation of the laws that have been enacted by the Congress, and which the Federal Trade Commission itself is called upon to enforce.

Mr. PATMAN. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. PATMAN. The gentleman will find that rules have been formulated in violation of law.

Mr. FRENCH. If any rule has been formulated in violation of the law of the United States, the gentleman has his remedy. I challenge the gentleman to point out an instance where this has occurred. Replying to statements similar to the ones the gentleman has made, the Attorney General of the United States, Attorney General Mitchell, within the year declared:

> If we have assailed any trade association operating under rules approved by the Federal Trade Commission, it has been because the association has been distorting its rules or going beyond them and doing acts which the Federal Trade Commission never approved or considered.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. TILSON. Mr. Chairman, in my interrogatory to the gentleman from Virginia the other day I made certain comment on the activities of the Federal Trade Commission. I do not wish to leave what I then said unqualified, because it is capable of too broad a construction. I had no intention of attacking the Federal Trade Commission as a body or criticizing its personnel. Its membership includes some high-grade men. One of them, Mr. Humphrey, was for a long time an honored Member of this House. He is doing some excellent work on this commission. Colonel March is also a valuable member of the commission, and I do not mention the others by name because I am not sufficiently acquainted with them personally and know too little of their work individually to undertake to characterize them. It is but a portion of their work as a commission concerning which I desire now to make what I regard as well-deserved strictures. Section 7 of the Clayton Act provides, in effect, that no corporation may acquire the stock of another corporation in restraint of commerce to lessen competition or create monopoly. Under this section a number of cases have been brought by the Federal Trade Commission—54 in all, so far as my investigation has disclosed. Out of the 54 cases the commission has brought under this section—I am not referring to investigations now; I am simply referring to cases under section 7 of the Clayton Act—there is not one single case from which any positive benefit to the public can be shown as the result of hundreds of thousands of dollars spent by the commission and probably much more necessarily expended by the corporations attacked.

Of the 54 cases brought under section 7 of the Clayton Act, so far as I have been able to ascertain from my investigation, 9 cases, after having been acted upon by the commission, have been carried to the courts. In 7 of the 9 the order of the commission was directly overruled. In the other 2 of the 9 cases, by the simple process of purchasing the assets of the other companies with the full approval of the court, the order of the commission was nullified. The commission's proceedings, therefore, in every case that became the subject of court action, were entirely fruitless. Of the other 45 cases, 41 have been dismissed by the commission itself without any result whatsoever. Four cases are still pending, upon which some of the appropriation carried will be wasted in futile action, while the corporations prosecuted, I might say persecuted, will have to expend equally large sums in defense of their rights, in addition to the incalculable injury done to their legitimate business. It is to this kind of work that I am objecting. I have not opposed the enlargement of the appropriation to be used for legitimate and beneficial purposes, but, so far as work under section 7 of the Clayton Act is concerned—and the commission has used a very large amount of money in this work—the money is worse than wasted. There have simply been no practical, beneficial results.

One truth that has been revealed by these so-called investigations is that the business of this country, large and small, tries to be honest and to conduct itself along honest lines, and simply because it is successful or is large is no reason why we should infer that there is something corrupt about it.

The results in these cases prove that simply because concerns are large and successful it can not be safely assumed that they have resorted to methods that are illegal. It can be safely left to the Department of Justice to handle any such cases in violation of the law, and there is no justifiable excuse for the Federal Trade Commission using large sums of money for such unnecessary and fruitless investigations.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. GOSS. And, of course, it has cost the companies that the Federal Trade Commission has attacked millions of dollars, which they will never get back.

Mr. TILSON. It has cost the Government many hundreds of thousands of dollars to make these fruitless investigations, and doubtless it has cost legitimate business large sums to resist these unjustifiable attacks, besides the far greater sums, incalculable in amount, of damages to the business of these corporations. It is of this misapplication of the commission's energies and of the public funds that I complain. [Applause.]

The Clerk read as follows:

> For carrying into effect the provisions of the joint resolution entitled "Joint resolution providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779," approved May 23, 1928 (45 Stat. 723, 724), as amended by the act of February 28, 1931 (46 Stat. 1459–1460), $500,000.

Mr. BALDRIGE. Mr. Chairman, I move to strike out the paragraph.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield to me to make a unanimous-consent request?

Mr. BALDRIGE. Yes; certainly.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BALDRIGE. Mr. Chairman, I move to strike out the entire paragraph. I know nothing about the merits of this particular appropriation. I see, in the first place, that it provides for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark. And then it goes on and provides for the acquisition of a permanent memorial. I know nothing about the merits of this, but at this time I can not for the life of me understand how anybody can come in and request half a million dollars for a memorial in the present state of the Treasury. Surely we can wait for a year or two or even four or five years. This is not the proper time to spend half a million dollars for this purpose.

Mr. GREENWOOD. Mr. Chairman, in order to enlighten the gentleman who has offered the motion to strike out the paragraph, as he is entirely unfamiliar with the project, I might say that the original authorization for the project was made before the one hundred and fiftieth anniversary of the capture of Fort Sackville, at Vincennes, and it was contemplated to have a celebration. In the course of the legislation, however, that was eliminated. Not one dollar of this appropriation was ever used for a celebration; but, on the strength of the authorization, the Clark Sesquicentennial Commission was authorized under the original act, and they have let the contracts for a memorial that, with the embellishment of the memorial and the grounds, will consume the authorization already made. This has had a long history in the House. Perhaps the gentleman who offers the motion is not familiar with it. They are attempting to build a memorial that will be second only to the memorial to Abraham Lincoln in this city. This was a great event in the Revolutionary War, when the great Northwest Territory was taken from the British, out of which five States have been carved. Much of the public domain of the United States that was ceded by the State of Virginia to the United States Government had been sold and the money received helped to pay the Revolutionary debt. All of this was gone into in elaborate joint hearings before the Committee on the Library of the House and the Committee on the Library of the Senate, and the authorization was made and the contracts have been let. The structure is now probably half completed, so far as the exterior is concerned. There has yet to be let contracts for the interior decorations, for the mural paintings and statuary, and we hope to have the entire project completed before the Congress will meet again.

The subcommittee has gone into this matter in a detailed way and has made this appropriation following the authorization in order to take care of the project as it has been planned by the commission.

Mr. MORTON D. HULL. Has there been a prior appropriation for this purpose?

Mr. GREENWOOD. Yes; $1,000,000 has been appropriated out of the authorization of $1,500,000, and this is the last half million dollars that will be used to finish up the project.

Mr. EATON of Colorado. Is this memorial built of Indiana limestone or Colorado white marble?

Mr. GREENWOOD. It is built of Vermont granite, but there is no use of going into that again.

Mr. BALDRIGE. Does not the gentleman think that a million dollars already spent is enough for a thing like this?

Mr. GREENWOOD. It will not finish the project on the basis of a million and a half, when contracts have been let upon the theory that the Congress intended what it said when it authorized a million and a half dollars.

Mr. BALDRIGE. Would it do any harm to wait for a couple of years?

Mr. GREENWOOD. It would leave the structure where it is—unfinished, exposed to the weather.

Mr. BALDRIGE. What harm would that be?

Mr. WOOD. Also, the contractor would have the right to go into the Court of Claims and sue for damages.

Mr. GREENWOOD. If the Congress wants to go through with the project as it is proposed, and which the commission which it created supposed it did, then it should make this appropriation following the authorization, so that we can do the thing in a regular way.

Mr. HOLADAY. Has the contract already been let involving the $500,000 proposed to be appropriated here?

Mr. GREENWOOD. Yes; portions of it have been let for the decorations of the interior and the embellishments, and those things.

Mr. HOLADAY. Let me ask for information: Under the original contract was authority given to bind the United States by this commission to the extent of $1,500,000?

Mr. GREENWOOD. Yes.

Mr. HOLADAY. And the contract has been entered into?

Mr. GREENWOOD. Several of the contracts have, and some for finishing up various little details that will follow in regular order. I can not tell you just what all of those little contracts are, but the main project, the interior decoration and the mural painting, and the embellishment of the grounds have already been let.

Mr. HOLADAY. Do you know how much of this $500,000 has already been contracted for?

Mr. GREENWOOD. It is all contemplated. I can not tell you how far it has gone, or whether it has reached the stage of actual contracts being let, but it has all been contemplated.

Mr. MILLARD. Is it contracted for?

Mr. GREENWOOD. No.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Nebraska [Mr. BALDRIGE].

The question was taken; and on a division (demanded by Mr. BALDRIGE), there were—ayes 23, noes 33.

So the amendment was rejected.

The Clerk read as follows:

For 11 commissioners, at $12,000 each; secretary, $9,000, and for all other authorized expenditures necessary in the execution of laws to regulate commerce, including 1 chief counsel, 1 director of finance, and 1 director of traffic at $10,000 each per annum, traveling expenses, and stenographic reporting services to be obtained on and after the approval of this act by the commission, in its discretion, through the civil service or by contract or renewal of existing contract, or otherwise, $2,875,354, of which amount not to exceed $2,502,530 may be expended for personal services in the District of Columbia, exclusive of special counsel, for which the expenditure shall not exceed $50,000; not exceeding $3,000 for purchase and exchange of necessary books, reports, and periodicals; not exceeding $100 in the open market for the purchase of office furniture similar in class or kind to that listed in the general supply schedule: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of asking a question of the chairman of the subcommittee. What will happen if this reduction goes through and then the House repeals section 15 (a) of the interstate commerce act?

Mr. WOODRUM. It will simply delay the work that they are doing on recapture. I will say to the gentleman that work is already four or five years behind, and I will say further to the gentleman that the Committee on Interstate and Foreign Commerce has ordered reported a bill which will repeal the recapture law.

Mr. GOSS. I hope that bill passes and then, of course, this would not be needed, but I wondered what would happen if the bill failed of passage.

Mr. WOODRUM. It would merely delay the accounting work, which would not hurt anybody.

The pro forma amendment was withdrawn.

Mr. LANKFORD of Georgia. Mr. Chairman, long before the Farm Board act was passed I urged the utter futility

of all such schemes and pointed out that only a program of price elevation and stabilization through a proper control of production and marketing, by mutual contracts, would bring satisfactory and permanent farm relief. The Farm Board has made mistakes. It is a failure because Congress brought it into being by a law with failure written on its every page. Congress was and is to blame for not passing a better farm relief act.

To kill the Farm Board is to admit that no real marketing relief can be given to the farmer. It would be better, though, to kill the Farm Board outright than bury it alive by turning its activities over to the Department of Agriculture. Let us save the Farm Board and by proper amendments to its basic act make it a blessing instead of a curse.

Mr. Chairman, I see no hope of getting any real relief for the common people until there is put over a program stopping mortgage foreclosures instead of increasing them; making the tax burden lighter instead of heavier; cutting down the expenses of Government rather than extending them; eliminating and controlling bureaus and boards instead of creating them and increasing their powers; putting the official affairs of the country in the hands of people selected at the ballot box instead of in the control of appointees and bureau chiefs; letting the people run their Government instead of their Government running them; returning the individual citizen and man of small means to his place in the economic scheme of our Nation instead of letting monopolies and great wealth dominate all political, social, and financial affairs; recognizing the farmer, the laborer, and the individual citizen as the foundation of our prosperity and national greatness rather than fall down and abjectly worship and serve heartless, soulless, conscienceless, great wealth and powerful predatory interest; and forever enthroning as the supreme dominating force of our people, the love of their homes, loved ones, and sacred rights instead of the sordid greed for unlimited political and financial power and fiendish domination and destruction of others.

Ah, Mr. Chairman, our Nation needs a new baptism of patriotism. And by patriotism I mean love of folks—fathers and mothers and their boys and girls. We need a patriotism as wide and as great as our beloved Nation and extending through all eternity. The patriotism of too many people is limited only to the time and space in which they selfishly move and have their being.

The portion of our country which many men love is bounded on all sides by their deposit box or their bank vault. The patriotism of others is bounded on all sides by the edge of a crooked, narrow street in New York City.

No nation was ever founded or maintained by patriotism so limited. Our forefathers fought not for themselves but for others, not for their own lives but for all generations and for all eternity, and not for their own community only but for the whole Nation.

Let us strip all legislation of selfishness and enact laws to usher in more home owners and a happy, contented people, not only for the present but forever, and the depression will vanish like a lost and discordant note in the night and never return.

The leading Democratic candidate for President, Gov. Franklin D. Roosevelt, on last night during a radio address hit the keynote when he said:

> How much do the shallow thinkers realize, for example, that approximately one-half of our whole population—fifty or sixty million people—earn their living by farming or in small towns whose existence immediately depends on farms. They have to-day lost their purchasing power. Why? They are receiving for farm products less than the cost to them of growing these farm products. The result of this loss of purchasing power is that many other millions of people engaged in industry in the cities can not sell industrial products to the farming half of the Nation. This brings home to every city worker that his own employment is directly tied up with the farmer's dollar. No nation can long endure half bankrupt. Main Street, Broadway, the mills, the mines will close if half of the buyers are broke.
>
> I can not escape the conclusion that one of the essential parts of a national program of restoration must be to restore purchasing power to the farming half of the country. Without this the wheels of railroads and of factories will not turn.
>
> Closely associated with this first objective is the problem of keeping the home owner and the farmer owner where he is without being dispossessed through the foreclosure of his mortgage. His relationship to the great banks of Chicago and New York is pretty remote. The $2,000,000,000 fund which President Hoover and the Congress have put at the disposal of the big banks, the railroads, and the corporations of the Nation is not for him.
>
> He is a relationship to his little local bank or local loan company. It is a sad fact that even though the local lender in many cases does not want to evict the farmer or home owner by foreclosure proceedings he is forced to do so in order to keep his bank or company solvent. Here should be an objective of government itself—to provide at least as much assistance to the little fellow as it is now giving to the large banks and corporations. That is another example of building from the bottom up.

Mr. Chairman, the farmers and the country need officials all the way from the most humble to the Presidency who are sincere friends of the farmers and are willing to fight for them like Gov. Franklin D. Roosevelt.

The Clerk read as follows:

> Regulating commerce: To enable the Interstate Commerce Commission to enforce compliance with section 20 and other sections of the act to regulate commerce as amended by the act approved June 29, 1906 (U. S. C., title 49, sec. 20), and as amended by the transportation act, 1920 (U. S. C., title 49, sec. 20), including the employment of necessary special accounting agents or examiners, and traveling expenses, $383,560, of which amount not to exceed $56,800 may be expended for personal services in the District of Columbia.

Mr. CROSSER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. CROSSER: On page 25, in line 17, after the word "expenses," strike out the sign and figures "$383,560," and insert in lieu thereof the sign and figures "$1,383,560."

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CROSSER. Mr. Chairman and members of the committee, the amendment which I have just offered proposes to provide for the bureau of accounts of the Interstate Commerce Commission $1,383,560, which was the amount recommended by the Budget Bureau and which should have been recommended by the House committee. Even the amount recommended by the Budget Bureau was $120,000 less than the bureau was given for last year.

The reason given for the action of the committee is that the recapture clause of the commerce act will undoubtedly be repealed. I think that the recapture clause of the transportation act will be repealed, but that will not make less necessary the continuance of the bureau of accounts, for the simple reason that the general examinations which must be made to enable the Interstate Commerce Commission to really regulate rates could not be made if the bureau of accounts is deprived of the help necessary in order to enable it to determine whether or not the rates charged or allowed to the railroad companies are too high or too low.

Before we had the recapture examinations, which, after all, are more or less perfunctory when compared with the old general examinations which were made before the transportation act was passed, the bureau of accounts went in great detail into the examination of the accounts of the railway companies. It would be perfectly useless to prescribe uniform forms of accounting if the commission were to be compelled to take without question the accounts which the railroad companies might see fit to turn in. That is what they will do if we do not continue this bureau of accounts, and the failure to continue the bureau would permit a great many very vicious practices.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. GOLDSBOROUGH. Are the railroads in favor of this reduction?

Mr. CROSSER. They certainly do not make any objection to the reduction. If they were to be asked about it, I think they would say, "Fine, go ahead and reduce it." But the fact is that there are practices already indulged in because the bureau of accounts has not had sufficient help to check them.

For example, at New York Harbor at the present time certain railroad companies have been conducting a refrigerating business at less than cost in order to induce shippers to use their particular railroad. The result has been that the railroads have lost money in this refrigerating business. In fact, it amounts to a rebate and has destroyed the business of private refrigerating companies.

Such violations will continue, even to a greater extent, if we strike from the Interstate Commerce Commission's hands the power to make investigations and inquiries.

[Here the gavel fell.]

Mr. CROSSER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes, because this is a very important matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GOSS. Will the gentleman yield?

Mr. CROSSER. Very briefly; yes.

Mr. GOSS. I want to call the gentleman's attention to the proposed amendment in the so-called Rayburn bill and to the effect that rates are going to have on the movement of traffic, and also in reference to the sufficiency of the revenue to enable the carriers, under efficient management, to provide service. Would not that all come under the bureau of accounts?

Mr. CROSSER. The gentleman is absolutely right about that, and we might just as well throw into the wastebasket the bills which the Interstate Commerce Committee has been considering if we destroy this bureau of accounts, which is necessary to police the accounts which the railroads must furnish.

The Interstate Commerce Commission, through its bureau of accounts, must constantly be on the watch for such evil practices as the giving of free passes. Simply because the Interstate Commerce Commission has not had a sufficient number of qualified accountants to uncover such cases the free-pass evil has been increasing very rapidly. Then there are advances and contributions by railroads to private concerns like lumber companies, coal companies, and even to orchard companies. They even make them loans, absolutely contrary to the law, but the violations can not be checked up because they have not even now sufficient help in the way of qualified accountants.

The bureau of accounts is made up of men of a high degree of efficiency. Mr. Eastman, a very capable man, stated to us not long ago that it had required a long time to procure the personnel of the bureau of accounts. They are carefully selected for the work of the commission.

There are 332 of these men, and if we accept the reduction which this committee recommends, we shall practically wipe out the whole force. These men, as Mr. Wylie, the director of the bureau, told me very recently, are better qualified than those qualified only as public accountants. He says that the ordinary public accountant could not do the work that is required of the bureau of accounts. They must be specialists and must be men who have spent much of their time in checking railroad accounts, and it has required many years to gather together this very valuable force of public-spirited, active, and efficient men.

Are we willing to paralyze the work of the commission by taking away from it the very agency needed to determine whether or not rates are fair and whether or not there have been rebates granted, and so with other violations of law?

If you deprive the commission of the $1,000,000 necessary to maintain the bureau of accounts, you might just as well tell the commission that you do not expect it to regulate railroad rates.

How can the commission determine whether or not to change rates if it has no means of ascertaining whether or not the railroads are violating the law?

How can the commission assure shippers fair rates if it can not sustain its orders by investigation through its bureau of accounts?

Anyone who will examine the evidence and will study this question will agree that the $1,000,000 appropriation for the bureau of accounts should be continued. [Applause.]

Mr. PARKER of New York. Mr. Chairman, if you strike from the bill this $1,000,000, as has been so well stated by the gentleman from Ohio [Mr. CROSSER], you might just as well repeal your interstate commerce act.

This $1,000,000 was stricken out under the theory that we were going to repeal the recapture clause and make its repeal retroactive.

You will find in the first section of the bill that they took out $483,000 below the estimate of the Budget in the valuation bureau.

There are two different bureaus, the valuation bureau and the bureau of accounts. The accounting bureau is the bureau that must police the accounts of the railroads.

To illustrate, there is quite frequently trouble in checking up the accounts of railroads as to what is chargeable to operation and what is chargeable to capital account. A prosperous railroad will naturally charge everything it possibly can to operation. A weak road, on the other hand, will charge everything it possibly can to capital account. Why? Your strong road wants to keep down its showing of earnings, while your weak road wants to make the best showing it can.

Now, I do not accuse them of being dishonest; but, nevertheless, it is a matter of wide discretion whether the railroads shall charge different items to operation or to capital, and it makes a tremendous difference in the final result as to what rates are going to be made. The Interstate Commerce Commission set up a standard which must be followed by the various railroads' accounting systems. Even if the million dollars is granted, it does not mean a check-up every year—the best they can do is to have a check-up once in three years—but it would be a check-up exactly as a bank is examined.

Mr. CROSSER. Will the gentleman yield?

Mr. PARKER of New York. I yield.

Mr. CROSSER. As a matter of fact, it has not touched the telegraph or telephone system.

Mr. PARKER of New York. No. Your accounting force was established in 1908.

Mr. GARBER. Will the gentleman yield?

Mr. PARKER of New York. I yield.

Mr. GARBER. Is it not a fact that the present bureau of accounting was transferred from the valuation bureau for the purpose of facilitating the valuation for recapture purposes?

Mr. CROSSER. The bureau of accounts was never part of the bureau of valuation. The bureau of accounts was organized after the passage of the Hepburn amendment in 1906 to enable the commission to perform its duties under section 20 of the interstate commerce act as amended. The bureau of valuation came into existence after the enactment of section 19a in 1913. Its work, which is confined to the valuation of railroad property used in transportation service, is entirely distinct from that of the bureau of accounts which functions under section 20 of the act.

Mr. GARBER. And since the recapture clause is about to be repealed, could it not be transferred back to the valuation division?

Mr. PARKER of New York. The gentleman is correct. The accounting bureau has been doing, as the gentleman said, a great deal of work, and practically has done the work that was done in the valuation on recapture. But the accounts of the various railroads in the country have to be checked up as they have been in the last 10 years. The testimony of the commissioner before us was that they did not have the time, they were engaged in the recapture proposition, and did not have the time to check up the railroads as they should.

Now, gentlemen, it would be a grave mistake, in my judgment, not to adopt this amendment. As I have said, you

have taken $483,000 in expectation of the recapture clause being repealed. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, of my time, I yield two and a half minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I am as loath as anybody in this House to advocate an increase on an appropriation bill. But I say to you in all seriousness, following up the remarks of the gentleman from Ohio [Mr. CROSSER] and the gentleman from New York [Mr. PARKER], that if we stand on the proposition carried out in this bill, which decreases the estimate of the bureau $1,430,000, this essential arm of the Government is going to be crippled in a way that I do not believe it could serve the public.

The Interstate Commerce Commission is charged with policing the accounts of the railroads. These accounts have to be examined in order to know what the railroads are doing.

The Interstate Commerce Commission is charged with the duty of supervising the telegraph and telephone companies, but they have never done it to a satisfactory extent for the reason that they have never had sufficient force with which to do the work. As loath as I am to ask for an increase in any appropriation that comes to this House, I do think that it is vitally necessary in the interest of the 100,000,000 people who ship products on the railroads and who deal with them that this amendment be added to this bill, so that this commission may have the opportunity to serve the people by knowing what the railroads are doing in their accounting. I trust, in this instance, the committee will adopt the amendment of the gentleman from Ohio, and allow this commission to go on and know what it is doing in the railroad field. [Applause.]

Mr. WOODRUM. Mr. Chairman, this is a challenge to the gentlemen here who have been talking about Budget balancing. It is a challenge made to real economy. It may put some people out of work, but how in God's name are you going to dismantle a useless activity without decreasing personnel? Last year the Interstate Commerce Commission persuaded us to give them a million extra dollars for their work, and they turned up at the end of the year with half of it saved to hand back to the Treasury. I commend them for that, but if this accounting work is so important, why did they not attend to it when they had the money? We give the Interstate Commerce Commission in this bill seven and a quarter million dollars. They are not being starved. Mr. Eastman said that if the recapture clause is repealed retroactively it would release from that work personnel representing $1,000,000 in the accounting division, and Commissioner Lewis said that $483,000 of his personnel was devoted to that. The Interstate and Foreign Commerce Committee, of which these gentlemen who have spoken are members, have reported out a bill retroactively repealing the recapture clause, and we ask you to put your hands on this million and a half dollars for the purpose of helping the taxpayers of the country. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. CROSSER) there were—ayes 17, noes 51.

So the amendment was rejected.

The Clerk read as follows:

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

For scientific research, technical investigations, and special reports in the field of aeronautics, including the necessary laboratory and technical assistants; contracts for personal services in the making of special investigations and in the preparation of special reports; traveling expenses of members and employees, including not to exceed $500 for expenses, except membership fees, of attendance upon meetings of technical and professional societies; office supplies and other miscellaneous expenses, including technical periodicals and books of reference; equipment, maintenance, and operation of the Langley Memorial Aeronautical Laboratory; purchase, maintenance, operation, and exchange of motor-propelled passenger-carrying vehicles, including not more than one for general administrative use in the District of Columbia; personal services in the field and the District of Columbia; in all, $958,310, of which amount not to exceed $3,000 may be expended for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818), and not to exceed $107,500 for personal services in the District of Columbia.

Mr. CABLE. Mr. Chairman, I move to strike out the paragraph.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. CABLE. Yes.

Mr. WOODRUM. I ask unanimous consent that all debate upon this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CABLE. Mr. Chairman, Col. Clarence M. Young, Assistant Secretary of Commerce for Aeronautics, told the Aeronautical Chamber of Commerce and the Society of Automotive Engineers in Detroit yesterday that the best way to help the aviation industry is "to let it alone."

While Colonel Young has made an enviable record as head of the Bureau of Aeronautics, I can not agree with his conclusion. In 1926, when Congress passed the air commerce act, the industry may have been in its infancy. Great progress has been made in the last six years. In 1931, for example, airplanes flew in regularly scheduled service over 47,000,000 miles, transporting 522,000 passengers and 10,000,000 pounds of mail. The Federal Government is appropriating annually $10,000,000 alone for airway construction and maintenance and for regulating and developing the industry.

The industry itself has expended large sums of money in laying out routes and establishing schedules for the transportation of passengers and express. Present conditions have affected the airplane industry probably more than any other. To protect the present investments and assure the use of safe equipment every interstate air carrier should be required by law to obtain a certificate of public convenience and necessity.

This plan would prevent unfair competition, as well as give complete Federal jurisdiction of interstate air commerce. It would guarantee the use of the best type of planes and equipment. The present law does not even compel air carriers to give bonds to insure their passengers against injury and wrongful death. The Bureau of Aeronautics now is without jurisdiction to require this form of protection. Some companies do carry liability insurance, others do not. Consequently, the traveling public is not given the protection to which it is entitled.

I feel that the Bureau of Aeronautics might well be vested with the additional authority not only to require liability bonds but to issue certificates of convenience and necessity. However, since Colonel Young is opposed to further legislation and such regulation at this time, the only alternative is to vest the necessary authority and jurisdiction in the Interstate Commerce Commission, and I am introducing a bill this afternoon, House bill 11201, to that effect. That commission ultimately not only will supervise railroads but also will have jurisdiction of interurban railways, busses, trucks, and air carriers doing an interstate business.

Certificates of convenience and necessity were unknown at common law. They are purely a statutory creation. Most States already have vested in their public utilities commissions authority to issue certificates of public convenience and necessity to various utilities. Such a certificate is an order permitting the construction, operation, or discontinuance of a public utility. Originally competition was looked upon as a regulator of service and rates for the protection of the public. Competition resulted in rate wars, in which the utilities destroyed each other, to the detriment of the service, and ultimately imposed higher rates to make up for the loss suffered during years of litigation.

Now jurisdiction is vested by the State legislatures in various commissions to supervise, control, and regulate public utilities, with the right to enforce the best of service through certificates of public convenience and necessity. A



common form of certificate is that issued to motor transportation companies carrying on State business. This certificate preserves the investment, prevents the overcrowding of highways, requires scheduled operation, all to the benefit of the public. The commission reserves the right to cancel the certificate for violation of its rules or regulations or for failure to provide adequate service.

The air commerce act of 1926 requires no certificate of convenience and necessity for operation over a Federal airway. On the other hand, the law specifically provides:

> The Secretary of Commerce shall grant no exclusive right for the use of any civil airway, airport, emergency landing field, or other air navigation facility under his jurisdiction.

The policy expressed by this act has been changed, in my opinion. A poll of the industry was taken by the editors of the magazine Aeronautics in the summer of 1929, with a result that 46 per cent of the replies favored Federal certificates of convenience and necessity, 49 per cent were opposed to them, and 5 per cent were undecided.

I am advised that some of those who opposed the proposition that time now favor it as a measure to protect investments in the industry. Certainly those who have pioneered, laid out courses, maintained schedules, continued to improve the service by the purchase of highly developed machines, are now entitled to every protection possible. Protection against fly-by-night companies which may later come along to destroy those companies now carrying on despite the depression is not possible without a certificate of convenience and necessity law.

In 1925 the Supreme Court of the United States decided in the Duke case that the States had no authority or jurisdiction to prohibit motor bus or truck the transportation of freight from one State to another. In that and other decisions it is held that the power and authority to regulate and control commerce among the States vests exclusively in the Federal Government. Any carrier by motor bus or truck now has the right to obtain a certificate from a State utilities commission to carry on interstate business. The failure of Congress to pass a law regulating interstate bus and truck operations has had a disastrous effect. Interstate business is carried on without let or hindrance. Many railroads and interurbans have been destroyed, and with their abandonment many counties now are deprived of large amounts of taxes formerly paid by these companies.

The same result, I feel, will follow if we do not now pass an act providing for the issuance of certificates of public convenience and necessity to interstate air carriers. Otherwise, when better times return, the Federal Government will find itself relative to this industry in the same position it now is with interstate motor bus and truck transportation.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. STAFFORD: On page 30 at the end of line 12, after the word "Columbia," insert the following:
> "*Provided*, That no part of the appropriation for said committee shall be used for the maintenance of any intelligence office located abroad and not more than $25,000 for any such service in this country."

Mr. STAFFORD. Mr. Chairman, the hearings show that this service is expending $12,510 for an intelligence office at Paris and $55,420 for the same service in Washington. That service consists merely of collecting data, magazine material; and in these times I can not see the need of maintaining any office abroad. If one is maintained at Paris, why not at London, why not at Berlin, or some other place?

Mr. WOODRUM. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman because my amendment is offered after a reading of the entire testimony taken before the committee.

Mr. WOODRUM. The purpose of the office at Paris, particularly, I will say to the gentleman, is that the National Advisory Committee on Aeronautics may have the benefit of some personal representative to contact the European nations, give them information, and in turn receive information. That is transmitted to the American Government and to the committee. It is used for scientific purposes.

Mr. STAFFORD. There is no question as to that. Only this service abroad is not essential; it merely provides an accommodating berth for some underling. These hearings disclose a situation where I see there could have been a substantial cut in the recommendations of the committee. The committee only made a reduction of $30,000. A reading of the hearings show the carrying on of various activities for the benefit of private industry, and one is forced to the conclusion that they are merely spending money needlessly. In the last year the Congress voted them so much money that they could not conscientiously expend it.

Last year we voted for the service $1,000,028.70, and they only expended $980,000, yet notwithstanding that, in your report you are asking for $958,310. I know the situation with which members of the committee are confronted. They naturally become imbued with the importance of these various activities and naturally incline to their continuance; they incline to regard the work as of great importance. For instance, the Bureau of Standards comes before the committee and says that this work is of great importance, that it will be disorganizing to the service unless this work is continued. However, this seems to me to be an excellent chance to make a real substantial saving; and if my amendment carries or even if it fails I am inclined to offer an amendment that will cut these expenditures 20 per cent. Here is work that is duplicated by the work done by the Army and Navy.

You may say "no"; oh, yes, it is, theoretical! There were some 163 private emissaries who came here at the expense of the Government; 163 emissaries from private establishments.

Mr. WOODRUM. Oh, no, no.

Mr. STAFFORD. Yes.

Mr. WOODRUM. Will the gentleman refer to the portion of the hearings that justifies that statement?

Mr. STAFFORD. I can not do it on the spur of the moment. I am referring to these hearings where reference was made to the fact that 163 representatives of private establishments came down here with their expenses paid by the Government.

Mr. WOODRUM. Came where?

Mr. STAFFORD. Came to Washington.

Mr. WOODRUM. There is absolutely no such thing.

Mr. STAFFORD. The hearings confirm that.

Mr. WOODRUM. Where?

Mr. STAFFORD. I read it only this morning. The members of the general committee meet but twice a year; they are eminent scientists.

Mr. WOODRUM. There are only 15 members of the committee.

Mr. STAFFORD. I say they meet twice a year.

Mr. WOODRUM. There are only 15 members of the committee.

Mr. STAFFORD. I know that; and they only meet here twice a year; they get no salary. But, as to the outsiders, mostly from private industry, their travel and other expenses are paid.

I have the place in the hearings now. I admit I am in error. It is worse than I thought. Instead of being 163 it is 200. I refer the gentleman to page 313 of the hearings. The beginning of my reference is at the end of page 312:

> Doctor AMES. No. Every now and then some representative of a foreign country or a foreign manufacturer asks permission to come down, but we do not grant it. It is supposed to be definitely for American aircraft manufacturers.
> Mr. SUMMERS. And about 250, probably, gather at these conferences?
> Doctor AMES. Two hundred, I think, is about the maximum.
> [Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STAFFORD. The hearings show that their expenses are paid. This is supplementary work to that carried on by the Army and Navy. If there is any place in this bill where the committee could consistently and without doing violence to the service cut down the Budget estimate much more than $30,000, this is the place. The men at the head of the committee are eminent in science, but this bureau is going ahead with all these various experimental services. The gentleman will admit that much of this same character of work is being performed at our military airplane factory at Dayton and at the naval airplane factory at Philadelphia, as well as at the other respective branches of the Air Service throughout the country. If the gentleman wants real economy here is a chance to have it. I will offer an amendment presently unless the gentleman advances some good reason why I should not do so.

I have found the statement in the hearings to which I referred. It appears on page 310 of the hearings. The heading is "Work of the Subcommittees," and these were the questions and answers:

Mr. WRIGHT. How are these subcommittees created and how many of them have you and where are they located?

Doctor AMES. They are here in Washington. They meet with us once a month on the average.

Mr. WRIGHT. Who appoints them?

Doctor AMES. They are appointed by the executive committee. The total membership of the subcommittee is 134.

I said 163. I knew I had read somewhere that the number was in the hundreds.

They consist of people who are experts in their particular fields, regardless of whether they are Government employees, or in the services, or whether they are connected with universities, or connected with manufacturing concerns.

Mr. WRIGHT. Do they receive compensation?

Doctor AMES. None; they receive traveling expenses. There is no compensation paid except to the regular employees.

That justifies my position. We ought to economize, and we would not be doing any violence even if we would suspend the work which is performed by this activity. This is merely experimental work, where these high scientists are going up in the air in their experimental work.

Mr. BOYLAN. May I ask the distinguished gentleman from Milwaukee whether or not he has ever traveled in an airplane?

Mr. STAFFORD. I have had many opportunities, but I have declined. Last summer I had an opportunity to go with the Army air fleet that assembled at Akron, but I feel safer on the ground.

Mr. COCHRAN of Missouri. The gentleman is too valuable a Member to go up in the air.

Mr. BOYLAN. Then the gentleman does not want to give protection and safety to those who travel by airplane?

Mr. STAFFORD. Yes, I do; but I can not see any reason for maintaining a bureau in Paris, which is merely a clipping bureau, and the work of which could be carried on here. It is an extravagant agency, as the gentleman knows.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, this is one of the most useful and indispensable independent establishments carried in this bill. The United States Government is expending every year for aviation $647,545,778, more than a half billion dollars that this Government itself is spending for aviation, not taking into account the vast sum of money that has been invested by private industry. The Army spends $300,000,000 and the Navy $250,000,000.

Mr. FRENCH. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. FRENCH. I am sure the gentleman's figures are inaccurate. The Navy has been spending approximately $31,000,000, and the Army something more than that. The Post Office Department also makes certain expenditures, and the grand total is around $163,000,000.

Mr. LAGUARDIA. That is for actual equipment?

Mr. WOODRUM. My friend is correct. The figures I quoted are for the 5-year period ending 1931. I will say to the gentleman that these figures were furnished to me by the department, and I believe they are accurate.

Mr. STAFFORD. By this bureau?

Mr. WOODRUM. Yes; by this bureau, and it is a reliable bureau. The chairman of this bureau is Doctor Ames, president of Johns Hopkins University. He serves the Government without one red penny of compensation and gives his time to come to Washington to attend these meetings.

Mr. STAFFORD. Twice a month?

Mr. WOODRUM. Twice a week. He is here at his own expense. Now, gentlemen, this commission has physical property running into the hundreds of millions of dollars for which Congress has paid. They do research work for the Army, the Navy, the Department of Commerce, and for private industry. They are trying to solve the problems of safety, the problems of economy, and the problems of speed for this great new industry that has grown up and that means so much in American life to-day. I want to say to you that this Congress will make the greatest mistake it ever made in its history if it does anything to cripple this great activity.

Mr. LAGUARDIA. If the gentleman will permit, it maintains a laboratory at Langley Field, which is at the disposal of the entire industry, and the largest wind tunnel has been constructed by this bureau.

Mr. WOODRUM. Yes.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. COCHRAN of Missouri. Is it not a fact that this is the only scientific research body of its kind in this country?

Mr. WOODRUM. It is.

Mr. COCHRAN of Missouri. And the industry has no one else to go to.

Mr. WOODRUM. The gentleman is correct. I would like to ask my genial friend from Indiana to say what he knows about this commission.

Mr. WOOD of Indiana. I wish to say that I think it is the most economical activity the Government has, and the Government is getting more for its money by this investment than it is getting from any other activity that I know of in the whole Government service.

Mr. LANKFORD of Virginia. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LANKFORD of Virginia. I would like to say that the gentleman was present, I believe, last year at the convention when there were present perhaps a thousand manufacturers from all over the United States, who showed a tremendous interest in the work of this bureau.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

The Clerk read as follows:

PERSONNEL CLASSIFICATION BOARD

For every expenditure requisite for and incident to the work of the Personnel Classification Board, as authorized by the classification act of 1923, as amended, including personal services in the District of Columbia and elsewhere, traveling expenses, telegrams, telephone service, printing and binding, law books, books of reference, periodicals, stationery, furniture, office equipment, other supplies, street-car fares (not exceeding $100), purchase and exchange of typewriters and labor-saving devices, $145,116.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

My motion is pro forma, because, probably, this is not the time to attend to this classification service, but I have a measure before the proper committee—for which I hope to get the support of our friend from Indiana and others—that will repeal the classification act. There are more waste and more extravagance and more unmerited promotions for special pets to the higher units and salaries than any Member ever dreamed would occur, and we must take some decisive action to stop it.

We also are going to have to repeal the disabled emergency officers' retirement act, and in this connection I have a resolution that I have introduced, and which has been referred to the Committee on Military Affairs, to get rid of the retirement parasites that are on the Government pay roll; and, Mr. Chairman, I ask unanimous consent in this connection to extend my remarks and to include therein my resolution, which is House Joint Resolution 355.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The resolution referred to is as follows:

House Joint Resolution 355, in the House of Representatives, April 6, 1932, Seventy-second Congress, first session

Mr. BLANTON introduced the following joint resolution, which was referred to the Committee on Military Affairs and ordered to be printed:

Joint Resolution

To repeal certain, and to amend other, provisions of the law granting retirement privileges to officers in the United States Army, and to require the War Department to change its regulations governing retirement of officers in the United States Army; to repeal and amend similar provisions of law relating to retirement age and pay of officers in the United States Navy and the United States Marine Corps; and to repeal Public, No. 506, Seventieth Congress.

Whereas it costs the United States approximately $13,000, not considering any capital charge, to graduate a second lieutenant from the Military Academy at West Point, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training, and under laws which the War Department has induced Congress to pass, authorizing retirement in certain cases at the age of 45 years, certain officers sound in mind and body have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government, certain retired generals having received salaries of $50,000 per year from corporations while at the same time drawing a general's retired pay for life from the Government, General James G. Harbord having been employed for years by the Radio Corporation of America while at the same time drawing his retired general's pay from the Government for life; and

Whereas Gen. Herbert B. Crosby is drawing his retired Army pay of $6,000 per annum and is also drawing a salary of $9,000 as a Commissioner of the District of Columbia; and Gen. Mason M. Patrick is drawing his retired Army pay of $6,000 per annum and is also drawing a salary of $7,500 as public-utility commissioner; and Gen. Pelham D. Glassford is drawing his retired Army pay of $4,312.44 per annum and is also drawing a salary of $8,000 as major of Metropolitan police, they all three being active, hale, and hearty, and being furnished each with an automobile, its annual upkeep, and a chauffeur to drive it, and all having the privilege of buying all of their household supplies from the United States Army store at Government cost; and Gen. John C. Gotwals is drawing $9,000 as engineer commissioner without rendering any service therefor, and as assistants to him Maj. Donald A. Davison is drawing $5,748, Maj. Holland L. Robb is drawing $5,748, and Capt. Hugh P. Oram until recently drew $4,272, they also having the additional perquisites above mentioned, notwithstanding that the United States is making an annual contribution of $9,500,000 to the expenses of the District of Columbia, all of such officers receiving free from the Government for themselves and families medical and dental treatments, medicines, and hospital and nursing service; and

Whereas it costs the United States approximately $13,000, not considering any capital charge, to graduate an ensign from the Naval Academy at Annapolis, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training, and under laws which the Navy Department has induced Congress to pass authorizing early retirement, certain high Naval and Marine Corps officers, sound in mind and body, have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government; a certain admiral having received a salary as high as $50,000 per year from a corporation while at the same time drawing the retired pay of an admiral from the Government, such officers also receiving all of the perquisites above mentioned; and

Whereas such premature retirements from the Army, Navy, and Marine Corps are costing the Government a tremendous sum each year and must be discontinued, the many thousands of such able-bodied officers thus retired on Government pay for life are taking jobs from civilian heads of families, who starve while such officers draw double pay; and

Whereas the act passed May 24, 1928, known as the disabled emergency officers' retirement act, was inadvertently passed by Congress, over the veto of the President of the United States, under a misapprehension of facts, Congress being misled by misinformation from William Wolff Smith, general counsel of the United States Veterans' Bureau, as to its force and effect and as to the number of emergency officers involved who could be retired thereunder, and under its provisions and through the fraud and malfeasance of said William Wolff Smith, general counsel, the Veterans' Administration has up to January 23, 1932, retired with pay, averaging $140 per month each, 6,935 emergency officers of the World War, many of whom entered the service just before the armistice, saw no combat service, but held swivel-chair jobs, and who in addition to their retired pay of substantial sums each month based upon presumptive disabilities, also hold important positions with and draw fat monthly salaries from the Government and thus reflect upon the standing of meritorious emergency officers who were permanently injured in combat service; and

Whereas during the World War our Government established the wise and just policy of valuing without distinction the life of a private on an equal footing with and the same as that of an officer, granting on the life of each of them an identical policy of $10,000 war-risk insurance; and

Whereas in all of its other wars our Government has made no distinction between officer and private in granting compensation, the pension drawn by a private being identical with that drawn by an officer; and

Whereas veterans of the Spanish-American War, whether private or high officer, draw alike a pension of $35 per month for 50 per cent disability and $60 per month for total disability; and

Whereas a private in the World War receives $50 per month for a 50 per cent permanent disability and $100 per month for total permanent disability, while a retired emergency officer who had the grade of lieutenant colonel receives a larger sum from the Government each month for a presumptive disability than a private receives who has had both arms and both legs shot off in front-line combat, which situation is inequitable, unjust, and intolerable, and such discriminations must be stopped and adjusted; and

Whereas William Wolff Smith has at all times been wholly unfit and unqualified to fill said position of general counsel, and he has been responsible for most of the miscarriages of justice in the Veterans' Administration; and

Whereas Representative BLANTON's report to Congress on the malfeasances of William Wolff Smith covering pages 3311 to 3320 of the CONGRESSIONAL RECORD for February 4, 1926, cited some of Smith's erroneous opinions, one being the Fenlaw case wherein, through stubborn stupidity, said Smith, without any basis therefor, wrongfully accused Roger Fenlaw's widow of forgery and disallowed her insurance, while on appeal and exhaustive hearing General Hines, director, ordered Smith to allow such insurance, which Smith refused to obey, defying his superior, and upon further appeal Comptroller General McCarl held that Smith's position was without merit and forced Smith to approve said claim, and after years' delay Widow Fenlaw received her deceased husband's $10,000 war-risk insurance; and in the hearing before General Hines on November 11, 1925, said BLANTON forced William Wolff Smith, in the presence of Senator SHEPPARD, to admit that, in company with 177 other applicants, said Smith had been granted a license to practice law in 1916 and never to the date of said hearing had he ever tried a case in court; and

Whereas in said report to Congress, Blanton showed that said Smith had no standing as a lawyer, but was a broken-down, disreputable third-class newspaper man, yet had the final legal say on the rights of 4,000,000 veterans of the World War, their widows, orphan children, and dependent parents; and that, in cause No. 50264, at law, in the Supreme Court of the District of Columbia, said Smith sued Collier's Weekly for libel, alleging it had charged that "his employer, the National Wholesale Liquor Dealers' Association, employed a sort of journalistic lobbyist named William Wolff Smith to mold public opinion against pure-food measures and opposing legislation to prevent fraud, charging that Smith could be hired on either side of a controversy, that he was a press agent for the highest bidder, that he was not an honest press agent, and that Smith maintained a bureau in Washington to taint the news and to corrupt public opinion, and that when Smith attacked Dr. Harvey W. Wiley, pure food administrator, he was paid by interests opposed to the pure food bill, and that self-respecting newspapers will no longer publish his articles"; that Collier pleaded the truth as a defense, admitting that it had published such charges against Smith, but claimed that each and every one of such charges were true, and Collier established by proof the truth of said charges before a jury, and the court rendered its judgment against Smith; and

Whereas in the Boyd case, Eighth Federal, second series, 779, the only one ever conducted by said William Wolff Smith, he had refused to pay insurance to a widow, claiming that she was merely the paramour of the deceased, thus forcing her to sue the Government, and after he had introduced his evidence the court held that Smith had proved clearly and conclusively a common-law marriage and gave the widow judgment for her insurance; and

Whereas William Wolff Smith entered the service of the United States Army as a captain in the Sanitary Corps on October 29, 1918, just 13 days before the armistice; that when he was examined for said swivel-chair commission on October 28, 1918, it was then noted that he possessed the following existing defects, to wit: Defective vision in right eye, defective vision in left eye, three missing teeth, and complete reducible indirect left inguinal hernia, and he was rejected for general military service but accepted for special and limited service, and the next day, October 29, 1918, was granted his swivel-chair commission as captain in the Sanitary Corps; that in 1920 said Smith applied for appointment, his first choice being lieutenant colonel in the Quarter-

master Corps and his second choice being major in the Finance Department; he was examined at the Army Medical School on July 13, 1920, the board finding that William Wolff Smith by reason of his defective vision was physically disqualified and incapacitated for active military service; and that he also lacked knowledge and experience in the duties of either the Quartermaster Corps or the Finance Department; that on August 23, 1920, his defects were waived and he was appointed a captain in the Quartermaster Corps on September 28, 1920; that his physical examination at the Army Medical School on January 16, 1922, showed defective vision in right eye, defective vision in left eye, and same hernia condition, all of which defects he had when he entered the service October 20, 1918, 13 days before the armistice; that when he was discharged from the Regular Army November 25, 1922, said Smith swore, "I certify that at the present time I have no wound, injury, or disease, whether incurred in the military service of the United States or otherwise"; that said Smith got the Army to appoint him major, Quartermaster Reserve Corps, on January 24, 1923; and

Whereas said William Wolff Smith secured a position with the United States Veterans' Bureau on January 17, 1923, as a special expert at a salary of $4,000 per annum, and on February 1, 1923, he was promoted to the position of general counsel of said bureau at a salary of $7,500 per annum, and on February 13, 1923, Miss Annabel Hinderliter was transferred from the Quartermaster Corps to the Veterans' Bureau as a clerk-stenographer at a salary of $1,440 per annum, and was assigned to said Smith's office, and under Smith she has received the following rapid promotions: On May 1, 1924, her salary was raised to $1,860; on July 1, 1924, her salary was raised to $2,100; on October 12, 1925, her salary was raised to $2,400; on October 31, 1925, her salary was raised to $2,500; on February 12, 1926, her salary was raised to $2,600; on June 29, 1926, her salary was raised to $3,000; on September 7, 1927, her salary was raised to $3,100; on December 27, 1927, her salary was raised to $3,800; on June 30, 1928, her salary was raised to $4,000; on July 12, 1928, her salary was raised to $4,600, and on December 28, 1929, her salary was raised to $4,800, she having secured a license to practice law, and rated a lawyer in Smith's office, with 64 other lawyers under him, few being qualified to try an important case in a courthouse; that misconstruing the purposes and terms of the Welch Act, Smith had his own salary increased July 1, 1928, from $7,500 to $9,000 per annum, which $9,000 he has drawn ever since; and

Whereas after succeeding in railroading through Congress the disabled emergency officers' retirement act, authorizing them to draw retired pay, which Congress passed over the President's veto on May 24, 1928, said William Wolff Smith promptly the next day, May 25, 1928, filed his application with the Veterans' Bureau, he being its general counsel, for his retired pay thereunder, it being the first such application filed, and filed before the bureau had even formulated or printed forms for such applications; and

Whereas to maintain his reserve-officer status said Smith applied to the Army on October 27, 1927, for reappointment as major in the Reserve Corps, his physical examination then disclosing the same defective vision in his right and left eyes, but no hernia, merely a scar being left from an operation he had secured gratis from Government doctors and surgeons, with free Government medicines, hospital, and nurses, during the 62 days he was in hospital for operation, drawing all the while his Government salary, and mild throat trouble from tonsils was noted; and

Whereas his application for retired pay filed May 25, 1928, having met with cool reception, said William Wolff Smith on November 27, 1928, as general counsel, filed with the bureau in a similar case a legal opinion holding that a permanent disability rating of 30 per cent or more is authorized for hernia, which ruling said Smith in December, 1928, got approved; and

Whereas on March 16, 1929, said William Wolff Smith, general counsel, filed with his bureau his amended application for disabled emergency officers' retired pay, witnessed by Annabel Hinderliter, giving his business as the "private practice of law, address 400 Commercial National Bank Building," not disclosing he was general counsel, and had been since February 1, 1923, and his application not being favorably considered following his bureau examination on April 9, 1929, which disclosed that he had no service disabilities, Smith had his case heard before the Emergency Officers' Retirement Board, which, after careful consideration, found against him, such board on May 28, 1929, holding: "There was no aggravation of the hernia condition, that the degree of aggravation for defective vision was negligible, and that there was no evidence to show service connection for his pharynx, heaves, or tonsil affections, and that Smith was not entitled to any retirement benefits under said act," which decision against Smith was signed by Dr. B. A. Cockrell, Dr. C. J. Harris, Judge D. E. Smith, Hon. George B. Kolk, and Chairman J. D. Hayes, said William Wolff Smith being notified of said adverse decision on June 25, 1929, but on July 6, 1929, he notified Director Hines that he intended to file additional evidence, and if turned down he would appeal, and on July 13, 1929, he asked the director to have him examined again for hernia, stating that he was endeavoring to find some record of treatment in the service for pharynx and bronchial affection; and

Whereas on September 5, 1929, the chief of awards in the bureau with Smith requested the regional manager to examine Smith to determine whether his hernia condition required a truss, and the examination on September 23, 1929, indicated a truss; and

Whereas to obtain hospitalization and further examination said Smith on October 10, 1929, filed affidavits, one being sworn to on that date by Annabel Hinderliter, stating that since May 7, 1921, Smith had been her immediate superior, that he had suffered with a cough and "since I have known Major Smith he has always carried more than the usual number of handkerchiefs," and on October 25, 1929, Smith was ordered hospitalized at the diagnostic center to determine whether his hernia condition required a truss, and the severity of his alleged throat condition, and from October 31 to November 12, 1929, Smith was under observation and examination at the diagnostic center, from which it was determined that no truss was necessary, that his tonsils were affected, and that his larynx condition was mild; and

Whereas said Smith succeeded in having his case heard before another retirement board composed of N. E. Bateman, acting chairman, Dr. C. G. Collins, Dr. D. A. McDermott, and C. M. Taylor, which found no hernia disability, but that the tonsil, pharynx, and larynx affections existed prior to May 24, 1929; and

Whereas said case went to the division of appeals, whose chief on January 25, 1930, requested the adjudication service to report on the hernia status, and to the rating for larynx and pharynx affections, and it reported on March 24, 1930, that the hernia condition did not warrant rating, and that severe rating should not apply to any of the three throat conditions where of mild degree; and

Whereas on April 22, 1930, section A of the central board of appeals, having such case on appeal, filed its adverse decision against Smith, holding that the surgical E. E. N. T. and respiratory disability were not incurred in or aggravated by service, and that the tonsil, larynx, and pharynx conditions were mild to a no per cent degree, which adverse decision against Smith was signed by Chairman Charles O. Shaw, Dr. Garrett V. Johnson, Dr. E. L. Robertson, Dr. J. M. Ladd, Dr. F. Manning, and Judge W. L. Piper. Only one member of that board, Jesse L. Hall, dissented, and it so happens that he (Hall) had recently been retired, and was drawing $150 per month retirement pay, and at the same time was also drawing a salary of $5,400 per year as a bureau employee; and on May 14, 1930, the case was forwarded to the chief, division of appeals, for recommendation; and

Whereas under date May 29, 1930, said William Wolff Smith requested said chief, division of appeals, to grant him a personal hearing and to allow him to be represented by Capt. Watson B. Miller, national chairman of the rehabilitation committee of the American Legion, which hearing was granted before a hearing group of the division of appeals composed of Dr. F. H. Clark, Dr. H. W. Tobias, Dr. D. W. Tastet, and J. Q. Buzbee, on August 1, 1930, when Smith appeared in person, and also by Captain Miller, Dr. H. D. Shapiro, and J. H. Sheehan, of the American Legion, said Captain Miller testifying that since 1923 (when Smith became general counsel) he and Smith "have traveled extensively together from one end of the country to another, many times sleeping in the same room in hotels and on trains; scores of times during that period we have played golf together; frequently when playing golf together I have noticed that he held his hand in this position. I have also seen him walk a long distance over the holes with golf club in one hand and his other hand pressed on his lower left side; * * * Major Smith and I are about the same age and weight; on 25 or 30 occasions when we have been doing similar things he has had to quit before I did; on one occasion, when we were playing golf, he got as far as the seventh hole of a certain course we were on and quit, and didn't say why he quit, but he had some reason for doing it; it may have been associated with his service-connected disability"; and on August 5, 1930, Captain Miller wrote that Doctor Shapiro, of his office, had ascertained at Walter Reed Hospital that in 1920, when Smith was operated on there to correct his hernia, he had taken codeine and Brown's mixture for cough; and on October 14, 1930, the council on appeals, following recommendations of the hearing group, ordered that Smith be sent again to a hospital for observation and examination, and upon order of director dated October 17, 1930, said Smith remained at the diagnostic center under observation and examination from November 18 to November 28, 1930, and report was made on his tonsil, larynx, and pharynx condition and recommending operative procedure for hernia condition; and

Whereas on December 20, 1930, said council on appeals finally rendered Smith a favorable decision, holding that he had chronic bronchitis (an inflammation of the bronchial tubes, which many people have) with emphysema (commonly known as heaves, which many people have), said council being Acting Chairman J. R. Galbraith, who himself had been granted retirement pay of $106.25 per month, and in addition was drawing a salary from the bureau of $5,600 per annum, and George H. Lynch, who draws a salary of $6,000, and Dr. T. B. Cracroft, who draws a salary of $6,200 per annum from the bureau; and said William Wolff Smith was granted his retirement pay on January 5, 1931, of $187.50 per month, and notwithstanding that he had drawn his $9,000 salary during such time for practically no service of any value rendered, he received his back retirement pay of $5,843.75, covering $187.50 per month from the date he filed his application to said date of award, and he is now drawing $187.50 per month retired pay, and in addition is drawing an annual salary of $9,000, rendering no service of any value to the Government therefor, while a private who is totally and permanently disabled from wounds and hardships suffered in the trenches of France is paid only $100 per month; and

Whereas immediately after being discharged from his swivel-chair service, only nine days of which preceded the armistice, said William Wolff Smith filed his claim (No. C-1379239), attempting to have his missing teeth charged to service origin, but the hospital examination disclosed that there was no service con-

nection whatever, and his nine teeth now missing are not the result of any service; and

Whereas General Hines has repealed and set aside Smith's decision on hernia, holding that it should not be rated as a permanent disability, Director Hines asserting, "I can not agree that it was ever intended that permanent ratings should be assigned where, by so doing, the action taken would be unfounded in medical science," and after full hospital observation, examination, and hearing it was the unanimous conclusion of the hearing group that Smith's hernia condition existed prior to his entering the service, and was in no way aggravated by such service; and

Whereas in reporting the matter to Congress on February 4, 1931, page 4075, RECORD, Representative BLANTON showed that because of his wild drinking and gambling parties and his playing poker and carousing, said William Wolff Smith was known all over Washington as "Poker Bill" Smith; that an influential politician secured his position for him, and kept him in it, and said Smith has used the Veterans' Bureau for his own selfish purposes, aided and abetted by certain officials connected with the American Legion, like Capt. Watson B. Miller, who travels all over the United States with Smith and plays golf with Smith, and furnishes him with affidavits of no probative force and effect, to help him draw retired pay of $187.50 per month from May 25, 1928, while at the same time drawing a salary of $9,000 additional per annum, and having the Government furnish his entertainment, fun, and frolics for him at public cost, constitutes a scandal and disgrace, and an outrage and injustice upon every brave ex-service man who won victory in France and helped to save the civilization of the world; and

Whereas following a recent investigation of Smith's office, Director Hines has taken about 60 attorneys away from Smith and placed them under the control of Judge J. C. O'C. Roberts, and allows Smith now to pass only upon insurance claims, he is still allowed to draw his $9,000 salary, and his retired pay of $187.50 per month, which should be stopped, and he should be removed from office, for his Army examination showed that he was physically and mentally disqualified and lacked knowledge and experience; and

Whereas by unanimous consent granted him by the House of Representatives on March 3, 1931, Representative BLANTON caused to be printed the names, addresses, and retired pay drawn by all emergency officers who by the Veterans' Administration have been allowed retired pay, same being House Document No. 602, Seventy-first Congress, third session, embracing 157 pages, which list contains some officers who did valiant service and who were permanently disabled in brave combat, but such list also contains an army of doctors, lawyers, dentists, and other swivel-chair officers who are holding fat positions with the Veterans' Administration on big salaries and who are also drawing additional retirement pay each month as disabled emergency officers, there being on such list of Veterans' Administration employees the following: Dr. Winthrop C. Adams, salary $7,500, retired pay $150 per month; Dr. Wilfred E. Chambers, salary $6,500, retired pay $206.25 per month; Dr. William C. Gibson, salary $6,500, retired pay $125 per month; Dr. Ignatz D. Loewy, salary $6,000, retired pay $206.25 per month; Dr. George C. Skinner, salary $6,500, retired pay $150 per month; Dallas B. Smith, salary $6,500, retired pay $262.50 per month; Dr. Howard C. Von Dahn, salary $6,500, retired pay $150 per month; Dr. Herbert E. Whitledge, salary $6,500, retired pay $150 per month; Dr. John R. McDill, salary $6,500, retired pay $187.50 per month; Dr. Julius C. Arntzor, salary $5,400, retired pay $150 per month; Dr. Jesse J. Beatty, salary $5,600, retired pay $125 per month; William J. Blake, salary $5,600, retired pay $125 per month; Dr. John C. Carling, salary $5,200, retired pay $150 per month; Dr. Booten S. Compton, salary $5,800, retired pay $125 per month; Dr. Eugene C. Davis, salary $5,500, retired pay $187.50 per month; Dr. William T. Doherty, salary $5,200, retired pay $125 per month; Dr. James G. Donnelly, salary $5,600, retired pay $125 per month; Frank T. Duffy, salary $5,600, retired pay $125 per month; Dr. M. J. Duncan, salary $5,200, retired pay $150 per month; Dr. Thomson C. Edwards, salary $5,600, retired pay $150 per month; Dr. Jose M. Ferguson, salary $6,500, retired pay $150 per month; Thomas Foster, salary $5,400, retired pay $150 per month; John R. Galbraith, salary $5,600, retired pay $106.25 per month; Dr. Michael L. Gallagher, salary $5,400, retired pay $150 per month; Dr. Jesse L. Hall, salary $5,400, retired pay $150 per month; Dr. William A. Jolley, salary $5,000, retired pay $262.50 per month; Dr. Claude C. Keeler, salary $5,400, retired pay $150 per month; William E. Kendall, salary $5,600, retired pay $187.50 per month; Dr. Isham Kimball, salary $5,000, retired pay $187.50 per month; Dr. John C. Ladd, salary $5,000, retired pay $150 per month; Dr. Homer G. Lightner, salary $5,400, retired pay $150 per month; Dr. Bernard C. MacNeil, salary $5,200, retired pay $125 per month; Dr. Bernard A. McDermott, salary $5,000, retired pay $125 per month; Dr. Samuel B. McFarland, salary $5,000, retired pay $150 per month; Dr. Edward M. Parker, salary $5,000, retired pay $187.50 per month; Dr. Clayton A. Patterson, salary $5,200, retired pay $165 per month; Dr. George E. Pfeiffer, salary $5,600, retired pay $125 per month; Dr. Edd L. Robertson, salary $5,400, retired pay $187.50 per month; Dr. Frank R. Sedgley, salary $5,600, retired pay $150 per month; Dr. Hargus G. Shelly, salary $4,800, retired pay $150 per month; Dr. Moses E. Sherer, salary $5,400, retired pay $150 per month; Dr. Robert P. Smith, salary $5,000, retired pay $187.50 per month; Dr. Allen H. Walker, salary $5,600, retired pay $180 per month; Dr. Justus M. Wheate, salary $5,400, retired pay $240.62 per month; Dr. Otis B. Mallow, salary $5,570, retired pay $150 per month; Dr. Roscoe C. Adams, salary $4,000, retired pay $262.50 per month; John H. Ale, salary $4,600, retired pay $125 per month; Dr. Albert A. Ankenbrandt, salary $4,600, retired pay $150 per month; Dr. David E. Arnold, salary $4,600, retired pay $187.50 per month; Dr. James T. Arwine, salary $4,400, retired pay $187.50 per month; Dr. Harry P. Bacon, salary $4,600, retired pay $150 per month; Dr. Frank J. Bailey, salary $4,200, retired pay $165 per month; Dr. Erasmus S. Baker, salary $4,600, retired pay $125 per month; Dr. James L. Ballou, salary $4,600, retired pay $150 per month; Dr. Clinton G. Beckett, salary $4,600, retired pay $187.50 per month; Dr. Laurence J. Bernard, salary $4,600, retired pay $125 per month; Dr. George I. Birchfield, salary $4,000, retired pay $150 per month; Dr. Dennis L. Black, salary $4,600, retired pay $125 per month; Dr. Alpheus J. Bondurant, salary $4,600, retired pay $125 per month; Archibald D. Borden, salary $4,800, retired pay $225 per month; Dr. Benjamin Brod, salary $4,200, retired pay $125 per month; Dr. John R. Brown, salary $4,600, retired pay $125 per month; Dr. Samuel C. Buck, salary $4,200, retired pay $150 per month; Dr. Louis L. Burnstein, salary $4,000, retired pay $125 per month; Joseph V. Byrne, salary $4,800, retired pay $150 per month; Dr. Alfred A. Caldarone, salary $4,000, retired pay $150 per month; Dr. Franklin C. Cassidy, salary $4,600, retired pay $125 per month; Dr. Jenner P. Chance, salary $4,600, retired pay $206.25 per month; Dr. Alpha M. Chase, salary $4,600, retired pay $195 per month; Dr. James C. Christiansen, salary $4,600, retired pay $165 per month; Dr. Benjamin A. Cochrell, salary $4,400, retired pay $150 per month; Dr. Beamon S. Cooley, salary $4,200, retired pay $125 per month; Dr. Paul R. Copeland, salary $4,800, retired pay $125 per month; Dr. Harry S. Crawford, salary $4,000, retired pay $150 per month; Dr. Wendell P. Daily, salary $4,600, retired pay $150 per month; Dr. Clark B. Devine, salary $4,600, retired pay $150 per month; Dr. Vincent M. Diodati, salary $4,600, retired pay $150 per month; Dr. Thomas F. Dodd, salary $4,800, retired pay $187.50 per month; Dr. John L. Donahue, salary $4,600, retired pay $150 per month; Dr. Timothy S. Donovan, salary $4,000, retired pay $125 per month; Dr. John M. Ehlert, salary $4,400, retired pay $125 per month; Luther E. Ellis, salary $4,800, retired pay $150 per month; Dr. Joseph C. Endler, salary $4,000, retired pay $150 per month; Dr. F. J. M. Ernest, salary $4,600, retired pay $206.25 per month; Dr. Oscar S. Essenson, salary $4,600, retired pay $150 per month; Dr. Tema L. Eyerly, salary $4,200, retired pay $150 per month; Dr. Frank A. Fannin, salary $4,600, retired pay $150 per month; Glenn C. Fauret, salary $4,200, retired pay $165 per month; Percy M. Feltham, salary $4,800, retired pay $150 per month; Dr. Albert Field, salary $4,200, retired pay $150 per month; William T. Fitzgerald, salary $4,800, retired pay $131.25 per month; John H. Fraine, attorney, salary $4,600, retired pay $312.50 per month; Dr. John C. George, salary $4,600, retired pay $187.50 per month; Dr. John L. Gill, salary $4,600, retired pay $150 per month; Harry B. Gilstrap, salary $4,800, retired pay $206.25 per month; Dr. Benjamin W. Gleason, salary $4,600, retired pay $150 per month; Dr. Henry V. Hanson, salary $4,600, retired pay $150 per month; Dr. Edwin M. Hasbrouck, salary $4,000, retired pay $150 per month; Dr. Samuel C. Hindman, salary $4,600, retired pay $150 per month; Dr. Edwain E. Hobby, salary $4,600, retired pay $206.25 per month; Hilary G. Hooks, salary $4,400, retired pay $150 per month; Dr. John F. Howard, salary $4,600, retired pay $150 per month; Dr. John B. Howe, salary $4,200, retired pay $150 per month; Dr. Theodore G. Howe, salary $4,400, retired pay $150 per month; Dr. Scott M. Huff, salary $4,000, retired pay $180 per month; Dr. Edwin M. Johnson, salary $4,600, retired pay $150 per month; Dr. William E. Joiner, salary $4,600, retired pay $150 per month; Dr. Edward B. Jones, salary $4,600, retired pay $150 per month; Dr. Ralph P. Jones, salary $4,800, retired pay $125 per month; Dr. Charles A. Kearney, salary $4,600, retired pay $150 per month; Dr. Ernest R. Latham, salary $4,600, retired pay $150 per month; Dr. William R. Leahy, salary $4,600, retired pay $150 per month; Dr. Henry C. Lochte, salary $4,400, retired pay $125 per month; Dr. Marion B. MacMilan, salary $4,600, retired pay $187.50 per month; Dr. Will H. Malone, jr., salary $4,400, retired pay $125 per month; Dr. James H. Malonson, salary $4,200, retired pay $180 per month; Dr. William O. Manion, salary $4,800, retired pay $150 per month; Dr. Marius B. Marcellus, salary $4,600, retired pay $243.75 per month; Dr. Albert C. Martin, salary $4,600, retired pay $150 per month; Dr. John F. Martin, salary $4,200, retired pay $125 per month; Dr. Walter M. Matthews, salary $4,600, retired pay $125 per month; Dr. David C. McCulloch, salary $4,400, retired pay $150 per month; Dr. John T. McDonald, salary $4,400, retired pay $125 per month; Dr. James L. McKnight, salary $4,600, retired pay $125 per month; Dr. Charles H. Meyst, salary $4,600, retired pay $150 per month; Dr. Harlan E. Mize, salary $4,600, retired pay $150 per month; Dr. Harry S. Monroe, salary $4,600, retired pay $125 per month; Dr. Roy D. Moore, salary $4,400, retired pay $150 per month; Dr. John E. Neilon, salary $4,200, retired pay $125 per month; Dr. Edwin G. Nelson, salary $4,000, retired pay $125 per month; Dr. Philip H. Nevitt, salary $4,400, retired pay $125 per month; Dr. George A. Nieweg, salary $4,600, retired pay $125 per month; Dr. William H. Owens, salary $4,400, retired pay $125 per month; Dr. William E. Park, salary $4,600, retired pay $150 per month; Dr. Cyrus B. Partington, salary $4,500, retired pay $125 per month; Dr. John R. Patton, salary $4,200, retired pay $150 per month; Dr. Charles E. Ralph, salary $4,400, retired pay $187.50 per month; Dr. Carl O. Reed, salary $4,400, retired pay $150 per month; Dr. Richard A. Roach, salary $4,200, retired pay $150 per month; Dr. Frederick C. Robbins, salary $4,600, retired pay $187.50 per month; Dr. William J. Roberts, salary $4,200, retired pay $150 per month; Dr. Guy P. Robinson, salary $4,800, retired pay $150 per month; Dr. Claude N.

Rucker, salary $4,200, retired pay $150 per month; Dr. Walter J. Saubert, salary $4,000, retired pay $125 per month; Dr. Wilburn E. Saye, salary $4,600, retired pay $125 per month; Dr. Harry A. Scott, salary $4,600, retired pay $125 per month; Dr. Alexander W. Seibert, salary $4,200, retired pay $125 per month; Dr. David A. Seibert, salary $4,000, retired pay $125 per month; Dr. Henry D. Shankle, salary $3,800, retired pay $150 per month; Dr. Oscar F. Shewmaker, salary $4,000, retired pay $125 per month; Dr. Willis N. Simons, salary $4,200, retired pay $125 per month; Dr. Frederick J. Smith, salary $4,600, retired pay $187.50 per month; William Wolff Smith, salary $9,000, retired pay $187.50 per month; Dr. John E. Soper, salary $4,200, retired pay $150 per month; Dr. Charles E. Starnes, salary $4,600, retired pay $125 per month; Dr. Leo F. Steindler, salary $4,200, retired pay $150 per month; Dr. William O. Stephenson, salary $4,600, retired pay $150 per month; Dr. Harry J. Thompson, salary $4,000, retired pay $150 per month; Dr. James W. Thornton, salary $4,800, retired pay $187.50 per month; Dr. John D. Wakefield, salary $4,200, retired pay $150 per month; Dr. Bacil A. Warren, salary $4,200, retired pay $150 per month; Dr. Robert F. Wells, salary $4,000, retired pay $125 per month; Dr. Lee W. Whitaker, salary $4,200, retired pay $125 per month; Dr. Phillips H. Woods, salary $4,600, retired pay $150 per month; Dr. Roy B. Woodward, salary $4,600, retired pay $125 per month; Dr. Hamlette G. Wyatt, salary $4,200, retired pay $125 per month; Dr. Ellis P. Burns, salary $4,400, retired pay $150 per month; Ernest L. Shubert, salary $4,600, retired pay $150 per month; Walter B. Rile, salary $4,600, retired pay $187.50 per month; Dr. William H. Hatcher, salary $4,400, retired pay $150 per month; Dr. Thomas S. Carrington, salary $4,800, retired pay $150 per month; Dr. David A. Baker, salary $3,800, retired pay $150 per month; Attorney Alfred M. Barlow, salary $3,800, retired pay $125 per month; Harry H. Barnhart, salary $3,300, retired pay $210 per month; Dr. Howard J. Barry, salary $3,800, retired pay $125 per month; Attorney John R. Bays, salary $3,200, retired pay $106.25 per month; Levi A. Beem, salary $3,300, retired pay $165 per month; George A. Blair, salary $3,300, retired pay $165 per month; Charles R. Bohn, salary $3,300, retired pay $195 per month; Dr. Benjamin D. Boyd, salary $3,800, retired pay $162.50 per month; Dr. Henry A. Brady, salary $3,800, retired pay $150 per month; Byron B. Daggett, salary $3,300, retired pay $165 per month; Dr. Homer C. Darrah, salary $3,800, retired pay $165 per month; Attorney Ernest R. Decker, salary $3,800, retired pay $165 per month; Dr. Joseph P. Delaney, salary $3,800, retired pay $125 per month; Dr. Louis B. Derdiger, salary $3,800, retired pay $150 per month; Stanton C. Dorsey, salary $3,300, retired pay $125 per month; Harrie A. Douglas, salary $3,300, retired pay $150 per month; R. D. Engel, salary $3,300, retired pay $106.25 per month; Dr. James S. Fouche, $3,800, retired pay $150 per month; Dr. Ellis E. Givin, salary $3,000, retired pay $216.75 per month; Dr. John E. Graf, salary $3,800, retired pay $125 per month; Dr. Adolph E. Grau, salary $3,700, retired pay $125 per month; Norman B. Gridley, salary $3,300, retired pay $150 per month; Dr. Samuel R. Hopkins, salary $3,800, retired pay $187.50 per month; Attorney Edwin C. Irion, salary $3,300, retired pay $125 per month; Benjamin P. Johnson, salary $3,206, retired pay $106.25 per month; Francis L. Kane, salary $3,300, retired pay $150 per month; Dr. Herbert C. Kincaid, salary $3,800, retired pay $150 per month; Dr. Earl K. Lasenby, salary $3,800, retired pay $150 per month; Dr. Benjamin J. Lewis, salary $3,800, retired pay $125 per month; Cyril A. Liberty, salary $3,800, retired pay $106.25 per month; Dr. Dick R. Longino, salary $3,800, retired pay $125 per month; Harry E. Maher, salary $3,300, retired pay $125 per month; Dr. James E. Maloney, salary $3,800, retired pay $206.25 per month; Dr. William W. McCrillis, salary $3,700, retired pay $150 per month; Dr. Oral H. McDonald, salary $3,800, retired pay $125 per month; Herbert L. McNulty, salary $3,200, retired pay $125 per month; Arthur B. Metcalf, salary $3,200, retired pay $106.25 per month; Dr. Paul D. Moore, salary $3,800, retired pay $125 per month; Dr. Erle T. Newsom, salary $3,800, retired pay $150 per month; Dr. Leon M. Ochs, salary $3,800, retired pay $125 per month; Charles H. Patterson, salary $3,800, retired pay $125 per month; Dr. Edward L. Patterson, salary $3,800, retired pay $150 per month; Dr. Thomas W. Penrose, salary $3,800, retired pay $243.75 per month; Dr. John H. Prill, salary $3,800, retired pay $150 per month; Austin B. Richeson, salary $3,300, retired pay $225 per month; Milton S. Rosenfield, salary $3,300, retired pay $106.25 per month; Dr. Horace E. Ruff, salary $3,800, retired pay $243.75 per month; Charles E. Schaeffer, salary $3,700, retired pay $150 per month; Cameron B. Sherry, salary $3,300, retired pay $106.25 per month; Howard R. Sisson, salary $3,600, retired pay $125 per month; Dr. John J. Small, salary $3,800, retired pay $150 per month; Dr. Sneed Strong, salary $3,800, retired pay $150 per month; Dr. John D. Thomas, salary $3,800, retired pay $125 per month; Emil Walter, salary $3,300, retired pay $250 per month; Dr. Charles W. Wang, salary $3,800, retired pay $125 per month; Nathaniel E. Whiting, salary $3,800, retired pay $137.50 per month; Mortimer Woodson, salary $3,300, retired pay $125 per month; Dr. Jesse M. Worthen, salary $3,800, retired pay $150 per month; Frederick L. Wyatt, salary $3,400, retired pay $165 per month; Dr. William D. McFaul, salary $3,800, retired pay $165 per month; Albert E. McCabe, salary $3,300, retired pay $150 per month; and 56 other employees of the Veterans' Administration, 25 being doctors, and all drawing good salaries, with additional monthly retirement pay ranging from $106.25 to $240.62 per month, one being a chaplain drawing retirement pay of $195 per month in addition to his salary; and

Whereas among said 6,933 emergency officers who have succeeded in having William Wolff Smith, general counsel, and the Veterans' Administration retire them on big monthly pay for life, many upon presumptive disability of 33 per cent, hundreds are holding jobs at fat salaries with the different departments of Government; and

Whereas among those emergency officers retired as disabled who hold positions with the Department of State are: Prentiss B. Gilbert, salary $7,000, retired pay $150 per month; Peter H. A. Flood, salary $4,000, retired pay $150 per month; Harvey E. Trammell, salary $3,000, retired pay $137.50 per month; William C. Burdett, salary $6,000, retired pay $165 per month; William W. Corcoran, salary $4,000, retired pay $125 per month; Leonard G. Bradford, salary $2,750, retired pay $116.67 per month; James O. Murdock, salary $5,000, retired pay $150 per month; B. L. Vipond, salary $3,400, retired pay $125 per month; and

Whereas among those emergency officers retired as disabled who hold civilian position with the War Department are: Raymond E. Adams, salary $3,400, retired pay $150 per month; Harrison S. Brink, salary $3,200, retired pay $150 per month; John E. Brooks, salary $2,400, retired pay $210 per month; Leonard S. Chadwell, salary $2,300, retired pay $116.67 per month; Richard J. Donnelly, salary $3,200, retired pay $206.25 per month; Walter Ferrol, salary $1,800, retired pay $165 per month; George R. Grau, salary $3,000, retired pay $165 per month; J. B. L. Hickerson, salary $3,500, retired pay $187.50 per month; Wesley C. Hoover, salary $2,400, retired pay $195 per month; Frank J. Jervey, salary $3,200, retired pay $150 per month; Stephen E. Karigan, salary $2,600, retired pay $111.25 per month; William A. King, salary $2,600, retired pay $150 per month; James Z. Linville, salary $2,700, retired pay $180 per month; James G. McGrath, salary $2,160, retired pay $150 per month; Charles H. Mann, salary $2,800, retired pay $187.50 per month; Louis L. Millar, salary $3,200, retired pay $125 per month; Frederick M. Rademacher, salary $3,000, retired pay $150 per month; Francis J. Reuter, salary $3,600, retired pay $125 per month; Elmer H. Rogers, salary $2,500, retired pay $187.50 per month; John Q. Sheehy, salary $2,900, retired pay $150 per month; Robert M. Turner, salary $2,500, retired pay $106.25 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Department of Agriculture are: Alfred M. Broiling, salary $2,800, retired pay $106.25 per month; Coleman D. Burns, salary $1,800, retired pay $180 per month; Arthur W. Coleman, salary $1,800, retired pay $165 per month; Frederick J. Cullen, salary $5,600, retired pay $187.50 per month; Albert M. Dickson, salary $3,300, retired pay $106.25 per month; John P. Divine, salary $2,000, retired pay $165 per month; George A. Dunagin, salary $3,800, retired pay $125 per month; Frederick A. Grenfell, salary $3,400, retired pay $137.50 per month; George W. Hamilton, salary $2,800, retired pay $125 per month; Ralph C. Jones, salary $3,300, retired pay $106.25 per month; Grady Lancaster, salary $1,620, retired pay $106.25 per month; Willard G. Lockwood, salary $2,400, retired pay $125 per month; John N. Menafee, salary $2,600, retired pay $150 per month; Charles E. Null, salary $3,200, retired pay $125 per month; Allan S. Peck, salary $6,000, retired pay $218.75 per month; Harry Richardson, salary $1,260, retired pay $162.50 per month (he drawing an annual retired pay of $1,950, when he draws a salary of only $1,260); Thomas W. Rikeman, salary $2,000, retired pay $137.50 per month; Charles E. Seymour, salary $2,400, retired pay $137.50 per month; Raymond G. Smith, salary $2,800, retired pay $106.25 per month; Glenn R. Stevens, salary $2,000, retired pay $106.25 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Department of Justice are: Julius M. Herbert, salary $2,120 plus $180 allowance, retired pay $106.25 per month; Robert S. Krause, salary $3,800, retired pay $125 per month; John E. Wright, salary $4,600, retired pay $106.25 per month; James M. Halley, salary $3,200, retired pay $106.25 per month; Leland G. Evans, salary $1,800; retired pay $127.50 per month; Charles S. Trump, salary $3,200, retired pay $116.87 per month; Harry F. Richardson, salary $3,300, retired pay $180 per month; John W. Loveland, salary $5,600, retired pay $250 per month; William D. Smith, salary $5,400, retired pay $165 per month; Norman L. Botsford, salary $1,680, retired pay $125 per month; Theodore L. Cogswell, salary $6,400, retired pay $125 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Department of Labor are: William R. Scott, salary $2,500, retired pay $150 per month; Frank E. Bachelder, salary $2,500, retired pay $125 per month; Harry G. Yeager, salary $2,500, retired pay $125 per month; George E. Childers, salary $2,600, retired pay $106.05 per month; Burton E. Whittaker, salary $1,440, retired pay $106.25 per month; Michael J. Costello, salary $2,300, retired pay $150 per month; Roscoe S. Virgin, salary $2,500, retired pay $180 per month; Frank E. Hill, salary $2,700, retired pay $106.25 per month; Richard C. Stillwell, salary $2,400, retired pay $116.67 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Treasury Department are: Robert Adams, salary $4,800, retired pay $206.25 per month; Monroe H. Blake, salary $3,800, retired pay $125 per month; Joseph L. Brownlow, salary $2,600, retired pay $106.25 per month; Harry A. Cooper, salary $3,200, retired pay $137.50 per month; James L. Dougherty, salary $7,000, retired pay $125 per month; Arthur W. Furbershaw, salary $8.80 per day, retired pay $125 per month; Edgar Graham, salary $3,500, retired pay $106.25 per month; William T. Howley, salary $3,800, retired pay $131.25 per month; James C. Powell, salary $1,680, retired pay $125 per month; Herbert F. Riley, salary $2,200, retired pay $106.25 per month; Otis J. Tall, jr., salary $4,800, retired pay $106.25; John B. Whitman, salary $1,440, retired pay $106.25 per month; Alexander D. Bell, salary $4,800, retired

pay $180 per month; John M. Burns, salary $2,800, retired pay $150 per month; Charles F. Cook, salary $3,600, retired pay $106.25 per month; Joseph P. Murphy, salary $4,200, retired pay $137.50 per month; William M. Norton, salary $2,400, retired pay $106.25 per month; Harry H. Pyles, salary $3,300, retired pay $116.87 per month; Ben B. Taylor, salary $2,500, retired pay $116.87 per month; William R. Walls, salary $1,980, retired pay $106.25 per month; Henry C. Glover, salary $2,500, retired pay $187.50 per month; George T. Bailey, salary $2,100, retired pay $106.25 per month; William H. Boullee, salary $2,100, retired pay $116.87 per month; William J. Donahey, salary $2,100, retired pay $210 per month; Adam Fisher, retired pay over three times as much as his salary; Harry Gross, salary $2,100, retired pay $237.50 per month; Jack B. Kendrick, salary $2,600, retired pay $106.25 per month; James B. McBraun, salary $1,860, retired pay $106.25 per month; Magnus M. Moody, salary $1,700, retired pay $106.25 per month; Charles L. Sheridan, salary $5,400, retired pay $225 per month; William T. King, salary $2,100, retired pay $71.25 per month; Frank A. Wedderburn, salary $2,700, retired pay $180 per month; Roy H. Adams, salary $2,300, retired pay $125 per month; Irving D. Porter, salary $5,600, retired pay $150 per month; Fred A. Roemer, salary $3,700, retired pay $125 per month; Dr. Benjamin F. Bond, salary $2,000, retired pay $125 per month; Robert H. Fitts, jr., salary $1,800, retired pay $116.87 per month; Lewis S. Johnston, salary $4.17 per day, retired pay $150 per month; Robert D. Jones, salary $1,200, retired pay $243.75 per month; Lewis G. McGuigan, salary $2,200, retired pay $150 per month; Edison K. Westhafer, salary $2,320, retired pay $225 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Department of the Interior are: Daniel R. Campbell, salary $1,800, retired pay $125 per month; John R. White, salary $4,600, retired pay $218.75 per month; Walter C. Cochrane, salary $3,200, retired pay $125 per month; Ford E. Spigelmyre, salary $2,200, retired pay $165 per month; Dr. Clarence D. Fulkerson, salary $3,200, retired pay $150 per month; Kostka Mudd, salary $3,300, retired pay $125 per month; James H. Finley, salary $3,000, retired pay $206.25 per month; Leonard B. Radtke, salary $2,600, retired pay $116.87 per month; Guy Hobgood, salary $3,000, retired pay $106.25 per month; William P. Rice, salary $2,900, retired pay $150 per month; Dr. August F. Hunte, salary $2,900, retired pay $125 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Department of Commerce are: Nils Nillson, salary $2,400, retired pay $206.25 per month; Frank M. Owens, salary $2,100, retired pay $116.87 per month; Alfred J. Bartram, salary $2,500, retired pay $187.50 per month; Ralph M. DeRose, salary $2,300, retired pay $125 per month; Robert P. Donogh, salary $2,300, retired pay $125 per month; Jasper N. Stancil, salary $2,040, retired pay $116.87 per month; Walter J. Eddington, jr., salary $1,500, retired pay $165 per month; Harold S. Kennedy, salary $4,200, retired pay $125 per month; Charles L. McLain, salary $4,200, retired pay $180 per month; Dr. Arthur L. Murray, salary $4,600, retired pay $150 per month; Charles F. Fornason, salary $3,000, retired pay $187.50 per month; George Wythe, salary $6,000, retired pay $187.50 per month; Irving D. Marshall, salary $4,200, retired pay $106.25 per month; and

Whereas among those emergency officers retired as disabled who hold civilian positions with the Navy Department are: Lester B. Hutchinson, salary $3,200, retired pay $150 per month; and Alexander W. Yowell, salary $1,680, retired pay $106.25 per month, which being illustrative of other positions, the numerous employees in the field service of the Navy Department are omitted; and the foregoing illustrating the salaries and retired pay of emergency officers in all departments, none are specifically named for the other departments of Government; and

Whereas there are 275 officials and employees of the District of Columbia government, to the expenses of which the United States contributes $9,500,000 annually, who, besides their annual salaries, also draw retirement pay or pensions; and

Whereas such parasites as the said William Wolff Smith could not continue holding his position at $9,000 salary, and in addition thereto drawing retirement pay of $187.50 per month, were it not for the fact that he has been aided and abetted by such high officers in the American Legion as Capt. Watson B. Miller, who entered the service in Florida as a second lieutenant on April 18, 1918, over a year after the war had started, and who saw no foreign service, and who is drawing a salary of $7,500 from the American Legion, but who, according to his own affidavit, he made to help William Wolff Smith draw $5,843.75 back retired pay, and also draw $187.50 retired pay per month for life, spent much of his time on the golf links all over the United States with William Wolff Smith, when thousands of disabled ex-service men all over the United States are bedridden, unable to work, with wives, children, and dependent parents starving to death, and their claims for just compensation are daily turned down by these high-salaried doctors, who draw their own big salaries, and in addition thereto draw their big retired pay; and

Whereas said disabled emergency officers' retirement act should be repealed, and thereafter no such retirement pay should be paid, and the said William Wolff Smith should be removed from the pay roll of the Government, and the Administrator of Veterans' Affairs should be directed to dismiss said high-salaried doctors and lawyers from the service of the administration: Therefore be it

Resolved, etc., That hereafter no officer of the United States Army shall be retired who is under the age of 65 years, unless he is mentally or physically incapacitated to perform his duties, and the existing rates of retired pay be, and they are hereby, reduced one-half, so that after the passage of this act the retired pay shall be one-half of that now allowed for the different ranks and service, and no retired officer of the United States Army shall receive any retired pay during any period that he receives a salary or salaries of as much as $2,500 per annum from private employment, and no officers of the United States Army in active service shall hereafter accept employment and fees from newspapers, magazines, or radio services, and all existing laws relating to retirement or retired pay inconsistent with these provisions be, and the same are hereby, repealed.

SEC. 2. That hereafter no officer of the United States Navy nor of the United States Marine Corps shall be retired who is under the age of 65 years, unless he is mentally or physically incapacitated to perform his duties, and the existing rates of retired pay for such officers be, and they are hereby, reduced one-half, so that after the passage of this act the retired pay shall be one-half of that now allowed for the different ranks and service, and no retired officer of the United States Navy or the United States Marine Corps shall receive any retired pay during any period that he receives a salary or salaries of as much as $2,500 per annum from private employment, and prior to retirement no such officer in active service shall hereafter accept employment and fees from newspapers, magazines, or radio services, and all existing laws relating to retirement or retired pay inconsistent with these provisions be, and the same are hereby, repealed.

SEC. 3. That Public, No. 506, Seventieth Congress, known as the disabled emergency officers' retirement act, be, and the same is hereby, in all things repealed.

SEC. 4. That hereafter no retired pay be made to any emergency officers, and the acts of the Veterans' Administration in retiring such officers prior to the passage of this act be, and the same are hereby, declared unwarranted and void, and concerning any disabilities such emergency officers are possessed of, they shall be accorded the same treatment and the same compensation that would be accorded to a private under like or similar circumstances.

SEC. 5. That it is hereby declared to be the policy of the United States Government that no distinction is made between an officer and a private with respect to the value of his life, or compensation that is paid for disabilities incurred in line of duty.

SEC. 6. That the Administrator of Veterans' Affairs be, and he is hereby, directed to discharge and dismiss forthwith the said William Wolff Smith from employment with the Veterans' Administration.

SEC. 7. That with the exception of a general counsel and three assistants hereby authorized to be retained by the administration, all of whom shall be outstanding attorneys of profound legal knowledge, experience, ability, and attainment, said Administrator of Veterans' Affairs be, and he is hereby, directed to discharge and dismiss forthwith all other lawyers now employed by the administration, and hereafter bureau litigation is to be handled by the Department of Justice through the Federal district attorneys now in each judicial district of the United States.

SEC. 8. That hereafter no lawyer, doctor, or dentist who is employed by the War Department, the Navy Department, the United States Marine Corps, or the Veterans' Administration on an annual salary shall engage in private practice, but shall give his full time to the Government.

SEC. 9. This act shall be known as the declaration of war against Government parasites act.

SEC. 10. This act shall take effect on the first day of the month succeeding its final passage.

SEC. 11. Provisions or parts of provisions of and all laws inconsistent with the provisions of this act are hereby expressly repealed.

Mr. BLANTON. Mr. Chairman, I wanted this printed in the RECORD for general information to the people of the United States. I have had extra copies of this resolution printed at my own expense. I have paid for this extra printing at the Government Printing Office in order to be able to send a copy of this Resolution 355 to every Member of the House and also to every United States Senator. It is the result of several years of investigation, and of three months' hard work recently, getting the facts stated in the resolution before. I have had it sent to every Member through the post office to-day; and when you get it, please do not throw it into the wastebasket. Please read it all carefully.

I want you to see just how William Wolff Smith, general counsel, down here has been handling these retirements, and just how extravagant he has been with public money. Just to give you one item, I want to show you how he took with him as his secretary a clerk from the Quartermaster Corps in the War Department back in 1923 at a salary of $1,440; and since she has been with him in the bureau, I want you to notice just how many promotions he has gotten for her. This will give you an idea of what has been going on in this bureau. This lady, Miss Annabelle Hinderliter, was transferred from the Quartermaster Corps to the Veterans' Bureau as a clerk-stenographer under him at a salary of $1,440. She was assigned to his office, and she has received the following rapid promotions since 1923:

On May 1, 1924, her salary was raised to $1,860; on July 1, 1924, her salary was raised to $2,100; on October 12, 1925, her salary was raised to $2,400; on October 31, 1925, her salary was raised to $2,500; on February 12, 1926, her salary was raised to $2,600; on June 29, 1926, her salary was raised to $3,000; on September 7, 1927, her salary was raised to $3,100; on December 27, 1927, her salary was raised to $3,800; on June 30, 1928, her salary was raised to $4,000; on July 12, 1928, her salary was raised to $4,600; and on December 28, 1929, her salary was raised to $4,800.

This is the same William Wolff Smith who, just 13 days before the armistice, entered the service in a swivel-chair job. He had just 13 days of service before the war closed, and yet he had himself retired as a major and, immediately upon being retired, got a position in the Veterans' Bureau at $4,000 a year.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. He entered at $4,000 and 17 days afterwards he had his salary raised to $7,500.

Mr. LaGUARDIA. Who is this?

Mr. BLANTON. William Wolff Smith—"Poker Bill" Smith he is called by reason of the many poker parties he has pulled off in Washington.

Mr. LaGUARDIA. How many days of service?

Mr. BLANTON. He was in the swivel-chair service here in Washington, in the Sanitary Corps, just 13 days before the armistice.

Mr. LaGUARDIA. And how does he get $187.50 a month compensation?

Mr. BLANTON. There were five boards that turned him down. In two years five different boards turned him down, and finally he got the matter referred to the diagnostic center here of outside doctors and had himself retired at $187.50 a month and had them pay him $5,860 back retirement pay.

Are you going to stand for this? I am going to offer an amendment to the veterans' provision when we get to it, providing that no part of this appropriation of about $900,000,000 that goes to the Veterans' Bureau shall be paid to "Poker Bill" Smith, and I hope you will help me to put that in the bill. We ought to stop that parasite. He spent his time drawing big traveling expenses in going all over the United States, in addition to his $9,000 salary and in addition to his extra $187.50 a month retired pay, and doing mostly nothing but playing golf and playing poker and attending drinking parties, and having the Government pay for his good times.

Mr. FULMER. Mr. Chairman, the Congress from time to time has been passing various bills creating new bureaus or adding new activities to the major departments. These bureaus and activities have so increased appropriations until at this time the taxpayers of the country and the Treasury find it mighty hard to carry on.

This type of legislation is usually brought about to create some major jobs, in a great many instances to take care of some "lame-duck" Congressman. A great many of these bureaus and commissions come into existence on the grounds that they are needed to be of service to labor, agriculture, industry, and the public. In the passage of the transportation act, creating the Interstate Commerce Commission, the main arguments were that it was necessary for the welfare of the railroads, labor, and the public. What has happened? Congress has delegated its power to the Interstate Commerce Commission and, under and by this commission, freight rates are fixed to bring in a net profit for the railroad interests without regards to labor and the public. Why, recently in the midst of this serious depression, when we have millions of unemployed, business and agriculture going through bankruptcy, freight rates were increased. We passed the marketing act creating the Federal Farm Board, with $500,000,000 to save agriculture, and all you get is the creating of hundreds of positions, with salaries ranging as high as $75,000 per annum, and as far as the cotton farmer is concerned, he was advised to plow up every third row of his cotton.

I especially want to talk to you about the Federal Trade Commission, which operates under the Department of Justice. This commission was created about 18 years ago—and for what? Listen to a statement made by Mr. McCullough, member of this commission:

> The commission is not especially interested in the welfare of industry.

It is my understanding that this commission was created for the purpose of protecting the interest of the public and to keep alive competition in industry. Congress did not write into the law just how that commission should do this; therefore the commission, in interpreting the law, proceeded to set up trade-practice conferences for the various industries of the country. Perhaps some member of the Appropriations Committee will be able to tell you about the annual increases of the appropriations for the commission, until now it is requesting around one and three-quarters million dollars.

Mr. Humphrey, in appearing before the Appropriations Committee, stated that unless the commission can get an additional appropriation of $390,000 above the amount carried in the appropriation bill the commission would have to cut off a number of employees. He also stated that the commission would have to cut out the investigating of various industries and the holding of trade-practice conferences.

When did these investigations become so necessary and so numerous? Before the holding of these trade-practice conferences, wherein the commission gives its indorsement to industry, the average industry operated with fear of the antitrust laws. I understand the Federal Trade Commission has been doing quite a lot of investigating, but I ask you seriously, have you heard of any prosecution or conviction by the Department of Justice as the result of these investigations?

I call your attention to the investigation of the Aluminum Trust. The commission spent thousands of dollars in making this investigation. The report was very damaging and should have brought conviction but you have not heard of any suit being entered against the Aluminum Trust. I want to charge here and now that these trade-practice conferences have done more to help industry monopolize control, fix prices, and defeat the antitrust laws than anything that has happened since the passage of the antitrust act. What is a trade-practice conference? I am going to give you a concrete example by using the cottonseed-oil mills industry conference held at Memphis, Tenn., in 1928. This industry is composed of three very large cottonseed oil mill owners, Swift & Co., meat packers and cottonseed-oil refiners, who own the Swift Cotton Seed Oil Mills, Procter & Gamble, large manufacturers of soap and cottonseed oil refiners, who own the Buckeye Cotton Seed Oil Mills, the Southern Cotton Seed Oil Co., and numerous independent cottonseed crushing mills scattered all over the cotton South.

To call a conference, complaints from the industry must be placed with the Federal Trade Commission. This was done in this instance by the attorney representing this industry and the conference was ordered. Now, what happened? This attorney, and especially all the representatives of these large mill owners, met with a representative of the Federal Trade Commission in a preliminary conference the day or night before the regular conference. There all of these matters pertaining to the formulating of trade-practice rules which would enable the industry to get together in a solemn agreement were thrashed out. The next day in the regular conference Mr. McCullough, member of the commission, acted as chairman. He called the conference to order and stated the purpose of the conference. Mr. Christie Bennett, who lives in my district and who is

one of the best lawyers in South Carolina, representing the industry, stated in his opening remarks:

It is not necessary at this time to go into a detailed statement of the competitive set-up in the industry. We have known about this competitive set-up for years but did not see our way out.

I charge that this was largely the basis of the complaint and the reason for the call of the conference. In due course the trade-practice rules were adopted, indorsed by the Federal Trade Commission, and each representative of the industry signed on the dotted line, agreeing thereto. Now, ladies and gentlemen, let us see what happened.

These representatives returned home and proceeded to put into practice these rules and the code of ethics, and in so doing they were able to bring about a hog-tied monopoly. In less than two years this industry, operating under the indorsement of the Federal Trade Commission, was so completely able to monopolize, fix, and control prices that every agricultural commissioner in the South—merchants, bankers, cottonseed buyers, and farmers—commenced a bitter protest. On the strength of this protest a resolution was passed by the Senate authorizing an investigation of this industry. For the past 12 months the Federal Trade Commission has been holding hearings in Washington and practically every cotton State in the South, investigating the cottonseed-oil mills industry. In the meantime I am in a position to prove that many of the independent mills have been bought up or put out of commission, independent cottonseed buyers forced out of the market, and farmers have been robbed out of millions of dollars. I have attended some of these hearings and have read the reports of the various hearings, and can state without a doubt that if the report is properly written and submitted, based on the facts contained in these hearings, it will prove every charge that I have made.

I want to tell you gentlemen the merging, combining, and price fixing on the part of industry and the international banking business for the past 10 years has done more to paralyze the purchasing power of the people than anything else. Why, there is a bill now pending in the Senate to make these trade-practice conferences legal. If you will read the hearings on this Senate bill, you will find that it is indorsed by the representatives of industry.

I am not especially kicking about these trade-practice rules, although I feel sure many of them are illegal, but what I am trying to call to your attention is how these industries take advantage of these rules and especially the indorsement of the Federal Trade Commission to defeat the antitrust laws and rob the public. Here is what Mr. Humphreys said about the cottonseed-oil mill rules that were indorsed by the commission. I quote from a statement made by Mr. Humphreys before the Interstate Commerce Committee of the Senate some time in February:

I was not present when the cottonseed rules were adopted; I have never favored the cottonseed rules; I do not favor them now; I do not think that part of them are legal.

Certainly, you would not want any better evidence than is contained in a statement made by the Attorney General of the Department of Justice some time ago, as follows:

The trouble about industry coming and requesting that they be allowed to put into execution certain trade-practice rules is when they go back and put them into practice they nudge a little here and they nudge a little there and then when we call their hand they come back with the statement: "We have your indorsement."

My charges are further borne out by a recent unanimous opinion of the Supreme Court of the State of Alabama in the case of the Dothan Oil Mill Co. et al. *v.* Espy et al. (127 S. Rept. 179). In that case Mr. Espy and others obtained an injunction against the Dothan Oil Mill Co. and other oil mills in Alabama from putting into effect the agreements entered into at Memphis, Tenn., which had for their purpose the setting of prices of cottonseed and destroying competition in the purchase and sale of cottonseed. I quote from their decision:

We have no difficulty in reaching the conclusion that the defendants have entered into a combine, pool, trust, or confederation to regulate or fix prices of cottonseed in this State and are attempting to destroy competition in the sale thereof in violation of the State antitrust laws.

In conclusion I want to state that it is my contention that the commission is spending thousands of the taxpayers' money in holding these conferences, which have absolutely proven to be against the interest of the public. I further contend that if industry was left alone to operate its own business without any indorsement on the part of the Federal Government, in the fear of the antitrust laws, industry would so operate that we would not be called upon to spend additional thousands for investigations. I hope, therefore, that not only will the committee not allow any increase in the appropriation as carried in this bill but will vote for an amendment that I propose to offer to reduce further the appropriation.

The Clerk read as follows:

Mount Vernon highway police: For pay and allowances and for uniforming and equipping, in accordance with the provisions of the act of May 27, 1924, as amended, the police force to be engaged in patrolling the Mount Vernon Memorial Highway in the State of Virginia, and other Federal lands, as authorized by the act approved May 29, 1930 (46 Stat. 483), including the purchase, issue, operation, maintenance, repair, exchange, and storage of revolvers, bicycles, motor-propelled passenger-carrying vehicles, and ammunition, $27,075.

Mr. HOLADAY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 33, line 4, strike out "$27,075" and insert "$12,000."

Mr. HOLADAY. Mr. Chairman, I move to strike out the last word. This is a small item, but it illustrates how all these expenses are growing. The Mount Vernon Highway extends 15 miles from the District Line and is now open to traffic. For the first time we are proposing to furnish police for that highway. The estimate here is that it will cost $27,075. I submit to the members of this committee that a half a dozen policemen on motor cycles will be sufficient to patrol that 15 miles. In a great many of these States two men patrol 50 or 70 miles. I will admit that there may be more traffic than on ordinary highways, but $12,000 will permit the employment of six patrolmen, provide them with motor cycles and uniforms, and I submit that that is a sufficient number and all that is necessary to patrol 15 miles. This is only one of the small things, but it indicates what we are meeting with day by day and year by year.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. COCHRAN of Missouri. I want to say that I am in sympathy with the gentleman, and I will vote for his amendment. Who paid for the construction of this highway?

Mr. HOLADAY. The Government.

Mr. COCHRAN of Missouri. Who constructed it?

Mr. HOLADAY. It was done under contract.

Mr. COCHRAN of Missouri. I drove down there last Sunday and the Sunday before, and I noticed lying along the highway probably two or three hundred bales of fertilizer, and on each one of the bales was stamped "Made in Germany." Is the Government of the United States buying fertilizer in Germany to put on this highway?

Mr. HOLADAY. I do not know where the soil was purchased, but it seems that it is necessary, if you want shrubbery along the highway, to import the dirt.

Mr. COCHRAN of Missouri. I do not know why we should go to Germany to get dirt or fertilizer. We can furnish good dirt here.

Mr. HOLADAY. The dirt is there baled up. I do not know where it was purchased.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, this appropriation of $27,000 contemplates a force of three sergeants and nine men

to patrol this new highway of 15 miles. You can not work police officers or anyone else 24 hours a day. Colonel Grant, in our hearings, page 354, stated to us, as he stated to the Bureau of the Budget, that he did not think this force would be adequate to properly police that highway which, during this next fiscal year, is going to be so much used. It is now open to traffic.

Mr. HOLADAY. Does the chairman think it necessary to have a commanding officer for every two privates?

Mr. WOODRUM. Somebody has to be in charge. I do not think three men over that long highway, traveled as much as it is, are going to be too many. Not only that, but you must remember that not only have they to take care of the regular daily policing of the highway, but out of this fund they have to take care of special occasions, and there will be a great many of them this year. I do not think this appropriation ought to be reduced.

Mr. HOLADAY. Mr. Chairman, my amendment will provide for six patrolmen.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The Clerk read as follows:

Astrophysical Observatory: For maintenance of the Astrophysical Observatory, under the direction of the Smithsonian Institution, including assistants, purchase of books, periodicals, and apparatus, making necessary observations in high altitudes, repairs and alterations of buildings, preparation of manuscripts, drawings and illustrations, traveling expenses, and miscellaneous expenses, $35,660.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word for the purpose of asking the Chairman what are the plans for the afternoon?

Mr. WOODRUM. Mr. Chairman, I think we have passed over the controversial items, except, perhaps, a little one that the gentleman and I have agreed to take three minutes on a side on.

Mr. LAGUARDIA. How about the Veterans' Bureau?

Mr. WOODRUM. I do not know of any controversy in that. I thought that we could read along and get through with the bill and have a holiday to-morrow.

Mr. LAGUARDIA. Very well.

The Clerk read as follows:

UNITED STATES SHIPPING BOARD

For seven commissioners at $12,000 each per annum and for all other expenditures authorized by law, including the compensation of a secretary to the board, attorneys, officers, naval architects, special experts, examiners, and clerks, including one admiralty counsel at not to exceed $10,000 per annum, one technical expert in connection with construction loan fund, at not to exceed $10,000 per annum, and other employees in the District of Columbia and elsewhere; and for all other expenses of the board, including the rental of quarters outside the District of Columbia, law books, books of reference, periodicals, and not exceeding $600 for newspapers, and traveling expenses of members of the board, its special experts, and other employees, while upon official business away from their designated posts of duty, including attendance at meetings or conventions of members of any society or association, the purpose of which the board may consider of interest to the development and maintenance of an American merchant marine, when incurred on the written authority of the chairman of the board, and for the employment by contract or otherwise of expert stenographic reporters for its official reporting work including the investigation of foreign discrimination against vessels and shippers of the United States and for the investigation of transportation of immigrants in vessels of the United States Shipping Board, $409,270, of which amount not to exceed $373,298 may be expended for personal services in the District of Columbia: *Provided*, That the annual estimates of the Shipping Board for the fiscal year 1934 shall be accompanied by a statement showing the number and compensation of employees of the Fleet Corporation assigned to the Shipping Board: *Provided further*, That employees of the Merchant Fleet Corporation assigned to and serving with the Shipping Board whose compensation is within the range of salary prescribed for the appropriate grade to which the position has been allocated under the classification act of 1923, as amended, shall not be subject to reduction in salary by reason of their transfer during the fiscal year 1933 to the pay roll of the Shipping Board.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 40, line 2, strike out "$409,270" and insert in lieu thereof "$319,610," and in line 3 strike out "$373,298" and insert "$364,838."

Mr. LAGUARDIA. Mr. Chairman, this is a saving of $98,120. If this amendment is approved, I shall offer an amendment which prohibits the expenditure of any of the money for the maintenance of the so-called sea service bureau. There is no authority in law for the maintenance of the sea service bureau. It is a holdover from the war days. It has been kept from year to year until they have built up this bureau to the cost of $98,120. If gentlemen will read the hearings, they will find that the law vests the duties now performed by the sea service bureau in the shipping commissioners, under the Department of Commerce. This is not the first time that I have called the attention of the House to this matter. This serves no useful purpose. It is a sort of employment service. By law we have established an employment bureau in the Department of Labor, and between the Department of Labor employment service and the United States shipping commissioners the work can be carried on.

Mr. LANKFORD of Virginia. What is the purpose of the gentleman's amendment?

Mr. LAGUARDIA. To abolish the sea service bureau. It was originally used to train seamen during the war when we had so much shipping and did not have the available personnel. It serves no useful purpose now, and it has been made a sort of bureau of oppression. It maintains at the request of shippers a so-called blacklist. A great deal of propaganda has been sent around about Americanization, and yet I have shown not once, but time and time again, that steamship companies receiving subsidies from the United States Government, like the Dollar Line and other lines, millions of dollars of subsidy, are having the limit that the law permits of aliens in their crews. Yet this bureau has the audacity to come out and say that their main function is to Americanize seamen. The way to Americanize seamen is to compel American steamship companies receiving subsidies out of public funds to carry 100 per cent American crews. I submit the bureau serves no useful purpose, and, so far as economy is concerned, here is a chance to save $98,120.

Mr. LANKFORD of Virginia. Mr. Chairman, I rise in opposition to the amendment. I dislike very much to take five minutes at this hour of the day. I do want to correct one or two statements made by the gentleman from New York [Mr. LAGUARDIA]. If I did not believe this sea service bureau assisted in employing American seamen, and if it did the thing he says it does, I would be as much in favor of abolishing it as he is. I call attention to the figures here of the proportion of American seamen last year that this bureau got into American shipping. Out of 39,407 men, 37,439 were American-born seamen and only 1,422 were aliens with their first papers and only 549 were alien seamen, and these latter were pick-ups from time to time.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. LANKFORD of Virginia. Certainly.

Mr. LAGUARDIA. The gentleman knows that in the steward's department of the *Leviathan* and in the steward's department of every Dollar Line ship the large percentage of the crew are aliens.

Mr. LANKFORD of Virginia. I am just as much opposed to that as is the gentleman from New York; and I think this sea service should be continued, that we may get as many American seamen as possible on these ships. This bureau is doing a great deal of good in helping American seamen to enter the service. It brings the American seaman and the American ship together. One of the greatest arguments in favor of its continuance is the fact that you have but 1,400 who are not American seamen.

Mr. LAGUARDIA. If it can not keep foreigners out, then it better be cut out entirely.

Mr. LANKFORD of Virginia. That is the very thing it is doing, and one of the encouraging improvements that has taken place under the sea service.

I would like to read a few letters and telegrams from shipowners.

Mr. STAFFORD. Mr. Chairman, I object to having them read here.

Mr. LANKFORD of Virginia. I ask unanimous consent to insert these messages in my remarks.

Mr. STAFFORD. I have no objection to their being incorporated in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LANKFORD of Virginia. I will not take the time to read them, but these are wires from practically every ship line that comes into Hampton Roads.

Mr. LAGUARDIA. The ship lines want the service; they use it as a standard agency.

Mr. LANKFORD of Virginia. Let me make this perfectly plain, Mr. Chairman. I have had some contact with this sea service. This sea service is helping to get Americans who are out of work into ships. I know that is the way it is worked in Norfolk and it must have worked likewise in New York and other seaports of the country. There is a great place in shipping for Americans out of work; and if the sea service helps to place them, manifestly it is a useful and worth-while service to carry on.

[Here the gavel fell.]

The matter referred to follows:

Number of seamen shipped by sea service offices, separated as to Americans, first-paper men, and aliens, for the year 1931

Port	American citizens	First-paper men	Aliens	Total
Boston	1,146	24	4	1,174
New York	12,157	649	5	12,811
Philadelphia	2,912	17	21	2,950
Baltimore	3,985	272	127	4,384
Norfolk	1,693	9	2	1,704
Savannah	1,197	174	0	1,371
Mobile	1,270	42	61	1,373
Galveston	1,457	2	0	1,459
New Orleans	4,564	130	160	4,854
Houston	1,428	1	0	1,429
Seattle	1,657	16	12	1,685
Portland	3,973	86	154	4,213
Total	37,439	1,422	546	39,407

Total number of Americans	37,439
Total number of first-paper men and aliens	1,968
	39,407

Of this total, 147 were licensed officers who have to be citizens.

NORFOLK, VA., *March 7, 1932.*

Hon. MENALCUS LANKFORD,
House Office Building:

We fully share consensus maritime opinion here that it would be highly detrimental to American merchant marine interests, both from standpoint policy and practical results, if appropriation withdrawn from sea service bureau in independent offices appropriation bill 10022. Earnestly hope you will oppose such action, since the economy is trifling compared to benefits derived from service being maintained.

AMERICAN HAMPTON ROADS LINE.

NORFOLK, VA., *March 4, 1932.*

Hon. MENALCUS LANKFORD, M. C.,
House Office Building, Washington, D. C.:

We consider any legislation abolishing or curtailing activities of sea service bureau, Shipping Board, as suggested in amendment to be offered to H. R. 10022, independent offices appropriation bill, will have a detrimental effect on shipping operating through Hampton Roads, and trust you will oppose and vote to defeat any such amendment.

MYSTIC STEAMSHIP CO.

NORFOLK, VA., *March 4, 1932.*

Hon. MENALCUS LANKFORD, M. C.,
House Office Building, Washington, D. C.:

Strongly opposed to any amendment to H. R. 10022, independent offices appropriation bill, abolishing sea service bureau, Shipping Board. Will appreciate any effort on your part to defeat amendment if offered.

H. M. WHITE,
Pocahontas Steamship Corporation.

NORFOLK, VA., *March 4, 1932.*

Hon. MENALCUS LANKFORD,
House Office Building, Washington, D. C.:

Urgently request you actively oppose any amendment to H. R. 10022, independent offices appropriation bill, which would abolish sea service bureau, Shipping Board. Success of such amendment means greater expense to shipowners through delays, inefficiency of crews, and cost of employing them. Will appreciate any effort on your part to defeat such amendment if offered.

CONSOLIDATED NAVIGATION CO.

NORFOLK, VA., *March 4, 1932.*

Hon. MENALCUS LANKFORD,
House Office Building, Washington, D. C.:

Emphatically in favor continuance of good work sea service bureau, Shipping Board; therefore deeply opposed to any amendment to H. R. 10022, independent offices appropriation bill, abolishing same and request your best efforts to defeat such amendment if offered.

DICHMANN WRIGHT & PUGH,
Steamship Agents.

NORFOLK, VA., *March 4, 1932.*

Hon. MENALCUS LANKFORD,
House Office Building, Washington, D. C.:

We are unalterably opposed to any amendment which might be offered to H. R. 10022, independent offices appropriation bill, which would abolish sea service bureau, Shipping Board. Respectfully request your earnest support in defeating such amendment if offered.

HASLER & CO., *Steamship Agents.*

DUPLICATING WORK OF SHIPPING COMMISSIONERS

Mr. LANKFORD of Virginia. The sea service section does not infringe upon nor duplicate in any way the duties of the United States shipping commissioners. It is true that the Revised Statute 4508 states, under the duties of the shipping commissioners, "to afford facilities for engaging seamen," but the shipping commissioners have no waiting room, and never have had, to accommodate the hundreds of seamen who apply for positions. The sea service bureau since its establishment has always provided a waiting room to accommodate seamen who apply for or await assignment to a ship. If the shipping commissioner did maintain such a waiting room, we could then be accused of duplicating the work of the shipping commissioners on this one point, but only on this one point. It is the specialized duty of the sea service bureau to supply competent American seamen who are physically fit to man our ships. In the various sea service offices maintained at the principal American ports the men do not register nor are they shipped in turn, but rather the American seamen holding the best discharges from previous ships and physically qualified are given preference. Physical qualifications are determined by medical examinations prior to being placed aboard ship.

United States shipping commissioners are appointed by an act of Congress to supervise the engagement and proper treatment of seamen in the merchant service and to enforce laws for the seamen's protection. They attend to the signing of the "ship's articles," which is a legal instrument in writing specifying the terms of the contract between owners and seamen. They also attend to the discharge of the seamen and the payment of their wages when the contract has been fulfilled.

Abolishing the sea service bureau would in no way effect a saving in our appropriation, as the work would have to be carried on by another Government department, and such department as it may be assigned to would have to be given an increased appropriation to carry on the work of the sea service bureau.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM. Would the gentleman yield that I may make a unanimous request?

Mr. BLAND. Certainly.

Mr. WOODRUM. I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Virginia [Mr. WOODRUM] asks unanimous consent that all debate on this amendment close in five minutes. Is there objection?

There was no objection.

Mr. BLAND. I hope that the amendment offered by the gentleman from New York will not prevail. This is the

annual fight brought on very largely by the International Seamen's Union against the sea service bureau.

It is said that there is no authority in law for the sea service bureau. As a matter of fact, the organic law authorizing the creation of the mercantile marine authorized the Shipping Board to do those things that will promote the American merchant marine so that it may be manned by Americans, and this sea service bureau is doing just that work. There is authority in law for the sea service bureau.

The sea service bureau is attempting to Americanize seamen. The gentleman from Virginia has already shown that of the number of men who have been placed through the sea service bureau there have only been about a thousand alien seamen placed.

The sea service bureau has done away with the shipping agent, the hotel man, these fellows who prey upon the shipping people. It has done more than that. All of the work can not be done by the shipping commissioners. I talked to Mr. Tyrer, Commissioner of Navigation, within the last few days to find out if there was authority in law for the sea-service activities and ascertained that these services are not a duplication of work done by other agencies of the Government.

Among the services rendered by the sea service bureau is a physical examination of the men who go upon these ships. The result of this has been a marked decrease in venereal diseases amongst the seamen.

Mr. LAGUARDIA. Is not that a function of the Public Health Service?

Mr. BLAND. Not at all; they have no duty of examining these men.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BLAND. Yes.

Mr. BANKHEAD. Is there not, as a matter of fact, a duplication of work between the seamen's bureau and the shipping commissioners?

Mr. BLAND. No.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, there is no duplication between the work that the sea service is now doing and the work that the shipping commissioners are doing. I am frank to say to you that the shipping commissioners are charged by law with doing the work that the sea service bureau is doing; but they are not doing it, and there would be no economy in cutting out the small amount of money devoted to this service, because you would immediately have to set up the organization in the shipping commissioner's office to take over this work.

I hold in my hand petitions from crews of American seamen on various ships asking Congress not to abolish this service. This is the only service in America in this day of unemployment that is interested in trying to help the American seaman get a job on ships and protect him in his person and property.

There is less than $100,000 involved, and I hope the committee will not cut out this very valuable service. This fight comes up every year. The gentleman from New York makes his motion, and Congress overrules him; and I hope this year the Congress will not yield to false economy and cut out this valuable service to the seamen of America.

The CHAIRMAN. All time has expired. The question is on the amendment of the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 29, noes 53.

So the amendment was rejected.

The Clerk read as follows:

Not more than one passenger-carrying motor vehicle may be maintained and/or operated in the District of Columbia from the appropriations in this act for the United States Shipping Board and the United States Shipping Board Fleet Corporation. Such vehicles shall be for the use of the officers and employees of the Shipping Board and the Fleet Corporation, under the direction of the chairman of the Shipping Board.

Mr. WOOD of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WOOD of Indiana: Page 43, line 12, strike out the word "one" and insert in lieu thereof the word "two," and add the letter "s" after the word "vehicle." In line 19, after the word "Board," strike out the period and add "and the president of the Merchant Fleet Corporation."

Mr. WOODRUM. Mr. Chairman, I have no objection to the amendment.

The amendment was agreed to.

The Clerk read as follows:

That in the expenditure of appropriations in this act the United States Shipping Board Merchant Fleet Corporation shall, except as provided in the preceding paragraph, unless, in its discretion, the interest of the Government will not permit, purchase for use, or contract for the use of, within the limits of the United States only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more if such excess of cost be not unreasonable.

Mr. GOSS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GOSS: Page 44, line 20, strike out all of lines 20 to 25, inclusive, and on page 45, all of lines 1 to 4, inclusive.

Mr. GOSS. Mr. Chairman, my purpose in offering the amendment is that this particular langauge applies only to the United States Shipping Board fleet. If this is stricken out, I propose to offer another amendment at the end of the bill as a new section.

Mr. WOODRUM. Mr. Chairman, the amendment is acceptable to the committee.

Mr. HOCH. Will the gentleman yield?

Mr. GOSS. Yes.

Mr. HOCH. Would the gentleman's amendment affect in any way the preceding paragraph?

Mr. GOSS. No; it will not, because I expect to offer another amendment in this form, "except as hereinbefore provided," which would take care of the oil amendment which the gentleman has in mind.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

The Clerk read as follows:

The authority granted to the United States Shipping Board by the independent offices appropriation act, 1932, to enter into contracts to make loans from the construction loan fund, is hereby increased from $185,000,000 to $250,000,000.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 45, line 15, strike out the period and insert the following:

"*Provided*, That none of the money herein appropriated shall be used to make loans to any corporation with which the Postmaster General has made a contract for the carrying of mail under the provisions of the merchant marine act of 1928, which contract has not been approved by the Comptroller General."

Mr. LAGUARDIA. Mr. Chairman, I took this matter up with the distinguished chairman of the subcommittee. It simply provides that if a contract is not approved by the Comptroller General, a postal contract which forms the basis of the loan, then no loan shall be made.

Mr. WOODRUM. Mr. Chairman, I have no objection to the amendment.

Mr. BLAND. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BLAND. Are there any specific contracts to which that applies?

Mr. LAGUARDIA. Yes. I can give one specific contract. The Sea Train Co. received a contract from the Postmaster General and the Comptroller General informed the Postmaster General that he would not approve the vouchers. In the meantime they applied for a loan from the Shipping Board, the basis for the loan being the postal contract. All this provides is that the Comptroller General approve that contract before the loan is made.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment. I am not sure whether the amendment is a wise one or not; but it seems to me it involves questions that ought not to be passed on by this committee in hurried debate at this hour. It may vitally strike at the construction of the merchant marine under the Jones-White Act, and I do think there ought to be more consideration given to the facts which are behind this amendment before the amendment is adopted.

Mr. LaGUARDIA. All I am providing is that the contract be approved by an agency of the Congress—the Comptroller General—before the Government loans $2,000,000.

Mr. BLAND. I am wondering whether past contracts have been approved and whether this is writing an additional provision in the law which does not now exist.

Mr. LaGUARDIA. Not at all. I am only preventing the Shipping Board from slipping—and I use the word advisedly—that $2,000,000 before the Comptroller General approves that contract.

Mr. BLAND. I have no more sympathy than the gentleman from New York has with that, but I think there is danger in the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LaGUARDIA].

The amendment was agreed to.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, on yesterday the committee struck out of the bill the appropriation for the Arlington Memorial Bridge of $840,000. The appropriations subcommittee made no serious objection to it, but I have gotten in touch with Colonel Grant and I find a situation that I think I ought to call to the attention of the committee, and a situation which I have discussed with the gentleman from New York [Mr. TABER], who offered the amendment.

This $840,000 that was provided in this paragraph was for the purpose of paving Constitution Avenue from Virginia Avenue to the bridge, for building the Memorial Avenue on the other side of the bridge into Arlington Cemetery, and for constructing the memorial in Arlington Cemetery.

Some of this work, undoubtedly, can be postponed without serious inconvenience and without any loss, but Colonel Grant has now over in Arlington Cemetery $500,000 worth of very fine granite, carved and on the ground ready to go into the memorial, and he states it will be disastrous to let that stone lie there for a year. Not only this, but he has certain commitments. The gentleman from New York and myself have examined the hearings and we find it was stated before the committee that some of this work had been contracted for. The Director of Public Buildings and Parks has authority to make contracts, because the original authorization provided that the money should be appropriated, and the director has entered into contracts amounting to $150,000. If the money is not appropriated, these men will have claims against the Government, and there is no economy in that.

So I ask unanimous consent that we return to that paragraph of the bill and reinstate the paragraph with the sum of $340,000.

This provides a postponement of one-half million dollars and at the same time allows the Government to protect its investment and go ahead and carry on to some extent with this work.

Mr. TABER. Mr. Chairman, reserving the right to object, it does appear in the hearings, as I read yesterday, that this 1933 money is not for contracts although there is one place where the hearings state that such contracts will not be completed until 1933.

There is one other thing that I think we ought to do. I think we ought to attach a limitation so that they can not spend such a large sum of money on clerical and accounting work as the director had laid out. I think he had $80,000 laid out for this work. I think it would be a mistake if we did not limit this to $20,000. I do not think they should be allowed to spend any large amount for this purpose and I do not think they should have been allowed to spend such a large amount if they had the $840,000. I think we ought to put on a limitation of $20,000 for the clerical and accounting work, and with that limitation I think it might be all right.

Mr. WOODRUM. If the gentleman will permit, the project of the memorial bridge and highway was a big project with more than $14,000,000 involved. The total overhead or administrative cost has been less than 5 per cent, and I think the gentleman will find this is a creditable showing, although I have no objection if the gentleman wants to put on that limitation.

Mr. TABER. I think we ought to do that.

Mr. WOODRUM. Then I modify my request and ask that we return to that paragraph of the bill and provide the sum of $340,000 with a limitation of $20,000 for clerical and accounting assistance.

Mr. REED of New York. Will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. REED of New York. The reason I asked the question yesterday as to whether there were commitments or not was because I thought there might be damage to property if the work was not carried on. Did the gentleman inquire whether any other damage might result from such a postponement?

Mr. WOODRUM. Some of this money is to be used for drainage work in protecting the highway from water.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: Page 5, line 23, insert the following after line 22:

"ARLINGTON MEMORIAL BRIDGE COMMISSION

"For continuing the construction of the Arlington Memorial Bridge across the Potomac River at Washington, authorized in an act entitled 'An act to provide for the construction of a memorial bridge across the Potomac River from a point near the Lincoln Memorial in the city of Washington to an appropriate point in the State of Virginia, and for other purposes,' approved February 24, 1925 (43 Stat., p. 974), to be expended in accordance with the provisions and conditions of the said act, $340,000, including all necessary incidental and contingent expenses, printing and binding, and traveling expenses, to remain available until expended: *Provided*, That the commission may procure supplies and services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) when the aggregate amount involved does not exceed $50: *Provided further*, That no part of this appropriation shall be used to pay for the cost of reconstructing and paving Constitution Avenue east of Virginia Avenue, as provided in the approved project, except for such portions as may abut upon Government-owned property, and not in excess of 40 per cent of the cost of such reconstructing and paving of that portion of the said street which so abuts."

Mr. TABER. Mr. Chairman, I offer the following amendment to the amendment.

The Clerk read as follows:

Page 6, line 6, after the "$340,000," insert the following: "of which not exceeding $20,000 shall be available for accounting and clerical services."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WOODRUM. Mr. Chairman, it appears that we can not finish the bill this afternoon. It would be very agreeable to me to finish it, but it appears that there are several controversial items still to be considered and many Members are not here. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SWANK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10022 and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. PATTERSON, for three days, on account of important business; and

To Mr. JOHNSON of Washington, for two days, on account of official business.

REPORT FROM THE ECONOMY COMMITTEE

Mr. McDUFFIE. Mr. Speaker, by direction of the Economy Committee of the House, I present four bills.

The SPEAKER. The Clerk will report the titles.

The Clerk read as follows:

H. R. 11205

To reduce expenses during the fiscal year 1933 by reducing the sums available for printing and binding and stationery and for other purposes.

Referred to the Union Calendar and ordered printed.

H. R. 11207

To consolidate the Steamboat Inspection Service in the Bureau of Navigation.

Referred to the Union Calendar and ordered printed.

H. R. 11208

To suspend operations in connection with the construction of the heating plant in West Potomac Park.

Referred to the Union Calendar and ordered printed.

H. R. 11206

To abolish the International Water Commission and transfer its functions to the International Boundary Commission.

Referred to the Union Calendar and ordered printed.

Mr. McDUFFIE. Mr. Speaker, the reports for these bills have not been filed. May I ask unanimous consent that the committee have until Monday to file the reports?

The SPEAKER. Is there objection?

There was no objection.

Mr. McDUFFIE. Mr. Speaker, may I say to the House that the Economy Committee has an extensive program under consideration involving 55 or 60 items, upon which we have had hearings for the past six weeks, meeting practically every day. The bills I have just presented, if enacted into law, will save approximately five and one-half to six millions of dollars. There are other bills ready to report next week. If our program be adopted by Congress it will save to the Public Treasury approximately $200,000,000. This program to-morrow will be submitted to the President of the United States item by item. We will meet with him with a view and the hope of eliminating all politics, and this should be done when it comes to the consideration of questions so vital to the American people as that of economy in government. We are glad to have the cooperation of the Executive of the Nation in this very important program.

ECONOMY

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of economy.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker, the country is a unit in a demand for tax reduction. In every State in the Union taxpayers' leagues are being formed and meetings are held to protest against Government expenses.

The cost of government is becoming intolerable. It is crushing agriculture; it is throttling industry. It obstructs business; it oppresses labor with the high cost of living.

The total of taxes is greater than the cost of living. Men used to worry about feeding their families; now the problem is to pay your taxes.

More than 20 nations in the world are confronted with the problem of national bankruptcy. Every South American country except Argentina is in default on its bonds; treasuries are empty; revolutions are everywhere. Last fall Great Britain was forced to abandon the gold standard. Other nations of Europe are trembling before the specter of national bankruptcy.

Our own country lost seven hundred millions of gold to foreign creditors in 60 days last fall. That drain, continued for a year, would have exhausted our gold supply, depreciated our money, and discredited our national-bond issues.

I voted against the new tax bill after the tax increase on big incomes—over $100,000—was voted out and a tariff tax to increase the price of oil and coal was voted in. I voted "no" on the bill as a protest against the tremendous increase in taxes without a sincere attempt upon the part of Congress to cut governmental costs.

Several of our greatest cities have been forced from a cash to a paper basis. Thousands of taxpayers are on a tax strike, hundreds of millions of taxes are unpaid, and tax collectors are defied.

We must look the facts squarely in the face. Our Government, powerful and rich as it is, must recognize the irresistible force of economic law. Nations as well as individuals must live within their incomes and not feed upon a deluge of bonds. Excessive taxation breeds economic disaster and political revolution.

There are two roads to travel in order to balance our national Budget. One is to increase taxes, and the other to decrease Government expense.

I am against increase of taxes. No nation ever can or did make itself prosperous by taxation. Taxes prey upon national wealth and industry. Governments do not produce wealth. They consume it.

The mounting cost of governments and the consequent increases in taxes are astounding. Everyone talks about it, but no one in authority does anything to stop it.

The President points out our desperate situation and then sends in a Budget that piles the mountain of Government costs higher than before. The economies claimed by Congress are trifling when compared with the amounts appropriated for 1933.

The Budget now before Congress carries over $4,000,000,000 for the coming fiscal year. When I first came to Congress 30 years ago, $500,000,000 paid the entire annual expense bill of the Nation. To-day eight times as much is asked for 1933.

The President has recommended a revision and reorganization of Government departments as a remedy. Many Presidents have made the same recommendations. If we may judge the future by the past, it will result in little saving to the taxpayer.

Early in this Congress I introduced a bill to reduce Federal salaries. Its adoption would result in immediate reduction in governmental costs. The purchasing power of the salaries affected would still be greater than before 1929. If some say it is a sad experience to be faced with a salary cut, let us not forget that millions and millions of worthy citizens have no salary at all.

Federal employees oppose any attempt to reduce Government costs by cutting Federal pay. Everyone not in Federal pay has had to suffer far greater reductions and sacrifices in earnings than were proposed in my bill. In fact, the increase in the buying power of the Government employee in the last three years has added at least 25 per cent to the actual worth of the salary he receives.

The farmer has had to stand a reduction of, at least, 50 per cent in the value of the return for his labor. The manufacturer has suffered a loss of income that equals that of the farmer. Seven million men and women are receiving no salary at all and suffer for the necessities of life.

If the national deficit continues to grow by billions a year, it is only a question of time until every Government employee will have to stand a severe reduction in the value of his pay, as in Great Britain, Canada, and other nations because of abandonment of the gold standard.

Men and women in all walks of life are voluntarily accepting wage reductions as a means of restoring prosperity to the Nation's business and commerce.

Repeated bond sales have been necessary to keep the National Treasury from being emptied. The bonds that were sold at par a few months ago to the public to save the credit of the country have already declined materially and are still falling. New issues in billions are inevitable and higher rates must be paid or the Government may suffer the disgrace of its notes being sold at a discount in world markets. If new issues bear a higher rate, the old issues will suffer still greater declines.

So it comes to this, that the citizens not in Federal employment have been forced to suffer their share of the Nation's disaster. They also furnish the money for the Government pay roll. Only by going deeper and deeper in debt has the Nation been able to pay its bills. Debt is at the bottom of the world's economic troubles. Only those who are out of debt are free. Banks fail because they can not pay their debts. Railroads are bankrupt because of debt. Increasing debts are weakening our national credit. Inability to pay debts of every kind is shaking the foundations of public confidence.

The greatest step toward business prosperity would be a sincere effort to stop Government extravagance of every description. Congress should make the first move in tax reduction and sound public finance by putting Federal salaries and expenditures where they were before war-time inflation and a deluge of speculation started the Nation on the road to endless bond issues. Our present serious situation demands courageous and sound economical action upon the part of Congress.

Congress should at once inaugurate a policy of abolishing useless departments, bureaus, and commissions. A bureau once established becomes an eating ulcer upon the body politic of the Nation. Every bureau chief is ambitious to swell his powers and expand his activities by increasing the number of employees in his department.

There are more than 70 Federal departments and commissions functioning in Washington. These are split up into multiplied bureaus and divisions. Many of these agencies of the Federal Government are useless or so expanded in size as to be extravagant in cost and inefficient in results. The Departments of Agriculture, Commerce, Interior, and Labor could each be reduced to one-third of their present cost and numbers and render every useful service they now perform for the people.

Where would sensible business men begin in an effort to balance the National Budget? At South Bend, Ind., the other day the chamber of commerce voted to ask President Hoover to abolish the Department of Commerce. This, of course, is the President's pet department. He was its former chief. They further petitioned the President to do away with the Federal Trade Commission and the Interstate Commerce Commission.

Neither of these departments or bureaus can show results that warrant their cost to the country. At the South Bend meeting Mr. Erskine, president of the great Studebaker Co., asked anyone who had received any useful service from the Department of Commerce to raise his hand. With 150 leading business men present, one hand went up.

A similar meeting of railroad managers, manufacturers, and business men in Chicago a short time ago demanded elimination of all commissions and bureaus that are not absolutely essential to the public interest. This sentiment is universal throughout the country to-day.

The practice of ordinary business economy would bring about an immediate saving of at least five hundred millions in the cost of operation of our Government. Such a reduction in Government expenditures would remove the necessity for general sales taxes, special excise and nuisance taxes, or postage increases.

The very size of many Federal departments has become a nuisance. The Department of Commerce has grown so great it requires the largest building of its kind in the world to house it. The $17,000,000 palace built to accommodate its multiplied thousands of useless statisticians and Hoover happiness chorus boys has halls extending more than 8 miles throughout its various floors. Its bronze gates, its rotundas, aquariums, its pleasure and recreation rooms for its fortunate employees are marvelous to behold. A Congressman seeking information travels through this great building like moving through a mystic maze. You can find everything there except business prosperity; all is well in the Department of Commerce except with the Nation's commerce. I walked around its outer walls once. Had I tried to encircle it nine times, as Homer's Hector did the Walls of Troy when chased by the hero Achilles, I would have been as dead as "Heck" himself.

The Kansas City Star has made a survey of the mushroom growth of bureaucracy in the Department of Agriculture. There are more than 1,000 separate Government activities, staffs, and headquarters spending public money in that department, with little benefit to the farmers.

Mr. Hyde, the Secretary of Agriculture, said to the public press only the other day that the Department of Agriculture is the prize boob in the history of finance when it loans money to help impoverished farmers. Poor, foolish farmers, to hope for help from Secretary Hyde. I read in the same newspaper where 60,000 farmers in one State saw their farms sold for taxes on a single day. The real boobs are the taxpayers who provide the money for useless departments and a Secretary of Agriculture who spends millions in boundless extravagance in Washington. Let me tell you of the marble palace being built as a home for the Department of Agriculture in Washington.

The Treasury Department has just advertised for bids for five additional wings for the great marble building now occupied by Secretary Hyde and his agricultural army. When finished it will cover more acres and blocks than even the palace of the Department of Commerce. It will cost more than twelve millions of tax dollars to complete it.

The luxuries of summer heat in winter and ice-cooled air in summer, electric power, light, music, and entertainment will always be available for the fortunate farmer who farms in the splendid Federal temple to agriculture. The Secretary will have many things to show a farmer who might wander through its marble halls. He will have everything to exhibit that the farmer needs, except agricultural prosperity.

The only hope of the Nation for relief from excessive taxes is in an aroused public opinion. The demand for economy in government must become so militant as to command action. No Government authority seems willing to reduce Federal expenses.

Our Government is just as honest and efficient as the public opinion behind it. The safety of the republic and its institutions is in the watchfulness of the citizen. The American people can not avoid their responsibility for the tragic situation that the Nation faces. But neither can we excuse those who control and manage the affairs of Government for their lack of intelligent leadership during the crisis that confronts the country. Election day is steadily drawing nearer. The Nation will pass judgment upon its servants at that time. One hundred per cent Americanism can best be shown by the voters of the Nation going 100 per cent to the poll booth on election day.

THE KIDNAPING BILL

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on a bill which I have introduced, including a short article by the district attorney of St. Louis.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, before this session of Congress terminates I am sure a law will be enacted making the nefarious crime of kidnaping a Federal offense. The necessity for such action has been demonstrated. I am in full agreement with the committees of both the House and Senate which have wisely deferred action on the bills, one of which I am the author. It is conceded by all who have given any thought to the subject that this policy is a wise policy, the reasons for which it is unnecessary to explain.

Much as I dislike to admit, my section of the country has been the scene of many kidnapings where the persons, men, women, and children, have been taken from their homes, or even on the public highway, and held for ransom. Those responsible for this dastardly crime have in numerous instances been apprehended and received long sentences in the penitentiary. It is in cases where the victim is removed from the State, where the police of the city where the indi-

vidual was kidnaped are deprived of jurisdiction, that the kidnapers have escaped the law. It is to correct this situation that we ask for assistance of the Federal Government. We do not seek to unload the responsibility upon the Federal Government; all we ask is that the Federal Government, one man, assume command where the victim has been moved from one State to another. That one representative of the Government will receive all the assistance he needs, because there will be cooperation from the local authorities where the person was kidnaped and as many men as are needed will be assigned to the case with instructions to report to, obey, and cooperate with the Federal agent who will assume charge of the case.

Hon. Franklin Miller, the circuit attorney of St. Louis, has had a great deal of experience in cases of this character. He has just prepared an article entitled, "The Kidnaping Racket," published in the March issue of the Missouri Alumnus, a publication of the University of Missouri, of which he is a graduate. The article was republished in the St. Louis Post-Dispatch, and under leave to print, I include that article, which follows:

Some two years ago a gangster with a long record of crimes and convictions, whose testimony the State was obliged to use as a witness in a St. Louis murder case, told me that "the coming racket of the underworld will be kidnaping for ransom"; candidly pointing out the greater advantages and profits to be expected by organized gangs of determined enemies of society who would adopt this form of crime instead of the more dangerous and usually less profitable crimes of robbery and burglary that have heretofore furnished the bulk of our major crimes of violence committed to obtain money. The recent steady increase in number and atrocity of kidnapings all over the country strongly supports the prophecy expressed by this ex-convict—an expert in his own line. In kidnaping for ransom the criminal world has undoubtedly adopted, as a "racket," the lowest and most despicable of all crimes denounced by the law. Let me briefly point out some of its principal characteristics.

It is born of cupidity for large sums of "easy money" to be procured by desperate men, without taking the necessary risks of ordinary robbers and burglars of encountering immediate and effective personal resistance by the victim who, if armed, may—and often does—kill or seriously wound the robber or burglar, or at least frustrates the crime, and who may be able later to identify the criminal and procure his conviction. So that kidnaping for ransom may be considered as a comparatively "safe crime," as involving the minimum of personal risk and the maximum of prospective gain to the perpetrators. If carefully planned by a well-organized gang, and especially if the victim is a baby or small child, the element of personal risk in seizing the victim is almost entirely eliminated. In the case of the baby or small child, there can be no identification by the victim, even if the kidnapers are later arrested after the victim's release; so that there is every incentive for the captors, when hard pressed by the police, to do away with the child and thus avoid capture with the victim on hand as evidence of the crime.

POSSIBILITY OF BRUTALITY

The crime is invariably accompanied by circumstances of brutality to the victim, varying only with his or her age and condition. If the victim be an adult, he is terrorized by threats and fear of death or serious injury, if not actually abused or maltreated. The victim can never know when it may become necessary (in the opinion of his captors) to furnish evidence of his continued captivity or to emphasize their demands for the ransom by sending to his family (for example) one of his fingers or toes. He can never know when the exigencies of hasty flight to escape capture or detection may demand that he be put forever out of the world, because "dead men tell no tales." Snatched up without a warning or chance of resistance, he is transported he knows not where and kept in hiding under armed guard, with no chance of direct communication with his family, often in a most forbidding and insanitary "hide out" with insufficient or improper food and bedding, enduring for days or weeks well-nigh insupportable mental anguish and distress, both for himself and for those whom he holds most dear.

The anguish of the victim's family is, if possible, even more poignant and distressing. Every consideration of normal human conduct impels them to make superhuman efforts to secure his release at any and every cost. If the victim is a child, the added fear and distress for the health or even the life of the helpless little chap is well-nigh overwhelming. If the ransom demand is paid, the money loss alone to the family and friends who meet the extortionate demand is often so great as to be ruinous. And even if release is secured by payment of the ransom, the deal must usually be made by the family through some agent or attorney of the kidnapers acting (for a share of the booty) as "go-between." Thus the innocent are forced, through no fault of their own, into a most damnable and revolting partnership in the very business of the crime itself.

The risk of making a false step in the negotiations for the victim's release is so great as often to deter or unnerve the most hardy rescuers. If they promptly notify and cooperate with the police and prosecuting authorities, they may defeat their own purpose and insure (through fear or revenge of the captors) the death or grave injury of the victim they are trying to help. If, on the other hand, they attempt to keep the crime a secret and to handle the negotiations without the help of the authorities, then they are almost invariably frustrated by the activities (however necessary or well meant) of the authorities themselves and the daily press, who give the case wide publicity for their own proper purposes. And even if they should succeed in their attempt and negotiate the release without police or press interference, they thereby insure the escape scot-free of the kidnapers, with the result that justice is defeated and the commission of more crimes of the same character is directly encouraged. It is indeed a hard choice to make.

WHAT CITIZENS CAN DO

Now, in the face of this grave and growing peril what can properly be done by citizens vitally concerned in stopping or checking this racket?

It seems reasonably certain (as this is written) that the two bills now pending in Congress, to make kidnaping and transporting the victim from State to State and the use of mails to demand ransom crimes against the Federal Government, will in the near future become laws, carrying severe punishment for their violation. To insure this result every voter should at once write to his or her Congressman and Senator at Washington, urging the passage of these most salutary bills without delay.

The laws of Missouri on this subject are already sufficiently clear and severe and need no amendment. Kidnaping for ransom, under section 4020 of the revised statutes is punishable on conviction by death or by imprisonment in the penitentiary from five years upward, at the option of the jury; and the offense is complete when the victim is seized and held with the intent to demand ransom, whether or not the ransom be actually demanded or paid. The police officials and prosecuting officers of the State are ready and eager to detect, arrest, and prosecute to the limit of their powers all offenders under this law.

The courts of the State are open and ready to afford prompt trials in all such cases brought before them. It remains for every citizen when called as a juror in a case arising under this law to render full and ungrudging service, without fear or favor, to the State and to his community by voting for convictions when justified by the evidence and for the imposition of the most severe penalties upon the guilty. Without such righteous service by the jurors no effective headway can be made against this growing peril to every home and family.

ADVICE TO PARENTS

As a sound precaution parents should carefully instruct each small child (old enough to learn and remember) the correct answers to questions as to his own and his father's names, where he lives (by street number, town, and State), and his home telephone number, and the child should also be taught how to use the telephone. All this should be rehearsed at intervals until indelibly impressed upon the child's memory. Taking the child's fingerprints would insure its absolute identification if stolen, no matter when recovered. Every such child should further be cautioned never to walk or ride with any person without first getting the mother's permission, especially if candy, money, or other gift is offered. Attention to this may save untold anguish and the possible loss of the child.

But if such a calamity should visit a family, they should not hesitate to take the police and prosecuting officials at once into their full confidence and cooperation in all steps and negotiations looking to the victim's release, to the ends that first the victim's safe release be assured and accomplished, at whatever cost, may be inevitable, and that then the full force of a relentless prosecution, and on conviction the extreme penalty of the law be poured upon the heartless and degenerate perpetrators of this most atrocious of crimes.

THE FEDERAL FARM BOARD

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAINES. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. BUCHANAN], which would appropriate $380,000 additional money from the Treasury of the United States to the Federal Farm Board. The Appropriations Committee in its wisdom and after a most exhaustive study of the needs for the Farm Board recommends an appropriation of $1,000,000, or a reduction of $880 from that of the Budget asked by the President. I should like to see this appropriation cut to about $60,000, just enough money for the board to terminate its activities and do away entirely with just another "noble experiment" that has cost the American taxpayers several hundred millions of dollars.

I yield to no man in this House a greater interest in behalf of the farmer, but I am convinced that the Federal Farm Board has been of no advantage to the farmer above





that which he can now receive at the hands of the Department of Agriculture, headed by a member of the Cabinet and an able gentleman qualified to render all the assistance the farmer is in need of at this time.

In our recent enactments of law we have provided amply for the farmer in that we are giving him the privilege to borrow money on his crops, up to $400, sufficient for those who are in need of aid, to purchase seed and fertilizer. I represent what I believe to be one of the finest farm communities of the entire Nation, and the sentiment that comes to me from my constituents convinces me that the great host of farmers of our Nation are opposed to this Farm Board, which has been of little value to them. I do not question the integrity of the men composing our Farm Board and its large force of clerks and office forces, 365 of whom live here in Washington and only 44 scattered throughout the rest of the United States. When I learn that salaries are being paid to executives running from $25,000 to $75,000, whether paid by the Federal Government or whether coming from the farmers themselves, the fact remains that this money comes from the farmers themselves, who are already overburdened and many of them faced with the loss of the farms by being sold for taxes.

The tragedy, if you please, Mr. Chairman, of more than 60,000 farmers in one State alone being forced from their farms because they can not pay their State and local taxes, it is time that those of us who represent our people in Congress awaken to the real need back home and set the example of economy in government. This $1,000,000 recommended by the committee could be that much more money saved, especially when one realizes the utter futility on the part of this Farm Board to render any real service or solution for the farmer in his present difficulty.

The farmers I represent, Mr. Speaker, are opposed, I say, to this expenditure of money under the guise of helping them, and I shall vote against the amendment of my colleague, and for whom I have the very highest regard, because in doing so I feel that I am serving the people best who have reposed their confidence in me to represent them in this House. I say, Mr. Speaker, let us abolish this Farm Board and start right now. The $60,000 I suggest to appropriate to this board will permit them to wind up their affairs and get rid of the large group of clerks and others who I believe are not rendering any service commensurate with the amount of money we spend. My farmers have not had any need for this Farm Board and have operated their farms without their expert advice or help, and as a result, I believe you will learn, upon making investigation, that they are much better off than those who have been guided by the Farm Board and the other corporations affiliated. The time has arrived when our countrymen look to us to economize in every branch of the Federal Government, and expenditures like this should be eliminated and done right now.

Our great chairman of the Appropriations Committee, Mr. BYRNS, asks us and pleads with us to save, and here is our opportunity to save money; and I trust, Mr. Chairman, that every Member on both sides of the aisle will stand loyally by his leadership in an honest effort to economize in the affairs of the Nation. If the farmers want their cooperatives, there is nothing in the world to prevent them from keeping their organizations; and if they want to continue paying salaries of $75,000 a year to executives, let them do it; but I for one want the country to know that I am opposed to the Government having anything further to do with this board. It seems most reasonable to me that the Department of Agriculture, with its great machinery set-up can handle all the work necessary that is left undone by the Farm Board, and it is my sincere wish and hope that here to-day we will go on record as meaning that we really do want to economize, and start reducing on every appropriation bill that comes to us, when it is so clearly shown that by doing so we will not injure anyone. I want to compliment the subcommittee that brings this bill in here showing savings of more than $54,000,000 to the United States Treasury; and it reflects to our own credit to the people back home that we are really trying to save money. Our people are now taxed to the very limit, and it is time that each one of us awakens to the fact that our people are in earnest.

Mr. Speaker, these are my sentiments and, I believe, are the sentiments of the people I represent. It is a fine farming community. The farmers are thrifty and manage their affairs well. They prefer to run their own business without so much governmental interference; and the best thing we can do at this time is to abolish immediately this Farm Bureau, and that, I am sure, will be a step in the right direction and be well pleasing to the great host of American taxpayers. I thank you.

PHILIPPINE INDEPENDENCE

Mr. HALL of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of Philippine independence.

The SPEAKER. Is there objection?

There was no objection.

Mr. HALL of Mississippi. Mr. Speaker, in approving the Hare bill, granting independence to the people of the Philippine Islands, the House has placed the stamp of approval on a measure that continually has been before the Congress for more than 30 years—virtually ever since Spain ceded the islands to this country in 1898. After all these many years it now seems that belated justice is about to prevail, and that 13,000,000 people are about to be granted the independence that should have been theirs since 1916.

As a member of the Insular Affairs Committee which reported this bill to the House, I am happy that I was in a position to expedite the consideration and approval of this important matter. The chairman of this committee and author of this measure [Mr. HARE] has manifested the fairest consideration of every individual interest which might be affected by granting independence to the Filipinos. This was evidenced by the extensive hearings conducted.

From the outset it has been the understanding that sooner or later the Filipinos would be permitted to set up an independent republic of their own. In the meanwhile virtually every President from McKinley to Hoover has promised the Filipinos their freedom, but approval of the Hare bill in the House marked the first definite step in that direction. The initial promise of independence was contingent upon the ability of the islanders to establish and maintain a stable government. Consequently each succeeding administration except that of Woodrow Wilson has deferred fulfillment of the compact on the ground that stability of government still was lacking. President Wilson 16 years ago informed the Congress that it had obtained.

Surely the present administration does not concede that the Filipinos since have been retrograding under Republican dominance. Nevertheless it contends that they are not only now incapable of governing themselves but will not have attained that stage eight years hence. This contention does not at all jibe with the facts in the case. In truth, the government largely has been in control of the natives since 1916. Admittedly, an American Governor General has been and still is serving as the chief executive officer; but Filipinos have been almost wholly operating the executive branch of the government, which compares favorably with that of the United States. Therefore it is absurd to argue that stable government is not obtaining in the Philippine Islands.

Moreover, the Hare bill does not become effective until eight years after the establishment of the Commonwealth of the Philippine Islands under a constitution to be drafted at a constitutional convention and approved by the President of the United States. It is obvious that the existing order immediately could not be terminated without working a hardship on both the Filipinos and Americans with considerable investments in the islands. The existing free-trade agreement between the two countries must be adjusted in such a way as will be just and equitable to all concerned. To this end the Congress is proceeding in an orderly manner.

Undoubtedly the free-trade agreement between America and the islands has seriously affected the economic status of the United States, particularly that of agriculture and industrial labor. With vast surpluses of practically every major American industry depressing not only our domestic markets but the world market, unlimited quantities of sugar, coconut oil, rope, twine, and so forth, are permitted to enter this country duty free.

If there is virtue in any tariff duty exceeding the difference in the cost of production at home and abroad, American farmers are entitled to have it invoked against importations from the Philippine Islands.

It stands to reason that American farmers can not compete with the Filipinos, even though the added cost of transportation be considered. Labor in the islands is dirt cheap and, besides, the per acre yield greatly exceeds that of this country. And future development of the sugar industry is practically unlimited. Really it seems somewhat extraordinary that the Congress should have voted this reciprocal free-trade agreement when it was contrary to the wishes of the Filipinos.

Last year there were imported into the United States about 315,000 tons of coconut oil in competition with our dairy products and vegetable oils, particularly cottonseed oil. During the same period more than one and a half billion pounds of sugar was brought in, and that was nearly five times as much sugar as the State of Louisiana produced in 1931.

Philippine imports to this country exceed our exports to the islands by nearly 50 per cent. This means that the American taxpayers must make up, annually, for about fifty millions of revenue lost thereby. This revenue, plus the cost of military protection and other incidentals, requires an annual appropriation out of the United States Treasury, approximating $75,000,000. On the other hand, American investments in the Philippines aggregate less than $100,000,000. Certainly there is no justification for holding the islands for the benefit of the favored few. Nor is there any good reason for holding them, otherwise, when it is apparent that their retention would profit only a few Americans—mainly capitalists and financiers—while, at the same time, it would be detrimental to the interests of American farmers, particularly dairymen, sugar and cotton producers.

Furthermore, immigrants flocking to this country from the Philippines constitute a serious menace to American labor. There can be no justification for leaving the bars down when nearly 10,000,000 of American workmen are out of work. Consequently, freeing the Philippines would not only enhance the welfare of the 13,000,000 inhabitants thereof but greatly enhance the economic status of our farmers and industrial workers.

The War Department is objecting strenuously to liberating the Filipinos on the ground that the maintenance there of a military base is important in protecting the interests of this country in the Far East. However, that argument is fallacious, for the proposed legislation provides for the retention and maintenance of a military base in the archipelago.

It also seems inconsistent, to say the least, that Secretary of State Stimson should oppose granting the Filipinos their independence. From time to time, recently, he has severely excoriated Japan for renouncing her pledges with regard to the 9-power treaty and the Kellogg-Briand pact. Surely it is inconsistent for the United States to demand of other countries what it is unwilling to do itself. Uncle Sam has promised the Filipinos their independence. They have demonstrated their capability of self-government. Then why procrastinate longer?

PROPOSED AMENDMENT

Mr. EATON of Colorado. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an amendment which I am going to offer to the bill under consideration, at page 51, line 6.

The SPEAKER. Is there objection?

There was no objection.

The proposed amendment is as follows:

Page 51, line 6, after the word "expended," strike out the period, insert a semicolon, and add: "*Provided*, That in the purchase of supplies of every nature, the prices therefor shall be required for delivery free on board cars at the freight depot nearest to the hospital or domiciliary facility to be furnished therewith.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. J. Res. 131. Joint resolution to provide assistance in the rehabilitation of certain storm-stricken areas in the United States and in relieving unemployment in such areas.

ADJOURNMENT

Mr. WOODRUM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 6 o'clock p. m.) the House adjourned until to-morrow, Saturday, April 9, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

521. A letter from the Secretary of War, transmitting a report dated April 5, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Hudson River Channel, N. Y. and N. J. (H. Doc. No. 309); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

522. A letter from the Secretary of War, transmitting a report dated April 5, 1932, from the Chief of Engineers, United States Army, on preliminary examination and survey of Criehaven Harbor, Me.; to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

523. A letter from the Secretary of War, transmitting a report dated April 6, 1932, from the Chief of Engineers, United States Army, on preliminary examination of Upper Sampit River, S. C., and waterway from the Upper Sampit River to a point opposite Wambaw Creek on the North Santee River (H. Doc. No. 310); to the Committee on Rivers and Harbors.

524. A communication from the President of the United States, transmitting a supplemental estimate of appropriation pertaining to the Legislative Establishment, House of Representatives, for the fiscal year 1932 in the sum of $10,000 (H. Doc. No. 311); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of Virginia: Committee on the District of Columbia. H. R. 10488. A bill to appoint a commission to establish the boundary line between the District of Columbia and the State of Virginia; without amendment (Rept. No. 1017). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. H. R. 10489. A bill to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes; without amendment (Rept. No. 1018). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 461. A bill to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921; with amendment (Rept. No. 1023). Referred to the House Calendar.

Mr. McDUFFIE: Committee on Economy. H. R. 11205. A bill to reduce expenditures during the fiscal year 1933 by reducing the sums available for printing and binding and

stationery, and for other purposes; without amendment (Rept. No. 1024). Referred to the Committee of the Whole House on the state of the Union.

Mr. McDUFFIE: Committee on Economy. H. R. 11206. A bill to abolish the International Water Commission and to transfer its functions to the International Boundary Commission; without amendment (Rept. No. 1025). Referred to the Committee of the Whole House on the state of the Union.

Mr. McDUFFIE: Committee on Economy. H. R. 11207. A bill to consolidate and coordinate the Steamboat Inspection Service and the Bureau of Navigation; without amendment (Rept. 1026). Referred to the Committee of the Whole House on the state of the Union.

Mr. McDUFFIE: Committee on Economy. H. R. 11208. A bill to suspend further operations in connection with the construction of a heating plant in West Potomac Park; without amendment (Rept. No. 1027). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. BLACK: Committee on Claims. H. R. 2872. A bill for the relief of Dongji Investment Co. (Ltd.); without amendment (Rept. No. 1019). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 5444. A bill to provide an additional appropriation as the result of a reinvestigation, pursuant to the act of February 2, 1929 (45 Stat. 2047, pt. 2), for the payment of claims of persons who suffered property damage, death, or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; without amendment (Rept. No. 1020). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 7038. A bill for the relief of Frances Southard; with amendment (Rept. No. 1021). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 657. A bill for the relief of Peter Bess; without amendment (Rept. No. 1022). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STAFFORD: A bill (H. R. 11199) to amend the national prohibition act so as to provide for increasing the permissible alcoholic content of beer, ale, or porter to 2.75 per cent by weight; to the Committee on the Judiciary.

By Mr. CONNERY: A bill (H. R. 11200) to provide that the prevailing rate of wages shall be paid to laborers and mechanics employed on certain public works of the United States, the District of Columbia, the Territories, and the Panama Canal, and for other purposes; to the Committee on Labor.

By Mr. CABLE: A bill (H. R. 11201) to regulate interstate commerce by air carriers operating as common carriers of persons and property; to the Committee on Interstate and Foreign Commerce.

By Mr. BUTLER: A bill (H. R. 11202) authorizing the Secretary of the Interior to enter into cooperative agreements for the joint leasing of certain lands in the State of Oregon for grazing and range development purposes; to the Committee on the Public Lands.

By Mr. MEAD: A bill (H. R. 11203) to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail; to the Committee on Ways and Means.

By Mr. DOXEY: A bill (H. R. 11204) to authorize the Department of Agriculture to issue a duplicate check in favor of the Mississippi State treasurer, the original check having been lost; to the Committee on Claims.

By Mr. McDUFFIE: A bill (H. R. 11205) to reduce expenditures during the fiscal year 1933 by reducing the sums available for printing and binding and stationery, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

Also, a bill (H. R. 11206) to abolish the International Water Commission and to transfer its functions to the International Boundary Commission; committed to the Committee of the Whole House on the state of the Union.

Also, a bill (H. R. 11207) to consolidate and coordinate the Steamboat Inspection Service and the Bureau of Navigation; committed to the Committee of the Whole House on the state of the Union.

Also, a bill (H. R. 11208) to suspend further operations in connection with the construction of a heating plant in West Potomac Park; committed to the Committee of the Whole House on the state of the Union.

By Mr. TINKHAM: Joint resolution (H. J. Res. 359) authorizing the erection in Washington, D. C., of a monument to the memory of Crispus Attucks; to the Committee on the Library.

By Mr. DISNEY: Joint resolution (H. J. Res. 360) to repeal all acts pertaining to the construction and remodeling of certain Government buildings; to the Committee on Public Buildings and Grounds.

By Mr. PARSONS: Joint resolution (H. J. Res. 361) to authorize the Surgeon General of the United States Public Health Service to make a survey as to the existing facilities for the protection of the public health in the care and treatment of leprous persons in the Territory of Hawaii, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McSWAIN: Joint resolution (H. J. Res. 362) authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, Manob Suriya, a citizen of Siam; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of New York, memorializing Congress to enact such legislation as may be necessary to provide suitable and adequate regulation of the transportation of persons and property in interstate and foreign commerce by motor carriers operating motor vehicles for compensation; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWMAN: A bill (H. R. 11209) granting a pension to Ella Smith; to the Committee on Invalid Pensions.

By Mr. BRAND of Ohio: A bill (H. R. 11210) granting an increase of pension to Maud Hanna; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11211) granting an increase of pension to Sarah Orahood; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 11212) granting an increase of pension to Mrs. Olympia T. Meena; to the Committee on Pensions.

By Mr. COLLIER: A bill (H. R. 11213) for the relief of V. P. Johnson; to the Committee on Claims.

By Mr. CRAIL: A bill (H. R. 11214) granting an increase of pension to John G. Brickel; to the Committee on Pensions.

By Mr. DAVENPORT: A bill (H. R. 11215) for the relief of Francis T. Golden; to the Committee on Military Affairs.

By Mr. DICKINSON: A bill (H. R. 11216) granting an increase of pension to Martha A. Newcomb; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H. R. 11217) for the relief of Frank S. Nipper; to the Committee on Claims.

By Mr. FINLEY: A bill (H. R. 11218) granting a pension to Garfield Hignite; to the Committee on Pensions.

By Mr. HARLAN: A bill (H. R. 11219) granting an increase of pension to Caroline Humbaugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11220) for the relief of Joseph Shacket; to the Committee on Military Affairs.

By Mr. IGOE: A bill (H. R. 11221) granting an increase of pension to Arthur H. Egleston; to the Committee on Pensions.

By Mr. KOPP: A bill (H. R. 11222) for the relief of Helen Liebelt; to the Committee on Claims.

By Mr. LaGUARDIA: A bill (H. R. 11223) for the relief of Nicola Valerio; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 11224) granting an increase of pension to Viola R. Crouch; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 11225) granting an increase of pension to Sarah C. Lines; to the Committee on Invalid Pensions.

By Mr. LEA: A bill (H. R. 11226) for the relief of Henry Dinucci; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 11227) for the relief of Leola Snyder; to the Committee on Claims.

By Mr. LOVETTE: A bill (H. R. 11228) granting a pension to Cordia Sims; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11229) granting a pension to Marjorie Snapp Birdwell; to the Committee on Pensions.

Also, a bill (H. R. 11230) granting a pension to Nora Martin; to the Committee on Pensions.

Also, a bill (H. R. 11231) granting a pension to Lonnie Davis; to the Committee on Pensions.

Also, a bill (H. R. 11232) granting a pension to Laura Alice Donnelly; to the Committee on Pensions.

Also, a bill (H. R. 11233) granting a pension to Mattie Webb; to the Committee on Pensions.

Also, a bill (H. R. 11234) granting a pension to Will White; to the Committee on Pensions.

Also, a bill (H. R. 11235) granting a pension to Cyrus Poe; to the Committee on Pensions.

Also, a bill (H. R. 11236) granting a pension to Fannie Drain; to the Committee on Pensions.

Also, a bill (H. R. 11237) granting a pension to Katherine Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11238) granting a pension to James Oscar Donnelly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11239) granting a pension to William H. McCravey; to the Committee on Pensions.

By Mr. McCORMACK: A bill (H. R. 11240) for the relief of Dennis F. Spillane; to the Committee on Military Affairs.

By Mr. MARTIN of Oregon: A bill (H. R. 11241) to extend the term of patents Nos. 980356, 980357, 980358, and 980359; to the Committee on Patents.

By Mr. OVERTON: A bill (H. R. 11242) to relinquish the title of the United States in and to land in Rapides Parish, State of Louisiana; to the Committee on the Public Lands.

By Mr. POLK: A bill (H. R. 11243) granting a pension to Henrietta Kessinger; to the Committee on Invalid Pensions.

By Mr. WOLCOTT: A bill (H. R. 11244) granting an increase of pension to Joseph Tritschler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5697. By Mr. ALLGOOD: Petition of E. D. Westcott, of Valley Head, Ala., advocating equalization of pay of veterans who performed civilian work at Army pay; to the Committee on World War Veterans' Legislation.

5698. By Mr. BLANTON: Petition of World War veterans and citizens of Marble Falls and Burnet County, Tex., presented by William B. Ramsdell, urging Congress to provide immediate payment of adjusted-compensation certificates to ex-service men; to the Committee on Ways and Means.

5699. Also, petition in the nature of a resolution of Parramore Post, No. 57, the American Legion, of Abilene, Tex., voted unanimously by 177 ex-service men signing said resolution, presented by J. L. Warren, post commander, requesting Congress to authorize immediate payment of adjusted-compensation certificates to veterans of the World War; to the Committee on Ways and Means.

5700. Also, petition of members of the American Legion and veterans of the World War in mass meeting at Stamford, Tex., presented by C. G. Inglish, urging Congress to pass legislation requiring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

5701. Also, petition of 148 farmers assembled in mass meeting at Brownwood, on April 2, 1932, presented by Louis Garms, of Bangs, and H. J. Guyer, chairman of Brownwood, Tex., protesting against governmental extravagance, asking that labor values be stabilized, and indorsing the Patman bill, H. R. 1; to the Committee on Ways and Means.

5702. By Mr. BLOOM; Petition of Yorkville Chamber of Commerce in the city of New York, urging Congress to provide the necessary appropriations to support its Army, Navy, and training of reserve officers, etc., and that the future welfare of our country be not sacrificed by a false economy in reducing necessary appropriations to uphold a proper peace-time military, naval, and reserve strength to command the respect of foreign peoples and foreign nations; to the Committee on Appropriations.

5703. Also, petition of 293 residents of the State of New York, protesting against the passage of House bill 8759 or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

5704. Also, petition of Yorkville Chamber of Commerce, urging the passage of the proposed 4 per cent beer bill now before Congress, for the reasons that it will be to the economic advantage of our country and will help to relieve the need for extra taxation and in a great measure also relieve the present unemployment situation; to the Committee on the Judiciary.

5705. By Mr. BRUNNER: Petition of the Jamaica Chamber of Commerce, Jamaica, New York City, N. Y., urging Congress for a modification of the eighteenth amendment so as to permit the manufacture of wines and beer, etc.; to the Committee on the Judiciary.

5706. Also, petition of the National Bonus Committee of New York, urging Congress to provide for immediate cash payment at full face value of the adjusted-compensation (bonus) certificates, etc.; to the Committee on Ways and Means.

5707. By Mr. BUCKBEE: Petition of Frank E. Johnson, 1319 Twelfth Street, Rockford, Ill., and 77 other residents of Rockford, asking Congress to pass House bill 9891, to provide for certain railroad pensions, without amendment; to the Committee on Interstate and Foreign Commerce.

5708. By Mr. COCHRAN of Missouri: Memorial of the St. Louis Council of Catholic Women, representing 100,000 women of eastern Missouri, submitted by Mrs. Edward J. Walsh, president, 4349 Westminster Place, St. Louis, Mo., strongly protesting against the enactment of Senate bill 3907; to the Committee on the Judiciary.

5709. By Mr. CULKIN: Petition of Mr. and Mrs. William Dailey and 98 other citizens of Sterlingville and Carthage, N. Y., protesting against the enactment of House bill 8092, providing for compulsory closing of barber shops in the District of Columbia on Sunday; to the Committee on the District of Columbia.

5710. Also, petition of George M. White and 18 other ex-service men of the city of Oneida, N. Y., favoring enactment of legislation providing for immediate cash payment of the balance of the adjusted-compensation certificates; to the Committee on Ways and Means.

5711. By Mr. CULLEN: Petition of the Kiwanis Club of Newark, N. J., urging the Congress to enactment of bill H. R. 10492, which provides for restriction of the sale, purchase, and transportation of guns, pistols, and other destructive instruments; to the Committee on Interstate and Foreign Commerce.

5712. By Mr. HALL of North Dakota: Resolution of Commercial Club of Wahpeton, N. Dak., asking the Government to reduce expenditures to a lower level, etc.; to the Committee on Expenditures in the Executive Departments.

5713. Also, resolution of stockholders of the National Farm Loan Association, Bottineau, N. Dak., asking for a moratorium for two years on all payments of interest and install-

ments on Federal farm-loan mortgages; to the Committee on Agriculture.

5714. Also, resolution of 200 people of Divide County, N. Dak., asking for support of the Frazier farm relief bill, S. 1197; to the Committee on Agriculture.

5715. By Mr. HOGG of West Virginia: Petition of Charleston Chamber of Commerce, urging the enactment of laws that will result in placing interstate motor-truck transportation under the jurisdiction of the Interstate Commerce Commission, and the regulation thereof by said commission; to the Committee on Interstate and Foreign Commerce.

5716. By Mr. JAMES: Letter of Ancient Order of Hibernians in America, through Gervase T. Murphy, of Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5717. Also, letter from Rev. Jesse Eugene Sarles, pastor of the First Congregational Church of Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5718. Also, resolution from Mistletoe Lodge, No. 274, American Order of Sons of St. George, of Hancock, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5719. Also, petition of the Society Figli D'Italia, of South Range, Mich., through Ametigo Santori, Victor Giacoletto, Petare Cappo, Louis Basso, and Joseph Basso, favoring a tariff on copper; to the Committee on Ways and Means.

5720. Also, petition of the German Workingmen's Aid Society Concordia, of Lake Linden, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5721. Also, resolution of Copper Country Odd Fellows' Association, of Calumet, Mich., through Charles Schwenn, president, and Elizabeth Grathwohl, secretary, favoring a tariff on copper; to the Committee on Ways and Means.

5722. Also, petition of Local 955 of the Journeyman Barbers' International Union of America, of Hancock, Mich., through Ralph Ziegenbein, secretary-treasurer, favoring a tariff on copper; to the Committee on Ways and Means.

5723. By Mr. JOHNSON of Texas: Telegrams of W. T. Dillard, Harrison Whitehead, Al Lajoie, and C. K. Blankenship, favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5724. Also, petition of Dr. I. R. McCollough, Hillsboro, Tex., opposing Senate bill 3769; to the Committee on World War Veterans' Legislation.

5725. By Mr. KEMP: Petition of many citizens of Kentwood, La., favoring the immediate cash payment in full of the soldiers' adjusted-compensation certificates; to the Committee on Ways and Means.

5726. Also, petition of hundreds of citizens of Washington Parish, La., favoring the immediate cash payment in full of the soldiers' adjusted-compensation certificates; to the Committee on Ways and Means.

5727. By Mr. KINZER: Telegram of Lancaster County Fish and Game Protective Association, of Lancaster, Pa., representing 1,200 members, opposing the 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5728. Also, communication of Schuylkill Valley Fish and Game Protective Association of Phoenixville, Pa., representing several hundred members, opposing the 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5729. By Mr. LEA: Petition signed by Lydia Spurlock and other citizens of Glenn, Calif., favoring the maintenance and enforcement of the prohibition laws; to the Committee on the Judiciary.

5730. Also, petition of citizens of Colusa, Calif., favoring the immediate cash payment, at full face value, of the adjusted-compensation certificates; to the Committee on Ways and Means.

5731. By Mr. LINDSAY: Petition of James Stewart & Co., 230 Park Avenue, New York City, opposing the payment of the soldiers' bonus; to the Committee on Ways and Means.

5732. Also, petition of the First Avenue Association (Inc.), New York City, opposing the Patman bill, H. R. 1; to the Committee on Ways and Means.

5733. By Mr. McFADDEN: Petition of National Association of Power Engineers of Pittsburgh, No. 18, favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5734. Also, petition of Wisconsin Association, No. 1, National Association of Power Engineers, Milwaukee, Wis., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5735. Also, petition of Heating and Piping Contractors Association of St. Paul, Minn., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5736. Also, petition of National Association of Power Engineers, No. 14, St. Paul, Minn., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5737. Also, petition of Heating and Ventilating Association of St. Paul, Minn., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5738. Also, petition of National Association of Power Engineers of Boston, Mass., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5739. Also, petition of International Union of Operating Engineers, Local No. 36, St. Paul, Minn., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5740. Also, petition of National Association of Power Engineers of St. Paul, No. 7, favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5741. Also, petition of National Association of Power Engineers of Missouri, No. 2, St. Louis, Mo., favoring the installation of power plants in public buildings; to the Committee on Public Buildings and Grounds.

5742. By Mr. MILLARD: Petition signed by residents of Rockland County, urging cash payment of the adjusted-compensation certificates held by veterans of the World War; to the Committee on Ways and Means.

5743. By Mr. PARKER of Georgia: Petition of Max Movosovitz and the White Hardware Co., of Savannah, Ga., urging the enactment of legislation regulating busses and trucks carrying passengers and freight; to the Committee on Interstate and Foreign Commerce.

5744. By Mr. PATTERSON: Petition of several thousand citizens and service men of the State of Alabama which was delivered on the steps of the Capitol to the Congress of the United States; to the Committee on Ways and Means.

5745. By Mr. RANKIN: Petition of certain World War veterans of the State of Mississippi, urging the passage of House bill 1, providing for the immediate payment of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

5746. By Mr. ROMJUE: Petition of St. Louis Chapter of the Izaak Walton League of America, opposing the proposed 1-cent tax on each shotgun shell; to the Committee on Ways and Means.

5747. By Mr. RUDD: Petition of the First Avenue Association (Inc.), New York City, opposing the passage of the soldiers bonus bill; to the Committee on Ways and Means.

5748. Also, petition of James Stewart & Co., New York City, opposing the passage of the cash payment of the soldiers bonus bill; to the Committee on Ways and Means.

5749. By Mr. SANDERS of Texas: Petitions of 34 citizens of the third congressional district of Texas, protesting against destroying the effectiveness of the agricultural marketing act; to the Committee on Agriculture.

5750. By Mr. SELVIG: Petition of ninth district postoffice employees, favoring reduction of Government costs by reducing appropriations for bureaus and commissions before reducing salaries; to the Committee on Appropriations.

5751. Also, petition of 142 citizens of Hawley, Minn., and vicinity, strongly urging enactment by the Congress of the

Frazier bill, S. 1197, the purpose of which is to relieve the farmer from his interest burden; to the Committee on Agriculture.

5752. Also, petition of American Legion Members of Halstad (Minn.) Post, favoring cash payment of bonus certificates; to the Committee on Ways and Means.

5753. Also, petition of citizens and legionnaires of Halstad, Minn., urging cash payment of bonus certificates; to the Committee on Ways and Means.

5754. Also, petition of 19 citizens of Halstad, Minn., urging cash payment of face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5755. By Mr. SHOTT: Letter from P. C. Minotti Construction Co., of Logan, W. Va., protesting against the passage of Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5756. Also, letter from the Baldwin Supply Co., of Charleston, W. Va., mine and mill supply house, protesting against the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5757. Also, resolution of the Brotherhood of Locomotive Firemen and Enginemen, Big Sandy Lodge, No. 393, Lexington, Ky., opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5758. Also, resolution of Brotherhood of Locomotive Firemen and Enginemen, Sandy Valley Lodge, No. 718, Ashland, Ky., opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5759. Also, resolution of the Brotherhood of Locomotive Engineers, Ashland, Ky., Division No. 698, opposing, as detrimental to employees of coal-carrying railroads, the passage of the Davis-Kelly bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5760. Also, petition of the Charleston Chamber of Commerce, transportation committee, requesting that immediate steps be taken by Federal Government to enact laws resulting in placing of interstate motor-truck transportation under jurisdiction of Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

5761. Also, memorial approved by the R. M. Lambie Coal Mining Institute of Wyoming County, calling attention to Senate bill 2935 and House bill 7536, urging disapproval and defeat of these bills, and setting forth in detail reasons for such opinion; to the Committee on Interstate and Foreign Commerce.

5762. By Mr. SINCLAIR: Petition of H. T. Peterson and 36 other residents of Plaza, N. Dak., and vicinity, recommending the enactment of several measures to cure monetary evils and raise the price levels of commodities; to the Committee on Banking and Currency.

5763. By Mr. TEMPLE: Petition of Doyle W. Sickles and a number of other ex-service men of Washington County, Pa., supporting legislation for full payment of adjusted-service certificates in this session of Congress; to the Committee on Ways and Means.

5764. Also, petition of Steve Surba, of Slovan, and a number of other ex-service men in Washington County, Pa., supporting legislation providing for full payment of adjusted-service certificates; to the Committee on Ways and Means.

5765. Also, petition of Francis J. Bezy, 817½ Washington Avenue, Charleroi, Pa., supporting legislation providing full payment of adjusted-service certificates; to the Committee on Ways and Means.

5766. By Mr. THOMASON: Petition of the Kiwanis Club, El Paso, Tex., urging tariff on copper; to the Committee on Ways and Means.

5767. Also, petition of George Bruce and other railroad employees of El Paso, Tex., urging the passage of House bill 10023, known as the railway pension bill; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 9, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the God of the whole earth, Thou wilt be glorified. Help us to have more faith in its final redemption and that all things will work together for good to them that love Thee. As Thy children Thou dost give joy to life, elevation to aims, sweetness to experience, and peace to our souls. We thank Thee for this divine oversight which keeps the gates of mercy open day and night. O God, shape, direct, and control all the uplifting agencies of our national life. As they echo throughout the land, may they work heroically at the core of its very existence. Wilt Thou bind all citizens together by the high excellence of cooperation. Do Thou harken, Lord: Wilt Thou bring forth light into the home that is darkened by death and give peace and resignation to those who are bowed down by the great affliction. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BACON. Mr. Speaker, I ask unanimous consent to speak for one minute.

The SPEAKER. The gentleman from New York [Mr. BACON] asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, in this one minute I want to read a telegram signed by the New York State commander of the American Legion, as follows:

NEW YORK, N. Y., *April 8, 1932.*

Hon. ROBERT L. BACON,
Washington, D. C.:

The American Legion, Department of New York, and the vast majority of its 85,000 members and 800 posts, refuse to adopt any selfish attitude inimical to best interests of fellow citizens as whole or to approve any demands or drain upon Treasury, aggravating gravity of present industrial, financial, and economic crisis confronting our country. We therefore firmly oppose payment of adjusted-service certificates at this time and urge that you support our stand.

MOSES G. HUBBARD, Jr.,
New York State Commander American Legion.

I have replied congratulating the American Legion, Department of the State of New York, on their patriotic attitude. [Applause.]

PHILIPPINE INDEPENDENCE

Mr. GARBER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. GARBER. Mr. Speaker, by a vote of 306 to 47 the House passed the bill granting independence to the Philippines eight years after they have set up a commonwealth government of their own.

When we took over the Philippines in 1900 it was with the express pledge that we would grant them independence as soon as they established a stable government and demonstrated their qualifications for self-government. The progress they have made under our supervision and direction is much greater and more substantial than that which is generally known.

Their qualifications for self-government are based upon evidence of their progress in education which far exceeds the general impression regarding the education of the Filipinos. They now have 9,063 schools in the islands, an increase of approximately 7,000 schools since we obtained possession. Of these, 8,442 are public schools in which are enrolled 1,316,126 students with 23,519 professors, principals, and teachers, all but 300 of whom are Filipinos.

The annual expenditure for public education in 1932 amounted to 30 per cent of the government's income, all of which is paid by the people of those islands.

Included in their educational system are four universities of high academic standard in which 19,500 young men and young women are preparing themselves for the professions. Many others are attending the normal schools for the teaching profession.

In all the schools of the islands, the English language is being taught.

Since 1916 the Filipinos have, for all practical purposes, been governing themselves. They have an elective senate and house of representatives, an excellent judicial system, a constabulary of 7,000 for police purposes. Law and order has prevailed throughout without serious disturbances.

Their interest and participation in their general elections evidence their qualifications for self-government. In 1931 there were 1,009,125 voters registered. Of these, 983,406 cast their ballots, or about 90 per cent of the registration. At no election has a lesser number than 80 or 85 per cent cast their ballots at the general elections. This is a much higher percentage than in the elections held in the United States.

In the various departments of their government they have 21,700 civil-service employees, all of whom are Filipinos except 461.

Their currency is sound and recognized as such throughout the world. Their indebtedness does not exceed $60,000,000 and is less than 48 per cent of the limit permitted by their organic act. They have a balanced budget. Their financial capacity to support the government is beyond question. They not only have a balanced budget, a stable currency, a sound and efficient administration of justice, but a progressive and ever-expanding system of public instruction. Their educational and economic standards are higher than those of other countries in that part of the world.

We have done for the Filipinos all that we have promised them, except to grant them independence. The act just passed by the House, if passed by the Senate and signed by the President, will be a fulfillment of our pledge.

During the eight years intervening when ultimately they will secure their independence, various progressive steps are required to be taken. The first will be the adoption of a constitution at an election and then its submission to the President. During this period they will be permitted free importations of their products up to a certain amount. For instance, 50,000 long tons of refined sugar and 800,000 long tons of unrefined sugars. In excess of those amounts, the regular tariff duties paid by other countries will be levied. Two hundred thousand long tons of coconut oil may be imported free of duty, and in excess of that amount the regular tariff duties will be levied. And so on, with their various other products, including yarns, twines, cords, cordage, rope, and so forth.

The immigration laws will apply with a limit of 50 entries during any one year.

During such period of eight years the United States is to be represented in the islands by a United States high commissioner, and reserves the right of intervention for the protection of life, property, and individual liberty, and the right to maintain naval bases in the islands.

The question as to whether or not the islands will be able to defend themselves against the aggression of other nations is one that does not enter into the consideration of our obligations. The stable government which they were required to establish to secure their independence was within and not without. If the latter, then independence would not be granted until their armaments for self-defense would be sufficient to protect against the aggressions of Japan or other nations ranking among the world's great powers. Such requirement would preclude independence at any time.

The fulfillment of our pledge is the first and prior consideration. Benefits to the Filipinos is the second, and agriculture and labor in this country, burdened with the competition of their free importations, is the final consideration. In conclusion—

First. When the United States assumed sovereignty over the Philippines it disclaimed any intention to colonize or exploit them.

Second. The United States, through Executive pronouncements and a formal declaration made by Congress in 1916, has pledged itself to grant independence to the Philippines when a stable government is assured.

Third. It is believed that a stable government now exists in the Philippines.

Fourth. Every step taken by the United States since the inception of American sovereignty over the Philippines has been to prepare the Filipino people for independence. As a result, they are now ready for independence politically, socially, and economically.

Fifth. The American farmer is urging protection from the unrestricted free entry of competitive Philippine products.

Sixth. American labor is seeking protection from unrestricted immigration of Filipino laborers, especially at this time of widespread unemployment.

Eighth. The present free-trade reciprocity between the United States and the Philippines is the basis for the major industries of the islands and can not be terminated abruptly without injuring both American and Philippine economic interests.

PROVISIONS OF THE MEASURES

The salient provisions of the bill are:

First. The Filipino people are authorized to adopt a constitution and institute the government of the Commonwealth of the Philippine Islands, which will exist pending complete independence. Under such government they will enjoy complete autonomy as to domestic affairs, subject only to certain reservations to safeguard both the sovereignty and the responsibilities of the United States.

Second. Pending final relinquishment of American sovereignty, the free importation of certain Philippine products into the United States shall not exceed specified limits based upon the status quo as represented by estimated importations from existing investments.

Third. Pending independence, Philippine immigration to the United States is limited to a maximum annual quota of 50.

Fourth. On the 4th of July immediately following the expiration of a period of eight years from the date of the inauguration of the government of the Philippine Commonwealth complete independence of the Philippine Islands will be formally recognized.

Fifth. The United States reserves the right to maintain military and naval bases and other reservations in the Philippine Islands.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10022) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, with Mr. SWANK in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

VETERANS' ADMINISTRATION

MILITARY SERVICES

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans," approved July 3,

1930 (U. S. C., Supp. IV, title 38, secs. 11-11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, $115,528,795: *Provided*, That not to exceed $8,500 of this amount shall be available for expenses, except membership fees, of employees detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and annual national conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the bureau in the District of Columbia and three for the Washington, D. C., regional office; for operating expenses of the Arlington Building and annex, including repairs and mechanical equipment, fuel, electric current, ice, ash removal, and miscellaneous items; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the fiscal year 1933 or prior fiscal years: *Provided further*, That the appropriations herein made for the care and maintenance of veterans in hospitals or homes under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes: *Provided further*, That the appropriations herein made for medical and hospital services under the jurisdiction of the Veterans' Administration shall be available, not to exceed $15,000, for experimental purposes to determine the value of certain types of treatment.

Mr. BULWINKLE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks, and also to insert some statistics in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina to revise and extend his remarks, and insert certain statistics in the RECORD?

There was no objection.

Mr. BULWINKLE. Mr. Chairman, frequently I have heard it said by many of my former comrades of the World War that the United States Government did nothing for the service men of the World War. Those who made such a statement as this had evidently not given any thought to the benefits that the service men derived from the Federal Government, on account of their participation as soldiers, sailors, or marines during the greatest war in all history. And it is to correct that idea that I am speaking to the Committee of the Whole House on H. R. 10022, the appropriation bill for the independent bureaus of the Government, and in which bill all appropriations for the veterans are carried for the ensuing year, amounting to approximately $1,000,000,000.

Speaking from my own personal knowledge, I entered Congress for the first time shortly after the conclusion of hostilities, which was the Sixty-seventh Congress. Since that time and before, the United States Government, by laws enacted by the various Congresses, has given compensation for the disabilities incurred by every member of its armed forces during the war; has given hospitalization, not only to those who were disabled on account of their service in the World War, but to all veterans as well; has allowed compensation benefits to the dependent relatives of those who were disabled in the war; has given disability allowance or pensions to many of those who could not connect their disability with the service, and who suffered from disabilities not caused by their service; permitted each and every man who desired to do so to take war-risk insurance up to the sum of $10,000 at a reasonable price; provided a number of national soldiers' homes for those veterans who desire to spend the remainder of their days in a well-equipped, well-managed home, surrounded by their comrades; and granted at the request of the service men themselves certificates known as adjusted-service certificates in the form of an insurance policy, which in 1922 and 1923 every veterans' organization in the United States requested, without a single exception. The amount that the service men asked was $1 per day for domestic service and $1.25 per day for foreign service. All veterans' organizations at the time of the passage of the adjusted-service certificate law said that they did not want the bonus in cash, but they wanted it in the form of an insurance certificate, payable 20 years after date, and approximately two and one-half times greater than the amount of the service paid, if it had been paid in cash. And notwithstanding the agreement that was made by the veterans' organizations with the Government of the United States, asking that this bonus be paid 20 years after date in the form of an insurance policy for the protection of their families, Congress at the request of the service men has already permitted loans up to 50 per cent of the full value of the certificate, the value of which would have been the amount due in the year 1945 and later.

No country on the face of the earth, in all history, has ever given as much in compensations, pensions, disability allowance, hospital treatment, and other benefits as has our Republic, the United States Government, to its former soldiers. I think it entirely proper to give this House the statistics showing the amount that has been expended by the United States Government for compensation to the disabled veteran and his dependents for disability allowance, for Spanish-American War pensions, for hospitalization and medical services, and for other benefits that the veterans have received.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. I yield.

Mr. SNELL. Is it not also the fact that we have done more than all of the other nations combined have done?

Mr. BULWINKLE. May I not tell the gentleman from New York that I will come to that just a little later?

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, I ask unanimous consent to be given five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. The English Government, with all of its men, in the four years of service, with all the death and destruction which followed in the wake of it, has paid in cash only three-quarters of the amount paid by the United States Government to this day.

Mr. KETCHAM. Will the gentleman yield?

Mr. BULWINKLE. Certainly.

Mr. KETCHAM. How does the number of men enlisted compare?

Mr. BULWINKLE. The English Government had a far greater number of men.

Mr. DYER. Will the gentleman yield?

Mr. BULWINKLE. I would be glad to.

Mr. DYER. In view of what the gentleman has said and what I know he is going to say, speaking as a Member of Congress and also as a World War veteran, is there any justification for the demand upon Congress at this time for the cashing or paying of the adjusted-service certificates?

Mr. BULWINKLE. May I say in reply to the gentleman from Missouri that I do not at this time care to enter into a discussion of the bonus question one way or the other. I only intended to bring to the attention of this House and to the former service men the amount which I shall show has been expended by the Government for all compensation, allowances, hospitalization and medical service, administration costs, and all other expenditures.

From the year 1918 to the 1st day of January, 1932, the United States Government has expended for compensation,

which is a pension granted to the veteran or his dependents for disabilities or death incurred in the service by the veteran, the sum of $1,940,252,074.14. And for each year from 1918 to 1932 there was expended by years the following amounts:

Fiscal year:	
1918	$282,367.21
1919	9,360,278.69
1920	100,347,443.45
1921	118,612,780.87
1922	120,663,462.30
1923	125,275,404.76
1924	115,418,883.09
1925	129,474,616.81
1926	164,380,505.88
1927	173,475,773.57
1928	181,799,665.82
1929	184,215,946.87
1930	188,030,643.61
1931	213,423,164.91
1932 (6 months)	115,491,136.30
Total	1,940,252,074.14

The payment to a soldier of an allowance for a disability not incurred in or aggravated by his service in the World War was authorized by Congress by act of July 3, 1930. During the time that this law has been in force, up to the 31st day of December, 1931, the Government has expended approximately $65,000,000 for this disability allowance or pension purpose.

While I have not the figures to show what was expended by the Government for medical and hospital services from the armistice to the 1st day of July, 1920, the amount expended for all medical services and for all hospitalization of veterans to the 1st day of last July amounted to $420,011,705.26, and to this amount can well be added an additional $45,000,000, making a total of over $465,000,000 up to the 1st day of last July. For each year, from 1921 up to and including 1931, the amounts expended each year are:

Fiscal year:	
1921	$45,277,864.62
1922	68,970,568.42
1923	51,447,864.63
1924	29,618,747.28
1925	33,033,371.64
1926	31,197,947.20
1927	31,554,979.20
1928	30,166,865.68
1929	29,808,711.18
1930	32,185,206.37
1931	36,749,579.04
Total	429,011,705.26

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that my colleague may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BULWINKLE. The Members of the House may be interested in knowing the number of cases that have been in the hospitals from 1920 to 1931, as well as the number of service-connected cases, and also the number of non-service-connected cases and the total of both.

Admissions

Fiscal year	Service connected	Non service connected	Total
1920	43,283	----------	43,283
1921	91,440	----------	91,440
1922	134,354	----------	134,354
1923	82,597	217	82,814
1924	63,624	429	64,053
1925	63,569	13,243	76,812
1926	45,255	24,186	69,441
1927	36,581	35,386	71,967
1928	27,439	45,831	73,270
1929	26,206	56,892	83,188
1930	26,298	65,817	92,115
1931	24,618	85,031	109,649
Total	665,304	327,032	992,336

The membership in the House will realize from these figures that a total of 992,336 service men during this period of time has been to the hospital for treatment as patients. The Administrator of Veterans' Affairs, at my request, has given me the estimated hospital and domiciliary loads for the future, which are the number of beds estimated for the future.

Year	Hospital	Domiciliary
1935	45,628	28,481
1940	47,710	38,070
1945	52,491	51,801
1950	59,661	61,013

The total amount expended by the United States Government for all these purposes, including all administrative expenses, salaries, and wages, since the fiscal year 1920, will be approximately $7,500,000,000. And this does not include some of the expenditures made prior to 1920 for vocational training, for hospitalization, and for other benefits, which the veterans receive; and while I have not the complete figures at this time, yet I might safely say that the entire benefits for all purposes, which the veterans of the World War have received, would amount to close to $8,000,000,000.

From the time of the passage of the adjusted service certificate law or the bonus, up to January 31, 1932, the sum of $122,899,674.70 was disbursed by the Government on those adjusted-service certificates, which matured by reason of the death of the veteran. And the amount to be expended in payment of the remaining certificates in force on January 4, 1932, is $3,513,175,863.30. Under the provisions of the act of Congress, loans were made by the Veterans' Administration to the veterans on their certificates, amounting to $1,233,859,223.36. This, of course, is up until the 1st day of February.

During the fiscal year 1931, $102,256,497.96 was disbursed for pensions to veterans and dependents of veterans of the war with Spain. The total amount disbursed to December 31, 1931, for the above purposes was $628,987,326.63. The future expenditures for pensions to veterans of the war with Spain has not been estimated.

Several bills have been introduced in Congress, and I myself introduced one for the dependent widows and orphans of deceased veterans. This is part of the American Legion program, and the Congress should at this session give serious consideration to the passage of a widows and orphans bill. As I have stated, this is one of the major objectives of the American Legion on its legislative program. And may I not say here that during the past few months the American Legion, under the leadership of Henry L. Stevens, of North Carolina, has performed a most remarkable service for the country. Since the 15th day of February the American Legion, through its organization for employment service under the direction of Mark McKee, of Michigan, has placed approximately 400,000 unemployed in positions. [Applause.] This, of itself, speaks well for the Legion and its program, and the gratitude of the Nation will eventually be given to Henry Stevens and his coworkers, who have so unselfishly given of their time to relieve the unemployment situation in America.

I have brought these matters to the attention of the House for its consideration, and also to the attention of the country, that the people of this Nation may know that the United States Government, through its Congress, has never been niggardly or miserly in its expenditures for the benefit of the veterans of the various wars. And I believe that it has been said that all pensions from the time of the Revolution in 1776, and all benefits which the veterans of all wars have received, would amount to well over $15,000,000,000. This figure may not be accurate, but I venture to say that it is fairly so, and reiterating what I have just said, especially do I want those men who were patriotic in the days of 1917 and 1918 to realize that this Government has been extremely liberal, and that each and every one of us has a duty to perform to this Nation as great, if not greater, in time of peace than that which we performed during the war. [Applause.]

Mr. DYER. Mr. Chairman, what the gentleman from North Carolina has stated is one evidence of the fact that this country has been most generous to those who served in the World War and to their dependents, similar in many ways to what we have done for the veterans of other wars.

But, Mr. Chairman, this is only one evidence of what the World War has cost this country. The greatest loss was in the deaths of those valiant young men who were killed on the field of battle or who were disabled for the rest of their days.

Mr. Chairman, in addition to that this country is suffering from the fact that we have loaned immense sums of money to foreign countries, billions of dollars, which we are not collecting and probably will never be able to collect. It opens up that aspect of that war and brings to us the question of whether or not we made a great mistake in entering it. In my judgment, we did make a mistake, and I accept my part of that mistake, if the blame is upon this country for entering it, because I voted to enter that war. I am sorry to-day I voted for this country to enter into that war. We did it on one phase, and that was to help the people in Europe, and especially the people of France, to save the Republic of France and to save its people from destruction. To-day France is not the friend of America. She is to-day trying to undermine and destroy the American dollar. So instead of France and Europe paying to us a debt of gratitude for all we did in that war, we are receiving nothing but criticism and condemnation.

Mr. Chairman, in my judgment, we made a mistake, but we entered into that war and it is our duty now to do justice to the veterans who served in that war and to their dependents.

I sought to obtain from the distinguished gentleman from North Carolina, a World War veteran of renown and of great heroism, an answer to my question as to whether or not he thought the Congress at this time should cash the adjusted-service certificates which these boys hold and which are not due for years, but his reply was quite proper in that he did not wish to enter upon that subject in connection with his present speech.

This country is on the brink of a panic and, my colleagues, it is our duty to do at the earliest possible moment that which we should do and say to the world and to America that we are not going to further harass the financial condition of this country by voting to pay these adjusted-service certificates at this time.

The revenue bill is unfinished and in many respects it is unsatisfactory to the people of this country. Until that bill is finished so that it will bring relief to the Treasury of this country and until we know what we are going to do here as to the financial condition of the country we should hasten to bring this momentous question to an end. [Applause.]

Mr. RANKIN. Mr. Chairman, I have listened with a great deal of interest to what the gentleman from Missouri [Mr. DYER] had to say in opposition to the bill now pending before the Ways and Means Committee to expand the currency and pay off the veterans' adjusted-service certificates.

I heard what the gentleman from Missouri said about the financial condition of the country. The financial condition of the country is not going to get any better until there is an inflation or an expansion of the circulating medium of this country. [Applause.] The bill we have before the Ways and Means Committee provides for that expansion, for the setting aside of a sufficient amount of the free gold now in the Treasury and the issuance of $2,000,000,000 or $2,200,000,000 of United States notes, and the paying off of these certificates. Nothing that could be done at this time would do more to revive commodity values, and we are not going to have any return of anything that looks like prosperity until we revive commodity prices.

I know that those people who grew rich out of this war and who have placed their wealth in tax-exempt securities are opposing any expansion of the currency, because their dollars will buy three or four or five times as much as when the bonds they now hold were issued. They do not want commodity values to rise and they are to-day resisting any expansion under the Glass-Steagall bill, which was passed so enthusiastically by Congress a few days ago.

I assert that if this bill to inflate the currency and pay off these certificates is passed and this extra currency is put into circulation, it will break this panic overnight. I know that some of you gentlemen who are suffering from a gold complex are going to say that will endanger the gold standard, and I notice that the administration papers quoted me as saying the other day that I was in favor of abandoning the gold standard and "the sooner the better." I did not make that statement. We do not have to abandon the gold standard. We have a sufficient amount of free gold in the Treasury to set aside $800,000,000 and on a 40 per cent reserve we can issue $2,000,000,000 in currency against it. You Republicans ought not to kick on that. Abraham Lincoln did exactly the same thing during the Civil War. There are $346,000,000 of those notes outstanding to-day and they are worth one hundred cents on the dollar. The Democrats ought not to kick on that. We inflated the currency more than that during the World War through the Federal reserve system, under a law that requires a gold reserve of only 40 per cent. But some of you say, "There are other securities to make up the other 60 per cent." That is true, but I want to know what security in America is worth more than the credit of the United States.

The only other gold-standard country on earth is France. France does not retain a 100 per cent gold reserve against any of her currency. Great Britain recently abandoned, for all legal purposes, the gold standard, but before Great Britain abandoned the gold standard, or went off the gold standard, as they say, she had less than a 40 per cent gold reserve against any of her currency.

It is not necessary, I repeat, to have a dollar in gold as a reserve against every dollar of currency. We have a sufficient amount of gold to back up this $2,000,000,000 or $2,200,000,000 of United States notes and pay these veterans now, without levying an additional dollar of taxes on the American people.

What would be the effect of this? You would take these veterans out of the bread lines that are now crowding the streets of your cities. You would feed their hungry children and clothe their families; and in addition to that, you would see the price of wheat and corn and cotton and dairy products and every other commodity rise overnight. You would see our transportation system relieved from its deadlock and traffic would begin to move. You would see our factories begin to run and unemployment would begin to disappear. You would break this panic that is now gripping and destroying America, if you would join with us and put this bill through to expand the currency and pay off these certificates and get that debt off of the statute books of the Republic.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman, if I have time.

Mr. MORTON D. HULL. Does the gentleman see any results from the partial payment of the certificates already made?

Mr. RANKIN. Last year?

Mr. MORTON D. HULL. Yes.

Mr. RANKIN. Why, certainly; but that did not increase the currency of the country. Yes; it relieved many a hungry one.

Mr. MORTON D. HULL. The same argument the gentleman is making now was made at that time.

Mr. RANKIN. Yes; but you did not pay it in that way. You went out and borrowed the money instead of inflating the currency and increasing the circulating medium of this country.

Now, gentlemen, I am not in favor of going off the gold standard—it is not necessary—but if it ever becomes necessary to go off the gold standard to save the American people from the horrible condition they are in to-day; if it comes to a question between my country, the American people, and the gold standard, then I shall be ready and willing to suspend or abandon the gold standard. [Applause.]

Mr. BLANTON. Mr. Chairman, I offer a preferential motion to strike out the enacting clause, which is merely pro forma in order to get the floor.

Mr. Chairman, the speech of the gentleman from Missouri [Mr. DYER] does him no honor. Before this Government entered into war the Imperial German Government had broken every solemn treaty that guaranteed the peace of the world. The infamous, death-dealing submarines had appeared everywhere on the high seas, sinking passenger ships without warning, and on one occasion a German submarine bobbed up overnight in the harbor of New York, crossing the seas, demonstrating to America the potentialities of Germany in her attempt to dominate the world.

Ship after ship had been sunk with American lives on board in the face of warning from our Government and our nag that such attacks must not recur. The aggressions of the German Kaiser threatened the entire civilization of the world. Russia had gone to pieces, Italy had succumbed, France had her back to the wall, and Great Britain was upon her knees.

I ask the gentleman from Missouri, who voted with me one night for war, what has come over him since then that has convinced him he made a mistake? When this Government tells another government that she must not sink our ships on the high seas, I am in favor of our Government making its warning good. [Applause.]

Oh, the gentleman says we have lent money to foreign countries and he says that, "Of course, we do not expect them to pay it, and we know they are not going to pay it." I want to say to the gentleman from Missouri if I owed him $1,000 and he needed the money he would not be coming to me and saying, "I know you are not going to pay it, Tom." He would be saying, "I know you can pay it, and I want my money."

I want to ask the gentleman if he, with the various other interests of this country that do not want these debts paid, is furthering the interests of our Government by stating here on this floor that "We do not expect these debts to be paid"? The gentleman, by so stating, is standing in the way of the best interests of this Nation. He is encouraging those countries not to pay.

Does the gentleman believe that the great Government of France is not going to pay what she owes? Was not the gentleman here when the French High Commission stood here upon this rostrum and with the weepings of their great Viviani told this country, in speaking to the House, "We shall never forget what America is doing for France"? I am one of those who believe that France, after making these speeches during the war, is not going to hesitate one minute when the time comes to pay what she owes our Treasury.

Does the gentleman from Missouri believe that Great Britain, the great Government of England, is going to hesitate about paying its debt to this country? Why, it is folderol, it is bosh to even assert such a proposition.

I am one of those who every time he gets on this floor to discuss the subject is going to assert that the governments that owe us, if they are honest, are going to pay, and they can not remain honest whenever they repudiate their debt of honor that they owe this Government. For what America did for the countries abroad during the war she did to save the civilization of the world, and she saved their civilization and if they do not appreciate it, there is something wrong with them. [Applause.]

Mr. FULMER. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FULMER. I would like to know whether the gentleman thinks it would be a more creditable record for this House to pass the moratorium than to recognize the moral and honest debts we owe to the ex-service men of the country?

Mr. BLANTON. I voted against the moratorium for foreign countries. But I will vote to pay the moral and honest debt we owe our ex-service men. I believe it is a debt of honor we owe these veterans of the World War. I have been in favor of paying it, and I am ready to vote to pay it no matter what personal sacrifice it places upon our pocketbooks. [Applause.]

Mr. SNELL. Mr. Chairman, I would like to ask the gentleman from Virginia a question. Is it his intention to let this debate run on all the afternoon, or are we going to quit and get through with the bill? A great many Members are anxious to get out early.

Mr. WOODRUM. This is a matter of great importance, and I am disposed to let the debate run along.

Mr. SNELL. For how long?

Mr. WOODRUM. A reasonable time.

Mr. SNELL. I wish the gentleman would tell us what is a reasonable time. [Laughter.]

Mr. LaGUARDIA. Mr. Chairman, I ask unanimous consent to speak out of order for 10 minutes, on a matter that is of great interest to Congress.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WOODRUM. Reserving the right to object, and I shall not object, I hope there will be no further request to speak out of order, because we want to get along with this bill.

Mr. LaGUARDIA. Mr. Chairman, I was in New York a week ago to-day, and it was generally stated that there would be a decline in security prices the coming week, and there was such a decline.

I want to charge now that the assertion that has been sent through the country that the decline in prices is due to the tax bill is absolutely false, and the people who are making that misleading statement know that it is false when they are making it.

First of all, I want to put in the RECORD for the information, not of the House but particularly for the other body, a carbon copy of instructions that are being sent out by large stock brokers and financial institutions to their customers, giving instructions as to what kind of letters to write to Senators against the tax bill. I will put that in now.

VERY IMPORTANT NOTICE

We are informed by a friend of ours in Washington that the situation in the Senate is very serious in regard to the provision of the tax law taxing transactions in securities and that this provision has a very good chance of being passed by the Senate unless pressure is brought to bear on individual Senators. The following procedure has been suggested:

First. That each member firm urge its employees to write to his or her Senator protesting against this provision of the tax law in simple language, and using no set form, stating in his or her own way that if this tax provision goes through it may result in the loss of position and means of livelihood. Especially is it important for the employee living out of New York City to write such letters at once.

Second. That the members of the firms write to their Senators, and they are also urged to write to their friends who live out of town suggesting that they write to their Senators protesting against the security tax provision of the new tax law now before the Senate.

Very important. No "rubber stamp" or set form of letter should be sent.

Refrain from all sarcastic or caustic remarks or comments.

APRIL 4, 1932.

I will put in another circular letter which is being sent by stockbrokers to customers telling them what to write to Members of Congress.

NEW YORK, *April 7, 1932.*

To Our Customers:

May we take the liberty of suggesting that you write immediately to your Senators and Representative in Congress pointing out to them the drastic results that would ensue should some of the proposed legislation be enacted? We have in mind particularly the tax of one-fourth of 1 per cent on security transactions.

During the past three years the security business has suffered as much as, if not more than, any other business in the country, and in times like these, when practically all security dealers are operating in the red, a further tax would be prohibitive and would not only add thousands of their employees to the ranks of the unemployed but would deprive investors of the free and open market to which they are entitled. The New York Stock Exchange is now the premier security market of the world. This tax threatens that prestige, and it is feared that should it become a law the bulk of security trading would be transferred to some foreign city. We also feel that so severe a tax would defeat its own purpose, causing such a drying up of security trading in this country that the revenue derived therefrom would be negligible.

Although the LaGuardia amendment has passed the House, we nevertheless feel that it is important to register a protest, as it has still to pass the Senate and conference committee. Other points that may be mentioned are:

1. Opposition to a soldier's bonus, particularly when it involves the overworking of the printing presses, which would be ruinous to the credit of this country.

2. Opposition to the Glass bill, which, if enacted, would cause a serious deflation and would greatly retard the return of normal times.

3. Opposition to extravagant increases in the higher income-tax brackets, which tax would defeat its own purpose by causing wealthy investors to shift their holdings to tax-exempt securities.

4. Advocation of repeal of prohibition, or, at any rate, modification which would legalize the sale and taxation of light wines and beer.

5. Advocation of every form of economy in Government expenditure, particularly the reduction in salary of Members of Congress and all other Government employees.

We sincerely hope that you will urge upon your Senators and Representative the importance of the above points. We feel sure that the adoption of these suggestions will be of material assistance in restoring normal times.

AUERBACH, POLLAK & RICHARDSON.

Now, this decline in prices is nothing new. On February 19, 1932, the President of the United States issued this statement to the country:

FEBRUARY 19, 1932.

The President said:

"I have a question from the press as to conferences held with officials of the New York Stock Exchange. There have been discussions, as is reported, between myself and other officials of the administration with officials of the New York Stock Exchange on the question of bear raids. Stock exchange officials have, during the past eight months, from time to time taken steps to restrain bear raiding with a degree of success, but during the latter part of January, despite these steps, there was a large increase in the short account, which unquestionably affected the price of securities and brought discouragement to the country as a whole. I and other administration officials again expressed our views to the managers of the exchange that they should take adequate measures to protect investors from artificial depression of the price of securities for speculative profit. Individuals who use the facilities of the exchange for such purposes are not contributing to recovery of the United States."

That is what the President of the United States said on February 19, 1932. It was necessary for the President to plead with officials of the stock exchange to prevent bear raids. These raids and decline in prices were all before the tax bill had even been written. So it will be seen that the tax bill is now being used as an alibi by some, as a pretext by the bears, and as a weapon by others endeavoring to intimidate the Senate.

Let me give you another instance—I will not give the name of the brokerage firm, because I do not want to advertise them; I do not want to put any more suckers on their list—on March 1, 1932, this firm sent out this circular letter:

URGE IMMEDIATE BUYING OF STOCKS—PROMINENT COMMISSION HOUSE SEES LIQUIDATION ENDED AND SEASONAL IMPROVEMENT IN BUSINESS VOLUME JUST AHEAD

In a special memorandum beginning "We would buy stocks," ——— ——— ——— say in part:

"We anticipate a period of accumulation incident to the beginning of a bull market.

"Indeed, we may be said to be already in the early stages of a bull market. For instance, bond prices have advanced steadily since December 17, 1931. During January the value of bonds listed on the New York Stock Exchange increased $523,431,813, and during February we estimate an additional appreciation of $260,000,000—a total of over $780,000,000 since January 1.

"Brokers' loans, representing public holdings of securities, which in 1929 exceeded $8,500,000,000, to-day total about one-sixteenth of that amount. Five large wire houses had total loans exceeding $1,000,000,000 at the top of the market in 1929. To-day the aggregate borrowings of these houses are less than $35,000,000. Two of these houses are lending money.

"Thus, liquidation seems definitely ended.

"Meanwhile we are on the threshold of spring, when, regardless of major trends, the business of the country usually enjoys a seasonal improvement in volume, starting with crop preparation and outdoor activities.

"The risk of purchasing securities under existing circumstances seems minimum, and we therefore urge some immediate purchases of sound securities and additional purchases during any periods of irregularity of recession in coming weeks."

Please note that this circular was sent out around the first of March, 1932. The clipping I have is dated March 3, 1932; in all likelihood the broker's letter was March 1 or March 2. Now, in spite of this very bright outlook, so prettily detailed by the brokers in order to make the suckers buy, there was an almost immediate decline of prices, and the decline continued all through the month. All this decline took place before the tax bill was completed, before the tax bill was reported by the committee, all during the time the brokers and bankers believed the sales-tax provision was safe, and the decline continued before it was known that the stock-transfer tax of one-fourth of 1 per cent would be offered and before it was accepted by the House. Now, seemingly to square themselves with their customers, to alibi themselves in order to again cajole their customers with some other yarn, this same firm sent out this circular two days ago.

SECURITIES DECLINE $3,500,000 ON TAX BILL—WHAT MR. LAGUARDIA HAS ACCOMPLISHED TO DATE

Mr. Blank, of Blank & Blank, says:

"On last Thursday, March 31 (five days ago), the LaGuardia resolution for taxing stock transactions was passed by the House of Representatives. The day following the security markets began to decline, and they have been declining ever since. Since the passage of this resolution the value of bonds listed on the New York Stock Exchange has declined $1,097,047,618 and the value of stocks has declined $2,418,969,603. In other words, bonds and stocks listed on the New York Stock Exchange and owned by life-insurance companies, savings banks, fire-insurance companies, banks and individual investors have been deflated in value to the extent of more than $3,500,000,000 as a direct result of the LaGuardia tax clause of the revenue bill.

"It is perhaps fair to say in behalf of Mr. LAGUARDIA that had he realized his tax proposal would have deflated the value of securities to this extent, he probably would not have introduced the resolution. This sum is greater by one and one-half the national deficit which the present revenue tax is trying to correct. It is three times greater than the total amount to be provided by the revenue bill.

"Since the LaGuardia tax provision was passed, the stock of the American Telephone & Telegraph Co. has been deflated by $160,000,000.

"Of the 644,783 stockholders, over 600,000 of them own less than 100 shares apiece. These stockholders each owning less than $10,000 worth of stock are being terribly penalized by the LaGuardia tax bill.

"Perhaps it is all right to soak them on the theory that they are rich, but I doubt if they think so."

And this was in the face of a decline which was daily and constant, long before the tax bill was reported. A prominent and honest and patriotic financier writes me in reference to these two circulars:

I am inclosing two clippings from the Boston News Bureau, one from the issue of March 3 and the other from the issue of April 4. Each is interesting in the light of the other and both are interesting in the light of interim events.

When the first one was issued the Dow-Jones industrial average stood at 86.28. By the end of the month it had declined to 73.28 and by the 5th of April to 68.07. Anyone who purchased at the higher level would, if he had maintained his commitments, have suffered a loss by the end of the month of 11 points, as measured by the Dow-Jones average of 16 points by April 5. Messrs. ——— & ——— do not concern themselves with the first part of the loss but only with the second, for which they try to hold you responsible.

The decline in April was merely an extension of the decline which began in the first part of March. This decline, with the exception of two or three minor reactions, has been continuous. It has been due to generally unsatisfactory business conditions; recessions in car loadings, in electrical output, in steel-ingot output, and uncertainty regarding the maintenance of dividends in the case of the American Telephone & Telegraph Co., the dead certainty that they would not be maintained. All this was well known to Messrs. ——— & ———. It only shows to what lengths such forces will go to confuse and to humbug the public mind.

Some modification may have to be made to fit the 5 and 10 cent stocks, but otherwise I regard the stock-transfer tax measure accredited to you as wholly admirable. It will have no harmful effect upon the workings of stock exchanges as true and free market places. It will work no material hardship to the true investor nor to the investor trader. The only element that would be handicapped and impeded by it is the professional element; and their operations, in the main, are of such a nature that workings of the stock exchanges as true and free markets are interfered with.

And in the face of all that this propaganda is going out. They have come before us with a threat of a panic every time we were on the eve of voting for any measure. They—and when I say they I mean these same stock-exchange officials, stock brokers, and the dole beneficiaries of the Finance Reconstruction Corporation—even threatened the Senate that if they proceeded with the short-sale investigation they would bring about another panic. Every time that we are

considering legislation we have these same threats of panic, and then we have this propaganda going out which in turn shocks confidence. The Street will cry "wolf, wolf" just once too often some day.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BALDRIGE. I do not see why the gentleman continually talks about the New York Stock Exchange, when out in Nebraska where I live the business firms, the newspapers, are criticizing us just as severely on this sales-tax matter, and they are not in New York.

Mr. LAGUARDIA. Certainly. It is inspired. There small banks are at the mercy of the New York institutions, and the merchants are misled. But I doubt if the gentleman's statement reflects the real sentiment of his State.

Mr. BALDRIGE. We should not concentrate on the New York stock market, because business concerns and newspapers in my country think we made just as great a mistake on this tax matter as they do in New York.

Mr. LAGUARDIA. I doubt that. Many business concerns and many small banks are absolutely at the mercy of the people I refer to. The circular instructions I have just read indicate the source of this propaganda. Nothing has happened in the last few days to decrease the value of any American industry. The decline has been going on long before our tax bill. In many instances the decline has been purposely and wickedly artificially created, as stated by President Hoover last February.

Mr. BLANTON. They may just as well prepare for a new panic, because I now predict that when the Senate gets through with the tax on stock transfers on Wall Street they will raise it, because no other tax in the revenue bill is more just or more warranted.

Mr. LAGUARDIA. There is a movement throughout the country which affects the State of Nebraska and every other State, which is absolutely inspired, selfish, sordid, dishonest, and the same people who talk about balancing the Budget are shaking the confidence of the American people. Why, these brokers are fouling their own nest. The American people are getting a liberal, though costly, education on stock exchanges, and soon, tax or no tax, business will be limited to the professional traders. They made this same threat of a panic when we were considering the moratorium, when we were considering the Reconstruction Finance Corporation bill, when we were considering the Steagall-Glass finance bill, and when we were considering the tax bill. Let me again read what President Wilson told these gentlemen of panic tendencies on December 17, 1912:

> I know that certain men make artificial panic in order to impress the country that something about to happen is going to happen wrongly. I don't fear such men. I don't believe any man alive dares to start the machinery of such a panic, but if any man does, I promise him I will build a gibbet for him as high as Haman.

That ought to be repeated to the country every day. I am going to read that statement every time a threat comes of a panic from New York, from Nebraska, or from any place else; and let me say to my colleague from Nebraska, that a man who purposely and maliciously creates a panic is a crook, and a crook is a crook whether he lives in Nebraska or lives in my city. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BALDRIGE. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for one minute in order that I may ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BALDRIGE. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BALDRIGE. It may be that the best people in Nebraska really and sincerely think that we made a mistake in not putting through the sales tax, and maybe they are not influenced by this propaganda from New York as the gentleman says.

Mr. LAGUARDIA. If that is true, then I am sure that their beliefs are based on proper grounds and that they are proceeding with proper motives and without a threat of destroying the country by creating a panic.

Mr. GILCHRIST. Mr. Chairman, the sentiment expressed by the gentleman from Nebraska [Mr. BALDRIGE] is not true across the river on the Iowa side, with the exception of one newspaper that is published within 3 or 4 miles of where the gentleman lives.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my amendment to strike out the enacting clause, which was pro forma.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that debate upon this paragraph close in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KELLER. Mr. Chairman, I only want to take one-half minute of time to serve notice that I shall at a future time hope to impose on your good nature by answering that part of the statement of the gentleman from St. Louis that had to do with flag furling and making excuses for the men who have served their country. I shall at a future time take this opportunity because I do not believe that America has ever entered into a war for which any man ought to be permitted to apologize at all on the floor of this House. [Applause.]

The Clerk read as follows:

> No part of this appropriation shall be expended for the purchase of any site for or toward the construction of any new hospital or home, or for the purchase of any hospital or home; and not more than $5,030,028 of this appropriation may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration either by contract or by the hire of temporary employees and the purchase of materials.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will admit that the Government of the United States has been very liberal and generous in dealing with veterans of the World War, their widows and orphans, but I do not believe it is right to charge all expenditures of public funds that are being used for veterans and their dependents to the World War veterans. The World War veterans have not received all the rights and benefits that were given to veterans of other wars, and I do not believe all such benefits will be asked for.

It is often said that the World War veterans are now costing the Government a billion dollars annually. Of course, people who really have the correct information do not make this statement. It is not a correct statement. The cost of the veterans of the World War, their widows and orphans, including charges against the Government for compensation, service-connected disabilities, disability allowances, hospitalization, administration, and other expenses, I suspect, would run around one-half that sum, but I doubt that it would exceed one-half of a billion dollars annually unless you charged against the veterans the amount that the Government is expending for insurance, which the veterans themselves paid for when they were in the service and which they have been paying for since the war.

I want to talk to you about what the gentleman from Missouri [Mr. DYER] said, that the veterans should not say anything more about payment of the adjusted-service certificates at this session of the Congress.

I want to tell you that I honestly believe the Congress of the United States will pass this bill; and if the President vetoes it, it will be passed over his veto, not for the only purpose of helping the veterans of the United States but in order to help the country, and when the committee meets next Monday morning to consider the proposal, if I am permitted to make a statement before the committee at that time, the first statement I expect to make is that unless we can show that the payment of the adjusted-service certificates will promote the general welfare we are not entitled to win, we are not entitled to ask the Congress to pass the bill.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. If I have the time; and, Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. PATMAN. Just briefly; yes.

Mr. MORTON D. HULL. Did not the gentleman make that same statement before with reference to the effect upon business conditions?

Mr. PATMAN. No; not as to the 50 per cent loan. I know what the gentleman is going to ask. I said that about paying it all, but you did not pay it all. Furthermore, it did help a great deal in my section of the country and all over this Nation, and this is what an economist, who is one of the best in the country, said to me a few days ago. Just about that time we had the collapse in Europe, and had it not been for the paying out of this large sum of money in the United States we would have felt the hard times over here much earlier than we did. It was very helpful in my section of the country and I know sections of the Nation where this was the only new money that entered that particular section.

You will ask how will this money be paid. I say it can be paid by the issuance of currency, legal tender. I make this statement after a thorough investigation of many years; I make this statement after talking with the leading economists of this Nation; I make this statement after reading practically every book that has been written by any famous economist of the world. I believe it is absolutely sound.

They say it is printing-press money. Why, yes; like all currency. We have five kinds of currency to-day, and paper money is preferred to coin. You never use gold in your local relationships or transactions. Gold is not used here. We only use gold when dealing with foreign countries, and if you refer to the proposal I suggest as printing-press money, the paper money of to-day is printing-press money. Let us see what is behind that money.

Mr. PERKINS. Will the gentleman yield for a brief question?

Mr. PATMAN. Yes.

Mr. PERKINS. Does the gentleman seriously state to this House we are now off the gold standard?

Mr. PATMAN. I say that we do not use gold; we use paper currency. No one ever demands gold.

Mr. PERKINS. "Off the gold standard" is what the gentleman said.

Mr. PATMAN. No; not off the gold standard; but we do not use gold here.

Mr. PERKINS. That is a vastly different thing.

Mr. PATMAN. I said we do not use gold here.

We do not want to go off the gold standard; it is not necessary to do it. Some one suggests that my proposal would put us off the gold standard. We have a double gold standard; we have 80 per cent gold back of the currency instead of 40 per cent. Forty per cent is the gold standard. We can pay the adjusted-service certificates in full in cash, and still have more than 40 per cent gold remain. Oh, we will be on the gold standard, and the gentleman will agree with me that as long as we have 40 per cent gold we will be on the gold standard.

Let me suggest that the testimony before the Banking and Currency Committee recently disclosed that England stayed on the gold standard 100 years, and all during the World War, and did not have over 10 per cent in gold. If England can do that, we ought to stay on the gold standard with 40 per cent gold.

Let me further state that one of the most important bills pending before Congress now is a bill to stabilize the purchasing power of money and to regulate the prices of commodities.

Go and get the hearings recently conducted by the gentleman from Maryland [Mr. GOLDSBOROUGH], who is chairman of that subcommittee. They have heard some of the best economists in the Nation. They had Dr. Irving Fisher, of Yale University, before them. He recommended putting money into circulation to raise commodity prices to the 1926 level and stabilize them there. He was asked how he would go about it, and he said that you can issue currency in exchange for United States bonds. Another way, he said, is to pay Federal employees with currency. He said you could do it that way.

Now, Dr. Irving Fisher is a great economist. The gentleman from Mississippi [Mr. BUSBY] has given this subject much thought. Every Member of the House should read his speeches on the subject, if they have not already done so.

Dr. Willoughby I. King, who is considered one of the greatest economists, from Yale University, testified before the subcommittee. He says what the country needs is to put new money in circulation, so that economic conditions will respond. He was asked how he was going to do it, and he said you can issue currency in return for United States obligations. Then he was asked, How much money would you put in circulation? Doctor King replied, "Well, I will answer it in this way: If my automobile is at the foot of the hill and has no gasoline, and I want to get to the top, if I should try to figure out just how much gas it would take to put my machine to the top, I could figure from now until doomsday and never arrive at the exact amount; but the answer is, put in enough gas to go to the top." He said, "I would put in enough money to restore commodity prices to the level where they should be, where people can pay their debts, and have sufficient money in circulation."

Now, I want to refer to the money you were talking about. I have some of it here. Here is a national-currency $5 bill. What is behind that money? A banker goes to the Treasury with $100,000 in Government bonds. The Treasury keeps the bonds as collateral, calls up the Bureau of Engraving and Printing, and has that bank engraved and printed $100,000 in new money. The banker uses the money; he gets the use of the money and the interest on the bonds which he has put up as collateral. There are $700,000,000 of that money outstanding.

That is the printing-press money that you are talking about, and there is not a penny of gold behind it. Why do you not call that rag money? Why do you not call that fiat money? You would accept one of them to-day just as quickly as you would accept a gold certificate for the same amount. Here is a United States note. Three hundred and forty-six million dollars of these are outstanding. They are the Civil War greenbacks that you have heard so much about. They went down to 35 cents on the dollar when they had nothing behind them but the credit of the Government. During the Civil War when General Early, of the Southern Confederacy, was about to take the Capital at Washington, the credit of the Government went down and the greenbacks went down to 35 cents on the dollar. I heard the distinguished chairman of the committee [Mr. CRISP] say here the other day that they were backed by 40 per cent gold. With all due respect to that gentleman, and I admire him for his courage and ability, he is absolutely mistaken. That money had not a penny of gold behind it until 1900, when a reserve of $156,000,000 was set aside to secure $346,000,000 of currency. That is 40 per cent gold reserve.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. PERKINS. There is gold behind all of the money that you have of the United States, because you can go to the Treasury and get gold for it.

Mr. PATMAN. Certainly; and take this silver certificate. There is no reserve for that. What is behind this silver certificate? One silver dollar.

Mr. PERKINS. You can go down and get a gold dollar for it.

Mr. PATMAN. Certainly; you can with this national currency also, because the credit of the Nation is behind it, not because there is any reserve. Take this dollar certificate, $1 in silver. One dollar in silver is behind that. Do you ever refuse to take one of those?

No; they are good. You would give a dollar in gold for it, because the credit of the Nation is behind it, but, in fact,

there is only 25 cents in silver behind that dollar. It is good because the Government is guaranteeing it.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. RANKIN. I suggest, in answer to the gentleman from New Jersey [Mr. PERKINS], the fact that nobody has ever called for a dollar of that $156,000,000 in gold shows that it is not necessary.

Mr. PATMAN. We have a Federal reserve note here, and we have $2,800,000,000 of those outstanding. Do you ever refuse them? No. They are good. The law authorizes the issuance of these notes as long as there is 40 per cent gold reserve to back them up. The remainder can be Government obligations, but the credit of the Nation is behind them. That is the reason they are worth 100 cents on the dollar, and they will always be worth 100 cents on the dollar.

My plan is to issue currency, because we have sufficient gold to back it up. It is not the gold standard that is hurting us so much; it is the double gold standard that we are living under that is deflating this country. It is the standard that requires 80 per cent of gold instead of 40 per cent of gold that is causing this country so much trouble to-day. In 1920 we had $55 per capita in circulation. We had $2,800,000,000 in gold. You would think as your gold supply increased and population increased that the circulating medium would increase, but it has not done so. Instead to-day we have $44 per capita in circulation and we have more than $4,000,000,000 in gold. On a 40 per cent gold reserve it is sufficient gold to authorize the issuance of $10,000,000,000 in currency, and if we were just following the gold standard, if we were just saying that 40 per cent gold was sufficient—and it is sufficient and in some cases four times as much as is necessary—we would be all right to-day, there would be plenty of money in the country, and the people would do business and would not be reduced to bartering. No economist in this Nation who is informed about the financial conditions to-day will tell you that there is a possible chance of our getting out of this depression until we put more money in circulation in order that commodity prices may rise.

Mr. YON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. YON. Take debts that were incurred prior to 1929, when there was a lower purchasing power on the part of the dollar——

Mr. PATMAN. I anticipate the gentleman's question. Many debts contracted in 1919, and lots of them were contracted then, have not been paid until this time. The farmers in the South had been renewing their debts. How much do they have to pay for the dollar in commodities? Three dollars and sixty-six cents. Take a debt contracted in 1926, and they have to pay $2.48 back in commodities that they grow to pay that off to-day. How can you expect people to pay their debts? Schoolhouses were built, highways were constructed, public improvements were made. Bond salesmen were out encouraging people to float bonds in order that they might sell those bonds to New York and Chicago houses and make a commission on them, when commodities were worth something, on a 1926 level. But now they have gone down, and people will never be able to pay those debts unless commodity prices rise in some way. As it is now, they are paying two or three times as much as they would have to pay on the level when those debts were contracted.

Mr. MAY. And is it not a fact that these agents sent out to float these bonds throughout the country came out of the Federal reserve system?

Mr. PATMAN. I do not know. I am not informed on that. Think about paying these adjusted-service certificates, think what effect upon the Nation and commodity prices it will have. Let us give consideration to the Goldsborough bill that is being considered by the Banking and Currency Committee to-day. That is a bill that will do more good for the American people than any other piece of legislation pending before this Congress. The bill to pay the certificates, if passed, will increase commodity prices. The Goldsborough bill will stabilize them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. STRONG of Kansas. Mr. Chairman, the reason we can take any $5 bill, go down to the Treasury and get $5 in gold, is because we are upon a gold basis. That is what a gold basis means; that every dollar of silver and paper money can be exchanged for gold; and whenever the time comes that we can not do that we will not be on a gold basis.

Mr. KELLER. Will the gentleman yield?

Mr. STRONG of Kansas. I can not yield now.

I would like to pay these service men the balance of their compensation. If I could find any way to do it safely, I would be glad to do it. It is true that we can issue paper money to a certain amount and maintain that money at par, but the question is, How far can we go? The hearings held by our committee this year, and for the last few years on this money question, have made it very plain that we can not issue an unlimited amount of paper money. That is the statement of all economists.

Suppose we should issue $2,000,000,000 in paper money for the service men. Some farm organizations now are advocating that the farmers be refinanced at 1½ per cent. Why not, they say, issue $9,000,000,000 of paper money to do it with? If we can issue it for the service men, why not issue it for the farmers? And if we can issue it for the service men and the farmers, why not issue it for reclamation projects? We can not do that because of the political features of this Government; different groups will ask that money be issued for this, that, and the other thing.

Mr. PATMAN. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. PATMAN. The gentleman opposes that because he says it will be a bad precedent, and not because it would be bad money.

Mr. STRONG of Kansas. When you ask me a question, ask me a question; do not ask yourself a question. [Laughter.] I say I am in favor of any safe proposition that will provide for paying service men now the certificates due in 1945, and we could issue a limited amount of paper money, but I do not think we should start upon the dangerous plan of issuing paper money to pay the different expenses or debts of the Government at the political demand of any group of our citizens. If we could do that, we would not need to increase the taxes. If we could do that, why spend three weeks passing a tax bill? Why not just start the printing presses and pay these debts of ours with paper money?

We should not do that because it is the experience of the nations of the world that it can not be done with safety to the Nation. That has been made very plain. Germany tried it, and Germany destroyed her middle class of people. We do not want to destroy the middle class of people in this country, but you will not protect the middle class of people or the service men by issuing paper money time after time to pay this, that, and the other debt, for that is nothing but the pledge of paper money, which is not money but a pledge to pay money; and if you will read the hearings that my friend quoted, you will see where I asked Professor Fisher how far we could go in issuing paper money. He said, "You must limit your issue." In this form of government, a political government, faced with demands of different groups to have this paper money, it is a dangerous course to embark upon.

Mr. PATMAN. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. PATMAN. The proposal is that no money will be issued unless we have 40 per cent gold behind it. Would

not the gentleman think that would be a sufficient basis for the issuance of money?

Mr. STRONG of Kansas. Yes; but you are not going to put any gold behind this money.

Mr. PATMAN. Oh, yes; we will put 40 per cent behind it.

Mr. STRONG of Kansas. Where are you going to get it?

Mr. PATMAN. We have it right in the Treasury.

Mr. STRONG of Kansas. No; we do not have it in the Treasury; if we had, then the Ways and Means Committee should not have recommended a bill to raise taxes to meet our Government expenses.

Mr. PATMAN. We have here, for instance, the statement of the Treasury on gold certificates outstanding, $1,607,000,000. Those are gold certificates, backed by 100 per cent gold.

Mr. STRONG of Kansas. Yes; but pledged to the redemption of such gold certificates.

Mr. PATMAN. Six hundred million dollars would be ample security back of them.

Mr. STRONG of Kansas. No.

Mr. PATMAN. So, with the billion and six hundred millions of gold you have enough to support an issue of two and one-half billions of additional currency.

Mr. STRONG of Kansas. No; we have not. To be safe, we should follow the policy of the Federal reserve system. We should put up 60 per cent eligible paper and 40 per cent gold. In the Federal reserve, because of the failure to offer eligible paper during the last year, the situation arose where we had 20 per cent eligible paper and 80 per cent gold, and that is one reason why we passed the Glass-Steagall bill, so we might broaden the basis of eligible paper and get back again to 60 per cent eligible paper and 40 per cent gold.

[Here the gavel fell.]

The Clerk read as follows:

Compensation: For the payment of military and naval compensation, emergency officers' retirement pay, and disability allowances, accruing during the fiscal year 1933 or in prior fiscal years, for death or disability, provided by the act approved October 6, 1917, as amended, and the World War veterans' act, 1924, approved June 7, 1924, as amended (U. S. C., title 38, secs. 421–576; U. S. C., Supp. V, title 38, secs. 422–537), and the act entitled "An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War," of May 24, 1928 (U. S. C., Supp. V, title 38, secs. 561–582), and for the payment of annuities authorized by the acts approved May 23, 1908 (35 Stat., p. 1325), and February 23, 1929 (45 Stat., p. 1409), to the persons named therein, including James L. Hanberry in lieu of James F. Hanberry, and John H. Andrus in lieu of James A. Andrus, $356,250,000: *Provided*, That the act approved May 23, 1908 (35 Stat., p. 1325), is hereby amended by striking therefrom the name "James F. Hanberry" and inserting in lieu thereof the name "James L. Hanberry": *Provided further*, That the act approved February 28, 1929 (45 Stat., p. 1409), is hereby amended by striking therefrom the name "James A. Andrus" and inserting in lieu thereof the name "John H. Andrus."

Mr. WOODRUM. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. WOODRUM: Page 49, line 18, before the figures "$356,250,000" insert "and by the act approved January 31, 1931 (46 Stat. 1074)."

The committee amendment was agreed to.

Mr. SUMMERS of Washington. Mr. Chairman, I move to strike out the last word for the purpose of making comment on the provision which I have asked be carried in this veterans' bill, which permits the use of $15,000 for treating a certain class of cases. I call your attention to this so that you who know of such cases may bring this to their attention. The disease I refer to is known as thrombo-angiitis obliterans, or Buergers disease. It usually ends in gangrene. The lower extremities are most frequently involved, but sometimes the hands. Treatment is unsatisfactory. The treatment finally administered in most cases is repeated amputations. It may be the amputation of a toe, then another toe, and another; then a part of the foot, then the foot; and then a part of the leg. So in these cases we usually have multiple amputations. There are many unfortunate veterans scattered over the country in the different hospitals who have had from 1 to 26 amputations. I have seen a poor victim of thrombo-angiitis obliterans who had 26 amputations. A pitiable sight; a pitiable plight. Yet the poor fellow was cheerful.

As a physician, I know that what is effective in the treatment of one case is not necessarily effective in the treatment of another, but baths in Soap Lake, near Ephrata, Wash., are apparently giving very satisfactory results in a number of cases and covering a period of as much as 10 years. Cases where amputations have been made, and the stump has not healed, and only the promise of future amputations was given the patient, have received satisfactory treatment at Soap Lake. By the use of baths in that water the wounds have healed, so that later amputations have not been necessary.

When first brought to my attention I confess I was skeptical, but after investigating several cases I became convinced that good results in a number of cases have resulted from these baths in these chemically charged waters.

After numerous attempts, covering several years, to interest the Veterans' Bureau and have them place a few cases at the Soap Lake health resort for treatment and observation, I took the matter up with all of the 32 Government hospitals and homes of all kinds west of the Mississippi River last summer and asked them to report to me the number of cases they had treated during the past two years, also their treatment and results. I had detailed replies from all of these 32 hospitals. At no place were the results equal to those achieved at Soap Lake, Wash., the lake to which I have referred. So without any additional appropriation or without any additional expense we have provided that the Veterans' Administrator may, in his discretion, send selected cases there for treatment and observation, to see if they may receive better results than they have been getting at other places. It was thought that Hot Springs, Ark., was probably the best place to send these cases, but correspondence with the officer in charge of the hospital there reveals that they do not get results from Hot Springs baths, and that they must resort to amputations or to other forms of treatment, and that they do not recommend that any of these cases be sent there for treatment.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. SMITH of Idaho. I would like to ask the gentleman from Washington if General Hines, the Administrator of Veterans' Affairs, is advised as to the wonderful curative properties of the water in Soap Lake.

Mr. SUMMERS of Washington. General Hines is advised. I talked it over with his medical officers repeatedly, and General Hines has agreed to and suggested the wording of the language in the bill which permits a total of $15,000 to be expended for that purpose.

Mr. SMITH of Idaho. Why is it necessary to incorporate in legislation a provision that the Administrator of Veterans' Affairs should be limited to any particular amount in making the study provided for?

Mr. SUMMERS of Washington. The purpose of my amendment is to give the administrator authority to send nonservice cases and also service-connected cases to Soap Lake for observation and treatment.

Mr. Earl McKay, an ex-service man, suffered one amputation before coming to Soap Lake 10 years ago. He was told that other amputations would follow. He has lived at Soap Lake 10 years in comfort and good health, but has repeatedly told me that absence from the baths for a few days always results in deep dark discoloration of his foot and leg (as precedes the gangrene in these cases), but that the discoloration promptly clears up when the baths are resumed.

I have labored several years to secure a careful test of the treatment of thrombo-angiitis obliterans at Soap Lake with the sincere hope that service men from any part of the country may find relief from threatened gangrene of toes, feet, legs, fingers, and hands, and that they may be spared



the horrors of multiple amputations. I sincerely hope that the same good results may come to other veterans that have already been noted in a number of cases treated by these baths.

Mr. PATMAN. Mr. Chairman, I move to strike out the last two words, and would like to have the attention of the gentleman from Kansas [Mr. STRONG].

I know the gentleman is a distinguished member of the Banking and Currency Committee, and I know the gentleman is informed on financial matters, and I wish to apologize to him for even suggesting that he was mistaken a few minutes ago; but I do believe the gentleman is mistaken.

Mr. WOODRUM. Will the gentleman yield to me to submit a unanimous-consent request?

Mr. PATMAN. I yield.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PATMAN. The gentleman stated, if I understood him correctly, that a gold certificate had 100 per cent gold behind it, but that all other paper money that is issued by the Treasury Department had 40 per cent gold and 60 per cent eligible paper.

Mr. STRONG of Kansas. No; I did not say anything of the kind.

Mr. PATMAN. Then I misunderstood the gentleman and I am glad I did misunderstand him, because the gentleman would have been clearly wrong. The United States note has 40 per cent gold and nothing else on earth behind it.

Mr. STRONG of Kansas. I said that it is redeemable in gold. I said every dollar of our money is redeemable in gold, whether it is paper money or silver money; you can always get gold for every dollar of United States currency.

Mr. PATMAN. That is because, of course, the credit of the Nation is behind it, and we have plenty of gold; but, as a matter of fact, there is a 40 per cent gold reserve set aside for taking care of this money, and there is no eligible paper behind it.

Mr. STRONG of Kansas. Of course, we have a reserve of 40 per cent of gold required behind our currency, because we have found from experience that 40 per cent of gold will handle the currency and cause its redemption in gold.

Mr. PATMAN. I am very glad I misunderstood the gentleman.

Mr. STRONG of Kansas. There will never be a time that 100 per cent of the money outstanding will be offered for redemption, but any time you take silver or currency to the United States Treasury you can get gold for it.

Mr. PATMAN. Certainly, because the credit of the Nation is behind it and we have plenty of gold. And we will always have plenty with a 40 per cent gold reserve.

Mr. STRONG of Kansas. But you could not do that if we were off the gold standard.

Mr. PATMAN. But I want to suggest to the gentleman that the plan I shall advance to pay the adjusted-service certificates is just that plan—back it with 40 per cent gold and 60 per cent obligations of the United States, and if that is fiat money, all the currency we have outstanding, except gold certificates, is fiat money.

I yield back the remainder of my time.

The Clerk read as follows:

Hospital and domiciliary facilities and services: For carrying out the provisions of the acts entitled "An act to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes," approved March 4, 1931 (46 Stat. 1550), $10,877,000; "An act to establish a branch home of the National Home for Disabled Volunteer Soldiers in one of the Northwest Pacific States," approved July 3, 1930 (46 Stat. 852), $1,000,000; "An act to provide for the establishment of a branch home of a National Home for Disabled Volunteer Soldiers in one of the Southern States," approved June 21, 1930 (46 Stat. 792–793), $1,000,000; in all, $12,877,000, to be made immediately available and to remain available until expended.

Mr. EATON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: On page 51, line 6, after the word "extended," strike out the period, insert a semicolon, and add "*Provided*, That in the purchase of supplies of every nature the prices therefor shall be required for delivery free on board cars at the freight depot nearest to the hospital or domiciliary facility to be furnished therewith."

Mr. WOODRUM. Mr. Chairman, I reserve a point of order on the amendment.

Mr. EATON of Colorado. Mr. Chairman, I wish to be heard on the point of order.

This amendment is directed to an opportunity to save at least 5 to 15 per cent on all supplies that are purchased by the Veterans' Administration. In the operation of the hospitals themselves I am told that the expenditure is about $17,000,000. This is included in another total figure on page 46.

The amount of expenditure here in connection with new construction is $12,000,000.

Under the present system of purchasing, the deliveries are required to be made at four central points, Chicago, Perry Point, New Orleans, and San Francisco.

As a matter of fact, in the Rocky Mountain region there are eight hospitals, and each one of them is tributary to three or four distributing points. For example, Fort Lyon, in Colorado, is tributary to Kansas City, Omaha, and Denver; Tucson, Ariz., is tributary to Kansas City, Denver, Los Angeles, and San Francisco; Boise, Idaho, is tributary to Salt Lake City and Denver; and so it goes all the way around the circle for an expenditure of $17,000,000 in all their supplies.

The purpose of the amendment is to direct the Veterans' Administration to get its bid price for the goods purchased at the point where delivery is to be made and not at the four central stations to which the freight is included in the figures and then the freight is paid out to the distributive point.

Mr. BACON. Will the gentleman yield?

Mr. EATON of Colorado. Certainly.

Mr. BACON. Has the gentleman's amendment the approval of the Veterans' Administration?

Mr. EATON of Colorado. It has not the approval of the Veterans' Administration. I have had more or less of a discussion with the Veterans' Administration in trying to get them to place a distributing station, such as they have in Chicago and San Francisco, some place between Chicago and San Francisco, and out of the material furnished by them to show reasons why they should not have a distributing station in that district, it has been shown that for all the business there, amounting to three or four million dollars, they are paying anywhere from 5 to 15 per cent more for transportation on everything they get in that district than they would have to pay if they had prices on bids f. o. b. the hospital. So my suggestion in this amendment is to have the bid price given by the furnishers on all contracts to be delivered at the particular hospital instead of at the central stations in Chicago, San Francisco, Perry Point, and New Orleans.

Mr. BACON. Will the gentleman yield further?

Mr. EATON of Colorado. Yes.

Mr. BACON. It is my impression that the Veterans' Administration handles the purchase of its supplies in a more efficient and economical way, perhaps, than any other department of the Government, and I am sure that General Hines is going to get his supplies to the different points where they are destined as cheaply as possible, and unless he approves this amendment I believe it would be unwise for this committee to adopt it.

Mr. EATON of Colorado. I think that General Hines has not paid much attention to it, but Major Cutter has paid a great deal of attention to it, and the correspondence has demonstrated the difference in the prices.

Mr. WOODRUM. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The point of order is sustained.

Mr. WOODRUM. Mr. Chairman, the Veterans' Administration has developed, over a period of several years, a system of centralized purchasing highly efficient and economical. Purchases of staple articles of foodstuff and standardized supplies are made by bulk contract and in such manner that the Government obtains the maximum advantage of competition and the resulting saving in cost. The effect of this amendment would be to destroy this system of centralized purchasing. One of the economical advantages of such centralized purchasing results from accepting bids and awarding contracts, if desirable, for the commodities in question f. o. b. at the factory or point of distribution. Throughout the western part of the United States, primarily, the railroads afford the Government what is known as land-gant rates, which are considerably smaller than regular commercial rates. Consequently in making these centralized purchases, if a saving can be made on these purchases on a Government bill of lading, the Government may take advantage of these land-grant rates.

The experience of the Veterans' Administration as shown by their records of these savings is that approximately $60,000 a year is saved in this manner. The centralized purchasing of the Veterans' Administration involves an expenditure of approximately $10,000,000 a year for all classes of supplies and commodities. Here again, by reference to the records, it is found that this represents a saving of approximately 10 per cent, or $1,000,000 annually. In other words, if this amendment is passed, it would mean that the Veterans' Administration would have to abandon its centralized purchasing procedure at an increased cost to the Government of approximately $1,060,000 a year.

There are other advantages to the scheme of centralized purchases other than the mere question of economy. Through centralized purchasing, the Veterans' Administration obtains a standardization of commodities so that the same food and the same supplies are utilized in every one of their hospitals and homes. The veteran hospitalized in California receives the same grade of food as the veteran hospitalized in Maine. Centralized purchasing also makes possible the inspection of all commodities so purchased, and insures the Government of obtaining the exact thing contracted for, properly tested, and accepted. In accomplishing this inspection, the Veterans' Administration utilizes the services of other Government activities which are competent and qualified through their governmental activities to determine that the specifications have been fully and completely complied with. This system of centralized purchases has been passed upon by the Economy Committee, and having received their indorsement as an economical measure, the Chief Coordinator, in appearing before the Economy Committee, has had suggested to him the possible extension of this system to other governmental activities.

I desire to call attention to the fact that the subcommittee has eliminated from this item an amount of $1,161,732 by taking advantage of the decrease in the cost of supplies. If this amendment is adopted at an increased annual cost of approximately $1,060,000, the entire effect of this saving would be lost, and we will have to increase this appropriation item to the approximate amount originally recommended in the Budget.

Mr. EATON of Colorado. Answering the statement of the distinguished chairman of the subcommittee, I submit that when a system of centralized purchasing causes goods to cost more money, then those who operate the system ought not to close their eyes to lower prices which may be obtained, not by decentralization but by availing themselves of the ordinary details incident to calculating the prices on goods. If a land-grant railroad rate is available to one hospital for supplies from one source, my understanding is that it is also available for supplies from any source. The requirement is only that the shipment be upon the land-grant railroad for rates applicable thereon. For other roads, the rates are alike to all shippers. Many of the hospitals are not located on land-grant railroads. This amendment would not disturb the savings of $60,000 said to be made annually.

In the Rocky Mountain region, the rates to Albuquerque, N. Mex., Fort Lyon, Colo., Sheridan, Wyo., and Hot Springs, S. Dak., are lower from Denver than from any other point. The land-grant rates from Denver are the same as commercial rates. Pueblo jobbers have the same common point rates as Denver. I think the same statement is true as to rates from Salt Lake City to Boise, Idaho.

A comparison of land-grant rates to several hospitals in the Rocky Mountain region is contained in the following statement from a freight tariff expert:

In order to make the present situation clear to you, I have rechecked all of the rates involved and made up-to-date tabulations of the current rates, including also the land-grant rates as quoted by Major Cutter.

An analysis of the current situation discloses the following: Prescott, Ariz.: Land-grant rates from San Francisco are lowest; canned-goods rate of 81 cents from Denver is lowest. Tucson, Ariz.: Land-grant rates from San Francisco are lowest; canned-goods rate of 81 cents from Denver is lowest. Bayard: Land-grant rates and canned-goods rate from San Francisco are lowest. Albuquerque: Commercial rates and canned-goods rate of 69 cents from Denver are lowest. Fort Lyon: Commercial rates and canned-goods rate from Denver are lowest. Sheridan, Wyo.: Commercial rates and canned-goods rate from Denver are lowest. Hot Springs, S. Dak.: Commercial rates and canned-goods rate from Denver are lowest. Helena: Land-grant rates and canned-goods rate from San Francisco are lowest. Boise: Land-grant rates and canned-goods rate are lowest from San Francisco.

Under date of January 15, 1932, Major Cutter, director of supplies of the Veterans' Administration, stated:

At the present time canned fruits and vegetables and certain other items of subsistence supplies are purchased centrally and distributed from San Francisco, Calif., to the following field stations of the Veterans' Administration:

Whipple (Prescott), Ariz.; Sheridan, Wyo.; Fort Bayard, N. Mex.; Tucson, Ariz.; Fort Harrison (Helena), Mont.; Boise, Idaho.

The Veterans' Administration hospital at Fort Lyon, Colo., is furnished the items in question from our supply depot at Chicago, Ill. When the new hospital now being constructed at Albuquerque, N. Mex., has been completed, distribution to that station will be made from San Francisco. The Veterans' Administration home at Hot Springs, S. Dak., is now purchasing locally its requirements for subsistence supplies, but when this station is included in the centralized plan of procurement, distribution will be made from the supply depot in Chicago, Ill.

The gentleman from Virginia [Mr. WOODRUM] also says that a million dollars is saved annually by centralized purchasing. I say that if the centralized purchasing bureau would take its bids for supplies f. o. b. the separate hospitals instead of f. o. b. the four central distributing warehouses, there would be an added saving of up to 5 per cent on a large part of the purchases. On some individual items, I am told, the amount would be 15 per cent. If you do not care to take my word for it, pass the word along to the Veterans' Administration and have it request the next bids to be made in the alternative for each hospital bids at the central distributing warehouse from which it is furnished its needs and bids at the hospital station. If traffic experts' figures may be relied upon, the latter will show a favorable differential.

My amendment is not proposed with any intention of disturbing the centralization of the purchasing procedure. What I propose will not decrease the $1,060,000 said to be saved by the present system, but ought to add from $50,000 to $100,000 thereto. It is idle to assert that all or any part of the $1,060,000 would be lost if bids are taken for delivery at the hospital station.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. I want to inquire of the chairman of the subcommittee about two items of the new homes, one in the Pacific States and one in the Southern States. Has any definite location for these homes been made?

Mr. WOODRUM. Yes; the one in the Northwest has been authorized and is under contract. That is at Roseburg, Oreg., and the one in the South is at St. Petersburg, Fla.

Mr. HOGG of Indiana. Mr. Chairman, I move to strike out the paragraph.

Mr. Chairman, I compliment the chairman of the subcommittee on his reasonable attitude toward the items of this

appropriation bill. Briefly I shall discuss some important aspects of the present situation.

The economic catastrophe in 1929 did not just happen. It was the result of the uncontrolled greed of selfish interests which occupied strategic places in our economic life. They collected too large a part of the earnings of the enlightenment and energy of this generation.

AMERICA, A. D. 1929

In 1929, 500 individuals had an income of $1,185,000,000. Seven hundred had an income equivalent to that of 2,000,000 farmers. Eighty-five had a million dollar greater income than the total income of the 420,000 men engaged in clothing-manufacturing industry.

Four per cent of the population of America owned 85 per cent of all the wealth of the Nation. Sixty million citizens had practically nothing. Two groups alone held 341 directorships in 112 banks, railroad, insurance, and other corporations. One man of this group made the boast that 12 men in the United States controlled the business of the Nation.

During the period of the World War to the depression beginning in 1929, wages and prices, both retail and wholesale, remained practically the same. The average productive capacity of all individuals in industry during that time increased 55 per cent. The groups controlling our industrial life could have lowered prices materially and thus produced an increased demand for goods that would have enabled the farmer who had only a small income to buy. But industries kept the profits, which had increased on an average of 72 per cent. Then having secured the profits and not seeing the handwriting on the wall, they overexpanded their business.

Within this time total national income increased less than 10 per cent. The number of men with incomes of over a million dollars increased over 1,400 per cent, or one hundred and forty times as fast. And the amount of money these men made in one year increased 1,300 per cent, or one hundred and thirty times as fast as the total amount of money made by everybody in the whole United States.

INSTALLMENT BUYING

Farm implements were so high that the farmer could not buy without going heavily into debt. Nor could he buy the other products of American factories because of high prices and his own low purchasing power.

To stimulate the dwindling market, installment buying was urged and cajoled on the public far beyond reason. It was usually financed by a heavy overcharge. By this method the worker in the city kept up the market for an additional time. With the farmer practically bankrupt, the city worker overburdened with debt, and markets gone, a great scheme was hit upon by speculators.

THE DELUGE

International Telephone & Telegraph stock was put to the public at 194. It shrunk to 26. The investors lost $820,000,000. Montgomery Ward & Co. was sold at 156. It shrunk to 18. The investors' loss was only $640,000,000. General Electric went to the public at 110. It shrunk to 45. The investors loss $1,580,000,000. General Motors sold at 92. It shrunk to 32. The investors lost $2,610,000,000.

A survey of 25 of leading stocks and securities shows a loss to investors of $16,000,000,000.

Meanwhile the international bankers bought outright or panned off on the public $12,000,000,000 of foreign securities. Only those who heard the testimony as brought out by Senator HIRAM JOHNSON in the Senate investigation committee, or who have read the hearings, can realize how reckless and irresponsible was this action of the international bankers. It was the Son of Man who drove the money changers from the temple.

The record shows that in many instances these loans were urged on foreign states to make improvements which were not needed. No other country except our own could have withstood the shock. No wonder, then, these international bankers want the foreign loans of the Government canceled that they may first collect their own.

I have no quarrel with wealth, but I am opposed, as I think every good citizen should be opposed, to the vicious and dangerous methods which have too often been pursued by certain organizations of capital to squeeze from the American workingman and the American farmer unjust profits for their own greedy gratification. We can not sidestep these questions. They involve the physical and the moral well-being of 120,000,000 people. It is the business of government to deal with them and we must face the facts squarely.

THE SUPREME QUESTION

To attack the rich because they are rich and to assail capital because it is capital is one thing, but to insist that those who are in a position to influence the entire trend of social affairs shall operate in accordance with just means and honest principles is the supreme question before the American people to-day.

The man of vast wealth is not in possession of it to deal with it as he chooses, regardless of benefit or the welfare of society.

The god of gold is enthroned on too many hilltops in America. Clean living, virtue, and excellence in achievements are far secondary in the minds of too many lovers of luxury. The individual is rapidly becoming the hired man of big corporations. The golden rule is becoming the "gold in" rule.

FUNCTION OF GOVERNMENT

The first and primary function of our Government is to protect America and the American people from foreign aggression and to preserve and maintain justice and order at home. America is at peace with the world. Everyone knows that an adequate military and naval defense is our cheapest, best, and necessary means of maintaining that peace.

I do not mean to be critical of our Government. It is the best government in all history. It is my duty to point out the disastrous trends in it. Aside from maintaining peace with foreign nations, our Government is more officious than official. To-day our Government is engaged in a countless duplication of things which can and are being done by individuals and groups of individuals not in Government service.

The Government is giving vastly more attention to these secondary things than to the primary functions of government. The Government of the United States should not be engaged in any kind of business, study, investigation, or activity that is being substantially done or can be done by individuals or group of individuals not in the Government service. Our Government has gotten too far away from its real functions. Its feverish and expensive activities are too often neither usefud nor necessary. Educational, medical, scientific, engineering, and other research organizations have facilities and experience for investigation that the Government need not duplicate.

LIFE AND PROPERTY UNSAFE

Twelve witnesses in a Federal criminal case were recently assassinated and no one was punished therefor. Crime and criminals abound. The Government must withdraw from its officious activities and concentrate its attention on official duties. Business men grow weary opening questionnaires from the Department of Commerce while they must send an armed guard to protect their messenger boy when he goes around the corner to deposit a small sum of money.

REDUCTION IMPERATIVE

With two exceptions, there is not a department in our National Government in which the activities could not be reduced by a large per cent with no harm whatever done to real governmental activities. There are many able men in Government service, but there are many experts who do not expert. The American people can not afford, and they do not want, a $4,000,000,000 National Government.

The Government Printing Office is the model of efficiency. The Nation would get along just as well, and I believe endure as long, with one-third the printing that is done there. This is only an example. There are 800,000 employed in

the executive departments throughout the Nation. I have repeatedly urged lessening of appropriations and have introduced many amendments to that effect. A radical curtailment of hundreds of millions must and will be effected before adjournment. All higher salaries must be reduced.

STOCK-EXCHANGE TAX

There are 44 different stock exchanges in the United States. Taxes placed on their transactions by the House of Representatives will amount to $50,000,000 a years. The abuses of the market and of selling short are recognized everywhere. Too many transactions are by folks who are seeking profits they do not earn. Gambling is encouraged and individual industry discouraged.

NO SALES TAX

To meet the deficit certain interests proposed a sales tax. They proposed thereby that a man rearing his children and endeavoring to support his family as best he can should pay a tax on every purchase that the tax on million dollar a year incomes and inheritance taxes should be less. The sales tax was defeated. It was the most unjust tax that could affect the poor and needy. A sales tax could not reach hoarded millions.

INHERITANCE TAX

I was one of those who advocated and voted for a 65 per cent inheritance tax on estates consisting of huge fortunes. It is the only method of safeguarding the future of the Republic. This inheritance tax on large estates is the most just and necessary tax. I will give a few of the large estates which have been left within the past two years: Thomas B. Slick, $75,000,000; Colonel Friedsan, $50,000,000; Payne Whitney, $239,000,000; J. T. Dorrance, $200,000,000; William P. Foss, $30,000,000; Ella von E. Wendel, $100,000,000; George F. Baker, $75,000,000; R. Wanamaker, $42,000,000; W. M. Wright, $60,000,000; Samuel Hather, $50,000,000; Abraham Erlanger, $75,000,000; Edmond Bok, $24,000,000.

In the American Economic Review of recent date it is shown that two groups of wealth at the present rate of increase will in 40 years own half of the United States.

Under the law as enacted by the House the maximum, 65 per cent, begins at $10,000,000. That rate is not as high as the British rate. Strong influences are at work to weaken the national inheritance tax law. Unless there is a certain limit on the vast accumulation of wealth the future of our Nation is not safe.

INCOME TAX

When a mother works at a factory long hours for $8 a week, and on this must support two or three children, it is difficult to understand the logic of those vast incomes which object to an income tax. They prefer a sales tax on what the mother buys with the $8. I voted to materially increase the tax on high incomes. Lincoln and Edison earned a million a year, but did not collect it. Many are the doctors, the teachers, the ministers, and the scientists who earn great sums. They do not collect it.

TAX-EXEMPT BOND EVIL

To escape the payment of any tax, great fortunes buy tax-exempt bonds. According to a recent estimate, there are to-day outstanding more than twenty-five billions of tax-exempt securities. Nearly one billion is being issued by States and their subdivisions each year.

Tax-exempt bonds evade payment of taxes. They encourage the issue of the securities by States and subdivisions. They divert funds from the development of productive enterprises into nonproductive, wasteful, extravagant State and municipal expenditures. They are a safe haven for those who pay no tax.

No principle of taxation is more generally accepted or more just than that taxes should be levied in accordance with ability to pay. There should be no privileged class under our Government. A special privilege is granted to those who hold tax-exempt securities. It furnishes a convenient and constitutional means to escape taxation and thereby causes a great loss of revenue. It is in effect a subsidy to certain individuals and interests. Many fortunes use it to escape their just part of the public burden. The weak should not be forced to bear the burden of the strong.

I have placed on the House Clerk's desk a petition to discharge the Ways and Means Committee from the consideration of H. J. Res. 112, which I introduced, proposing a constitutional amendment to remedy the evil of tax-exempt securities. It should have the immediate and favorable attention of Congress.

RECONSTRUCTION CORPORATION

For some time it has been impossible for farmers, laborers, and business men to secure loans at banks which were members of the Federal reserve system. Regardless of the individual merit of the applicant, loans were not available. A national bank has many advantages given it by the Federal Government. Many of these banks even now are the biggest hoarders of money in America.

Last summer so many complaints were made concerning the failure of the Federal reserve system to function that I wired President Hoover, as many doubtless did, and suggested an enlargement of rediscount privileges in order that the public might be accommodated. The Reconstruction Finance Corporation was set up by Congress and authorized to rediscount on good security. It is prohibited from taking foreign securities. It is a part of the United States Government and has an authorization of $2,000,000,000 capital for the service of American citizens.

NATIONAL BANKS

To-day a bank can rediscount good loans with the Reconstruction Finance Corporation without delay if it chooses to do so. Last week a small bank in a town of 400 people in my district rediscounted $60,000 worth of notes for the farmers in that community.

Contrary to what we usually see in advertisements, the First National Bank of Fremont, Ind., a town of 800 people, advertised in the county seat paper at Angola, the Steuben Republican, that it is in position to rediscount paper in order to help agriculture and business. While many small banks are rendering this service, the vaults of many of the larger ones are overflowing with money, and few loans are available. These big banks have taken care of themselves and stopped there.

INTEREST RATES

There is no justification for the high rates of interest which most people must pay on loans. Bank failures have occurred with increasing rapidity. A bank guarantee law must protect the depositor, and a lower rate of interest must prevail.

DIGNITY OF LABOR

The greatest Man of all history worked at the carpenter's trade until He was 30 years old. At 33 He was put away by false leaders who cared more for self-gratification and power than for humanity. Who is there who can even calculate the value to the human race of the life of that Carpenter? No dignity excels the dignity of honest toil.

A few years ago a man who accumulated vast millions while most of his employees lived in huts too vile for description, said that a man is worth a dollar a day from his shoulders down, but from his shoulders up he is worth as much as he can collect. In that he did not regard labor as human. Of course, he gave away large sums. It is easier to be generous than just.

Labor knows better than anyone the misery and wretchedness which despotic corporations have in the past visited upon it. I am proud to have had a part in putting more humane provisions into the labor injunction law of America. Too long it had been denied the toiling masses of our land.

No workingman wants that which does not belong to him. Too often he has run an uneven race with the powers of great wealth. After a life of toil and economy he should not be forced to turn to charity in his last days.

"RED HERRING"

Dr. Charles Beard is America's outstanding living historian. He is learned and fearless. His books are understandable. Every thoughtful person should read his 800-page work on the Rise of American Civilization. It enables one to grasp more clearly the true proportion and significance

of events. The student of economic affairs will then see the significance of Doctor Beard's statement that some issues before the American voter are "red herring to drive the American people off the real trail."

ECONOMIC BALANCE

The foundation of social life is the home. The family is the basis of civilization. The test which I apply to all legislation is how its provisions will affect the welfare and the happiness of the American home. Unrestricted monopoly and concentrated wealth do not make for better homes. Watered stock and inflated salaries are a plague to America. If greed and selfishness in high places would for a season practice the teachings of the lowly Nazarene what a transformation there would be.

An economic balance must be established and maintained. Currency must be stabilized and the circulating medium increased. Families must be helped to purchase homes. The independent business man must be protected. Buying power must be restored to the farmer and to labor. Immigration must be further restricted. A definitely higher value must be placed on human life and on human welfare. [Applause.]

The Clerk read as follows:

State and Territorial homes for disabled soldiers and sailors: For continuing aid to State or Territorial homes for the support of disabled volunteer soldiers, in conformity with the act approved August 27, 1888 (U. S. C., title 24, sec. 134), as amended, including all classes of soldiers admissible to the National Home for Disabled Volunteer Soldiers, $722,000: *Provided*, That for any sum or sums collected in any manner from inmates of such State or Territorial homes to be used for the support of said homes a like amount shall be deducted from the aid herein provided for, but this proviso shall not apply to any State or Territorial home into which the wives or widows of soldiers are admitted and maintained.

Mr. McGUGIN. Mr. Chairman, I move to strike out the last word. No one can gainsay but that the hue and cry of the Nation and the need of the Nation are a reduction in public expenditures. We have reached that point where we can not pay the expenses without further increasing the tax burdens of the people.

Mr. WOODRUM. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to the amendment under consideration.

The CHAIRMAN. The gentleman will proceed in order.

Mr. McGUGIN. Mr. Chairman, I sincerely trust that at some time I may be able to discuss this matter as some others have done, but if it is the view of the chairman that I can not, I bow to his wishes.

Mr. HOPKINS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter I have written to the State commander of Veterans of Foreign Wars.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOPKINS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written to the State commander of Missouri, Veterans of Foreign Wars:

APRIL 8, 1932.

Mr. FRED WINDSOR,
State Commander Veterans of Foreign Wars,
St. Joseph, Mo.

MY DEAR FRED: I have your letter recommending the immediate cash payment of the adjusted-service insurance certificates.

Some time ago I was asked by your organization to make a thorough study of this proposition and inform them of my definite stand, either for or against the bonus. I have made this study as thoroughly as I know how, and have come to a decision.

To cash these insurance certificates at this time would require twenty-four hundred million dollars. The Government does not have this money and can not borrow it with safety to itself or fairness to the American people. The total income of the Government this year will be about $2,300,000,000, or $100,000,000 less than the cost of the bonus. Out of this we must pay $640,000,000 interest (not on principal) on our war debt and $700,000,000 for national defense (the Army and Navy). Over $1,000,000,000 will be paid to veterans this year through disability compensation and hospital benefits. All other governmental costs are being met this year by money borrowed at higher than customary interest rates, because many United States bonds are selling below par.

Therefore it is not a question as to whether or not the bonus should be paid, but rather, can it be paid. Already our country is burdened with taxes and could not safely bear this additional tax.

I shall vote against the immediate cashing of these certificates with the firm conviction that by so doing I am being a better friend of the veteran than I would be if I voted for it. I believe that if the bonus is paid at this time by any of the means suggested by its proponents, the country will be definitely hurt, suffering prolonged and aggravated, and more men thrown out of jobs.

Various plans have been suggested as a means of finding the $2,400,000,000 which would be needed to cash these bonus certificates, and most of them are as unsound as the latest proposal to start the printing presses and print fiat money, which if followed would send our currency along the same road as that traveled by the German mark after the World War and bring an economic chaos, which would most certainly directly affect every veteran who must work for a living and penalize every disabled veteran of much of his compensation.

I know many of the veterans feel that Congress made a mistake in creating the Reconstruction Finance Corporation, for which $500,000,000 was appropriated (by borrowing) and authorization given to sell $1,500,000,000 additional debentures, if needed, in the operation of making loans to banks, railroads, insurance companies, farm cooperatives, etc., which due to the depression were on the verge of collapse. However, the fact should not be overlooked that these loans are only made on security and must be repaid with interest. Under this plan the taxpayers are not expected to lose one dollar. The War Finance Corporation, a similar organization that functioned from 1918 to 1924, not only returned to the Treasury all money borrowed but made a profit of $65,000,000. The Reconstruction Corporation is designed to do as well.

I want to emphasize that the Reconstruction Finance Corporation makes gifts to no one. Every disabled veteran who has his savings in a bank account should know that the Reconstruction Finance Corporation is in truth an agency for his protection as well as that of other depositors. Since its organization many banks in Missouri have been saved from failure, and the savings of many workingmen have been thereby protected.

For example, the Treasury Department informs me that in January, 1932, there were 334 bank failures, but in February this number was reduced to 115 and in March to about 30. It is felt that the Reconstruction Finance Corporation, which was set up and organized January 22, 1932, was the saving factor in these cases.

In voting for the Reconstruction Finance Corporation I did not have in mind big banks or big interests, but I was thinking of the 25,000,000 workingmen who have savings accounts or who are paying on homes, and I voted to save these savings accounts and to try to keep them from losing their homes as well as their jobs.

The veterans of this country who during the period of war offered to make the supreme sacrifice in its defense make up the most wholesome and patriotic group of citizens. This country is now facing a crisis that I sincerely believe is of greater magnitude than that faced in 1917. I am convinced that when the veterans of this country analyze both sides of the bonus question they will feel, as I do, that for the time being the demands for the bonus should be withdrawn until our country is again on its feet. I have confidence in their judgment and the fairness of the ex-service men, and feel they will approve of my decision in this matter, particularly when they know that I believe that to ask this measure at this time would have a disastrous effect on our beloved country. I feel certain that if your own organization, the Veterans of Foreign Wars, were again in session, and knowing the conditions as they now exist, they would vote to postpone their demands for the bonus until a later date.

I hope that you will agree with me in this matter; but regardless of whether you do or not, I want you to know that I expect to continue to make my office available for service to the disabled veterans, their widows, and orphans just as I have in the past.

Of course, you know that hearings on this matter begin April 11. Should evidence develop there that would justify me in changing my mind, I want you to know that I shall certainly give it fair and impartial consideration. I should have preferred not to have made my decision until after the hearings, but your letter as well as a letter from your national commander requested that the decision be made at once; therefore I am writing you this letter.

With kind regards, I am cordially yours,

DAVID HOPKINS.

Mr. McGUGIN. Mr. Chairman, will the gentleman from Virginia yield?

Mr. WOODRUM. Yes.

Mr. McGUGIN. I want to keep within the rules. I would like to have an expression from the chairman whether it is his view, after the gentleman from Texas and half a dozen more on his side of the House this afternoon spoke outside of the bill that no one else shall be allowed to do so?

Mr. WOODRUM. Not at all.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may proceed for five minutes out of order.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McCUGIN. Mr. Chairman, I respectfully decline to speak under circumstances different from those under which anyone else has spoken.

The Clerk read as follows:

Total, Veterans' Administration, $949,237,795: *Provided*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 52, line 17, after the word "purposes," strike out the period, insert a colon, and add the following additional proviso, to wit:

"*Provided further*, That no part of this appropriation shall be expended to pay any salary or retired pay to one William Wolff Smith."

Mr. SWING. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair overrules the point of order.

Mr. WOODRUM. Mr. Chairman, will the gentleman from Texas yield to me to make a request?

Mr. BLANTON. Yes.

Mr. WOODRUM. I ask unanimous consent that debate upon this amendment conclude in 15 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Chairman, I realize full well that it will be impossible to pass this amendment to stop the $9,000 salary and additional retired pay of $187.50 per month that is being drawn by William Wolff Smith.

One excuse after another will be offered for not cutting him off. It will be said that this is not the proper time. There will be another excuse that there ought to be a special bill and that it ought to come from a legislative committee. Some one will contend that there must be a hearing. And my amendment will be defeated, and "Poker Bill" will continue to draw his $9,000 salary and his $187.50 per month additional as retired pay, while veterans who saw actual service abroad and who are totally and permanently disabled are on their backs, turned down by Smith's legal department, are drawing nothing, with their wives and little children starving to death.

But it will not be my fault. It will be the fault of those who hunt up excuses not to cut him off. He could be cut off now. If Members here would pass my amendment in this bill as law he could not thereafter draw his $9,000 salary and his $187.50 per month retirement pay. They would stop him. They could thus cut him off. Then he could be given a hearing, while his pay was suspended. Then a bill could be considered before a legislative committee. Then the committee could vote out the bill. Then, after months, the committee could get its day to call its bill up. Then the committee could pass its bill, but during all of these months that it takes such a legislative bill to be passed here by a committee William Wolff Smith would not be drawing his $9,000 salary and his retired pay of $187.50 per month additional from a depleted Treasury.

I have done my duty. I have made the investigations and gathered the facts and have placed same before the Congress. I have offered an amendment, now before the House, which, if passed, would cut off this salary and retired pay Smith has never earned and to which he is not entitled. I have shifted the burden of cutting Smith off from my shoulders to the shoulders of my colleagues in the House and in the Senate. If they permit it by their votes, they will be responsible.

Every statement of fact asserted in my House Joint Resolution 355, which appears on pages 7813 to 7817 of the CONGRESSIONAL RECORD for yesterday, April 8, 1932, is absolutely true and can be established by abundant, convincing, and overwhelming proof.

It is true that this Resolution 355 has been referred to the Committee on Military Affairs and that such committee has granted me a hearing, to begin next Wednesday morning at 10 o'clock. But this resolution affects all retirements and all retirement pay in the Army, Navy, Marine Corps, and for emergency officers, and it may be some time before such hearings close, and it will be some time before this committee can report a measure to correct the present abuses, discriminations, and injustices; and after favorably reporting such a measure it will be months before such committee can get its day to pass it.

Realizing that these months of delay must occur, I have offered this amendment, to stop right now this unearned salary of $9,000 and this unmeritorious retired pay of $187.50 per month additional that William Wolff Smith is unjustly drawing from the Government. Now is the time and the place and the means to stop it. When you colleagues of mine who find some excuse to keep you from voting now to stop it go back to your homes this summer, and veterans who were totally and permanently disabled in France who are drawing only a hundred dollars per month ask you why you did not vote to stop William Wolff Smith from drawing retired pay of $187.50 per month in addition to his $9,000 salary, do not tell them that you could not have it stopped, because you can by passing my amendment into law, but state your excuse for not stopping it and let them pass on whether or not they consider your excuse good and reasonable.

I have shown you heretofore, and it is clearly and succinctly stated in my Resolution No. 355, and it can not be truthfully denied, that in a libel suit brought by Smith, Collier's Weekly defeated him by establishing before a court and jury the truth of its publication charging that said William Wolff Smith was "a sort of a journalistic lobbyist; that the National Wholesale Liquor Dealers' Association employed Smith to mold public opinion against pure-food measures and to oppose legislation sought to prevent fraud; that Smith could be hired on either side of a controversy; that he was a press agent for the highest bidder; and that Smith maintained a bureau in Washington to taint the news and to corrupt public opinion; and that when Smith attacked Dr. Harvey W. Wiley, he was paid by interests opposed to the pure food bill; and that self-respecting newspapers will no longer publish his articles." Smith will not deny the above.

It is shown in the official court records of cause No. 50264, at law, in the Supreme Court of the District of Columbia. Smith claimed that the above statements Collier's Weekly published about him damaged him, and he tried to make this magazine pay him a big sum of money. Collier's Weekly admitted that it published the statements, but it pleaded that all of such statements were true. And after hearing the evidence the jury found that such statements were true, and gave their verdict to Collier's Weekly against Smith, and gave him no damages.

This "sort of journalistic lobbyist," whom Collier said could be hired on either side of a controversy, and was a press agent for the highest bidder, and whose articles self-respecting newspapers would no longer publish, decided that a license to practice law might be worth something to him, and after attending some lectures, succeeded with 177 applicants in being licensed. He got a license, but that was about all he did.

I have shown that on October 29, 1918, just 13 days before the armistice, William Wolff Smith entered the service. He was then a broken down, disreputable third-class newspaper man—sort of a journalistic lobbyist who could be hired on either side of a controversy, and whose articles self-respecting newspapers would no longer publish—and in his examination the day before, on October 28, 1918, he was turned down physically, the vision in both eyes being declared defective, with three teeth missing and afflicted with hernia, but he got them to accept him for special and limited service, and got his swivel-chair commission as captain in the Sanitary Corps, and this was on October 29, 1918, just 13 days before the war closed. I challenge any Member

here to show that William Wolff Smith rendered any service whatever of any value to this Government during that 13 days of limited service in a swivel-chair job before the armistice.

Then on July 12, 1920, when he had the audacity to try to be commissioned as a lieutenant colonel in the Quartermaster Corps, the examining board certified that he was still defected just as he was when he entered the service 13 days before the armistice, and they certified that Smith was "physically disqualified and incapacitated for active military service, and that he lacked knowledge and experience."

I have shown that William Wolff Smith secured a position with the United States Veterans' Bureau on January 17, 1923, as a special expert at a salary of $4,000, and within 15 days thereafter, through political influence, he secured promotion to the position of general counsel of said bureau at a salary of $7,500 per annum, and when the Welch Act was passed he had it construed so that automatically his salary was raised to $9,000. Up to the time he was made general counsel, Smith had never tried a case in his whole life. Yet he was to have charge of the legal department that handled claims for 4,000,000 World War veterans, their widows, children, and dependent parents.

He was put in charge of 65 lawyers, when he knew no law, when he was wholly unfamiliar with court practice, and when he was wholly unfit to try an important case. And he has never conducted but one case, and he lost that.

Illustrating just how little regard Smith has for the Public Treasury, I have shown that following his transfer from the Quartermaster Corps on January 17, 1923, to the Veterans' Bureau, he helped Miss Annabel Hinderliter to be transferred also from the Quartermaster Corps as a clerk-stenographer to the Veterans' Bureau at a salary of $1,440 per year on February 1, 1923, and she was assigned to Smith's office, and under Smith she has received the following rapid promotions, to wit:

On May 1, 1924, her salary was raised to $1,860; on July 1, 1924, her salary was raised to $2,100; on October 12, 1925, her salary was raised to $2,400; on October 31, 1925, her salary was raised to $2,500; on February 12, 1926, her salary was raised to $2,600; on June 29, 1926, her salary was raised to $3,000; on September 7, 1927, her salary was raised to $3,100; on December 27, 1927, her salary was raised to $3,800; on June 30, 1928, her salary was raised to $4,000; on July 12, 1928, her salary was raised to $4,600; and on December 28, 1929, her salary was raised to $4,800, she having secured a license to practice law, and rated a lawyer in Smith's office, with 64 other lawyers under him, few being qualified to try an important case in a courthouse. I challenge any Member here to show that any other employee of this Government, among the hundreds of thousands of them, have ever received as many promotions and as many big raises in salary as were granted to this lady in Smith's office. There are many high-class employees, able, efficient, faithful, and most valuable to the Government, who are now getting under $2,200, and who have not had a raise in salary for the past 10 years. Is it fair to them?

I have already shown that in order to maintain his reserve-officer status said Smith applied to the Army on October 27, 1927, for reappointment as major in the Reserve Corps, and his physical examination then disclosed the same defective vision in both his right and left eyes, but no hernia, merely a scar being left from an operation he had secured gratis from Government doctors and surgeons, with free Government medicines, hospital, and nurses, all furnished during the 62 days he was in the hospital to have his hernia condition corrected, and mild throat trouble from tonsils was also noted.

I have shown that after succeeding in railroading through Congress the disabled emergency officers' retirement act, authorizing them to draw retired pay, which Congress passed over the President's veto on May 24, 1928, said William Wolff Smith promptly the next day, May 25, 1928, filed his application with the Veterans' Bureau, he being its general counsel, for his retired pay thereunder, it being the first such application filed, and filed before the bureau had even formulated or printed forms for such applications.

I have shown that his application for retired pay filed May 25, 1928, having met with cool reception, said William Wolff Smith on November 27, 1928, as general counsel, filed with the bureau in a similar case, that of George E. Vantress, a legal opinion holding that a permanent disability rating of 30 per cent or more is authorized for hernia, which ruling said Smith in December, 1928, got approved.

I have shown that on March 18, 1929, said William Wolff Smith, general counsel, filed with his bureau his amended application for disabled emergency officers' retired pay, witnessed by Annabel Hinderliter, giving his business as the "private practice of law; address 400 Commercial National Bank Building," not disclosing he was general counsel, and had been since February 1, 1923; and his application not being favorably considered following his bureau examination on April 9, 1929, which disclosed that he had no service disabilities, Smith had his case heard before the Emergency Officers' Retirement Board, which after careful consideration found against him, such board on May 23, 1929, holding:

There was no aggravation of the hernia condition, that the degree of aggravation for defective vision was negligible, and that there was no evidence to show service connection for his pharynx, heaves, or tonsil affections, and that Smith was not entitled to any retirement benefits under said act, which decision against Smith was signed by Dr. B. A. Cockrell, Dr. C. J. Harris, Judge D. E. Smith, Hon. George B. Kolk, and Chairman J. D. Hayes, said William Wolff Smith being notified of said adverse decision on June 25, 1929; but on July 6, 1929, he notified Director Hines that he intended to file additional evidence, and if turned down he would appeal, and on July 13, 1929, he asked the director to have him examined again for hernia, stating that he was endeavoring to find some record of treatment in the service for pharynx and bronchial affection.

I have shown that on September 5, 1929, the chief of awards in the bureau with Smith requested the regional manager to examine Smith to determine whether his hernia condition required a truss, and the examination on September 23, 1929, indicated a truss.

I have shown that to obtain hospitalization and further examination said Smith on October 10, 1929, filed affidavits, one being sworn to on that date by Annabel Hinderliter, stating that since May 7, 1921, Smith had been her immediate superior, that he had suffered with a cough and "since I have known Major Smith he has always carried more than the usual number of hankerchiefs," and on October 25, 1929, Smith was ordered hospitalized at the diagnostic center to determine whether his hernia condition required a truss, and the severity of his alleged throat condition, and from October 31 to November 12, 1929, Smith was under observation and examination at the diagnostic center, from which it was determined that no truss was necessary, that his tonsils were affected, and that his larynx condition was mild.

I have shown that said Smith succeeded in having his case heard before another retirement board composed of N. E. Bateman, acting chairman; Dr. C. G. Collins; Dr. D. A. McDermott; and C. M. Taylor, which found no hernia disability, but that the tonsil, pharynx, and larynx affections existed prior to May 24, 1929.

I have shown that said case went to the division of appeals, whose chief on January 25, 1930, requested the adjudication service to report on the hernia status, and to the rating for larynx and pharynx affections, and it reported on March 24, 1930, that the hernia condition did not warrant rating, and that severe rating should not apply to any of the three throat conditions where of mild degree.

I have shown that on April 22, 1930, section A of the central board of appeals, having such case on appeal, filed its adverse decision against Smith, holding that the surgical E. E. N. T. and respiratory disability were not incurred in or aggravated by service, and that the tonsil, larynx, and pharynx conditions were mild to a no per centum degree,

which adverse decision against Smith was signed by Chairman Charles O. Shaw, Dr. Garrett V. Johnson, Dr. E. L. Robertson, Dr. J. M. Ladd, Dr. F. Manning, and Judge W. L. Piper. Only one member of that board, Jesse L. Hall, dissented; and it so happens that he (Hall) had recently been retired, and was drawing $150 per month retirement pay, and at the same time was also drawing a salary of $5,400 per year as a bureau employee; and on May 14, 1930, the case was forwarded to the chief, division of appeals, for recommendation.

I have shown that under date May 29, 1930, said William Wolff Smith requested said chief, division of appeals, to grant him a personal hearing and to allow him to be represented by Capt. Watson B. Miller, national chairman of the rehabilitation committee of the American Legion, which hearing was granted before a hearing group of the division of appeals composed of Dr. F. H. Clark, Dr. H. W. Tobias, Dr. D. W. Tastet, and J. Q. Buzbee, on August 1, 1930, when Smith appeared in person, and also by Captain Miller, Dr. H. D. Shapiro, and J. H. Sheehan, of the American Legion, said Captain Miller testifying that since 1923 (when Smith became general counsel) he and Smith "have traveled extensively together from one end of the country to another, many times sleeping in the same room in hotels and on trains; scores of times during that period we have played golf together; frequently when playing golf together I have noticed that he held his hand in that position.

"I have also seen him walk a long distance over the holes with golf club in one hand and his other hand pressed on his lower left side; * * * Major Smith and I are about the same age and weight; on 25 or 30 occasions, when we have been doing similar things, he has had to quit before I did; on one occasion, when we were playing golf, he got as far as the seventh hole of a certain course we were on and quit, and didn't say why he quit, but he had some reason for doing it; it may have been associated with his service-connected disability;" and on August 5, 1930, Captain Miller wrote that Doctor Shapiro, of his office, had ascertained at Walter Reed Hospital that in 1920, when Smith was operated on there to correct his hernia, he had taken codeine and Brown's mixture for cough; and on October 14, 1930, the council on appeals, following recommendations of the hearing group, ordered that Smith be sent again to a hospital for observation and examination, and upon order of director dated October 17, 1930, said Smith remained at the diagnostic center under observation and examination from November 18 to November 28, 1930, and report was made on his tonsil, larynx, and pharynx condition and recommending operative procedure for hernia condition.

I have shown that on December 20, 1930, said council on appeals finally rendered Smith a favorable decision, holding that he had chronic bronchitis (an inflammation of the bronchial tubes, which many people have) with emphysema (commonly known as heaves, which many people have), said council being Acting Chairman J. R. Galbraith, who himself had been granted retirement pay of $106.25 per month, and in addition was drawing a salary from the bureau of $5,600 per annum, and George H. Lynch, who draws a salary of $6,000, and Dr. T. B. Cracroft, who draws a salary of $6,200 per annum from the bureau; and said William Wolff Smith was granted his retirement pay on January 5, 1931, of $187.50 per month, and notwithstanding that he had drawn his $9,000 salary during such time for practically no service of any value rendered, he received his back retirement pay of $5,843.75, covering $187.50 per month from the date he filed his application to said date of award, and he is now drawing $187.50 per month retired pay and in addition is drawing an annual salary of $9,000, rendering no service of any value to the Government therefor, while a private who is totally and permanently disabled from wounds and hardships suffered in the trenches of France is paid only $100 per month.

Immediately after being discharged from his swivel-chair service, only 13 days of which preceded the armistice, said William Wolff Smith filed his claim (No. C-1379239), attempting to have his missing teeth charged to service origin, but the hospital examination disclosed that there was no service connection whatever, and his nine teeth now missing are not the result of any service.

I have shown that General Hines has repealed and set aside Smith's decision on hernia, holding that it should not be rated as a permanent disability, Director Hines asserting, "I can not agree that it was ever intended that permanent ratings should be assigned where, by so doing, the action taken would be unfounded in medical science," and after full hospital observation, examination, and hearing it was the unanimous conclusion of the hearing group that Smith's hernia condition existed prior to his entering the service and was in no way aggravated by such service.

I have shown that in reporting the matter to Congress on February 4, 1931, page 4075, RECORD, I showed that because of his wild drinking and gambling parties and his playing poker and carousing, said William Wolff Smith was known all over Washington as "Poker Bill" Smith, that an influential politician secured his position for him and kept him in it, and said Smith has used the Veterans' Bureau for his own selfish purposes, aided and abetted by certain officials connected with the American Legion, like Capt. Watson B. Miller, who travels all over the United States with Smith and plays golf with Smith, and furnishes him with affidavits of no probative force and effect, to help him draw retired pay of $187.50 per month from May 25, 1928, while at the same time drawing a salary of $9,000 additional per annum, and having the Government furnish his entertainment, fun, and frolics for him at public cost, constitutes a scandal and disgrace, and an outrage and injustice upon every brave ex-service man who won victory in France and helped to save the civilization of the world.

I have shown that, following a recent investigation of Smith's office, Director Hines has taken about 60 attorneys away from Smith and placed them under the control of Judge J. C. O'C. Roberts, and allows Smith now to pass only upon insurance claims; he is still allowed to draw his $9,000 salary and his retired pay of $187.50 per month, which should be stopped; and he should be removed from office, for his Army examination showed that he was physically and mentally disqualified and lacked knowledge and experience.

I have shown that, by unanimous consent granted me by the House of Representatives on March 3, 1931, I caused to be printed the names, addresses, and retired pay drawn by all emergency officers who by the Veterans' Administration have been allowed retired pay, same being House Document No. 802, Seventy-first Congress, third session, embracing 157 pages, which list contains some officers who did valiant service and who were permanently disabled in brave combat, but such list also contains an army of doctors, lawyers, dentists, and other swivel-chair officers who are holding fat positions with the Veterans' Administration on big salaries and who are also drawing additional retirement pay each month as disabled emergency officers; and in my Resolution No. 355 I have printed 15 pages embracing the names of doctors, lawyers, dentists, and other employees who are drawing annual salaries as high as $7,500 and, in addition, are drawing retired pay as high as $250 per month.

I have shown that it costs the United States approximately $13,000, not considering any capital charge, to graduate a second lieutenant from the Military Academy at West Point, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training; and under laws which the War Department has induced Congress to pass, authorizing retirement in certain cases at the age of 45 years, certain officers sound in mind and body have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government, certain retired generals having received salaries of $50,000 per year from corporations while at the same time drawing a general's retired pay for life from the Government; Gen. James G.

Harbord having been employed for years by the Radio Corporation of America while at the same time drawing his retired general's pay from the Government for life.

I have shown that Gen. Herbert B. Crosby is drawing his retired Army pay of $6,000 per annum, and is also drawing a salary of $9,000 as a Commissioner of the District of Columbia; and Gen. Mason M. Patrick is drawing his retired Army pay of $6,000 per annum, and is also drawing a salary of $7,500 as public-utility commissioner; and Gen. Pelham D. Glassford is drawing his retired Army pay of $4,312.44 per annum, and is also drawing a salary of $8,000 as major of Metropolitan police, they all three being active, hale, and hearty, and being furnished each with an automobile, its annual upkeep, and a chauffeur to drive it, and all having the privilege of buying all of their household supplies from the United States Army store at Government cost; and Gen. John C. Gotwals is drawing $9,000 as engineer commissioner without rendering any service therefor, and as assistants to him Maj. Donald A. Davison is drawing $5,748, Maj. Holland L. Robb is drawing $5,748, and Capt. Hugh P. Oram until recently drew $4,272, they also having the additional perquisites above mentioned, notwithstanding that the United States is making an annual contribution of $9,500,000 to the expenses of the District of Columbia, all of such officers receiving free from the Government for themselves and families medical and dental treatment, medicines, and hospital and nursing service.

I have shown that it costs the United States approximately $13,000, not considering any capital charge, to graduate an ensign from the Naval Academy at Annapolis, and upon whom during his subsequent 20 years of service the Government expends thousands of dollars additional upon his intensive technical education and training, and under laws which the Navy Department has induced Congress to pass authorizing early retirement, certain high Naval and Marine Corps officers sound in mind and body have been retired in the very prime of life, who have immediately commercialized their qualifications acquired from Government training by seeking employment from corporations at big salaries, at the same time drawing their retirement pay for life from the Government; a certain admiral having received a salary as high as $50,000 per year from a corporation while at the same time drawing the retired pay of an admiral from the Government, such officers also receiving all of the perquisites above mentioned.

I have shown that such premature retirements from the Army, Navy, and Marine Corps are costing the Government a tremendous sum each year, and must be discontinued, the many thousands of such able-bodied officers thus retired on Government pay for life are taking jobs from civilian heads of families, who starve while such officers draw double pay.

I have shown that the act passed May 24, 1928, known as the "disabled emergency officers' retirement act" was inadvertently passed by Congress, over the veto of the President of the United States, under a misapprehension of facts, Congress being misled by misinformation from William Wolff Smith, general counsel of the United States Veterans' Bureau, as to its force and effect and as to the number of emergency officers involved who could be retired thereunder; and under its provisions and through the fraud and malfeasance of said William Wolff Smith, general counsel, the Veterans' Administration has up to January 23, 1932, retired with pay, averaging $140 per month each, 6,935 emergency officers of the World War, many of whom entered the service just before the armistice, saw no combat service, but held swivel-chair jobs, and who in addition to their retired pay of substantial sums each month based upon presumptive disabilities, also hold important positions with and draw fat monthly salaries from the Government and thus reflect upon the standing of meritorious emergency officers who were permanently injured in combat service.

I have shown that during the World War our Government established the wise and just policy of valuing without distinction the life of a private on an equal footing with and the same as that of an officer, granting on the life of each of them an identical policy of $10,000 war-risk insurance.

I have shown that in all of its other wars our Government has made no distinction between officer and private in granting compensation, the pension drawn by a private being identical with that drawn by an officer.

I have shown that veterans of the Spanish-American War, whether private or high officer, draw alike a pension of $35 per month for 50 per cent disability and $60 per month for total disability.

I have shown that a private in the World War receives $50 per month for a 50 per cent permanent disability and $100 per month for total permanent disability, while a retired emergency officer who had the grade of lieutenant colonel receives a larger sum from the Government each month for a presumptive disability than a private receives who has had both arms and both legs shot off in front-line combat, which situation is inequitable, unjust, and intolerable, and such discriminations must be stopped and adjusted.

I have shown that William Wolff Smith has at all times been wholly unfit and unqualified to fill said position of general counsel, and he has been responsible for most of the miscarriages of justice in the Veterans' Administration; and I have shown that my report to Congress on the malfeasances of William Wolff Smith covering pages 3311 to 3320 of the CONGRESSIONAL RECORD for February 4, 1926, cited some of Smith's erroneous opinions, one being the Fenlaw case wherein, through stubborn stupidity, said Smith, without any basis therefor, wrongfully accused Roger Fenlaw's widow of forgery and disallowed her insurance, while on appeal and exhaustive hearing General Hines, director, ordered Smith to allow such insurance, which Smith refused to obey, defying his superior, and upon further appeal, Comptroller General McCarl held that Smith's position was without merit, and forced Smith to approve said claim, and after years' delay Widow Fenlaw received her deceased husband's $10,000 war-risk insurance; and in the hearing before General Hines on November 11, 1925, I forced William Wolff Smith, in the presence of Senator SHEPPARD, to admit that in company with 177 other applicants said Smith had been granted a license to practice law in 1916 and never to the date of said hearing had he tried a case in court.

Mr. Chairman, I want every new Member in Congress to read my report on the Frederick A. Fenning case, covering pages 3723 to 3810, inclusive, in the CONGRESSIONAL RECORD for February 14, 1927. They will see that the perfidy of Fenning was interwoven with the perfidy of Dr. William A. White, of St. Elizabeth's Hospital, and of William Wolff Smith, general counsel of the bureau, that permitted hundreds of our afflicted ex-service men to be robbed. Read about the congressional hearing, resulting in the condemnation of Dr. William A. White that occurred in 1906, fully reported on page 3729 et seq. of the RECORD for February 14, 1927, and on page 3731 see where said Fenning had received from the Veterans' Bureau during William Wolff Smith's incumbency the enormous sum of $733,855.87, money due veterans mentally afflicted, and see how Fenning robbed them, which caused me to impeach him and forced his removal from office.

Read on page 3766 of said RECORD for February 14, 1927, where Doctor White admitted that he and Fenning were partners, and carried a joint partnership account in the bank. Read the unanimous finding of the committee, of which our colleague from Vermont, Judge ERNEST W. GIBSON, was chairman, where after careful hearing they found Fenning guilty, and recommended his removal, and they were all convinced that Dr. William A. White was equally guilty. Read on pages 3798, 3799, and 3800 of said RECORD for February 14, 1927, the separate decisions of the members of the Judiciary Committee who conducted my hearing against Frederick A. Fenning, who had for his attorneys such lawyers as Frank J. Hogan, Levi Cooke, and Thomas B. Littlepage, and you will see that said members of said committee—Sam C. Major, A. J. Montague, H. St. George Tucker, Fred H. Dominick, Zebulon Weaver, Hatton W.

Sumners, and W. B. Bowling all condemned Fenning and said that he was unfit for office.

And you will see that Dr. William A. White was shown to be a confederate of Fenning, and most of said committeemen condemned him. See on page 3800 of said RECORD that Congressman RANKIN said:

There can be no question in the mind of a reasonable man who has heard or read the testimony but that there is a collusive arrangement amounting to a conspiracy between Commissioner Fenning and Dr. William A. White relative to these guardianship matters, and that that arrangement has existed for many years.

Dr. William A. White should have been discharged years ago. He has been protected by a distinguished official from California, and when we Democrats get back in power next year I promise that I will help run him out of office. Doctor White is the one who sold his services to such criminal lawyers as Clarence Darrow in several cases; and to help Darrow save the necks of the murderers Leopold and Loeb Doctor White received $250 per day for the two weeks he attended this trial in Chicago, while at the same time he was getting $7,500 salary, his home, food, servants, heat, lights, gas, water, medical attention, and fuel, for himself and family, from the Government, all free.

Note in to-day's paper that Darrow wanted Doctor White to testify for him in the case now being tried far away. The only reason that Doctor White is not accepting a fee in this case is that he knows the public is watching him now, and that I would get after him for it. He was glad to testify in the Thaw case. He was glad to make $250 a day for two weeks in the Leopold and Loeb case.

I have done my duty. I have brought these facts to your attention. The responsibility of letting William Wolff Smith continue to draw this $9,000 salary and this extra retirement pay of $187.50 per month no longer rests upon my shoulders. I have shifted it to yours.

Are you going to permit this to go on? Why not stop it now?

Mr. RICH. Stop them all.

Mr. BLANTON. We are going to stop them all by an appropriate bill, but we ought to stop this parasite right now in this bill. [Applause.]

Mr. SWING. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Texas, one of the hard-working Members of the House, performs many valuable services, for which he is really appreciated, although the appreciation may not always be expressed. Occasionally, however, my good friend from Texas gets started on something near to an obsession, and when he does he throws all of his tireless energy of mind and body into such combats, going sometimes to extremes in results.

The older Members will recall that a couple of years ago the gentleman from Texas got an obsession about a Doctor White, superintendent of St. Elizabeths, and week after week and month after month he was denouncing Doctor White in unlimited terms and demanding that he be run out of the public service. Doctor White happens to be probably the most eminent alienist in America to-day, at least one of the most distinguished men of his profession, in his particular line; but he incurred, in some way, the opposition of the gentleman from Texas, and the Nation had an exhibition similar to the one he is making now, in which he is attacking Maj. William Wolff Smith, of the Veterans' Bureau.

I was surprised as I read my CONGRESSIONAL RECORD this morning to find the gentleman's purported resolution, which is obviously a display of his personal feelings, which destroys whatever there might have been of merit in all of the work he did in getting up that document.

Calling men names and showing personal feeling is productive of no particular good result. In the gentleman's resolution it is revealed that he and the chief counsel, William Wolff Smith, crossed legal swords in front of the director over some case in which Mr. BLANTON was interested; and apparently Mr. BLANTON'S opinion of the chief counsel grows out of the fact that the chief counsel did not see a question of administrative law in the way in which the gentleman from Texas saw it. Hence we have tirade after tirade against this man who volunteered to serve his country at a time when the war clouds looked dark and victory looked distant, at a time when an urgent appeal had been sent out that there was need in the Army for older men as officers. Smith was entitled to be exempt from military service, but he waived all of that and went in to help. No one then knew that the war was going to end in 13 days; and it is no reflection upon him or his patriotism that, past the age at which most men were going into the Army, he offered his life and his services to his country in its hour of greatest need. Remember, it was then being said by General Pershing, "Give me men and give me guns, and I will win this war in 1919," and many a man seriously, solemnly, and patriotically offered himself to his country at that time, not knowing when the war would end or where his offer would take him or what sacrifices it would entail.

Of course, this House is not going to take up out of order and undertake to pass upon the merits of a retired officer's case just because some Member has an enmity to satisfy or some man has a personal feeling to express. This is neither the time nor the place for that kind of a matter to be decided.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. SWING. No.

Mr. BLANTON. I did not think he would.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, how much time remains?

The CHAIRMAN. Five minutes.

Mr. WOODRUM. And that concludes all debate on this paragraph and amendments thereto?

The CHAIRMAN. It does.

Mr. ARENTZ. Mr. Chairman, the gentleman from North Dakota [Mr. BURTNESS] offered an amendment. The Chair recognized him and then the time was limited to 15 minutes. The gentleman from California stepped into the picture after the gentleman from North Dakota had offered his amendment, so where does the gentleman from North Dakota stand?

The CHAIRMAN. The chairman of the subcommittee is recognized.

Mr. WOODRUM. I will be glad to yield to the gentleman to offer his amendment.

Mr. BURTNESS. I can offer my amendment, anyway, but I would like five minutes in which to discuss it. I understood that time was allotted to me when I was ready to object to the 10 minutes' limitation.

Mr. SIMMONS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIMMONS. It is my understanding that the 15 minutes' limitation of debate was upon the Blanton amendment and not upon other amendments to this paragraph.

The CHAIRMAN. It was on the paragraph and all amendments thereto.

Mr. SIMMONS. May I suggest to the gentleman from Virginia that he set that aside and allow us to discuss this matter.

Mr. WOODRUM. I will be glad to yield to the gentleman from North Dakota to offer his amendment, without taking me off the floor.

Mr. BURTNESS. If I should offer my amendment, that would not take the gentleman off the floor and would not take up any of his time. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BURTNESS: To the Blanton amendment add the following: "Or any retired pay to any regular employee of the Veterans' Administration."

Mr. WOODRUM. Mr. Chairman, with reference to the amendment offered by the gentleman from Texas, I have never had the pleasure of meeting the general counsel of the Veterans' Bureau. I would not know him if he walked into this Chamber. I know nothing whatever about his

ability. I have heard the gentleman from Texas speak of him several times, and I know he does occupy the high and honored position of general counsel for the Veterans' Bureau. But entirely aside from the controversy between the gentleman from Texas and the general counsel of the Veterans' Bureau, this is no time or place to be settling that quarrel. If that man is unfit to be general counsel for the Veterans' Bureau, then certainly, if facts worthy of public notice are brought forward to show that he is unfit to occupy that office, public opinion will whip him out of office like it has other men. However, I do not want this committee, on this appropriation bill, to set a precedent of this kind.

With reference to the amendment offered by the gentleman from North Dakota, I am entirely in sympathy with an orderly consideration of the emergency officers' retirement law, which will take off of the rolls the men who were put there for presumptive disabilities. But I do not believe it is fair to say to an emergency officer serving in the Veterans' Bureau, who has been retired because of battle disability, that he shall not draw his pay. I happen to know of one man who has a tube in his side which must be dressed every day, and that is the result of an injury received in battle. It is not right to say that such a man can not have his retired pay and then say to a Member of Congress who is a retired emergency officer or a regular officer that he can draw his pay. That is rank discrimination, and I do not believe it is the fair or the logical method of approaching it.

I want to repeat what I said a year ago when we were considering this bill: This is a matter which should have careful, deliberate, and studied attention on the part of the legislative committee of this House, and after such attention that committee should bring in legislation that will cure this situation.

Mr. JOHNSON of South Dakota. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. JOHNSON of South Dakota. Mr. Chairman, the gentleman from Texas and myself opposed this disabled emergency officers' bill. I am still opposed to very much of it. I think there should be a revision of it. A bill has been reported to the Senate which will cure many of its defects. I think that bill ought to be considered by a committee. I do not believe any man ought to be declared guilty by an ex parte hearing on the floor of the House.

I know nothing particularly about Mr. Smith. I have read many of his opinions, which have uniformly held in favor of the service men. Some of his opinions I do not happen to concur in. I would be glad to join with the gentleman from Texas before a committee in an effort to secure a proper revision of that statute, yet I do not think we should try the man here. Such action would result in taking men off of the roll who are working in the Veterans' Bureau, but men working for the War Department or for any other branch of the Government or private business would continue to draw their pay, yet because some man worked for the Veterans' Bureau he would be discriminated against, and for that reason I think we ought to kill both of these amendments.

Mr. BLANTON. Does the gentleman object to suspending the payment to him until we can investigate the matter?

Mr. JOHNSON of South Dakota. I do not think it ought to be suspended for any of them without a hearing.

Mr. BLANTON. The amendment merely provides for a suspension until we can have a hearing.

Mr. JOHNSON of South Dakota. I will say to the gentleman that the bill I would support would take 50 per cent of them off of the roll.

Mr. SIMMONS. Why not let us repeal the law and take all of them off the roll?

Mr. JOHNSON of South Dakota. With certain reservations I would be in favor of that, and I do not think there would be much opposition to it.

Mr. CONNERY. I will say to the gentleman that he will find plenty of opposition to taking this action with respect to the men who brought us over the top in France while the Regular Army, Marine, and Navy officers, who never saw France, are getting retired pay.

Mr. JOHNSON of South Dakota. I will say to the gentleman that we can agree about that with respect to some of the combat-unit men, with whom we were quite familiar, and that is why I would want the matter to come up in the regular way.

Mr. WOODRUM. The gentlemen are not talking about the men who were over in France, but are talking about the men who had their feet up on a desk here in Washington.

Mr. CONNERY. The gentlemen suggested that all be taken off of the list.

Mr. SIMMONS. Mr. Chairman, may I make this suggestion to the gentleman from Virginia? We are discussing something which I think is very vital and I think it would be very advantageous if the gentleman would ask unanimous consent to extend the time so that we could discuss this for 10 or 15 minutes.

Mr. WOODRUM. No; I can not do that.

Mr. SIMMONS. Then I will say to the gentleman that while I am still opposed to the emergency officers bill in principle I think the fair way of doing it would be to limit this to those who have battle disabilities.

[Here the gavel fell.]

Mr. BURTNESS. Mr. Chairman, I desire to submit a request and to state my reasons for it.

In view of the parliamentary situation which has arisen, although I am opposed to the so-called general emergency officers' retirement pay, I offered this amendment largely for the purpose of discussing that question, so as to bring it to the attention of the House in the hope we might get some constructive legislation with reference to it. That being the purpose of offering my amendment, I now ask unanimous consent to withdraw it.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON].

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 6, noes 70.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. In expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, as amended, the average of the salaries of the total number of persons under any grade in any bureau, office, or other appropriation unit shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided further*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service; or (2) to require the reduction in salary of any person whose compensation was fixed, as of July 1, 1924, in accordance with the rules of section 6 of such act; (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade, in the same or different bureau, office, or other appropriation unit; (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, as amended, and is specifically authorized by other law; or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. LaGUARDIA. Mr. Chairman, I move to strike out the last word.

We have here in sections 2, 3, and 4 the usual sections that have been added to the appropriation bills. Section 3 was stricken from the Post Office and Treasury Department bill. The House is familiar with the subject matter, and I want to ask the gentleman from Virginia, in the event disposition is made of the similar provision in the Department of Agriculture appropriation bill, or any other appropriation bill, it will be treated in the same manner in this bill, so we will not have to go through the performance of opposing it at this time.

Mr. WOODRUM. That is satisfactory, I will say to the gentleman.

Mr. LAGUARDIA. It is the understanding, then, it will be treated the same as the other appropriation bills?

Mr. WOODRUM. Yes.

The Clerk read as follows:

SEC. 5. No part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except busses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicles for official use of the Executive Office.

Mr. BACON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 56, line 7, after the word "Office," insert a new section, as follows:

"That except as hereinbefore provided, in the expenditure of appropriations in this act, the head of every bureau, agency, or independent establishment shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable."

Mr. BACON. Mr. Chairman, this amendment is identical with the amendment adopted on the War Department appropriation bill. It is identical with the amendment that was placed in the Navy Department appropriation bill last year. It provides simply that these independent offices must purchase their supplies in the United States.

Mr. WOODRUM. Mr. Chairman, the amendment is acceptable.

The amendment was agreed to.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that an amendment which was approved by the House yesterday and which I offered may be slightly corrected. It will appear on page 8040 of the RECORD. It is an amendment offered at page 45, line 15, and I ask unanimous consent that in the first line of the amendment, after the word "appropriated," there may be inserted "or authorized."

Mr. WOODRUM. Mr. Chairman, I have no objection to the request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIMMONS. Mr. Chairman, I move to strike out the last word. Day before yesterday in the committee the gentleman from Idaho [Mr. SMITH] offered an amendment which struck out $40,000 for civil-service examinations of postmasters in the presidential class. When we get back into the House I am going to ask for a separate vote on that amendment with the hope that the House will see fit to restore that appropriation to the bill. The defeat of the Smith amendment will restore that provision.

Mr. GREEN. Does the gentleman think a civil-service examination is necessary for the first-class postmasters? They are not in my State.

Mr. MAPES. I hope the Smith amendment will be voted down and the item be restored.

Mr. SIMMONS. A civil-service examination for the eligible list of postmasters gives us a uniform standard of appointment for postmasters throughout the country.

Mr. GOSS. The other item of $7,200 should be reinstated for the civil-service examination for the candidates for the Naval Academy and West Point.

Mr. SIMMONS. I think so. I think you should have those examinations for Annapolis and West Point.

Mr. BURTNESS. But the parliamentary situation is such that you can not have a vote on that. The only way you can get a vote on that is a motion to recommit. The gentleman can ask for a separate vote on the Smith amendment and get a direct vote.

Mr. GOSS. They are in a different paragraph.

Mr. FULBRIGHT. I want to call the gentleman's attention to a situation in my State, where there were three separate examinations given to secure appointments on the eligible list for postmaster. There were three on the eligible list all the time, but they did not happen to be the one that they wanted to appoint, and so they had three different examinations, until they got this man they wanted onto the list who had failed in the first two examinations. I would like to know what examinations have to do with appointments when you have that kind of politics resorted to?

Mr. SIMMONS. If the gentleman would ask the Civil Service Commission, it would be the proper place to get the information.

Mr. FULBRIGHT. I took it up with the Civil Service Commission, and they said they had nothing to do with it; it was the Post Office Department.

Mr. SIMMONS. I am going to ask for a separate vote on the Smith amendment, and that will give the gentleman an opportunity to vote for the restoration of the provision or to prevent the restoration of the item and put all postmasters on the pie counter.

Mr. WOODRUM. Mr. Chairman and gentlemen of the committee, we have about completed the bill, and I want to thank members of the committee for their indulgence and ask them if they will assist me in relieving an embarrassing situation. On yesterday, under the item of the Federal Trade Commission, I offered an amendment increasing the total amount of that appropriation by $60,000, and making the $60,000 immediately available. The purpose of that was to relieve a situation that would compel them to discharge 100 employees on the first of April, which they would have to do if they were not assured that there would be allowed them $60,000 during the remainder of the fiscal year 1932.

The question has been raised whether or not in doing that the Appropriations Committee has not departed from the precedents the House set of not raising the budgetary estimates. I ask unanimous consent that we return to that item and that the amendment be corrected so as not to show an increase in the total amount of the appropriation, but simply to make $60,000 of the amount we appropriate immediately available. The effect of that will be that it will allow the Federal Trade Commission to go ahead the same as if my amendment of yesterday had been adopted; and if at the end of the fiscal year they are short $60,000, I am sure that Congress will take care of that as a matter of deficiency, and in that way we will be able to preserve the integrity of the rules of the Committee on Appropriations of not increasing the budgetary estimates.

Mr. PARKS. Is it not a fact that if this is done that they will necessarily be compelled to discharge some of the regular employees?

Mr. WOODRUM. Not any of them.

Mr. PARKS. Will it interfere with the power investigation?

Mr. WOODRUM. Not a particle. The only effect it would have would be to make them $60,000 short in the 1933 appropriations, and the Congress and the committee can act on that and will act on it at that time.

Mr. SWING. Mr. Chairman, I reserve the right to object. The Federal Trade Commission has been cut more than any department or any independent establishment in the entire Government, having its appropriation cut 28 per cent. I appreciate the attitude of the chairman of the subcommittee, which, I am sure, is sympathetic with the splendid work which the Federal Trade Commission has done, particularly with reference to its investigations of the public utilities and the chain stores. If the public utilities—and I refer especially to the power companies—continue the present tendency toward pyramiding, with newly organized holding companies requiring the local operating company to earn dividends not only for the operating company but also for the holding company, then these corporations will take out of the pockets of the American people every year a hundred times what the total appropriation in this bill amounts to.

The inquiry in respect to public utilities ought to be pressed forward to a speedy conclusion, in order that this Congress may have a proper basis for legislating to protect the American people against this fast-growing monopoly. In this bill $300,000 has been earmarked for the completion of the power investigation and the chain-store investigation, but the committee has assumed in doing that that it is possible to take off from the unfair trade practice investigations personnel and put them on to the power and chain stores work. This, however, is not possible, because the unfair trade practices are being investigated primarily by lawyers, whereas the chain store and the power matters are being investigated primarily by auditors. I am sorry the chairman is presenting this request. I think the total should be increased. I shall not object, however, when he says that it will be taken care of in the deficiency bill.

Mr. WOODRUM. I am thoroughly sympathetic with the work that the Federal Trade Commission is doing, and I believe that Congress is sympathetic with it.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SIMMONS. As I get the situation, the gentleman offered an increase of $60,000 for the Federal Trade Commission, to be immediately available, believing that they needed the money, and now the gentleman proposes to withdraw that $60,000 merely because the Budget had not estimated for it?

Mr. WOODRUM. No; to withdraw it as a direct appropriation, and instead to make $60,000 of the remaining appropriation immediately available. The gentleman knows that there will be hearings in another body on this matter.

Mr. SIMMONS. In other words, the House is to surrender partly to the Budget and partly to the Senate?

Mr. WOODRUM. The gentleman knows that as chairman and as a member of the conference committee I can assure him that the Federal Trade Commission will be given careful consideration.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. KVALE. Mr. Chairman, I reserve the right to object. The gentleman is aware of the fact that this $60,000 is for services previously set forth up to the end of the present fiscal year, and that after July 1 more money will be needed to keep up the work.

Mr. WOODRUM. Yes.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk concluded the reading of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the Clerk of the House be given authority to correct the totals in the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. SNELL. Mr. Chairman, before that motion is put, will the gentleman yield for a moment?

Mr. WOODRUM. Yes.

Mr. SNELL. Mr. Chairman, I take this opportunity to call the attention of the Members of the House and the country to the fact that to-day is the first anniversary of the death of our late lamented Speaker, the Hon. Nicholas Longworth, of Ohio. Considering the love and affection and esteem in which he was held by the Members of the House on both sides of the aisle, I think it would be very appropriate, when we adjourn to-night, to adjourn out of respect to his memory.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. SWANK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10022, the independent offices appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. SIMMONS. Mr. Speaker, I demand a separate vote on the Smith amendment striking out the appropriation for examination of presidential postmasters by the Civil Service Commission.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en grosse. The question is on agreeing to the other amendments.

The amendments were agreed to.

The SPEAKER. The Clerk will now report the Smith amendment.

The Clerk read as follows:

Amendment By Mr. SMITH of Idaho: On page 10, lines 15 to 19, inclusive, strike out the paragraph.

The SPEAKER. The question is on agreeing to the Smith amendment.

The question was taken, and the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. GOSS. Mr. Speaker, I demand a reading of the engrossed bill.

Mr. TILSON. I have a motion to recommit which I wish to submit, and I wish the gentleman from Connecticut would withdraw his demand for the reading of the engrossed bill.

Mr. GOSS. Mr. Speaker, I withdraw my demand for the reading of the engrossed bill.

The bill was read the third time.

Mr. TILSON. Mr. Speaker, I offer the following motion to recommit, which I have sent to the desk.

The SPEAKER. Is the gentleman from Connecticut opposed to the bill?

Mr. TILSON. I expect to vote for the bill, but I shall vote for it more readily if this motion to recommit is agreed to.

The SPEAKER. Is any member of the committee opposed to the bill? [After a pause.] If not, the Chair will recognize the gentleman from Connecticut. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TILSON moves to recommit the bill to the Committee on Appropriations, with instructions to that committee to report the same back forthwith with the following amendment: Page 9, line 22, after the word "Columbia," strike out "$772,080" and insert in lieu thereof "$779,280."

Mr. TILSON. If the amendment proposed in my motion to recommit is adopted, it will simply add $7,200 to the appropriation for the Civil Service Commission in order to permit the commission to continue holding, as it has been doing in the past, the examinations for selecting candidates for appointment to West Point and Annapolis, thus enabling Members of Congress to make their appointments to these institutions on a basis of merit instead of making them upon political grounds. This is the only purpose to be served by my amendment.

Mr. WOODRUM. Just half a minute, Mr. Speaker, to reply to the gentleman from Connecticut. There is no law authorizing the Civil Service Commission to hold these examinations. They are held by virtue of an Executive order; and in this day and time I believe every Member of Congress ought to have the backbone and courage to help economize and to make their appointments without such examinations.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the bill was passed, was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leaves of absence were granted to—

Mr. KURTZ, indefinitely, on account of death in family.

Mr. OVERTON, indefinitely, on account of illness.

THE FEDERAL FARM BOARD

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, the Federal Farm Board is an unwise experiment. More than that, it is a most expensive experiment. A wise business man, when he finds he has made a mistake in the management of his corporation, will immediately seek to correct that mistake, charge off the loss, and in the end benefits by the unwise experiment, although it might have been costly. That is just what the Congress should do with the Farm Board. I know that there are Members who fully agree with me, but at the same time they fear if the Farm Board is abolished or the law repealed they will have lost valuable legislation as to cooperative marketing.

The Farm Board is so imbedded in the agricultural marketing act that I am unable to see how it is possible to amend it so those features to which I refer can be saved. I do not speak of the merits of the act as a whole or in part, but I confine myself to the one big question which confronts us, which is: Shall we permit the Federal Farm Board to continue to squander the public funds or shall we provide for its liquidation? No matter how it is brought about, or what sacrifice is made, the Federal Farm Board should be dissolved and let the law that brought it into being rest forevermore in the archives of the Government.

Mr. Speaker, it is my thought that even those who represent the farmers have failed to realize that they have in a way taken care of a privileged class rather than the farmers as a whole. Those that really need assistance and who should receive help are the former owners of small farms. I say former owners, for they have lost their farms and are now tenant farmers. They have never been protected. True, financial institutions and the Government have loaned them money to put in their crop, but what happens when the crop is ready? The call is made for the borrower to repay the loan. Regardless of what the price of wheat, corn, or any other commodity is, as they have mortgaged their crop for the loan, a call loan, they must respond to the call—sell and pay. The result is they have nothing left for themselves. A few months after, possibly a few weeks after, or it might be a few days, the market advances. The financier who made the loan has the crop in the elevator. He not only was paid interest on the loan, but he also realizes the profit which should have accrued to the poor farmer. When you devise a way to help the millions in this class, then I say you will have done something for the farmer.

I am not thinking of the farmer that owns thousands of acres, but my thought is for the little fellow.

If ever, and I think the time is coming shortly, that provisions are made for a thorough investigation of the Federal Farm Board, as well as the various corporations handling the several commodities that the board has been dealing in, the facts disclosed will be astonishing, to say the least.

The Farm Board and the Stabilization Corporation was organized to help the farmers. The various corporations with whom the Farm Board is dealing are made up of cooperatives, their member farmers, or landowners. These various corporations, grain, wool, tobacco, cotton, and so forth, have made money while the Farm Board has lost, or will lose hundreds of millions. Salaries in excess of $75,000 a year are being paid those in charge of the corporations. Some say that is their business, not the Government's. If Congress passed a law which provided that the Farm Board could not do business with any corporation where the salaries paid any individual was over $12,000 a year, then the corporations would quickly reduce the salaries they are now paying. The corporations have made money because the Farm Board in purchasing grain and other commodities has dealt through the corporations. The board or the Stabilization Corporation has had the corporations buy the commodities purchased to stabilize the market. This was done to assist the producer, to stimulate the price; but despite the fact that the Government through this agency was buying in the open market to assist agriculture, the Farm Board paid a commission to the corporations, composed of men the Government was trying to help, for making the purchases, and it likewise paid a commission to the corporation to sell the holdings of the Stabilization Corporation when any sales were ordered. Just think of it, the Government paying to do something with the public money, the purpose of which was to assist those it was paying.

Mr. Speaker, I hope that this board will be put out of commission, and in its place let us have some legislation that will put the farmer on a sound footing.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I ask what will be the program for Monday and Tuesday of next week?

The SPEAKER. The understanding of the Chair is that Monday is District day, and that the District Committee will have business before the House. The Chair is of the impression that the legislative bill will be ready for consideration on Tuesday.

Mr. SNELL. That was my understanding, but I wanted to be sure about the program.

Mr. BYRNS. Mr. Speaker, may I say that the gentleman from Louisiana [Mr. SANDLIN] was called away a day or two ago on account of the illness of his brother. He expects to be back Monday when the committee will be in session to consider the legislative bill. If the gentleman does not get back, since he is in charge of that bill, it is hoped the committee will proceed to consider the District bill. So, either the District bill or the legislative bill, it is hoped, will be ready for Tuesday.

FILING OF MINORITY VIEWS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to submit minority views on the bill (H. R. 8750).

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PHILIPPINE INDEPENDENCE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the Commissioner from the Philippines [Mr. GUEVARA] may have the right to revise and extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GUEVARA. Mr. Speaker, the final decision of the Philippine question will be rendered by this House in today's meeting. This is a very important moment for the Filipino people, who are filled with joy because of the interest that this House is taking in their behalf. Permit me to transmit to you their heartfelt gratitude for this sympathetic and friendly attitude.

Thirty-three years ago a group of islands known as the Philippines was placed under the American flag and sovereignty. The destiny of its inhabitants was intrusted, by Providential design, to the hands of the American people, with no other guaranty than their honor, history, and traditions. Time has proven beyond doubt that the faith of the Filipino people in the United States was not in vain and that the trusteeship was honorably and loyally discharged. Now the end of that trusteeship is almost in sight, and the world will witness once more the birth of a new nation, ever ready to participate in the common effort to make it a better and a safer place in which to live.

It would not be amiss to state briefly the history of American-Filipino relationship. Its narration will undoubtedly help clear the issues before the House, thus facilitating their solution.

Legally the American sovereignty over the Philippines was established with the ratification of the treaty of Paris between Spain and the United States on February 6, 1899. It is now unnecessary for me to analyze that treaty in its formulation and adoption. Suffice it to say that the Filipino people did not participate either in its negotiation or in its final adoption. Whatever mistake was made or whatever injustice done, it should be considered as a thing of the past in view of the fact that the bill under consideration fully restores American justice and squarely solves all the pending issues in accordance with the wishes and longings of the Filipino people.

When the establishment of the American sovereignty over the Philippines was consummated and the inhabitants therein submitted themselves to the situation newly created, a civil government was organized—throughout the islands—and the military régime ended.

On July 1, 1902, Congress passed the commonly known Cooper bill, which represents the Magna Charta for the Filipino people. In that law the bill of rights of the Filipino people was solemnly promulgated and proclaimed, placing them in the position of free men notwithstanding the fact that they were a vanquished people. This act of justice, humanity, and of high political wisdom undoubtedly will be written in the history of mankind to guide future generations of the world in their conduct of human affairs. This American policy served to awaken the subject peoples of the world to the realization that they are endowed with certain inalienable rights, among them the right to pursue happiness, prosperity, and liberty.

To carry out this humanitarian policy of the United States the Filipino people were enfranchised to the extent of participation in the legislative branch of their government, thus creating the Philippine Assembly, whose membership was to be elected by the people. The Philippine Assembly was the lower house of the legislature, the civil commission whose members were appointed by the President with the consent of the Senate of the United States being the upper house. The test of the political capacity of the Filipino people was highly satisfactory to the United States. Consequently Congress in the year 1916 passed the act known as the Jones law, by virtue of which the legislative branch of the government was entirely entrusted to the Filipino people.

All instrumentalities of the government were also intrusted to the Filipino people with the exception of the Governor General, Vice Governor General, and auditor of the Philippine Islands. Four of the nine members of the Supreme Court of the Philippine Islands, though appointed by the President with the advice and consent of the Senate of the United States, are invariably Filipinos.

These, Mr. Speaker, were the steps taken by the United States in the excution of her announced policy in the Philippines.

What should be the next step? This question is answered by the bill under consideration.

At this point, Mr. Speaker, permit me to say that the bill now under consideration is but the epitome and synthesis of America's aims and purposes in the Philippines. It is the glorious crowning of her humanitarian task. It is the fulfillment of the pledge made by a Nation whose honor has never been questioned.

In turn, I pledge myself and the people of the Philippines to live up to the responsibilities that the new situation will cast upon us. We will strive to honor the humanitarian and generous grant of the United States; and I am sure that we will not hesitate to place at the disposal of this Nation our lives and our fortunes in time of need.

The arrangement proposed in the bill under consideration will place the Filipino people in a position of more responsibility, and it places not only within their reach but in their own hands the instrumentalities of their salvation. The Filipino people accept them without hesitation. They will work out their destiny in accordance with their own genius and traditions, and there is no doubt that they are determined not only to preserve what America has done in the last 33 years but also to develop and love it as the precious heritage to future generations.

The bill under consideration has a far-reaching importance. It proves that the sanctity of pledges is a proposition that the nations of the world can no longer ignore. It is a warning that pledges made in treaties or in solemn documents should be fulfilled in accordance with their terms and spirit, and can not safely be violated if the might of right, and not the right of might, is the principle guiding the actions of civilized nations. The United States is setting the example. She is laying the foundation upon which to build the structure of a new world. She is constructing the beacon of hopes for the subject peoples and illuminating the path on which great nations should tread on their endless journey.

Domestic as is the question dealt with in the bill under consideration, nevertheless it formulates the fundamental principles of national life. Geographical division is proclaimed in the bill as a solemn sanction of the principle of self-determination without, however, meaning isolation. It is because political and economic intercourse is considered essential to human safety, prosperity, and happiness. The limitations provided in the bill do not trespass the boundaries of present needs. They are necessary for the effective application of its principles in harmony with American responsibilities. The limitations contained in the bill are the expression of the unselfish nature of the American sovereignty in the Philippines, and will prove that the establishment of this sovereignty was based purely upon altruistic motives.

One of the most important features of the bill under consideration is the settlement of our economic and racial problems. It follows faithfully the vision of those great Americans who launched this Nation into war with Spain. It was a war of liberation. It was a war waged in behalf of justice and liberty. It was in no sense a war of conquest or subjugation. It was a war for the sake of racial justice and identity. These are the reasons why the United States never thought of entertaining any plan to bring the Philippines into the great American Union and never attempted to assimilate the Filipino people. President McKinley, in defining the occupation of the Philippines by the United States, said:

> Our concern was not for territory or trade or empire, but for the people whose interests and destiny, without our willing it, had been put in our hands.

The President continued, saying:

> No imperial designs lurk in the American mind. They are alien to American sentiment, thought, and purpose.

Under the guidance of this policy set forth by President McKinley the government established in the Philippines under the American flag was but temporary or provisional. No permanent situation has ever been formulated nor any proposition advanced to incorporate the Philippines as an integral part of the United States. It would have been unwise for the United States to conceive the plan of annexing the islands without endangering the geographical integrity and racial solidarity thereof. Recent events have confirmed the wisdom and foresightedness of this policy. The present political arrangement brought freely to this continent a considerable number of Filipinos which caused a deep and patriotic alarm on the Pacific coast. The Filipino people, moved by the same motive, were likewise concerned on account of the loss they were suffering in their man power. However, the principle involved in this question of right is a proposition that can not be ignored or fairly evaded. As to the Filipino people, the question of right is higher than any other consideration. They can not conscientiously accept a situation which will place them in the position of inequality and humiliation. I know that the American people feel the same way. In justice, it is well to assume that they will never tolerate such an outrage under the American flag. It has not been committed, and never will be. However, we

can not ignore the fact that we are confronted with a situation requiring a solution, and your Committee on Insular Affairs courageously faced the problem and reported the bill under consideration, with the recommendation that it be passed by the House.

Now, Mr. Speaker, no matter how high we may place the principles under which we live, it is certain that economic reasons almost invariably rule human actions. They constitute the sinews of the lives of individuals as well as of nations. We may accept sacrifice for the sake of others some of the time, but we can not in good human principle accept such a sacrifice all of the time. This is the position that the American farmers and sugar interests have been forced to face. With the economic growth of the Philippines, they saw the probable danger it may inflict upon American agriculture and industry. They foresaw in days to come the terrible spectacle of peoples living under the shadow of the same flag and owing allegiance to the same government being stirred by economic jealousies and discriminations. They know that your land and my land can never be one. Having this in mind, they sought to advocate the independence of the Philippines as the only feasible way from an American standpoint to prevent an economic tragedy between our two countries. Such a solution will serve the best interests of the American people and at the same time satisfy the age-old aspirations of the Filipinos.

At this juncture, Mr. Speaker, permit me to say that with proper safeguard and convenient limitations we can be useful and of service to each other. Our political separation will only indicate the identification of our respective geographical positions, but the spiritual bond that has linked our two countries in the last 33 years will be strengthened by the gratitude of the Filipino people and by the natural satisfaction of your Nation in having attained the greatest and most unparalleled achievement in the history of civilization.

Under present political arrangement no practical or patriotic purpose can be served either by the United States or by the Filipino people. No one can foretell what the future has in store for the Far East. If the United States is to hold her present commanding position in the world affairs, she can not help reasserting her leadership in both hemispheres. America's leadership means at present just what it meant in the World War—the sanctity of treaties and the principle of self-determination. To uphold these high principles not only determination but also organization is necessary. The Philippines are now in a state of unpreparedness. The uncertainty which has characterized the political status of the Philippines can not produce any result but the stagnation of its economic development. For the same reason the United States has neglected Philippine military preparedness. Filipinos are not given military training. The citizens' military training camp system is not applied in the Philippine Islands. In a word, the national defense act of the United States is not enforced in the islands, and her inhabitants are not given the opportunity to train themselves in the naval service.

On the other hand, the Filipino people are not in a position to undertake the task of planning their own preparedness on account of their peculiar political status. Not only are they not authorized to undertake the necessary measures for preparedness, but even if they were, to undertake them under the present political arrangement might be construed as a defiance to the United States. At least, it would necessarily create a conflict of jurisdiction between two organized armies stationed in the same place and under the same flag and government.

A survey of the geographical position of the Philippine Islands in the Far East will bring home to every student of international affairs how important the preparedness of the Philippines would be to the very existence of that country and other parties connected with it. If it would not be an indiscretion I venture to say that the present circumstances fully justify my assertion. In order that the military preparedness of the Philippine Islands should be effective, it is not enough that the United States should merely increase her Army and Naval Establishments in that country, but it is absolutely essential that the Filipinos participate actively and prominently. This is not the time to discuss the economic aspect of this question.

Suffice it to say that were the Filipino people authorized to undertake the task of the preparedness of their own country, there is little doubt in my mind that they would find some method appropriate to their own resources and standard of living to meet the economic angle of the task. The Philippine Islands is about 7,000 miles away from the nearest port of the United States. This circumstance makes it necessary that the Filipino people be given an active and prominent participation in the military establishment of the Philippines.

What is now the value of the Philippine Islands in a military sense? There is nothing to be found which will enable the Philippines even to repel a coastal invasion by well-organized bands of pirates.

The bill under consideration settles this anomalous political situation of the Philippines. It places upon the Filipino people the responsibility of conducting their own national affairs, which, it is my sincere conviction, will prove of service to the United States as well as to the Filipinos themselves.

Mr. Speaker, it would be presumptuous for me to say that the cooperation of the Philippines would ever be needed by the United States in her international affairs. However, the bill under consideration assures the loyalty, friendship, and undying gratitude of the Filipino people to the United States. We will be attached to this Nation by spiritual bonds which are stronger than any political and physical ties. There is nothing in existence in the Philippines and owned by the Filipino people that they will refuse to offer to the service of the American people.

Americans and Filipinos, whether in continental United States or in the Philippines, will find it more beneficial to their best interests to live under the situation to be created by the bill under consideration than under the present arrangement. Americans residing in the Philippines will be assured of the diplomatic protection of the United States and the loyal friendship and cooperation of the Filipino people. At this juncture, I shall not hesitate to say that, as far as the Filipino people is concerned, the diplomatic protection of the United States for the American citizens in the islands will not be needed. The cordial friendship of the Filipinos will make Americans feel at home and realize that together they should work out their common destiny.

From now on they will have only one aim, one purpose—to strive that the Philippines may be a happy and prosperous country and be useful to the best interests of the United States. From now on all controversial questions which caused ill feeling between Americans and Filipinos in the Philippines will be removed, and both peoples will regard themselves bound to the proposition of mutual help. Mutual cooperation and sympathetic understanding in their common problems will be restored. Their relations from now on will be founded on sympathy and love, and these will hasten the political and economic development of the Philippines.

The part of the bill under consideration which recognizes the right of the Filipino people to formulate and adopt their own constitution should be regarded as the romantic phase of the American sovereignty in the Philippines. The grant of this fundamental right in itself constitutes an event never heretofore recorded in the history of colonization. It is the consecration of those lofty principles for which the American people have fought in the past. It is the imperishable monument to be erected upon the graves of those brave American soldiers who fought and died for their flag in the Philippines—not in the name of conquest and oppression but for the sake of justice and liberty. Blessed are the mothers who begot such patriotic sons. Blessed is the nation who inspired her citizens in the practice of such heroic deeds.

While this humanitarian spirit guides the minds of the American people, we can say that the world is safe from tyranny. The small and weak nations can turn their eyes





to the United States for relief and inspiration with full confidence that the call to duty will not fail to find response.

The acknowledgment of the right of the people of the Philippines to formulate their constitution is the glorious culmination of American effort to build a new nation in the Far East.

The theory of "no responsibility without authority," which is the foundation of all responsible and orderly government is maintained in the bill under consideration. It sets forth and upholds the necessity of constructive authority and courageously sets aside the existence of any semblance of authority, the exercise of which may result in usurpation or absorption. In a word, the bill under consideration lays down the principle upon which the new conception of authority ought to rest. It requires moral courage and unselfish leadership to proclaim a rule of conduct which will diminish the opportunity for an oppressive and tyrannical deed. No authority is surrendered by the United States. On the contrary, her leadership in the Philippine affairs will be strengthened, for it will have the full moral support of the Filipino people, who can then freely face the world and say with pride that America's interests are their interests, her safety their safety.

As to the time when independence shall be granted it is a question which is absolutely within the wisdom and sense of justice of the American people. It is to be reminded that the aims and purposes of the United States in the Philippine Islands were and are to assist the inhabitants therein, first to prepare them for self-government; and secondly, for their independent life. The fulfillment of this task, as announced by the United States, necessarily requires a friendly and sympathetic spirit in the final solution of the question.

Not only do the Filipino people need a reasonable period of economic readjustment like that granted by the United States in the treaty of Paris, but American investments in the Philippines made under the auspices of American sovereignty should be given, in fairness and justice, ample opportunity either to liquidate or to continue if the new situation to be created by the bill under consideration proves to be satisfactory and advantageous.

A policy of this nature not only will not cause any detriment to the best interest of the United States but it will without any question place her in the position to say that she has completed her mission in the Philippines with honor to herself and with justice to the Filipinos. While I am aware that this statement might be misrepresented or misinterpreted not only in the United States but also in the Philippines, I am prepared to say that in the discussion of this important problem principles should not be influenced by popular passions.

To the American people I beg to say that it is my sincere and profound conviction that in the solution of the Philippine question they will not tolerate that righteousness and justice be set aside and selfish interests be of paramount consideration. The history of the American people is full of examples of altruism and unselfishness in their dealings with other nations. The whole world is indebted to the United States. She has helped many suffering nations. She has helped many critical situations and the Philippine Islands, which is, after all her creation, will certainly not be denied such help. To my own people I wish to say that they can not help but recognize the necessity of a period of transition which will enable them to profit from the generous actions of the United States. Politics should not be played in the Philippines by anyone in this crucial period of the emancipatory struggle of the Filipino people; and if so played, I am confident that their responsible leaders will have enough courage to fulfill their patriotic duty as they see it and as God made them understand it. Once their patriotic duty is discharged, they can accept gracefully any sacrifice of political or personal nature. Sacrifices are necessary in all battles for life.

When the heat of passion which naturally follows the solution of a great controversial national question has died away, it is my expectation that the parties concerned will find nothing but reasons for joy in the passage of the bill under consideration. It is a matter of congratulation for the people of the Philippine Islands and a matter of pride for the United States that in the consideration of this bill the best interests of the Philippines constitute the fundamental aim of those who were for or against it. The bill was reported to the House by your Committee on Insular Affairs without party consideration.

This encourages the Filipinos to look to the future with confidence. The United States has helped the Filipino people to solidify the cultural and political foundation of self-government. That mission would not be complete if that help is not extended also to strengthen the structure upon which the independent government of the Philippines is to be built. This bill under consideration covers this American aim and purpose. It translates into reality what America announced to the world in the inception of her occupation of the Philippines.

In this connection I wish to quote President Roosevelt in his message to Congress in December, 1904:

> We are constantly increasing the measure of liberty accorded the islanders; and next spring * * * we shall take a great stride forward in testing their capacity for self-government by summoning the first Filipino legislative assembly; and the way in which they stand this test will largely determine whether the self-government thus granted will be increased or decreased.
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> * * * * * * *
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> I hope and believe that these steps—setting up the Philippine legislative assembly—mark the beginning of a course which will continue till the Filipinos become fit to decide for themselves whether they desire to be an independent nation.

Again, President Roosevelt in a newspaper article said:

> In order to use the Navy effectively we should clearly define to ourselves the policy we intend to follow and the limits over which we expect our power to extend. Our own coasts, Alaska, Hawaii, and the Panama Canal and its approaches represent the sphere in which we should expect to be able, single handed, to meet and master any opponent from overseas.
>
> I exclude the Philippines. This is because I feel that the present administration has definitely committed us to a course of action which will make the early and complete severance of the Philippines from us not merely desirable but necessary. I have never felt that the Philippines were of any special use to us, but have felt that we had a task to perform there and that a great nation is benefited by doing a great task. It was our bounden duty to work primarily for the interest of the Filipinos; but it was also our bounden duty, inasmuch as the entire responsibility lay upon us, to consult our own judgment and not theirs in finally deciding what was to be done.

President McKinley, in his message to Congress in December, 1899, said:

> We shall continue as we have begun * * * to make these people * * * feel that it is their liberty and not our power * * * we are seeking to enhance.

President Taft, while Secretary of War of the Government of the United States, said the following in his special report of January, 1908:

> It [the United States policy toward the Philippines] necessarily involves in its ultimate conclusion, as the steps toward self-government become greater and greater, the ultimate independence of the islands, although, of course, if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such result. * * *

These official pronouncements of the constitutional leaders of the American people prove conclusively that the mission of the United States in the Philippine Islands was and is to prepare the inhabitants therein not only for self-government but also for their independent life.

It has been asserted—fortunately by only a few thinking leaders of the American people—that the United States should immediately grant independence to the people of the Philippines, ending suddenly all political and economic relations between the two countries. While the execution of such a policy is an exclusive privilege of the United States, yet it is not in harmony with her avowed purpose when she established her sovereignty over the Philippines. Of course, the Filipino people have no alternative or choice but to

accept whatever decision the Congress of the United States may see fit to render in this case. It would not be amiss, however, to remind those who advocate such a harsh policy that Congress can not afford to be too unfeeling with the Filipino people who, after all, are America's wards, in contrast to the benign and altruistic policy she accorded Spain, her declared enemy, after the war with that nation.

Will the United States be loyal to herself if she accords the Filipino people less considerate treatment than that accorded Spain?

I am happy to say that the bill under consideration answers this question. In this bill provisions are inserted which not only confirm America's announced policy in the Philippines but also uphold her glorious traditions and history.

On this momentous occasion, when the final solution of our common problem is about to be reached, it is indeed inspiring to see that both parties have completely surrendered selfish interests and have endeavored to inject nothing but friendly spirit into the bill, which is a document expressing the wishes and longing of both the United States and the Philippine Islands. The United States in the exercise of her authority and possessing the power that she does could have settled the Philippine question in a way most profitable and advantageous to her own interests. It has not been done in that way, however. Your Committee on Insular Affairs, with full knowledge of the authority and power of the United States, has completely avoided sanctioning any bill which only will serve the interests of the United States without at the same time protecting those of the Philippine Islands.

Your Committee on Insular Affairs has in no sense ignored the great responsibility of the United States in planning to create a new nation in the Far East and to assure her of the place she has under the sun. In the discharge of this responsibility, your Committee on Insular Affairs has not neglected to establish the essential requirements for an independent Philippine government, thus giving the Filipino people a period in which they can adjust their economic system, which for almost 25 years has been interwoven with that of the United States. To deny the Filipino people a reasonable period of time to adjust their economic system previous to the grant of their independence would be equivalent to launching them on an adventure, the result of which is impossible to forecast. Independence for the Philippine Islands is to be granted by the United States on the basis that it will be beneficial to both countries. It is not supposed to be granted only for the reason that it will serve the best interests of the United States. This aim could be accomplished without unnecessarily dislocating the economic condition of either country. It has been attained by your Committee on Insular Affairs by reporting to this House the bill under consideration.

On behalf of the Filipino people I solemnly declare that we accept and consequently indorse the bill reported by your Committee on Insular Affairs.

THE LATE SPEAKER LONGWORTH

Mr. WOODRUM. Mr. Speaker, in accordance with the suggestion of the gentleman from New York [Mr. SNELL], because this is the anniversary of the death of the late Speaker Nicholas Longworth, I move, as a mark of respect to his memory, that the House do now adjourn.

ADJOURNMENT

The motion was agreed to; accordingly (at 2 o'clock and 55 minutes p. m.) the House adjourned until Monday, April 11, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, April 11, 1932, as reported to the floor leader by clerks of the several committees.

WAYS AND MEANS

(10 a. m.)

On bills providing for immediate cash payment of adjusted-compensation certificates.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CONNERY: Committee on Labor. H. R. 11200. A bill to provide that the prevailing rate of wages shall be paid to laborers and mechanics employed on certain public works of the United States, the District of Columbia, the Territories, and the Panama Canal, and for other purposes; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House on the state of the Union.

Mr. GILBERT: Committee on the Library. H. J. Res. 305. A joint resolution for the improvement of Meridian Hill Park; without amendment (Rept. No. 1029). Referred to the House Calendar.

Mr. BLACK: Committee on the District of Columbia: H. J. Res. 154. A joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes; with amendment (Rept. No. 1030). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON of Georgia: A bill (H. R. 11245) to prohibit loans under the agricultural marketing act to cooperative associations or stabilization corporations paying compensation in excess of $20,000 per annum; to the Committee on Agriculture.

By Mr. RAYBURN: A bill (H. R. 11246) authorizing the Boca Chica Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11247) to amend the act to regulate commerce, approved February 4, 1887, as amended (U. S. C., title 49, ch. 1); to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE: A bill (H. R. 11248) to relieve ex-service men from the payment of interest on adjusted-service certificate loans made by the Administrator of Veterans' Affairs on or after February 27, 1931; to the Committee on Ways and Means.

By Mr. DAVIS: A bill (H. R. 11249) to amend the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States," approved June 7, 1897; to the Committee on the Merchant Marine, Radio, and Fisheries.

By Mr. MANSFIELD: A bill (H. R. 11250) making it unlawful to transmit through the mail, free of postage, any speeches, reports, or other matter extracted from the CONGRESSIONAL RECORD; to the Committee on the Post Office and Post Roads.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 11251) providing for an emergency circulation fund, and for other purposes; to the Committee on Banking and Currency.

By Mr. MANSFIELD: A bill (H. R. 11252) to amend section 4 of the legislative, executive, and judicial appropriation act, approved February 26, 1907, as amended; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 11253) granting a pension to Josephine Mitchell; to the Committee on Pensions.

By Mr. FINLEY: A bill (H. R. 11254) granting an increase of pension to Mary A. Deaton; to the Committee on Invalid Pensions.

By Mr. FOSS: A bill (H. R. 11255) for the relief of Bartholomew Moynahan; to the Committee on the Civil Service.

By Mr. FULMER: A bill (H. R. 11256) for the relief of Dr. P. V. Mikell; to the Committee on Claims.

By Mr. GREENWOOD: A bill (H. R. 11257) granting a pension to Lome I. Sherwood; to the Committee on Pensions.

By Mr. HOLLISTER: A bill (H. R. 11258) for the relief of Sevellon Smith; to the Committee on Military Affairs.

By Mr. HOWARD: A bill (H. R. 11259) for the relief of John E. Click; to the Committee on Indian Affairs.

By Mr. JENKINS: A bill (H. R. 11260) granting a pension to Thomas A. O'Leary; to the Committee on Pensions.

Also, a bill (H. R. 11261) granting a pension to Augusta Ruble; to the Committee on Pensions.

By Mr. KNIFFIN: A bill (H. R. 11262) for the relief of Dee Erick Treat; to the Committee on Foreign Affairs.

By Mr. LAMNECK: A bill (H. R. 11263) for the relief of Joseph Maier; to the Committee on Claims.

By Mr. McLEOD: A bill (H. R. 11264) for the relief of Krikor Haroutunian; to the Committee on Claims.

Also, a bill (H. R. 11265) for the relief of Purse Bros.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5768. By Mr. ARNOLD: Petition of World War veterans of Lawrenceville, Ill., favoring cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5769. By Mr. BACON: Petition of sundry citizens of New York State, favoring the enactment of the naval construction bill and bill to amend the naval reserve act of 1925; to the Committee on Naval Affairs.

5770. Also, petition of sundry residents of Long Beach, N. Y., favoring the immediate payment of the adjusted-service compensation certificates; to the Committee on Ways and Means.

5771. By Mr. BRUNNER: Petition of Joseph L. Cassidy, of 66–42 Booth Street, Forest Hills, Long Island, N. Y., and approximately 90 citizens of New York City, urging Congress to pass favorably upon the Hale bill, S. 51; Vinson bill, H. R. 8230 (naval construction bill); and House bill 8678, to amend the naval reserve act of 1925; to the Committee on Naval Affairs.

5772. By Mr. CLAGUE: Petition of Louis Cierpiszeski, of Arco, and 80 others, urging passage of Frazier bill, S. 1197, and Swank-Thomas bill, S. 3133; to the Committee on Agriculture.

5773. Also, petition of Albert Odegard American Legion Post, No. 401, Jeffers, Minn., asking for full payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5774. Also, petition of Edward C. P. Vogt, president of South Branch Local, No. 271, Farmers' Educational and Cooperative Union of America, St. James, Minn., urging passage of Frazier bill, S. 1197; to the Committee on Agriculture.

5775. Also, petition of J. H. Nelson, organized union railway employees, of Adrian, Minn., and others, urging passage of pension bill, H. R. 9891, and in opposition to pension bill, H. R. 10023; to the Committee on Interstate and Foreign Commerce.

5776. By Mr. CULLEN: Petition of the Community Councils of the city of New York, requesting action by Congress to take whatever steps may be deemed proper to safeguard the sugar-refining industry of New York City in respect to an apparently improper adjustment of rates of duty as between refined sugar and raw sugar; to the Committee on Ways and Means.

5777. By Mr. ENGLEBRIGHT: Petition of Los Angeles Chamber of Commerce, referring to the President's Public Lands Committee report; to the Committee on the Public Lands.

5778. Also, petition of Harry W. Muller, post commander, Veterans of Foreign Wars, Los Angeles, Calif., re Fort MacArthur; to the Committee on Military Affairs.

5779. By Mr. GLOVER: Petition of veterans of Grant County; to the Committee on Ways and Means.

5780. By Mr. HALL of Mississippi: Petition of 112 veterans and residents of Jones County, Miss., asking for the immediate payment of the balance of the adjusted-service certificates; to the Committee on Ways and Means.

5781. By Mr. JAMES: Letter from the teachers of Huron School, Portage Township, Houghton, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5782. Also, telegram from St. Ann's Society, No. 218, K. S. K. J., through Mary Klobuchar, president, of Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5783. By Mr. JOHNSON of Texas: Telegram from the ex-service men of Milam County, Tex., favoring PATMAN's bill for cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5784. Also, petition of William Lancaster and nine other World War veterans of Mount Calm, Tex., protesting against Senate bill 3769; to the Committee on Military Affairs.

5785. By Mr. LAMNECK: Petition of E. Craig, Mrs. Marcella Craig, Dr. J. H. Farrand, and other citizens of the city of Columbus, Ohio, petitioning against compulsory Sunday observance; to the Committee on the District of Columbia.

5786. By Mr. LEA: Petition of 56 residents of Lake County, Calif., protesting against compulsory Sunday observance legislation in the District of Columbia; to the Committee on the District of Columbia.

5787. By Mr. LINDSAY: Petition of the Community Councils of the City of New York (Inc.), referring to raw and refined sugar; to the Committee on Ways and Means.

5788. Also, petition of Kiwanis Club of Newark, N. J., favoring the passage of House bill 10402; to the Committee on the Judiciary.

5789. By Mr. NIEDRINGHAUS: Petition of 98 voters and residents of St. Louis, Mo., asking that the tax on security transfers be removed; that no further soldiers' bonus be paid at this time; and that positive steps be made to reduce the high cost of government; to the Committee on Ways and Means.

5790. By Mr. PATMAN: Petition of Daniel J. C. O'Donnell, of Pennsylvania, and 281,757 other World War veterans from every State in the Union and foreign countries, with ballots showing 231,162 in favor of full and immediate payment of the adjusted-service certificates and 595 opposing, asking Congress to pass legislation providing for the full and immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5791. By Mr. RUDD: Petition of Kiwanis Club of Newark, N. J., favoring the passage of House bill 10492, restricting the sale, purchase, and transportation of death-dealing instruments; to the Committee on Interstate and Foreign Commerce.

5792. Also, petition of H. E. Dodds, of the Metropolitan Chapter, Disabled Emergency Officers, Long Island, N. Y., opposing any amendment or rider to the independent offices appropriation bill that would curtail benefits derived under the Tyson-Fitzgerald Act; to the Committee on Appropriations.

5793. Also, petition of Moses G. Hubbard, jr., New York State commander American Legion, the American Legion, Department of New York, and vast majority of its 85,000 members and 800 posts, opposing payment of adjusted-service certificates at this time; to the Committee on Ways and Means.

5794. Also, petition of the Peoples National Bank, Brooklyn, N. Y., opposing the establishing of a guaranty of bank deposits; to the Committee on Banking and Currency.

5795. Also, petition of the community councils of the City of New York, referring to rates on raw and refined sugar; to the Committee on Ways and Means.

5796. Also, petition of Bricklayers Union, Local No. 9, of Brooklyn, N. Y., favoring the appropriation of $155,000,000 for the construction of public buildings; to the Committee on Appropriations.

5797. By Mr. SMITH of West Virginia: Resolutions of the Winding Gulf Operators Association, opposing the passage of the Davis-Kelly coal control bills; to the Committee on Interstate and Foreign Commerce.

5798. Also, resolution of the Beckley Chapter, No. 9, Disabled American Veterans of the World War, opposing the reduction of compensation of disabled veterans and favoring House bill 1; to the Committee on Ways and Means.

5799. Also, resolution of the Charleston Chamber of Commerce, Charleston, W. Va., favoring legislation that will result in placing interstate motor truck transportation under the jurisdiction of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

5800. By Mr. SWING: Petition of W. J. Mossholder and 14 other residents of San Diego, Calif., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5801. By Mr. TAYLOR of Colorado: Petition of citizens of Salida, Colo., protesting against passage of House bill 8092, providing for compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

5802. By Mr. WILLIAMS of Texas: Petition of citizens of the counties of Clay, Denton, Wilbarger, and Wise, asking that Congress enact no legislation which will tend to destroy the effectiveness of the agricultural marketing act and asking that said act be retained without impairments; to the Committee on Agriculture.

SENATE

MONDAY, APRIL 11, 1932

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Bless us, our Heavenly Father, with a sense of Thy presence, and be Thou the fountain light of all our day, the master light of all our seeing. Give us glad hearts, without reproach or blot, inspire us with true valiancy when empty terrors overawe, free us from all vain temptations and let our weakness have an end, that we, Thy people, being guided by the unerring light of love, may find our own security in the joy of serving Thee, who alone canst still the strife of frail humanity. So, in the undertakings of this day, be near us to direct us, within us to refresh us, around us to protect us, above us to bless us, and beneath us to uphold us in Thine everlasting arms. We ask it in the name of Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

The legislative clerk proceeded to read the Journal of the proceedings of the legislative day of Thursday last, when, on request of Mr. FESS, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 10022. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; and

H. R. 10486. An act granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Bingham	Brookhart	Caraway
Austin	Black	Bulkley	Carey
Bailey	Blaine	Bulow	Connally
Bankhead	Borah	Byrnes	Coolidge
Barbour	Bratton	Capper	Copeland
Costigan	Hatfield	Metcalf	Steiwer
Couzens	Hayden	Morrison	Thomas, Idaho
Cutting	Hebert	Neely	Thomas, Okla.
Dale	Howell	Norbeck	Townsend
Dickinson	Hull	Norris	Trammell
Dill	Johnson	Nye	Tydings
Fess	Jones	Oddie	Vandenberg
Fletcher	Kean	Pittman	Wagner
Frazier	Kendrick	Reed	Walcott
George	Keyes	Robinson, Ark.	Walsh, Mont.
Glass	King	Robinson, Ind.	Watson
Glenn	Lewis	Schall	Wheeler
Goldsborough	Long	Sheppard	White
Gore	McGill	Shipstead	
Hale	McKellar	Shortridge	
Harrison	McNary	Smoot	

Mr. FESS. I wish to announce that the Senator from Missouri [Mr. PATTERSON] is still detained from the Senate by illness. I will let this announcement stand for the day.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

I also wish to announce that the senior Senator from Missouri [Mr. HAWES] is necessarily detained from the Senate by illness.

Mr. TOWNSEND. My colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

INTERNATIONAL RADIO BROADCASTING

The VICE PRESIDENT laid before the Senate a telegram from Dr. J. R. Brinkley, of Milford, Kans., relative to international radio broadcasting, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

MILFORD, KANS., *April 9, 1932.*

Hon. CHARLES CURTIS,
The Vice President:

I ask you have stricken an amendment empowering the Radio Commission to prohibit the maintenance of studios and equipment in United States for sending programs to foreign countries for rebroadcasting in this country. This was added by Senate group. Chairman COUZENS said it was not aimed at any one person. This would destroy our studios in Del Rio and is an attempt by the Radio Commission to stop my broadcasts. Please wire me your action on this matter.

DR. J. R. BRINKLEY.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 10022. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes; to the Committee on Appropriations.

H. R. 10486. An act granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war; to the Committee on Pensions.

COMMITTEE SERVICE

Mr. McNARY. Mr. President, there is a vacancy in the Republican membership of the Manufactures Committee. As chairman of the committee on committees, having the authority of the whole membership, I ask that the Senator from New Jersey [Mr. BARBOUR] be assigned to the Committee on Manufactures.

The VICE PRESIDENT. Without objection, that order will be made.

PETITIONS AND MEMORIALS

Mr. FESS presented several memorials, numerously signed, by sundry citizens of Cleveland, Ohio, remonstrating against the imposition of a tax on sales of securities, which were referred to the Committee on Finance.

Mr. TYDINGS presented a resolution adopted by Westport Post, No. 33, the American Legion, of Westport, Md., favoring the full cash payment of World War adjusted-compensation certificates (bonus), which was referred to the Committee on Finance.

Mr. DICKINSON presented a petition of sundry citizens of the State of Iowa, praying for international disarmament and world peace, which was referred to the Committee on Foreign Relations.

Mr. COSTIGAN presented petitions of members of the Boone (Colo.) Woman's Christian Temperance Union, and sundry citizens of Boone, Colo., praying for the maintenance of the eighteenth amendment of the Constitution and its enforcement, and protesting against the adoption of any measure looking toward its modification, resubmission to the States, or repeal, which were referred to the Committee on the Judiciary.

Mr. ASHURST presented a telegram in the nature of a memorial from Federal Employees Local, No. 255, of Tuba City, Ariz., remonstrating against the passage of legislation providing for the removal of any Indian Service officer or employee by a majority vote of a tribal council, which was referred to the Committee on Indian Affairs.

He also presented a telegram in the nature of a petition from Charles A. Mitten, president Arizona Newspapers Association, Mesa, Ariz., praying for the passage of legislation providing for the printing by private publishers of business envelopes and cards used in the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the Arizona Cattle Growers Association, relative to proposed changes in the public land laws, which was referred to the Committee on Public Lands and Surveys.

He also presented a telegram, in the nature of a memorial, from F. H. Crist, of Phoenix, Ariz., remonstrating against the proposed increase in postal rates in the pending tax bill, which was referred to the Committee on Finance.

He also presented a telegram signed by Emery Johnson, secretary Arizona Democratic Association, Phoenix, Ariz., indorsing on behalf of the association full payment of the soldiers' bonus and opposing any reduction in the rate of compensation to veterans, which was referred to the Committee on Finance.

Mr. SHORTRIDGE presented a petition of sundry citizens of Glendale, Calif., praying for the maintenance of the prohibition law and its enforcement, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the city council of San Luis Obispo, Calif., favoring the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of sundry citizens of San Diego, Calif., remonstrating against the passage of the bill (S. 51) to authorize the building up of the United States Navy to a strength permitted by the Washington and London naval treaties, which was ordered to lie on the table.

He also presented a resolution adopted by the North Beach Evening High School Alumni Association, of San Francisco, Calif., favoring the cooperation of the United States with the League of Nations and the World Court in the interest of world peace, which was referred to the Committee on Foreign Relations.

He also presented memorials and letters, in the form of memorials, from 36 parlors of the Native Sons and Native Daughters of the Golden West, all in the State of California, remonstrating against any modification in the provisions of the immigration act of 1924, and also any attempt to nullify or modify the present law excluding aliens ineligible to citizenship, which were referred to the Committee on Immigration.

Mr. WALCOTT presented memorials of Branch No. 60, of Stamford; West Hartford Branch, No. 86, of West Hartford; Capitol City Branch, No. 86, of Hartford; Branch No. 168, of Waterbury; and Branch No. 589, of Rockville, all of the National Association of Letter Carriers; Local No. 240, National Federation of Post Office Clerks, of Stamford; the Connecticut Association of Postmasters, of Torrington; and sundry post-office employees of Hartford and Weathersfield, all in the State of Connecticut, remonstrating against proposed reductions in salaries of Federal employees, which were referred to the Committee on Civil Service.

He also presented a memorial of employees of the E. T. Andrews & Co., of Hartford, Conn., remonstrating against the imposition of a tax on security sales and further payment on World War adjusted-compensation certificates (bonus) at this time, which was referred to the Committee on Finance.

He also presented resolutions adopted at the Third Biennial Conference of the American Unitarian Association, and the Bozrahville Section, National Council of Jewish Women, of Bozrahville, both in the State of Connecticut, favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of New Haven, West Haven, Guilford, Bridgeport, Hamden, New Hartford, East Hartford, Ansonia, Winsted, and Saybrook, all in the State of Connecticut, praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pension board, and for other purposes, which were referred to the Committee on Interstate Commerce.

He also presented petitions of sundry citizens of Hartford, Meriden, Waterbury, New Haven, Danbury, Portland, Stamford, and Thomaston, all in the State of Connecticut, praying for the modification of the Volstead Act and for the repeal of the eighteenth amendment of the Constitution, which were referred to the Committee on the Judiciary.

He also presented a paper, in the nature of a petition, from the Willimantic (Conn.) Daily Chronicle, praying for the repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented the memorial of R. Corley, of New Haven, Conn., remonstrating against the repeal of the eighteenth amendment of the Constitution or modification of the Volstead Act, which was referred to the Committee on the Judiciary.

He also presented the petition of Lyman B. Gregory, of Milford, Conn., praying for modification of the Volstead Act and protesting against the repeal of the eighteenth amendment of the Constitution, which was referred to the Committee on the Judiciary.

He also presented a letter, in the nature of a petition, from the Norwalk (Conn.) Chamber of Commerce, praying for the passage of the bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails, which was ordered to lie on the table.

He also presented a letter in the nature of a petition, from the Department of Connecticut, Ladies' Auxiliary, Veterans of Foreign Wars of the United States, of Bristol, Conn., praying for the payment in full of adjusted-compensation certificates of World War veterans (bonus), which was referred to the Committee on Finance.

He also presented a letter, in the nature of a memorial, from the Department of Connecticut, Ladies' Auxiliary, Veterans of Foreign Wars of the United States, of Bristol, Conn., remonstrating against proposed reductions in appropriations affecting the Army, Navy, Marine Corps, National Guard, the Reserve Officers' Training Corps, and the citizens' military training camps, which was referred to the Committee on Appropriations.

Mr. VANDENBERG presented resolutions adopted by the Mount Pleasant (Mich.) Rotary Club, favoring the ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented the following resolution of the Senate of the State of Michigan, which was referred to the Committee on Finance:

Michigan State Senate Resolution No. 16

Whereas the world-wide business readjustments following the World War have cost our American agriculture some of our best farm-export markets, while increased efficiency has annually added to the amount of products of our farms, despite the drift of our population from the country to the industrial centers; and

Whereas these adverse farm-market conditions have brought about an increasing surplus annually of wheat, corn, cotton, potatoes, beans, and the like staple farm crops, with a resultant low price level, taking the American farmer out of the buying market for the products of American industry; and

Whereas America is annually sending hundreds of millions of dollars abroad for our sugar supply, when we have every facility for raising enough cane and beet sugar to supply our American market, thus taking hundreds of thousands of acres out of crop production now adding to our surplus in wheat, corn, cotton, beans, potatoes, and the like staple farm crops, while keeping the American dollar busy at home instead of sending it abroad: Therefore be it

Resolved, That we petition the President of the United States, the President of the Senate, the Speaker of the House of Representatives, the chairman of the Senate Committee on Appropriations, the chairman of the House Committee on Ways and Means, and the Members of the United States Senate and the House of Representatives from Michigan, to use the emergency powers of tariff adjustment in favor of American-grown cane and beet sugar, for immediate restoration of farm and factory business by giving them the American home sugar market and keeping the American dollar busy at home where lies 90 per cent of all of our American business.

REGULATION OF MOTOR-VEHICLE TRANSPORTATION

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred, a letter from the Georgia Public Service Commission with reference to the regulation of motor-vehicle transportation of persons and property for hire over the highways in interstate commerce.

There being no objection, the communication was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

ATLANTA, *March 18, 1932.*

Senator WILLIAM J. HARRIS, Senator WALTER F. GEORGE, Congressman HOMER C. PARKER, Congressman EDWARD E. COX, Congressman CHARLES R. CRISP, Congressman WILLIAM C. WRIGHT, Congressman ROBERT RAMSPECK, Congressman W. CARLTON MOBLEY, Congressman MALCOLM C. TARVER, Congressman CHARLES HILLYER BRAND, Congressman JOHN STEPHENS WOOD, Congressman CARL VINSON, Congressman WILLIAM CHESTER LANKFORD, Congressman WILLIAM WASHINGTON LARSEN.

GENTLEMEN: Our commission has been looking forward, with considerable interest, in the hope that Congress will, at the present session, enact proper legislation regulating motor-vehicle transportation of persons and property, for hire, over the highways in interstate commerce.

The Georgia commission was given jurisdiction of this subject within the State of Georgia effective October 1, 1929. One of our chief difficulties in enforcing the law applicable to intrastate commerce lies in the fact that there is no regulation, as such, affecting interstate commerce. Obviously the controlling factor in regulation of utility service lies in the power to fix rates. We are given this power as to movements between points in Georgia, but there is no effective way to support conclusions reached in this respect if those engaged in interstate commerce are permitted, at will, to cripple regulation by cutting rates which have been found to be reasonable for movements between points in Georgia. We take it that it is needless to impress upon you the great handicap against a local business in Georgia when unregulated interstate transportation gives a marked advantage to a competitor whose business is confined, in the main, to interstate commerce, due to the fact that his plant is located at some point without the State of Georgia. There is no answer to be found in the fact that we are requiring, under the Georgia motor vehicle laws, a license fee for the purpose of maintaining the highways, in part, because the real trouble lies in the lack of power to fix rates for interstate commerce.

It is our best judgment that the public interest in this State demands legislation along this line at the earliest date possible.

Having watched this unfortunate situation, and unless corrected will seriously cripple the efforts of State regulation to control this new and pronounced competitive common-carrier system, we feel constrained to bring this matter to your attention with the observations noted in the foregoing, for such consideration as you may see fit to give it.

Very truly yours,

GEORGIA PUBLIC SERVICE COMMISSION,
JAS. A. PERRY, *Chairman.*

COPPER TARIFF

Mr. SHORTRIDGE. Mr. President, I hold in my hand an editorial appearing in the Los Angeles Times of April 4, 1932, with reference to the suggested tariff on imported copper. I think it a very thoughtful and persuasive editorial. I ask that it be printed in the RECORD.

There being no objection, the editorial was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

[Editorial from the Los Angeles Times of April 4, 1932]

A COPPER TARIFF

The same considerations which, in the view of the Times, make a tariff on imported oil both necessary and desirable apply to copper. The oil and copper industries, if not in the same, are in very similar boats. Both have suddenly been confronted with the discoveries of new supplies in foreign countries at a time when the domestic demand is at a low ebb and there is a large surplus on hand. Both industries are capable of supplying all the existing and potential domestic market at reasonable prices from domestic production. In the case of oil it is mainly Venezuela that furnishes the competition, though even the Rumanian fields have been pouring their products into American fuel tanks. In the case of copper the new producer is Africa, where very rich ore bodies, combined with extremely cheap labor, will with practical certainty capture the world market.

Under the circumstances copper can be mined in Africa and sold here at a price well below the cost of American production, which averages close to 13 cents a pound. Several of the Nation's leading mining engineers, including F. E. Calkins, one of the West's authorities on the subject, say this is a fact and support their declaration with facts and figures which can only be interpreted in one way. They indicate that at least until 1945 the United States can not hope again to be an exporter of unmanufactured copper; but that its domestic mining and refining capacity is more than adequate to supply domestic needs and during that period can hope to operate at about 75 per cent capacity, paying good wages and reasonable profits, if a tariff is imposed; but that if not imposed these mines and smelters must stay shut down.

The condition that the domestic copper producers thus face is desperate. Efforts to restrict world copper production have been broken down, and no future effort in this direction can hope to be successful. The African mines are so rich and African labor so cheap that this production can make money at a price which would bankrupt American producers, and the owners of these mines will not shut them down or restrict their output.

Bills in Congress for a copper tariff carry a rate of 4 to 5 cents, which is probably not enough, if Mr. Calkins is correct in saying that foreign by-product copper can be sold at a profit at a price of about 2½ cents. He believes the world market for some years will hover in the vicinity of 10 cents a pound.

This differential of 3 cents a pound between the American and the world price would be, it is true, a handicap to American manufacturers of copper products but is probably not enough to do them serious damage in the export market and would not affect them at all in the domestic market.

The figures of Mr. Calkins show that in the 2-year period, 1929, 1930, surplus copper in the hands of American producers increased 264,000 tons, of which 174,000 tons, or 66 per cent, was imported. Despite drastic curtailment in 1930, there was an increase in stocks of 129,500 tons, of which 107,700 tons, or 83 per cent, was imported.

Consumption of primary copper in the United States, 950,000 tons in 1929, dropped in 1931 to about half that figure, though figures for the year are incomplete. The potential economic capacity of American mines and smelters was 1,100,000 tons, so that there is ample margin in domestic production to take care of an increase beyond the 1929 figures, for some years to come, without imports.

Copper mines of the world were equipped in 1928 to produce 750,000 tons in excess of consumption, and additions have been made to equipment since that time.

Plainly this is a situation that justifies at least moderate protection. Other metals are protected against foreign competition; to be consistent we can not refuse the same aid to so important a raw material as copper.

LITERARY DIGEST PROHIBITION POLL

Mr. BINGHAM. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Literary Digest entitled "Women in the Poll—A Triumphant Test," which gives the result of ballots received from more than 4,000,000 persons in the United States with regard to repeal of the eighteenth amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the Literary Digest, April 9, 1932]

WOMEN IN THE POLL—A TRIUMPHANT TEST

It is solemnly charged against the Literary Digest that it does not send ballots in the prohibition poll to women.

It is solemnly charged, especially in regions remote from the larger centers of population, that the ballots are sent "only to known wets."

It is solemnly charged that they are not sent to clergymen or church members.

It is solemnly charged on the one hand that our ballots do not penetrate the rural regions, and on the other that they do not reach the industrial workers or laboring classes of the great cities.

Exhorters and professional reformers hint to their audiences—choosing their words carefully—that this news-weekly of 40 years' background, with innumerable friendships and a rare record of public service, has sold itself to the "rum interests"!

That is at once the most solemn and the most comic of the labored calumnies launched at the Digest in these whispering and, perhaps, we might say, blathering campaigns.

But it is not the one that riles us most. The one that riles us most is the one about the women—that we don't send them ballots, don't allow them to have a voice in this poll on the one issue of all others that they have the most right to be heard upon!

In effect, that we stifle the voices of all women in the country on this tremendous question.

The Digest's women friends are legion. Many of our loyalest subscribers and most interesting correspondents on all sorts of subjects are women. Without the warm good will and cooperation of our women readers we should feel, editorially, all at sea.

We know what the passing of the eighteenth amendment meant to women. We know how they worked for it, prayed for it, fought for it. We were with them when they hailed its arrival with joy and gratitude, with hymns of triumph, believing sincerely that the evils of liquor had at last been banished.

They write us letters by the hundreds and thousands. Some of the writers still cling to that flashing faith of 12 years ago. They reproach us in vibrant terms for taking this poll. Others have changed with the times. They write as members of women's wet organizations, upholding the poll and asking for ballots to vote for repeal of the eighteenth amendment.

It appears that the women of the country are no longer a unit on this question.

The Digest's nonpartisan policy requires that the voices of both sides, of both sexes, should be heard in the poll. We are going to produce rather striking evidence that they are.

First let us introduce the quaint historic photographs that we reproduce on this page. They represent a famous whisky burning by militant women temperance crusaders in Hillsboro, Ohio, almost 60 years ago.

The pictures "were made by the old wet-plate process," writes Mr. Philip Weyrich, of Hillsboro, "and any old-time photographer will tell you they were not easy to make, especially outdoors."

In his letter Mr. Weyrich explains the pictures. We learn that the first one (on the reader's left) shows the rolling of whisky barrels on the public square. "Crowd standing around watching it burn. Before the saloon keeper and drug stores turned over the whisky, they took half of the barrel and filled it with water. Of course, we all know water won't burn, but I guess some of the whisky did."

The second picture shows "where the crusaders prayed." The liquor dealer is in his doorway, but "of course he closed his door, going out the back way, and these women kneeled down in front and prayed. This was in December, 1875."

In the third picture women are actually on their knees outside another saloon.

All of which stirs up a deep reminder of the part women have played in the long war against John Barleycorn and their paramount right to be heard. In passing let it be recorded that crusading Hillsboro is still dry. In the Digest poll it scores 576 votes for continuance against 420 for repeal.

Coming back to the regimented chorus that in our distribution of ballots we discriminate against women, we have a remarkable test to disclose.

Eighth report of the Literary Digest prohibition poll—Classified geographically

State	Favor continuance of eighteenth amendment	Favor repeal of eighteenth amendment	Total
New England	69,798	255,337	325,135
Maine	9,922	22,676	32,598
New Hampshire	5,908	13,163	19,071
Vermont	4,418	10,352	14,770
Massachusetts	36,147	135,835	171,982
Rhode Island	3,104	16,821	19,925
Connecticut	10,299	56,490	66,789

Eighth report of the Literary Digest prohibition poll—Classified geographically—Continued

State	Favor continuance of eighteenth amendment	Favor repeal of eighteenth amendment	Total
Middle Atlantic	226,043	951,111	1,177,151
New York	72,691	409,930	482,611
New Jersey	28,309	167,051	195,360
Pennsylvania	125,043	374,140	499,183
East North Central	259,924	813,037	1,072,961
Ohio	99,737	264,223	363,960
Indiana	61,262	131,040	192,302
Illinois	50,196	285,227	335,423
Michigan	33,438	121,830	155,268
Wisconsin	15,291	80,714	96,005
West North Central	142,152	290,173	432,325
Minnesota	22,301	73,259	95,560
Iowa	27,264	48,901	76,165
Missouri	32,906	84,010	116,916
North Dakota	3,781	12,252	16,033
South Dakota	4,421	9,884	14,305
Nebraska	15,148	25,791	40,939
Kansas	36,328	36,076	72,404
East South Central	64,758	94,903	159,661
Kentucky	20,131	42,476	62,607
Tennessee	23,724	25,196	48,920
Alabama	12,200	15,426	27,629
Mississippi	8,703	11,805	20,508
South Atlantic	125,784	235,786	361,570
Delaware	2,175	5,908	8,083
Maryland	13,426	44,339	57,765
District of Columbia	2,629	9,308	11,937
Virginia	25,668	44,056	69,724
West Virginia	20,511	40,025	60,536
North Carolina	29,970	29,981	59,951
South Carolina	9,818	14,623	24,441
Georgia	13,541	24,018	37,559
Florida	7,746	23,528	31,274
West South Central	74,105	115,750	189,855
Arkansas	12,199	13,381	25,580
Louisiana	4,844	21,769	26,613
Oklahoma	20,992	25,501	46,493
Texas	36,070	55,099	91,169
Mountain	22,001	45,131	67,132
Montana	1,969	8,508	10,477
Idaho	2,634	4,936	7,570
Wyoming	1,102	3,803	4,905
Colorado	11,718	15,916	27,634
New Mexico	1,017	2,845	3,862
Arizona	1,108	2,945	4,053
Utah	2,285	4,977	7,262
Nevada	168	1,201	1,369
Pacific	48,579	148,965	197,544
Washington	9,093	27,217	36,220
Oregon	6,284	13,490	19,774
California	33,202	108,258	141,550
State Unknown	12,969	13,193	26,162
Total	1,046,113	2,963,386	4,009,499

All along we had been convinced to our own satisfaction, in the conduct of our business, that the women of the country were getting their share of ballots. It was important to us in many ways that they should.

But, of course, we hadn't sorted out the sexes in our mailing list of more than 20,000,000 names and addresses. That would be almost as hard as "selecting" all the "known wets" in the country or all those likely to subscribe for the Literary Digest, or all those with blue eyes. However, we wished we could find some way to demonstrate practically, without blue prints, that the prohibition poll was giving the women a square deal.

And we found a way which seems to us absolutely convincing and uncommonly interesting.

We decided to poll all the registered voters, men and women—the women separately from the men—in one representative city.

We selected one of the oldest prohibition centers in the whole country and one of the most downright American "from 'way back"—Portland, Me.

The canvass was so arranged that we could distinguish the women's ballots from the men's, while still preserving the secrecy of the ballots. Another important part of the program was that we were polling the rest of the State of Maine (minus Portland) with our own regular mailing list.

The results of this double operation were most revealing and decisive.

Taking the city as a whole, without distinction of sex, we find that out of 6,909 of Portland's registered voters who have sent in

ballots at this writing 2,096 vote for continuance of the eighteenth amendment, 4,813 for its repeal.

Now, separating the men and women we get these figures:

Men: 14,598 mailed, 3,981 replies—27.3 per cent; continue, 970—24.36 per cent; repeal, 3,011—75.64 per cent.

Women: 11,958 mailed, 2,928 replies—24.48 per cent; continue, 1,126—38.45 per cent; repeal, 1,802—61.55 per cent.

The first thing to strike us is that the women don't vote so very differently from the men. Their majority is on the same side as the men's majority. They're not so emphatically wet as their husbands, fathers, and brothers, but their wetness is decisive.

Their response in the way of voting is a trifle less than that of the men, but surprisingly high.

Turning now to the State of Maine, without Portland and without sex distinction, we find that out of 25,689 ballots returned to date, 7,826 are for continuance, 17,863 for repeal—a wet percentage of 69.54.

Finally, taking Maine as a whole, Portland included, we find that in a total vote to this writing of 32,598, the figures are 9,922 for continuance, 22,676 for repeal—a wet percentage of 69.57.

Note, if you please, the virtually exact correspondence in dry-wet proportions between the total vote of Maine (outside of Portland) and the total vote of Portland, where women voted on an equality with men. The percentages work out as follows:

State of Maine, for repeal, 69.54.

City of Portland, for repeal, 69.67.

One more amazing corroboration of Digest poll accuracy.

The most important effect of this extraordinary test should be, it seems to us, to convince every reasonable person in America not only that the poll gives full expression to the will of the women of America as a whole, but also that it embodies the authentic voice of the whole people.

Further, that every one of the other current carpings at the poll by professional carpers amounts to so much blah and weariness of the eardrums.

And this, even when the carpings seem on the surface to be borne out by faults in the functioning of the poll's colossal mechanism.

Rough spots here and there—that's what we remarked last week when we likened the poll to a tree. How many complaints there would be against an elm or oak if a crew of carpers catalogued the defects of every leaf!

The Digest does all that it possibly can, with constant expenditure of time, labor, and money to guard against defects creeping into the poll. With zealous care it keeps on revising its list of 20,000,000 men and women. But in such a human roster—a nation in itself—could there be such a thing as 100 per cent accuracy?

Our results in the presidential poll of 1928 exceeded 99 per cent accuracy in forecasting the actual election in November.

But there'll always be rough spots. Such a list undergoes thousands of changes during the very time when it is in use for the addressing of ballots.

People moved away. Ballots undelivered. Scandal in the village. Letters to the Digest, some abusive and anonymous. Postmaster destroys the undelivered ballots. Big story in some local paper. Nobody seems to know that it is the postmaster's bounden duty to destroy undelivered ballots.

Local suspicions that the postmaster didn't destroy them all, but marked some with wet crosses or dry crosses—whichever may be the locally unpopular kind of crosses—and secretly sent them to the Digest. Some keyhole work, cracker-barrel debates, and more anonymous letters. The story grows. Six ballots become 60 overnight. And all the time these annoyances are only hairy caterpillars on a few leaves of that fine tree!

The gossips apparently have no idea that returned ballots reaching the Digest are examined by vigilant inspectors, quick to detect multiple ballots from the same post office, with the name of the State in the same handwriting, and that all fraudulent ones detected are thrown out of the count.

One lifts the eyebrows on reading of a professional exhorter, chairman or something of the Kentucky branch of the anti-something league, denouncing The Literary Digest poll as "a poll of the wets, by the wets, for the wets, believed by many to be financed by the wet interests."

"Believed by many"—note the unctuous caution.

Well, that's the good man's job, and he naturally doesn't want to lose it. We receive some inquiries from startled hearers of poisonous trash like that, so we take occasion to say here:

The Digest finances its own polls. Yes; the outlay is very large, indeed. But we have always found that the stimulating effect on circulation plus the stimulating experience of doing a big public service in a big way more than compensates us.

Mr. SHEPPARD. Mr. President, I want to say with reference to the matter submitted by the Senator from Connecticut [Mr. BINGHAM] that the Literary Digest made a similar poll of the country in 1930, two years ago, which showed a majority against prohibition, and that in the national election the following fall an unquestioned majority for prohibition was returned both to the Senate and to the House.

Mr. BINGHAM subsequently said: Mr. President, this morning I received unanimous consent to insert in the RECORD an article appearing in the Literary Digest with reference to its prohibition poll, following which a remark was made by the Senator from Texas [Mr. SHEPPARD] calling attention to the fact that in 1930 there were certain results achieved by this poll which he believed were not borne out by the ensuing national election. I ask unanimous consent to have printed immediately following those remarks of this morning, and as a part thereof, an analysis of the two previous Literary Digest polls made in 1922 and in 1930. They show only 20 per cent were for repeal in 1922, only 40 per cent in 1930, while now it runs to more than 70 per cent.

The VICE PRESIDENT. Without objection, it is so ordered.

The analysis is as follows:

ANALYSIS OF THE LITERARY DIGEST POLLS OF 1922 AND 1930

GENERAL CONCLUSIONS

In the following the District of Columbia is considered as a State.

The return from the 1922 poll was less than 10 per cent. From the 1930 poll, 24.03 per cent. This indicates a great increase in public interest.

About 61 per cent of the replies to the 1922 poll indicated a desire for a change in the prohibition law. In the 1930 poll this had increased to 69.54 per cent.

The most interesting change shown in the 1930 poll is the swing from modification to repeal and the increase of the repeal vote.

In the 1922 poll only two States—Kansas and Oklahoma—showed a majority for enforcement. In 1930 this number had increased to five States, viz., Kansas, Arkansas, Oklahoma, North Carolina, and Tennessee.

The enforcement vote shows increases in the 1930 poll in nine States—Alabama, Arizona, Arkansas, Mississippi, North Carolina, Oklahoma, Tennessee, Utah, and Virginia. The greatest increase shown is in North Carolina, 4.06 per cent. In Oklahoma and Utah the increase is less than 1 per cent.

In the 1922 poll 23 States showed a plurality for enforcement. These States were Alabama, Arkansas, Colorado, Georgia, Indiana, Iowa, Kentucky, Maine, Michigan, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Ohio, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, and West Virginia. In 1930 only 17 States showed a plurality for enforcement. Kentucky had changed to a plurality for repeal, as had Michigan, Missouri, New Mexico, Ohio, and Pennsylvania. Washington had changed to a plurality for modification. States showing a plurality for enforcement for the first time in 1930 were Arizona, New Hampshire, Oregon, and Utah.

In 1922 two States—Nevada and North Dakota—showed a majority for modification. In 1930 there were none.

In 1922, 21 States showed a plurality for modification—Arizona, California, Connecticut, Delaware, District of Columbia, Florida, Idaho, Illinois, Louisiana, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, New York, Oregon, Rhode Island, Utah, Virginia, Wisconsin, and Wyoming. In 1930 only one State—Washington—showed a plurality for modification, and this was not in the 1922 list. Of the 1922 group four States—Arizona, New Hampshire, Oregon, and Utah—had swung to the enforcement plurality column and the other 17 had changed to the repeal column.

In 1922 there were no States showing a majority for repeal. In 1930 there were five—Nevada, Louisiana, Connecticut, New Jersey, and Rhode Island.

In 1922 only 1 state—Maryland—showed a plurality for repeal. In 1930 21 States showed a plurality for repeal—California, Delaware, District of Columbia, Florida, Idaho, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, New Mexico, New York, North Dakota, Ohio, Pennsylvania, Virginia, Wisconsin, and Wyoming.

A glance at the attached statistical exhibition will show the very large percentage swing to repeal in 1930.

In 1922 the 12 driest States, in order, were Kansas, Oklahoma, Arkansas, Indiana, Tennessee, Texas, North Carolina, Mississippi, Washington, Colorado, Nebraska, and Alabama.

In 1930 the 12 driest States were Kansas, Arkansas, Oklahoma, North Carolina, Tennessee, Mississippi, Alabama, Texas, Colorado, Nebraska, Iowa, and South Carolina.

In 1930 Indiana and Washington had vanished from the list of the driest States, their places having been taken by Iowa and South Carolina.

In 1930 in only 12 States is the repeal vote smaller than either of the other two votes—Arizona, Colorado, Kansas, Nebraska, New Hampshire, North Carolina, Oklahoma, Oregon, South Carolina, Texas, Washington, and West Virginia. All these are classed as dry States except Washington, which shows a plurality for modification.

In 1930 every State shows an increase in the repeal vote, and in only seven States is that increase less than 10 per cent. The increase in the repeal vote for the entire country is 19.76 per cent.

Literary Digest prohibition polls, 1922 and 1930

State	Year	Enforce	Per cent	Per cent gain	Per cent loss	Modify	Per cent	Per cent loss	Repeal	Per cent	Per cent gain
Alabama	1922	2,892	[1]44.69			2,688	41.54		891	13.77	
	1930	17,187	[1]42.66	2.97		9,291	25.77	15.77	9,581	26.57	12.80
Arizona	1922	843	33.49			1,240	[1]49.26		434	17.25	
	1930	5,112	[1]34.79	1.30		4,845	32.99	16.27	4,735	32.22	14.97
Arkansas	1922	3,479	[1]48.24			2,264	31.20		1,478	20.56	
	1930	14,272	[1]52.19	3.95		6,109	22.35	8.85	6,962	25.46	4.90
California	1922	15,566	35.60			20,479	[1]46.06		8,418	18.94	
	1930	80,302	29.75		5.25	95,822	35.06	13.00	107,868	37.19	18.25
Colorado	1922	4,820	[1]45.53			3,913	36.96		1,893	17.51	
	1930	25,753	[1]42.93		2.55	18,678	31.18	5.78	15,484	25.84	8.33
Connecticut	1922	4,785	30.88			6,935	[1]44.89		3,753	24.23	
	1930	19,664	18.19		12.69	33,915	31.38	13.51	54,514	[1]50.43	26.20
Delaware	1922	699	35.95			682	[1]40.26		403	23.79	
	1930	3,374	33.79		2.16	1,953	19.62	20.64	4,653	[1]46.59	22.80
District of Columbia	1922	2,232	30.53			3,556	[1]48.66		1,521	20.81	
	1930	4,477	25.24		5.29	5,282	29.80	18.86	7,972	[1]44.96	24.15
Florida	1922	2,500	39.01			2,789	42.51		1,212	18.48	
	1930	15,921	31.40		7.61	13,746	27.12	15.39	21,036	[1]41.48	23.00
Georgia	1922	3,166	[1]42.63			2,929	39.44		1,331	17.93	
	1930	14,290	[1]39.76		2.87	10,380	28.06	11.38	11,866	32.18	14.25
Idaho	1922	1,985	41.80			2,073	[1]44.47		654	14.03	
	1930	9,722	38.82		2.68	5,441	21.74	22.73	9,879	[1]39.44	25.41
Illinois	1922	19,427	30.27			21,823	[1]40.76		12,298	22.97	
	1930	62,445	24.48		11.79	75,051	29.44	11.32	117,547	[1]46.08	23.11
Indiana	1922	14,861	[1]47.05			11,451	36.26		5,268	16.69	
	1930	51,494	[1]38.48		8.57	39,949	29.87	6.39	42,359	31.65	14.96
Iowa	1922	10,860	[1]41.96			10,575	40.87		4,443	17.17	
	1930	38,624	[1]41.99		.06	26,523	28.79	12.08	27,014	29.31	12.14
Kansas	1922	8,518	[1]53.19			4,198	28.69		1,920	13.12	
	1930	42,391	[1]57.67		.52	17,148	23.30	5.30	13,891	18.94	5.82
Kentucky	1922	5,176	[1]38.34			4,033	34.32		2,560	27.34	
	1930	23,477	34.34		4.00	17,479	25.59	8.73	27,392	[1]40.07	12.73
Louisiana	1922	1,773	24.27			3,342	[1]45.75		2,190	29.98	
	1930	8,487	22.62		1.65	9,765	26.03	19.72	19,264	[1]51.35	21.37
Maine	1922	3,364	[1]40.73			2,761	33.46		2,127	25.78	
	1930	13,237	[1]40.07		.69	8,109	24.56	8.90	11,685	35.37	9.59
Maryland	1922	3,181	27.99			4,085	35.84		4,132	[1]36.26	
	1930	13,533	26.09		1.81	13,060	25.11	10.73	25,434	[1]48.89	12.54
Massachusetts	1922	13,023	36.99			13,927	[1]39.55		8,260	23.46	
	1930	57,876	28.13		8.81	51,362	25.02	14.53	96,133	[1]46.80	23.34
Michigan	1922	11,207	[1]43.80			10,656	41.66		3,718	14.54	
	1930	63,600	27.05		16.75	72,995	31.06	10.60	98,493	[1]41.89	27.35
Minnesota	1922	10,233	40.73			11,011	[1]43.62		3,938	15.60	
	1930	41,917	29.93		10.80	42,017	30.06	13.56	55,867	[1]39.96	24.36
Mississippi	1922	2,221	[1]46.42			1,772	37.04		791	16.54	
	1930	11,053	[1]48.43	2.01		5,528	24.23	12.81	6,243	27.34	10.80
Missouri	1922	9,270	[1]40.96			8,160	36.07		5,197	22.97	
	1930	45,014	31.53		9.38	34,609	24.30	11.77	62,867	[1]44.12	21.15
Montana	1922	1,730	31.12			2,741	[1]49.05		1,108	19.83	
	1930	10,067	27.84		3.28	8,748	24.21	24.84	17,341	[1]47.95	23.12
Nebraska	1922	7,441	[1]45.10			6,575	39.86		2,491	15.04	
	1930	22,431	[1]42.43		2.67	15,758	29.76	10.10	14,735	27.81	12.77
Nevada	1922	260	24.71			392	[1]56.27		200	19.02	
	1930	1,145	18.22		6.49	1,519	24.18	32.09	3,620	[1]57.60	38.58
New Hampshire	1922	2,294	37.51			2,669	[1]43.65		1,153	18.84	
	1930	7,773	[1]37.05		.45	6,630	31.62	12.03	6,574	31.33	12.49
New Jersey	1922	6,207	30.32			9,195	[1]44.49		5,204	25.19	
	1930	47,747	19.18		11.14	75,673	30.41	14.08	125,499	[1]50.41	25.22
New Mexico	1922	797	[1]42.21			790	41.84		301	15.95	
	1930	2,768	33.99		8.22	2,338	28.73	13.11	3,035	[1]37.28	21.33
New York	1922	25,693	27.95			41,380	[1]45.19		24,880	26.85	
	1930	109,586	19.04		8.92	182,220	31.67	13.52	285,674	[1]49.29	22.44
North Carolina	1922	3,421	46.60			2,857	38.93		1,052	14.47	
	1930	30,283	[1]50.66	4.05		15,685	26.25	12.68	13,803	23.09	8.62
North Dakota	1922	2,110	34.95			3,091	[1]51.20		836	13.85	
	1930	9,842	30.22		4.73	10,024	30.79	20.41	12,701	[1]38.99	25.14
Ohio	1922	20,285	[1]44.29			17,169	37.49		8,342	18.22	
	1930	94,381	31.51		12.78	98,953	33.05	4.44	106,159	[1]35.44	17.22
Oklahoma	1922	5,977	[1]50.25			4,159	35.22		1,723	14.53	
	1930	28,912	[1]50.94	.69		14,129	24.90	10.32	13,714	24.16	9.63
Oregon	1922	4,421	42.06			4,846	[1]46.12		1,242	11.82	
	1930	20,665	[1]36.84		5.22	18,842	33.60	12.52	16,586	29.56	17.74
Pennsylvania	1922	22,195	[1]37.28			21,937	36.85		15,490	25.87	
	1930	147,557	28.00		9.28	136,233	25.87	10.98	243,951	[1]46.13	20.21
Rhode Island	1922	2,000	30.35			2,800	[1]42.49		1,789	27.16	
	1930	4,492	21.62		8.73	5,894	28.37	14.12	10,390	[1]50.01	22.85
South Carolina	1922	1,786	[1]44.13			1,649	40.74		612	15.13	
	1930	10,590	[1]41.79		2.34	6,691	26.41	14.33	8,058	31.80	16.67
South Dakota	1922	2,396	[1]44.47			2,237	41.60		742	13.84	
	1930	9,155	[1]39.23		5.24	7,501	32.15	9.54	6,680	28.62	14.78
Tennessee	1922	4,933	[1]47.00			3,892	36.90		1,698	16.10	
	1930	24,495	[1]50.37	3.37		11,425	23.50	13.40	12,710	26.13	10.03
Texas	1922	9,688	[1]47.00			8,015	38.88		2,909	14.12	
	1930	58,824	[1]44.20		2.80	37,565	28.24	10.64	36,673	27.56	13.44
Utah	1922	1,568	34.92			2,072	[1]46.14		850	18.94	
	1930	9,599	[1]35.74	.82		8,526	31.77	14.37	8,726	32.49	13.55
Vermont	1922	1,446	[1]38.12			1,387	36.57		960	25.31	
	1930	5,711	[1]36.98		1.14	4,519	29.28	7.29	5,210	33.74	8.43
Virginia	1922	3,751	34.04			4,724	[1]42.87		2,543	23.09	
	1930	23,781	25.08	1.04		17,380	25.67	17.20	26,604	[1]39.25	16.13
Washington	1922	7,347	45.62			6,722	41.74		2,034	12.64	
	1930	25,059	23.08		12.54	29,032	[1]34.24	7.50	27,724	32.68	20.04
West Virginia	1922	2,889	[1]43.79			2,669	40.47		1,038	15.74	
	1930	18,057	[1]38.00		5.79	15,494	32.63	7.84	12,957	29.37	13.63
Wisconsin	1922	8,872	33.30			12,431	46.67		5,335	20.03	
	1930	24,305	23.18		10.12	31,313	29.88	[1]16.79	49,205	[1]46.94	26.91
Wyoming	1922	689	33.56			978	[1]47.63		390	18.81	
	1930	3,778	28.78		4.78	3,180	24.23	23.40	6,108	[1]46.99	28.18
Total	1922	306,255	38.46			325,549	[1]40.88		164,453	20.66	
	1930	1,464,098	30.46		8.00	1,399,314	29.12	11.76	1,943,052	[1]40.42	19.77

[1] Majorities or pluralities.

Mr. SHEPPARD. Mr. President, the Literary Digest poll in 1930 was not borne out by the ensuing congressional election. The Literary Digest poll in 1930 showed a majority against prohibition. In the congressional election in the following fall the result was a Congress with a decided majority for prohibition in Senate and House. That election was a repudiation of the Literary Digest poll, and the same result will occur this year.

WOODEN MONEY

Mr. JONES. Mr. President, I hold in my hand a piece of money that is made out of wood in a small city in the western part of the State of Washington. The banks there failed and they have been using this money. I understand this has already been called to the attention of the Senate by my colleague, and I shall therefore say nothing further about it.

IMPORTATIONS OF FOREIGN OIL

Mr. THOMAS of Oklahoma. Mr. President, this morning I received a telegram of some three or four pages from a gentleman by the name of Bernard Frankel, No. 2 Park Avenue, New York City. He represents himself to be an importer of large quantities of foreign oil. A telegram of this kind is so unusual that I think it should have place in the CONGRESSIONAL RECORD. I shall not ask that the telegram be read, but merely that it may appear at this point in the RECORD as a part of my remarks.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *April 10, 1932.*

Senator ELMER THOMAS,
Washington, D. C.:

Herewith is copy of a telegram this day directed to Senator REED SMOOT which speaks for itself:

"This morning's New York Times carries an article which credits you with the opinion that the import duties on coal and oil will be eliminated from the tax bill. To kill these tariffs would be a distinct misfortune. I sincerely believe that any vote against these duties is attributable to a lamentable ignorance of the facts or may be inspired by one or more of the following reasons which constitute the most effective arguments for ratification. Trinidad, Venezuelan, and Columbian oil is easily transportable to our Atlantic seaboard. Cargoes of foreign crude oil and refined gasolines pour in daily to such cities as Philadelphia, New York, Baltimore, and Boston. This influx blankets the scene of our greatest industrial activity and is readily available to the largest users of coal and oil in this country, since 4 barrels of fuel oil are equivalent to 1 ton of bituminous coal in heating value. And since the current cost of fuel oil on the Atlantic seaboard is about 60 cents per barrel it naturally follows that 1 ton of coal must compete with the equivalent heating value of oil at $2.40 per ton. The railroad freight alone from the mines to this same market far exceeds $2.40 per ton for coal.

"South American oil, and more particularly Venezuelan oil, first became a factor in this market in 1926. In that year Venezuela produced 37,000,000 barrels of oil. In the same year bituminous coal production in the United States amounted to 516,000,000 tons. In 1930 Venezuela produced more than 137,000,000 barrels of oil, most of which was dumped on our Atlantic seaboard, while our bituminous coal output slumped to approximately 412,000,000 tons. Other South American producers also reported increases ranging from 50 to 300 per cent over a similar period. Our eastern railroads hauled 104,000,000 tons of coal less in 1930 than in 1926. Thus, foreign oil inflicted a loss of well over $300,000,000 in gross income.

"The Royal Dutch and the Standard Oil of Indiana, through its subsidiary the Pan American Oil Co., maintain refineries in Venezuela with a rated output in excess of 72,000,000 barrels per annum. The bulk of this oil produced and refined as it is by cheap labor paid in depreciated currency, converges on the Atlantic seaboard, where it competes with American oil produced and refined within our borders by American labor receiving a living wage and paid for in currency backed by gold.

"One company, with headquarters in Baltimore, Md., affiliated with the Standard Oil of Indiana, imported over 100,000,000 gallons of this foreign product during 1931. Possibly your confrère, Senator TYDINGS, is acquainted with this situation.

"Cheap South American oil shipped here by a handful of companies has so demoralized the American product that fuel oil has dropped from $1.65 per barrel to 60 cents per barrel, while gasoline in tank cars has been pounded down from 14 cents a gallon to approximately 5 cents per gallon, which is materially below the actual cost of refining these products under American methods and American standards.

"The oil industry can probably work out ways and means to meet this ruinous competition by forcing wage scales down to the starvation levels of foreign countries, but I believe such a procedure is repugnant to every right-thinking American citizen. Oil is to-day an even greater factor in our national prosperity than wheat and through its manifold ramifications affects the lives and fortunes of millions of workers, farmers, and business men. Approval of the proposed tariff will have a nation-wide beneficial influence and do much toward putting this country back on the road to real recovery.

"Russian anthracite coal to the extent of 200,000 tons came into the New England market alone in 1931. Here again the railroads were deprived of important revenues which they so urgently require.

"If you vote against the enactment of these modest duties, you vote for continued stagnation of two great key industries and at the same time you act to withhold from the railroads more than $300,000,000 per annum, which constitutes all the difference between failure and success.

"Finally I may mention that I am the general manager of a company that annually imports over 50,000,000 gallons of refined gasoline from Trinidad and more than 2,000,000 barrels of crude oil from Mexico and Venezuela. Therefore my arguments are clearly not inspired by selfish motives, but spring from an honest and deep-rooted conviction that the welfare of the Nation merits our first allegiance.

"Surely oil means enough to this country to rate equal consideration with beet sugar or woolens or any other product now receiving the benefits of our protective tariff."

My knowledge of the oil industry and careful analysis of the present situation convince me that a tariff of $1 per barrel would be easily justifiable. Certainly the modest tariff already approved by the House represents the minimum of protection that this great key industry is entitled to. I will be happy to appear in person before your committee at my own expense if you feel that I can be of any assistance.

With assurances of my high esteem for your able and conscientious efforts in behalf of our cause and the Nation's cause, I am,

Sincerely yours,

BERNARD FRANKEL,
2 Park Avenue, New York, N. Y.

PROPOSED IMPORT DUTY ON COPPER

Mr. HAYDEN. Mr. President, this morning at the White House there was submitted to the President a petition signed by the Governors of Arizona, Nevada, New Mexico, California, Washington, Oregon, Utah, Tennessee, Michigan, Idaho, Wyoming, and Montana.

I ask that the petition be printed in the CONGRESSIONAL RECORD and referred to the Committee on Finance.

I also ask that there be printed in the RECORD and referred to the Committee on Finance a petition signed by H. W. Hill and 489 other citizens of Arizona.

The VICE PRESIDENT. Without objection, it is so ordered.

The petitions referred to are as follows:

EXECUTIVE OFFICE, STATE HOUSE,
Phoenix, Ariz., April 1, 1932.

To His Excellency HERBERT HOOVER,
President of the United States, Washington, D. C.

DEAR MR. PRESIDENT: We, the governors of copper-mining States of the Union, respectfully submit the following general facts concerning the copper-mining industry of the Nation for your consideration as some of the many reasons justifying that immediate procedure be made for the protection of this basic industry of our country.

Copper mining in the United States is in extreme distress. Billions of dollars invested in copper mining and dependent activities are threatened with total loss. Thousands of mine workers have lost their means of making a living. They and their dependents lack even the common comforts of life. Public health, safety, and welfare are menaced. Depression in the copper-mining sections of this country is far lower than that generally resulting from the current world-wide economic unbalance. An impending calamity is upon one of the Nation's basic industries.

Competition of foreign copper is the cause of this distress. The industry in the United States has already lost domination of the world's copper trade and now home markets are jeopardized.

It is impossible for American mine workers to compete with low-wage foreign labor. Living conditions in the United States can not be on the same level with those of the primitive peoples of central Africa and the west coast of South America.

Copper ore deposits in the United States are comparatively low grade, and American mine owners and operators are confronted with greater mining difficulties than those encountered by their foreign competitors. Transportation rates, materials, supplies, machinery, and other equipment are far costlier in this country than abroad. Producers of copper in foreign lands have every advantage. They can sell their copper at half the price of domestic copper and realize a greater profit.

Our copper-mining industry now presents a dismal picture. Shafts are closed, smelters are cold, mills are dormant. Towns and cities are being depopulated. Idle mine workers are swelling the ranks of the unemployed. Business establishments are closing their doors. Public-welfare institutions are helpless. Conditions in many places are desperate, and the stagnation is spreading.

For years copper-mining activities in the United States have provided large markets for agricultural products, raw materials,

and manufactures of the Nation. They have created millions of tons of freight traffic for railroads and other transportation systems. They have been outlets for billions of board feet of timber and lumber, enormous volumes of fuel oil, great quantities of machinery, tools, equipment, other materials and supplies, home and office furnishings, wearing apparel, foodstuffs, automobiles, and other products.

Curtailment of copper mining has brought about the wiping out of copper stocks dividends, has seriously reduced the profits in related and dependent industries, and seriously reduced the incomes of not only mine workers but of thousands of workers in other industries.

Taxes for towns, cities, counties, and States and revenue for the Federal Government have been largely diminished by the inactive condition of copper mining in the United States.

Copper is an essential part of almost all war machinery and munitions. With the disappearance of copper mining in the United States, the defense of the Nation would be materially weakened. Once the copper mines of the country are closed, our Army, Navy, and air forces would be placed at the mercy of foreign copper producers.

Enemy blockades could hamper or cut off these sources of copper supplies. Copper mines in the United States would then have to be reopened. Mining machinery, mills, smelters, and refineries would have to be rehabilitated, and vast numbers of engineers and miners organized. Months would pass before production would result. Until that time, national defense would be greatly weakened.

History shows that lasting prosperity in the copper-mining industry in the United States occurs together with adequate tariff protection, whether or not this country exported small or large amounts of the metal. Tariffs which prevented excessive copper imports have benefited domestic copper mining. Low prices for domestic copper have always followed increased importations of the metal.

In consideration of the foregoing facts, we respectfully urge that you apprise Congress of the plight of our copper-mining industry and recommend the immediate levying of such imposts as shall prevent excessive importations of foreign copper.

Very respectfully,

Geo. W. P. Hunt, Governor of Arizona; F. B. Balzar, Governor of Nevada; Arthur Seligman, Governor of New Mexico; James Rolph, jr., Governor of California; Roland H. Hartley, Governor of Washington; Julius L. Meyer, Governor of Oregon; Geo. H. Dern, Governor of Utah; Henry H. Horton, Governor of Tennessee; Wilbur M. Brucker, Governor of Michigan; C. Ben Ross, Governor of Idaho; A. M. Clark, Governor of Wyoming; J. E Erickson, Governor of Montana.

Hon. CARL HAYDEN, *United States Senator,*
Hon. HENRY F. ASHURST, *United States Senator,*
Hon. LEWIS DOUGLAS, *United States Representative,*
Washington, D. C.

HONORABLE SIRS: Announcement has been made this past week by the Phelps Dodge Corporation that operations in the Clifton-Morenci copper-mining district would cease about July 1.

It is difficult to picture the situation to you and your colleagues. For some months past operations have been on a curtailed basis of two to three days per week, which means that most families with small savings have been compelled to use a part of these savings to live on while working only part time. Now that they will be deprived altogether of any income puts these families on charity immediately.

A great many of these people have lived here from 10 to 30 years, have raised families here, have a small home; but as nothing can be raised in a rough mountainous district such as this, they are compelled to buy everything which they eat, and, with no income and practically no savings, you can no doubt realize the condition.

It is nothing short of criminal that a condition can come about whereby a community of some 8,000 or 10,000 people can be closed down to the point where an actual exodus must take place and our population scattered to the four winds and thrown on an already serious unemployment condition throughout the country.

The conditions here are no different from those in copper camps all over the country, but as copper mining has been the chief industry of our State the condition here is acute. While people living in the agricultural sections of the State have their homes and can raise a part of their living, they are dependent to a great extent on the mining camps for a market for their products, and you can no doubt realize the conditions in our farming districts, which are almost as serious as in the mining camps.

If this session of Congress will put a tariff of 5 cents per pound on copper imported into this country, it will make it possible for the mining camps in this State to keep operating and give employment to the thousands that are now without a means of livelihood. It will also alleviate the suffering of the families who must now depend on the charity of the world at large.

We would urge with all the force at our command that you get the picture of conditions in this State, as well as other copper-mining States, before your honorable colleagues in Congress and ask them, for humanity's sake, to consider most seriously and immediately the imposition of a tariff on copper imports.

Yours most sincerely,

HARRY W. HILL
(and 489 other citizens of Greenlee County, Ariz.).

Mr. ASHURST. Mr. President, in connection with the petitions just presented by my colleague [Mr. HAYDEN], I submit a letter from Hon. Harry W. Hill, of Morenci, Ariz., which I ask may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

MORENCI, ARIZ., *April 5, 1932.*

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am inclosing a letter which I have been asked to write by a number of people here who will be affected by the closing down of this community, and it has been signed by a large number of our citizens.

We realize that Senator HAYDEN, Representative DOUGLAS, and yourself have made a most valiant fight in behalf of the copper industry, and these two letters are not meant as a criticism but rather an attempt to encourage each of you to greater effort and assure you that we do appreciate what you have done, as well as to place in your hands a plain statement of facts which you may lay before your colleagues.

Conditions are serious here now and will be much worse when the camps close down. The Red Cross is doing admirable work, but their funds are about exhausted. The State and county can only raise funds through taxes, and a great number of home owners and small businesses will be unable to pay their taxes this year; and in our immediate locality those who have acquired a small home, which represents most of their savings while living here, will have to walk out and leave it when the district is closed down.

As you know, this district has approximately 15,000 residents in normal times, and while there are not over 10,000 at present, these people, some of whom have lived here for years, must sacrifice everything that means home to them and go out and face a condition which is discouraging and dismal to say the least. It is just such conditions which breed banditry and revolution. A man can not be a good citizen and see his family hungry when he knows that this is a country of plenty.

It seems so useless and senseless to throw thousands of men out of work when Congress could, by an act, protect an industry of this country which is in all truth a basic industry. The United States can not afford to let the copper industry die, as it is one of our greatest assets in case of war, and let no one think for a moment that the time will not come when we will be called to defend ourselves or protect a weaker nation.

The closing down of our copper camps in this country has a far-reaching effect. This industry uses great quantities of lumber, fuel oil, powder, fuse and caps, drill steel, various mining machines, electric locomotives, steel cars, steel rails, flotation reagents, steel balls for grinding, motors, and steam locomotives, to mention only a few of the largest items. One can see at a glance that a great many industries are affected.

While volumes could be written on this subject, I feel sure that you realize the condition of this industry. I would urge you men who represent this State to make every effort and leave nothing undone to get a tariff placed on copper at the earliest possible date, as this seems the only possible means of saving this industry and preventing the suffering of thousands of our citizens.

I am inclosing copies of this letter for Senator HAYDEN and Representative DOUGLAS and would ask that you be kind enough to hand it to them.

With kindest regards, I am, sincerely,

HARRY W. HILL.

REDUCTION IN GOVERNMENT EXPENDITURES

Mr. FLETCHER. Mr. President, I ask to have inserted in the RECORD and referred to the Committee on Appropriations a resolution adopted by the Orange County Chamber of Commerce, Florida. The resolution is very brief.

There being no objection, the resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Whereas under existing methods of operating all forms of government, from the national down to the county and city, deficits are facing the American people; and

Whereas these deficits will increase unless there is a retrenchment in all branches of the Government; and

Whereas we believe that the only possible remedy is through reductions in public expenditures; Therefore, we,

The directors of the Orange County Chamber of Commerce, ask and beg our governing bodies, our Representatives, our Senators, and Congressmen, to vote and work for drastic reductions, believing business can only succeed if no more burdens are saddled upon it at the present time.

ORANGE COUNTY CHAMBER OF COMMERCE,
CRAWFORD T. BICKFORD, *Secretary.*

The above resolution was unanimously adopted at a regular meeting of the board of directors of the Orange County Chamber of Commerce, Tuesday, April 5, 1932.

REMONETIZATION OF SILVER

Mr. FLETCHER. Mr. President, on Friday the Senate indulged in a very interesting discussion of various subjects, and particularly financial problems and the currency and monetary question. I wish to ask, particularly with reference to the discussion on silver, to have inserted in the RECORD an article, all the statements therein with which I do not agree, but which is a very enlightening article on the silver question by Mr. S. A. Knapp, of Berkeley, Calif. I ask that it may be referred to the Committee on Finance, and be inserted in the RECORD.

There being no objection, the article was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

AN INTERNATIONAL CONFERENCE

Senator H. D. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I note that the House committee has sent out inquiries relative to the advisability of calling an international conference relative to silver.

International agreement is an old delusion and has done important duty on many previous occasions. It has been used to prevent independent action by our own country and to delay any concerted action for the restoration of silver as money.

The United States has the right and the ability to legislate for its own people on every subject regardless of the wishes or threats of foreign powers or their satellites, the predatory rich banking element in this country.

MONEY OF THE CONSTITUTION OF THE UNITED STATES

The Constitution of the United States provides that it is the duty of the Government "To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

"SEC. 10. No State * * * shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts. * * *"

It will be noted that under the Constitution the Government has the right to regulate the value of its money. It will also be noticed that money is defined as metallic money, gold and silver coin (all paper money is a promise to pay metallic money).

Gold and silver must remain component parts of the metallic money of the world. That must be accepted as an indisputable fact.

"The whole paper money of every kind which can easily (safely) circulate in any country can never exceed the value of the gold and silver of which it supplies the place." (Debasing gold or silver coin lowers the value of the paper based on same.)—Adam Smith.

"The commerce and industry of the country can not be altogether so secure when suspended upon the wings of paper money as when they travel about upon the solid ground of gold and silver."—Adam Smith.

History shows that any large growth in world wealth through an increase in the production of the commodities must also be accompanied by a similar growth in the production of the precious metals to maintain the necessary ratio, otherwise the value of money increases and the price of commodities declines.

It has been found that an average increase in the world's metallic monetary stocks of 2½ per cent per annum has been considered necessary to correspond with a normal increase in trade. If the stock of money remains constant while the volume of trade increases, prices fall; that is to say, the value of money raises.

During the last two years the world has been suffering and groaning under a speculative debauch on gold and its ever-mounting value. On a commodity which has been effectively cornered, 70 per cent of which is held by two nations and the balance by a group of individual hoarders, holding it in current account where its value in a command over commodities increases daily from sunrise to sunset.

The banking fraternity of England and its satellites, the predatory rich banking element of New York, have taken a prominent part in this speculation; meanwhile the world-over debtors have been scrambling to obtain what little remains of the metal while the hoarders sit back and watch the mounting premiums on the cash, being able to-day to cash in at the rate of 150 per cent for that which they have left idle for two years.

In a period of inflation it is industry that makes profits, while in a period of deflation banks score heavily, their capital being pure money and the money they lend being repayable at ever-increasing premiums.

Because of the insufficiency of currency the greater the production of real wealth the greater is the pandemonium on the exchanges. Millions walk the streets half-starving because the wheat crop is a couple of millions of bushels larger.

Nearly a century ago shrewd British financiers saw that since they were not an agricultural people their interests would be favored by depressing the prices of products which they were obliged to purchase from outside nations. They saw also that silver was the money of the world and had been so from the earliest dawn of history; therefore, if they could effect a change in their standard of money so that they would do business on the gold basis while the remainder of the world used silver, they might be able to change the relative values of the two metals in their favor.

English financiers know very well why the farmers of the world, and especially the farmers of the United States and Canada, who export wheat are suffering, and they sometimes confess that it is their own selfishness.

We know that English monetary policy is controlled by purely selfish considerations—so purely selfish that they do not mind seeing India suffering from English action more than America does.

We believe that, failing such restoration (of silver to money privileges), the gold premium throughout all Asia and South America will continue to rob the farmer (of America and Europe) of all rewards for his toil.

The impossibility of the European competing with the oriental in the open field has been proved in America. The Chinese there, by their low wages, so monopolized labor that they had to be excluded from the country or the American would have starved or been driven out.

It is the money lender who is interested in having a legal-tender money scarce, so that he may always have a good demand for it and be able to lend it at a good rate of interest and demand double security.

The creditor who can by legislation make a debtor pay a dollar twice as large as he borrowed is lauded as the friend of a sound currency. The poor man is called a socialist if he believes that the wealth of the rich should be divided among the poor, but the rich man is called a financier if he devises a plan by which the pittance of the poor can be converted to his use.

While the production relationship between the two metals had for years been about 14½ parts of silver to 1 of gold in value, the tendency rather was for silver to appreciate and gold to depreciate relatively, because silver was the money of the world chiefly in use and favored above gold by the people except in Great Britain. The large banking interests in Great Britain, together with their branches and satellites, the predatory rich banking element of New York, understanding this, would permit society to go into convulsions of panic or revolution rather than lose this grip upon the financial life-blood of humanity, and for this reason are opposed to the restoration of silver as money.

All the gold and silver of the world, if coined as money, would be quite insufficient for the world's business.

The demonetization of silver is of advantage to certain classes, the creditors, and of disadvantage to other certain classes, the debtors.

In 1873, before silver was demonetized, a silver dollar was worth 2 cents more than a gold dollar; while to-day, in consequence of that legislation, it requires three silver dollars to equal a gold dollar, in international exchange.

Russia had been trying for years before 1873 to return from a debased paper money to a silver standard, and as she could not get silver enough she is still on a paper basis. We mention these matters to show that the fall of silver was premeditated; that is was caused, not by the law of supply and demand (it was more in demand than gold in 1872, and brought a premium over gold), but by legislation.

Thus, "by fraud" the thin wedge of legislation was inserted between the two halves of the world's money with the effect of depreciating silver and doubling the value of gold.

But how did the demonetization of silver come about? Who could be interested in having such a catastrophe befall the world? We answer: English financiers took the lead, aided and abetted by the predatory rich banking element of New York City. It is "their business" so to manage and work money as a farmer works his farm—to bring to themselves or their syndicates and institutions, the largest possible increment. As an evidence of the continuation of fraudulent practices in order to depress silver by England, the following extract from a letter is submitted.

Under date of January 21, 1932, the manager of the silver department of a brokerage office in New York advises:

"I am afraid you are misinformed with regard to the 400,000,000 or 500,000,000 ounces of Indian silver hanging over the market. For political reasons Great Britain wanted to depress the price of silver and has given figures of her surplus which are far from correct. In the beginning of 1932 they had less than 200,000,000 ounces surplus, even the silver that they sold in November to depress the price has been bought back by them. The present civil-disobedience movement in India, continued for a period of three months at the most, will leave them no surplus. The people in India are already beginning to refuse to take paper currency. Therefore, the Indian surplus problem is being solved. Reliable information from China shows that the Chinese stocks are not too heavy for the prevailing conditions."

It is admitted on all hands that this "fraud" is not only crushing and discouraging the farmers but also it is angering and embittering this hitherto greatest conservative element of society.

The demonetization of silver was a master stroke of selfish policy on the part of money lenders to decrease the volume of standard money, and thus to increase the value of their loans; to permit the maintenance of high rates of interest on such debts, because of the curtailment of the legal money, while all other business investments, as well as labor, are suffering constant depreciation as the results of increasing supply and competition.

The producers of wheat and cotton have a special grievance, for the prices of those articles are governed by the prices in Liverpool, and as silver goes down our prices fall.

Under that single gold standard the option remains with the creditor, for he would demand the dearer metal, gold, and thus increase any fluctuation in bullion values, while the option in the hands of the debtor reduces the fluctuation to a minimum.

That the unit under the double standard is more stable in its relation to all other things is admitted.

The gold standard, supported by silver at a fixed ratio, will restore prosperity throughout the world. In fixing the ratio we should select that one which will secure the greatest advantage to the public and cause the least injustice. The ratio of 16 to 1 accomplishes this result. It is our coinage ratio which does no injustice to anyone and restores silver to its proper place as money, as it existed prior to 1873.

Mr. Murat Halstead, editor Cincinnati Gazette, October 24, 1877. The following from his pen under date of October 23, 1877:

"This [the British gold policy] was the work of experts only. Evasion was essential to success in it, and possibly because coin was not in circulation, and being out of public view it could be tampered with without attracting attention. The nonmetallic system of the great creditor nation was thus imposed upon the great debtor nation without debate."

Senator Beck, in a speech before the Senate, January 10, 1883, said:

"It [the bill remonetizing silver] never was understood by either House of Congress. I say that with full knowledge of facts."

Col. R. G. Ingersoll:

"I do ask for the remonetization of silver. Silver was demonetized by fraud. It was an imposition upon every solvent man, a fraud upon every honest debtor in the United States. It assassinates labor. It was done in the interest of avarice and greed and should be undone by honest men."

The late Senator Vance said:

"The power of money and its allies throughout the world have entered into this conspiracy to perpetrate the greatest crime of this or any other age, to overthrow one-half of the world's money and thereby double their own wealth by enhancing the value of the other half which is in their hands."

The present extreme depression of silver, and of all commodities sold on a silver basis, came very gradually.

It required time and manipulation to depress silver, a commodity still in great demand by more than one-half of the world's population.

Statesmen who foresaw the coming evil pressed their arguments so forcibly in the United States Congress that expedients were resorted to, such as the remonetization act of 1873 and the silver purchasing act of 1890. But expedients were found impracticable. Silver must either be a money with full, equal power with gold as legal tender, or else it must be considered a merchantable commodity.

And when in 1893 the last of these expedients was repealed silver at once dropped to one-half the price of gold, and all the evils of its demonetization were felt to their full in 1895, except as the consequent panic may be far-reaching, progressive, and enduring as at present.

In a letter to the National Republican League (June 11, 1891) Senator J. D. Cameron said:

"The single gold standard seems to us to be working ruin with a violence that nothing can stand. If this influence is to continue for the future at the rate of its action during the 20 years since the gold standard took possession of the world, some generation not very remote will see in the broad continent of America only a half dozen overgrown cities keeping guard over a mass of capital and lending it out to a population of dependent laborers on the mortgage of their growing crops and unfinished handiwork."

The principles which have governed the English bankers and their satellites in New York may be described as follows:

Let us bankers and money lenders look out for our own interests and let the farmers, less shrewd, look out for themselves. Let us delude the poorer and less shrewd by calling gold "honest money" and silver "dishonest money."

Under the Constitution of the United States money is a metallic coin, gold or silver, and any paper issue made by the Government is redeemable in coin. Nearly one-quarter of the money in the country is silver money or its representative certificates, which are legal tender and pass current in the country, while the intrinsic value of the silver in these coins is not equal to their face value. It is simply due to the fact that the price of bar silver has been artifically reduced and the people who advocate the restoration of silver to its proper place as money are simply asking the Government to restore silver to its proper place as money, in which case the intrinsic value of the silver in a dollar would be equal to that amount.

The farmer and the employer can not give work to men unless he can carry on the business at a profit, and he is hampered and embarrassed by a currency which appreciates because of its insufficiency.

The farmer labors under a double disadvantage. He not only suffers as a producer from all those causes which reduce the price of property but he is thrown into competition with the cheaper products of the silver-using countries.

The textile industry in the United States and in European countries is threatened with serious loss and destruction of practically all oriental trade by reason of the establishment in China, India, and Japan of factories operated by coolie labor (at the cost of subsistence). Two cotton mills in China paid 36 per cent dividends in 1931 on a capital stock valuation of $76 per share. During this period they took from the United States four times as many bales of cotton as they had in previous years.

The situation can be stated in a few words. Money can not be secured to carry on business because the banks have no money to loan. Banks have no money to loan because the depositors have withdrawn their money because they fear the solvency of the banks (see the numerous bank failures); enterprises are stagnant because money is not in circulation.

The restoration of silver to its proper place as money and the coinage of the United States output of silver coin will put more money in circulation, employ a large number of men, and increase the business of the railroads and all manufacturing enterprises without cost to our Government.

Shall we complain if the use of gold and silver as money gives employment to men, builds up cities, and fills our mountains with life and industry? Shall we oppress all debtors and derange all business agreements in order to give the predatory rich banking element in England and New York and the hoarders of gold an increase in their unearned increment?

The call for a conference at this time, in view of what has transpired heretofore in the same connection, must be considered as an attempt to delay independent action by this Government, undoubtedly sponsored by the predatory rich banking element in England and the United States for the purpose of preventing action being taken.

Should a conference be called before our people legislate for themselves, the conference will certainly be dominated by those opposed to the restoration of silver. The Wall Street predatory rich and foreign bankers will combine to prevent the restoration of silver as money throughout the world. The passage of the act outlined by this Congress will result in an immediate and favorable response from all nations and people in the world. As only silver produced from our own mines is admitted to our mints under the proposed law, foreign silver can not be dumped here.

Let us legislate for ourselves without interference from foreign nations and bankers or the predatory rich in this country under their control.

The following cablegram received under date of March 10, 1932, from Mr. R. N. Joseph, a prominent merchant of Shanghai and London, shows the belief that the oriental people have in the beneficial effect to all countries that will be brought about by the commencement of the coinage of the silver product of the United States.

S. A. KNAPP.

SUGGESTIONS FOR THE PRESIDENCY

Mr. SHIPSTEAD. Mr. President, I present a telegram giving a copy of an editorial which appeared in the St. Paul (Minn.) Pioneer Press this morning, and, by request, I ask unanimous consent that the telegram may be printed in the RECORD and that it be referred to the Committee on Privileges and Elections.

The VICE PRESIDENT. Without objection, it is so ordered.

The telegram is as follows:

ST. PAUL, MINN., *April 11, 1932.*

Under the heading "Coolidge and Smith—A Patriotic Ticket," the Pioneer Press in an editorial to-day said:

"For the past three months it has been evident that the United States is in the most critical period of its history. During this period a degree of cooperation has prevailed by tacit agreement among leaders of the Republican and Democratic Parties in Congress. Now this era of harmony, such as it has been, is to end. The country is about to plunge into the chaos of a presidential campaign.

"Because it believes partisan conflict at this time a catastrophe which must be avoided at all costs, the Pioneer Press suggests a coalition of Democrats and Republicans in a genuine national administration, with former President Calvin Coolidge as President and former Gov. Alfred E. Smith as Vice President.

"The Pioneer Press is able to announce that Mr. Coolidge and Mr. Smith are available for this patriotic service if the Nation as a whole calls upon them. There are grave difficulties in the way of such an innovation, but patriotism is capable of overcoming them all. It remains for the Nation to make its desire known.

"Contrary to hopes and expectations and despite the most gigantic reconstruction program ever instituted by a President or Government, the business depression continues. Commerce, industry, transportation, and agriculture are laboring under most trying conditions. Material stimulants have been ineffective. A mental stimulant is needed. It is a time that demands unity and firmness of national will. The country must have a leadership in Washington that represents truly every section and every class. It must be a leadership behind which East and West, North and South, those of high position and those of low, can unite in complete confidence.

"From an economic and psychological viewpoint America needs a revolutionary awakening; an administration which is neither Republican nor Democratic but American; not of the majority but national; not partisan but patriotic.

"The Pioneer Press admires President Hoover as a man and administrator. It can not question his sincerity and honesty of

purpose. But he is struggling against a maelstrom of broken morale and pessimism which can only be stemmed by a new and inspiring confidence.

"A national presidential campaign is about to open. The prospect of fierce political strife is a matter for profound disquiet and alarm. Calm and sane counsel will be thrown to the winds. In its place will rule party dissensions, passions, and prejudices. Until next November at the earliest, probably much longer, the Federal Government will be practically paralyzed so far as constructive thought and action are concerned. Everything important will be adjourned in the interests of partisan advantage. America will be a nation divided, torn by conflict, and exposed to the malevolent forces of the world. The kind of leadership this country needs can not come out of such din and conflict.

"Other nations, which have patriotically triumphed in similar crises, point the way. England met the danger, in an astonishing expression of patriotic unity, by putting into power a government of labor, conservatives, and liberals. France united under Poincare to stabilize the franc. Germany stands stanchly with Von Hindenburg.

"The answer for America lies in a National Government of both major parties under Calvin Coolidge and Al Smith, a cabinet of all the talents, a Congress divided only by sincere differences and not partisan lines. No man in America commands the respect and confidence of people in all callings and positions as does Calvin Coolidge. The prospect of his return to the White House, at the head of such a National Government, would electrify the country, dispel the psychology of depression, and revive confidence.

"America has at Northampton, in Massachusetts, a sage, quiet, shrewd Yankee of 59 who could lead the country into better times. Not to draft him for this patriotic duty but to allow him to continue to live in retirement, taking walks, reading, and philosophizing would be a tragedy and a stupidity. So, too, with Al Smith. In 1928 he was the choice for President of 15,000,000 voters, the largest popular vote ever given a Democratic candidate for the Presidency. Yet, no place is made for him in the conduct of his country's Government. Both of these statesmen are strong party men. Neither would willingly nor voluntarily injure the organizations of which they have been a part, but both are patriots of the highest worth, and the Nation can call upon them for national service in a national emergency and be sure that their own personal wishes will be submerged in the common good.

"Under coalition government the American Vice Presidency can assume its proper importance, with larger responsibilities and coequal authority over policies. The policies of such an administration would not be those of Calvin Coolidge alone, but of Coolidge and Smith. So, too, with the Cabinet officers. Just as England has found room for leaders of all the parties within its cabinet, America can call upon the best minds of Republican and Democratic leadership. Over these Coolidge and Smith should have coequal chieftainship. There has long been need in the American Cabinet for a powerful personality such as Al Smith's, free of departmental assignment. His outstanding abilities should be drafted at this time to help guide the great policies of government. He can and would distinguish himself and the office.

"America must have a President behind whom it can follow with the same unanimity and confidence it did at the outset of the Union under Washington. The red-haired sage of Northampton, who believes in thrift, hard work, and keeping out of debt, who represents the best that is in all Americans, and who has the faith and respect of everyone, of the high and the low, and of all the sections, is the man."

CONTROL OF ALCOHOLIC-BEVERAGE TRAFFIC BY THE STATES

Mr. BARBOUR presented a letter from D. Lane Powers, of Trenton, N. J., which, with the accompanying paper, was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

TRENTON, N. J., *April 9, 1932.*

Hon. W. WARREN BARBOUR,
United States Senator, Washington, D. C.

MY DEAR SENATOR BARBOUR: I heartily wish to indorse the courageous and common-sense plan you are espousing to permit the citizens of the several States to control the manufacture, sale, and transportation of alcoholic beverages in conformity with the collective needs and desire of the majority. Furthermore, in extending to you my congratulations on the obvious efficacy and practicability of your proposed amendment to the Federal Constitution, I likewise pledge you my fullest measure of support in every way it is within my province to render.

Without impugning the well-intentioned motives of those who misguidedly sought to strengthen the moral fiber of American life, it is now apparent to all unbiased observers that prohibition, as practiced in this country, is objectively a failure. But of still more serious consequence is the long list of disastrous resultants that have followed the attempt to enforce this imprudent and undesirable mandate.

General disregard of orderly procedure, a common spirit of brazen lawlessness, widespread corruption in governmental service, weakening, if not an actual breakdown, of our national tranquility and social ideals, as well as unprecedented impairment of economic stability, may be cited indisputably as unpleasant aftermaths, directly attributable to prohibition.

Clear thinkers have come to realize that prohibition is unfeasible because it represents a form of bureaucratic tyranny that is repugnant to the American people and countermands the cardinal principles upon which the Nation is founded. Continued denial of the relief for which a majority of our people is clamoring from this oppressive injunction against their personal rights can not fail to ultimately foment a serious crisis.

Your proposal, to my way of thinking, is the logical, upright, and unassailable solution of this perplexing problem. The amendment to the Constitution you are sponsoring would repeal the obnoxious eighteenth amendment, but as an alternative would enable each State to decide for itself the policy best representative of the wishes of its electorate. Its actual accomplishment would be to expunge prohibition from the laws of those States whose citizens are irrevocably opposed to the present order of things while perpetuating legal aridity in the so-called dry States. No instrument of legislation could be fairer.

Your and I both realize what this liberalization of the prohibition principle would mean to our home State of New Jersey. It would happily release our people from the despotic yoke saddled upon them more than a decade ago, and which during the intervening years has caused an ever-increasing spirit of unrest and discontent to surge throughout the State.

The efforts you are putting forth to remedy this abominable condition are most commendable and rightfully have earned the approbation of your constituents.

Sincerely yours,

D. LANE POWERS.

S. J. RES. 114

Joint resolution proposing an amendment to the Constitution relating to intoxicating liquors

Resolved by the Senate and House of Representatives of the United States of America assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid as a part of the Constitution, in lieu of the eighteenth amendment thereof, when ratified by the several States as provided by the Constitution:

"ARTICLE —.

"SECTION 1. The manufacture, sale, or transportation of intoxicating liquor within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited. The Congress and the several States, Territories, and possessions shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 2. The provisions of section 1 of this article shall not apply with respect to the manufacture, sale, or transportation of any kind of intoxicating liquor within any State, Territory, or possession, or within the District of Columbia for any period during which the law of the State, Territory, or possession or of the District of Columbia permits the manufacture, sale, and transportation of such kind of intoxicating liquor within its territorial limits."

REPORTS OF COMMITTEES

Mr. JONES, from the Committee on Appropriations, to which was recommitted the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1933, and for other purposes, reported it with amendments and submitted a report (No. 547) thereon.

Mr. KENDRICK, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2842) to authorize construction of the Casper-Alcova division, North Platte project, Nebraska-Wyoming, reported it with amendments and submitted a report (No. 546) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 8779) granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes, reported it without amendment and submitted a report (No. 548) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 8084) for the protection of the northern Pacific halibut fishery, reported it without amendment and submitted a report (No. 549) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 9066) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa, reported it without amendment and submitted a report (No. 550) thereon.

Mr. ROBINSON of Indiana, from the Committee on Pensions, to which was referred the bill (S. 4235) to aid the

Grand Army of the Republic in its Memorial Day services, May 30, 1932, reported it without amendment and submitted a report (No. 551) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. WALSH of Montana, from the Committee on the Judiciary, reported favorably the nomination of Rolla Duncan, of Montana, to be United States marshal, district of Montana, to succeed Thomas Bolton, whose term will expire May 2, 1932.

Mr. NORRIS, from the Committee on the Judiciary, reported favorably the nomination of Valentine J. Peter, of Nebraska, to be United States marshal, district of Nebraska, to succeed Dennis H. Cronin, whose term expired December 15, 1929.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4350) to provide for the immediate payment of World War adjusted-service certificates, and for other purposes; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 4351) to create a small holdings fund for the further development of agriculture and industry in the Virgin Islands of the United States; to the Committee on Territories and Insular Affairs.

By Mr. McNARY:

A bill (S. 4352) to amend an act (ch. 300) entitled "An act authorizing the Coos (Kowes) Bay, Lower Umpqua (Kalawatset), and Siuslaw Tribes of Indians of the State of Oregon to present their claims to the Court of Claims," approved February 23, 1929 (45 Stat. 1256); to the Committee on Indian Affairs.

By Mr. TYDINGS:

A bill (S. 4353) for the relief of certain persons formerly having interests in Baltimore and Harford Counties, Md.; to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 4354) to prohibit the importation of articles from certain countries, and for other purposes; to the Committee on Finance.

A bill (S. 4355) granting a pension to Nancy Holt (with accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 4356) granting an increase of pension to Amy McEnany (with accompanying papers); to the Committee on Pensions.

By Mr. NORBECK:

A bill (S. 4357) to authorize the Director of Public Buildings and Public Parks to employ landscape architects, architects, engineers, artists, or other expert consultants; to the Committee on the Library.

By Mr. NEELY:

A bill (S. 4358) to amend the military record of William E. Bennett, jr.; to the Committee on Military Affairs.

By Mr. WATSON: A bill (S. 4359) granting a pension to Levi M. Stanfield (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4360) granting an increase of pension to Rhoda A. Atkinson (with accompanying papers);

A bill (4361) granting an increase of pension to Samuel W. Holland (with accompanying papers); and

A bill (S. 4362) granting a pension to Harry Ross Foley; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4363) to amend Title II of the national prohibition act, as amended and supplemented, so as to exempt persons acting under official authority and approval for the purpose of obtaining evidence from penalties of the national prohibition act, as amended and supplemented;

A bill (S. 4364) to amend section 3, Title II, of the national prohibition act, as amended and supplemented, by including purchase of intoxicating liquor among the offenses specified in said section; and

A bill (S. 4365) to amend an act entitled "An act to amend the national prohibition act, as amended and supplemented," approved March 2, 1929, by including purchase of intoxicating liquor among the acts penalized by said measure; to the Committee on the Judiciary.

By Mr. NEELY:

A bill (S. 4366) for the relief of Emma Susan McMurdo; to the Committee on Finance.

SUSPENSION OF GOVERNMENT CONSTRUCTION WORK IN THE DISTRICT

Mr. THOMAS of Oklahoma. Mr. President, I desire to introduce a joint resolution, and in connection with its introduction I ask to have printed in the CONGRESSIONAL RECORD a short news story appearing in the Washington News of March 25, this year; also a short news story appearing in the Evening Star of March 25, 1932; likewise a short news story appearing in the Washington News on March 28. The news stories give notice to the country that the Government is proposing to open bids for the erection of a $12,000,000 extension to the agricultural group of buildings in the District of Columbia.

Mr. President, I should like to see the building in question constructed, of course, and no doubt we need it, but here is a chance to save, for the time being, $12,000,000.

I introduce the joint resolution and ask that it may be printed at length in the RECORD. I should like to have the attention of the chairman of the Committee on Public Buildings and Grounds, but I see he is not now present, and I shall take the matter up with him personally later.

The VICE PRESIDENT. The joint resolution will be received, and, without objection, will, with the accompanying articles, be printed in the RECORD.

The joint resolution (S. J. Res. 141) suspending certain Government construction work in the District of Columbia was read twice by its title, referred to the Committee on Public Buildings and Grounds, and ordered to be printed in the RECORD, as follows:

Whereas the present abnormal unemployment and the resulting suffering and economic loss, though universal throughout the United States, are less pronounced in the District of Columbia than elsewhere; and

Whereas in those parts of the country where unemployment is more pronounced, the need for such public works as new and improved highways, reforestation, flood-control projects, river and harbor improvements, and public buildings is at least as great as is the need for certain proposed public works in the District of Columbia; and

Whereas the present condition of the Treasury makes it impossible for the Federal Government to finance public works and other relief measures in every place where abnormal unemployment exists, and makes it advisable to limit such operations to those parts of the country where such unemployment is more pronounced: Therefore be it

Resolved, etc., That until otherwise provided by law, no contract shall be made on behalf of the United States for the construction in the District of Columbia of the proposed extensible building, or of any other similar building, for the Department of Agriculture, or for the demolition of the Post Office Department Building, the Southern Railway Building, or the District of Columbia Building.

The newspaper articles ordered printed in the RECORD are as follows:

[From the Washington News, March 25, 1932]

AGRICULTURE BUILDING TO BE WORLD'S LARGEST STRUCTURE

Completed plans for the Department of Agriculture's extensible building, made public to-day, revealed that the structure probably will rank as the largest building in the world.

Only one possible superior in total floor area—the Tuileries Palace, in Paris, is known to Treasury architects.

The administration building on the Mall and two wings in its rear, running from B to C Streets SW., already have been built. The final stages of the job offered to-day for competitive bidding comprise five additional wings, with "head buildings" along B and C Streets SW. Bids will be opened May 6. Of the original

appropriation of about $12,000,000 about $7,800,000 is yet available for expenditures.

The seven wings alone, with dimensions of 1,000 by 480 feet, will provide more floor space than the new Commerce Building.

Parking for employees will be provided in the subbasement of the five wings and in several of the courts between them, making the first Government building here to include this facility.

The wing along Twelfth Street will be built first, and the next will be along Fourteenth Street. Completion of the entire building is expected by 1935.

[From the Evening Star, March 26, 1932]

AGRICULTURE WING BIDS ARE SOUGHT—FIRST OF FIVE EXTENSIONS IN $12,800,000 BUILDING PROGRAM TO START

The Treasury Department has advertised for bids to be opened on May 6 for construction of five more wings of the great extensible building of the Department of Agriculture, which will complete this enormous building, three blocks long, from Twelfth to Fourteenth Streets, between B and C Streets SW.

Congress has authorized this completed building to cost $12,800,000. Two of the wings have virtually been completed. There remain in the appropriations for the rest of the building about $7,000,000. Competition is expected to be keen in the bidding.

The two wings already built are between Thirteenth and Thirteen-and-a-half Streets. The other five wings will be constructed on either side, going a block east and a block west.

The five new wings, however, will not be constructed all at one time. The first one to go up will be the easternmost one, along Twelfth Street, and other wings will follow in order later.

Department of Agriculture activities now are located in old buildings on the site of some of these new wings and in some instances these old buildings will be left standing until space is afforded in a new wing.

Some of the old structures on the area next to be built upon have already been torn down, but the general contract which will be awarded on bids opened May 6 will include nearly all the rest of the demolition.

[From the Washington Daily News, Monday, March 28, 1932]

AGRICULTURE BUILDING TO BE WORLD'S LARGEST

Treasury Department architects see only one possible competitor in the world to the new Agricultural Department Building in the matter of size. The Tuileries Palace, in Paris, may exceed it slightly in total floor space, but its superiority is not certain.

The administration building, fronting on the Mall, and the wings lettered C and D are now completed. Bids are to be opened soon by the Treasury for construction of the five additional wings, to cover two full blocks between Twelfth and Fourteenth Streets and B and C Streets SW. The seven wings alone will provide more floor space than is found in the new Commerce Department Building.

Completion is expected early in 1935.

Mr. TRAMMELL. Mr. President, will the Senator from Oklahoma yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. THOMAS of Oklahoma. I yield.

Mr. TRAMMELL. I should like to ask the Senator if he has also noticed in the press that there is in contemplation the letting of a contract involving about $4,000,000 for the erection of an addition to the post-office building in Washington? I think such a building would be desirable in normal times, but the Government is now withholding funds from the States throughout the country and saying that they can not have buildings erected which have already been authorized, and yet here at this time the Government is contemplating letting a contract for a building to cost some three or four million dollars to provide an addition to the city post office near the Union Station. Has the Senator from Oklahoma observed that item in considering the general subject?

Mr. THOMAS of Oklahoma. There is so much building going on in this city that I am unable to keep up with it. I should, however, be glad to have an amendment added to my joint resolution, in the event it ever comes up for consideration, covering the suggestion made by the Senator from Florida.

IMPRISONMENT AND TRIALS IN CUBA

Mr. BORAH. Mr. President, I have received a letter from a society entitled "The Cuban Patriotic League." In this letter is contained a statement to which I venture to call attention. I do not know, of course, the facts except as they are given in the statement, and from certain representations made to me personally.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BORAH. The statement is as follows:

Three university students, Ruben Leon, Ramiro Valdes Daussa, and Rafael Escalona, were arrested over two months ago and charged with complicity in the case of the "Automovil-Boms"—an automobile charged with explosives which was discovered by the secret police.

During the entire length of their incarceration they have been held incommunicado and denied legal advice by the Cuban military authorities. Such procedure is illegal pursuantly with legislation in force and it has so been confirmed by a finding of the supreme court.

On the 15th of this month they will be tried or court-martialed by a military tribunal, and the lawyers retained by their families for their defense have been given 24 hours for the examination of the proceedings and constitution of their case. The proceedings are spread over a stack formed by over 1,000 pages of foolscap paper.

Aside from this statement, I am informed that these young men have been in prison—rather a dungeon—without permission to see either their attorneys or their friends or to communicate with anyone during this entire time; and that their case is likely to proceed to trial before a military tribunal without any opportunity to prepare for trial. In other words, they are being denied the simplest rights—supposed in this age to belong to everyone charged with crime.

If this be true, Mr. President, I think it is a matter to which we can not, under the circumstances, owing to our connection with Cuba, be indifferent. We have passed the time when that kind of proceeding ought to be countenanced or recognized by civilized society. I shall not pursue the matter further at this time, but I shall watch the procedure with interest, to see whether in this enlightened age the old practices of five centuries ago are to be revived.

REVENUE AND TAXATION—AMENDMENT RELATIVE TO METALLIC MANGANESE

Mr. ODDIE submitted an amendment intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. COSTIGAN submitted amendments intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which were ordered to lie on the table and to be printed, as follows:

In the items for Howard University—

On page 111, line 5, strike out "$450,000" and insert "$475,000";

On page 111, line 11, strike out "$225,000" and insert "$275,000"; and

On page 111, lines 12 to 14, both inclusive, insert: "For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available."

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 8397, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 54, after line 14, insert the following as a new paragraph:

"For an additional amount for support of Indians and administration of Indian property, including pay of employees, $135,000, to be immediately available and to remain available until June 30, 1932: *Provided*, That the limitation of $160,000 for relief contained in the Interior Department appropriation act for the fiscal year 1932 is hereby increased to $570,000: *Provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity."

THE WORLD WAR—ADDRESS BY GENERAL HARBORD

Mr. TYDINGS. Mr. President, this morning General Harbord delivered before the War College a very interesting address on certain historical phases of the World War. I believe it is of such unusual interest that it is worthy of being printed in the CONGRESSIONAL RECORD, and I ask that that may be done.

The VICE PRESIDENT. Without objection it is so ordered.



The address is as follows:

THE PRESERVATION OF AMERICAN IDENTITY IN THE WORLD WAR

Whether history is better written by a participant, or by a contemporary of the actors in a great historic drama, or by those working within the carefully grooved methods of historical research, when time has lent distance, and prejudice no longer obscures the vision, must be decided by each student for himself. Much that can be said by the participant of great events which he saw and of which he was, perchance, a part—the personal bearing of individuals, the vivid impressions that come only to the eyewitness, the psychology of the times and peoples, the fervor of patriotic emotion, and that intangible enveloping medium which we call atmosphere—may be missed by the scholar writing ever so carefully after the ultimate survivor has told his tale for the last time. Nor can the final historian find his facts if every writer with first-hand knowledge delays his record for time's kindly perspective and the cooling of passion. Some contemporary record must constitute the sources from which the future historian may draw his materials. The generations between the events and the leisurely written study of the scholar are themselves entitled to some well-considered presentation of the history their fathers made.

The ranks of the high personal witnesses to our effort in the World War are already much broken. Certain statements of the great military chieftains, for better or worse, have already been placed in evidence. Others will probably never be recorded. The gallant and courtly Haig sealed his papers to the British Museum to be published long after his death. Von Hindenburg and Von Ludendorf have written from the enemy side accounts which, however accurate, are in the nature of self-vindication. Diaz and Badoglio, if they have written, used a tongue to which our military public is generally a stranger. Foch and Joffre left only the rather unsatisfying memoirs of the former. Marshal Petain still survives to enjoy the prestige and reputation which are so justly his but, except for a small volume on Verdun and his official reports, has contributed to history only the glory of his deeds. The lamented Maj. Gen. James W. McAndrew, Chief of Staff of the American Expeditionary Forces during its major operations in France, died here in 1922, without committing his observations to writing. Sir William Robertson, embittered by politics, told his story well and now decries war from the ranks of those who believe that wars will come no more. General Pershing, with memory and mind happily still untouched by time, has within the year given us the soldierly classic of his commanding experiences. Frederick Palmer has written from the correspondence of Secretary Baker an authoritative and convincing account of our participation in the World War from the standpoint of the War Department; and the expected book of the war-time Chief of Staff, General March, will doubtless round out that story. Clemenceau, Woodrow Wilson, and General Bliss have gone.

The last survivor of our delegates to the peace conference, Colonel House, has given, through his published papers, a remarkable account of his relations with his great chief, perhaps irritatingly convincing to the surviving friends of Mr. Wilson. Lloyd George, in his old age, is still feebly battling in the political arena and will probably never write his story. In the field of political relations between the allied governments, which so powerfully influenced military events, the records are still largely confidential and not yet accessible to the historical student.

It is particularly important to the American participation in the World War that such contemporaneous accounts as faithfully recite its story be tagged, as it were, by those with first-hand knowledge as reliable sources for the future historian. It is no secret that our principal allies opposed the formation of an American army as such, their efforts obstructing while their lips gave service to the plan. One of the accomplishments for which his country owes him most is the firmness with which General Pershing withstood the insistence of the allied chieftains, civil and military, and at no small risk to his own military fortunes, when he took issue with policies to which the great allied Prime Ministers were committed.

As late as September, 1918, just after his success at St. Mihiel, Pershing had to resist pressure from General Foch to break up his American army and disperse its divisions to various allied commands. On November 5, less than a week before the armistice, he was asked to distribute six of his victorious divisions to the French in Lorraine. A man less steadfast in his convictions and less capable in presenting them to his home government would have been more acceptable than Pershing to the venerable Clemenceau, who, behind a French commander in chief, was the most powerful and remorseless influence on the allied side in the autumn of 1918. Marshal Foch, great soldier though he was, surrounded himself with only a French staff and unquestionably obeyed Clemenceau as a minister on whose pleasure his own tenure of command depended. The policies of France, as we view them at the distance of 14 years, never suffered, to say the least, by virtue of an allied supreme command exercised by a Frenchman.

A French writer, before the death of Marshal Foch or Clemenceau, but uncontradicted by either, in discussing the reasons why the armistice was concluded at a time when many military men, and among them Pershing, thought it premature, no doubt reflects to some degree French opinion of the time, when he says that the Americans were coming to France at the rate of 300,000 per month, in such numbers as "to threaten the unity of command." We now know that though the allied chieftains were consulted as to the terms of an armistice, they were not asked as to whether there should be one at that time—the statesmen reserving that decision to themselves. Such facts may color the official reports or the later memoirs of the time and they certainly point to the importance of keeping the record straight. In these circumstances must be found the justification for my acceptance of General Connor's invitation to address you on the policy of an American army under its own commander as opposed to the doctrine of amalgamation of American men and units in the armies of our associates in the Great War.

On his departure for France on May 28, 1917, General Pershing carried with him two letters of instructions. One was prepared by himself with some assistance from his Chief of Staff, and signed by Gen. Tasker H. Bliss as Acting Chief of Staff of the Army in the absence of Gen. Hugh L. Scott; the other was signed by Secretary of War Baker and, according to his statement, was drawn by Gen. Francis J. Kernan, then Assistant to the Chief of Staff. It was handed to General Pershing when we said goodby to Secretary Baker before leaving for New York to embark. It is a curious commentary on War Department relationships of the time that the Assistant to the Chief of Staff should have prepared such an important document for the signature of the Secretary of War without the knowledge of his chief, as shown by the readiness of the latter to sign the letter presented to him by General Pershing.

Of these two letters the one prepared by General Pershing and his Chief of Staff does not order the creation and maintenance of an integral American army. To me that idea was then, and still is, inherent in the appointment of a commander in chief; otherwise, of what was he to be the commander in chief? No other thought than that he was to command an American army or armies occurred to the authors of that letter. The letter prepared by General Kernan, himself a lawyer, writing for another lawyer, the Secretary of War, directs cooperation with the forces of other countries employed against our enemy but adds that in so doing "the underlying idea must be kept in view that the forces of the United States are a separate and distinct component of the combined forces, the identity of which must be preserved." Secretary Baker remarks of this that "it imposes almost the only limitation upon the complete authority given to General Pershing, although it was a limitation with which he himself was in entire accord." There is in my mind no doubt that this direction was crystallized in the Secretary's letter as a result of discussions between him and General Pershing, in which one or both, besides the inherent correctness of the principle, saw the protection which such a definite order would be to General Pershing, when he should have reached the field of war. This letter also contained the sentence: "But, until the forces of the United States are, in your judgment, sufficiently strong to warrant operations as an independent command, it is understood that you will cooperate as a component of whatever army you may be assigned to by the French Government," which statement follows this one: "The decision as to when your command, or any of its parts, is ready for action, is confided to you, and you will exercise full discretion in determining the manner of cooperation."

These instructions are notably similar to those given by King Louis XVI to Rochambeau upon his departure for America to aid the Colonies in their struggle for independence, in which: "His Majesty desires and orders the Sieur Comte de Rochambeau to hold, so far as circumstances permit, the corps of French troops, of which His Majesty has confided the command to him, assembled in one corps, and upon occasion to represent to General Washington, generalissimo of the troops of Congress, and under whose orders the troops must serve, that the King's wishes are that there shall be no dispersion of the French troops and that they shall always serve as an army corps and under French generals, except in the case of temporary detachments, which should rejoin in a few days the principal corps." This was an idea, says Colonel Palmer, "as natural as self-preservation to any man who was responsible for his country's army in a foreign land."

In those April days of 1917, when Congress was debating the draft and the British and French missions headed, respectively, by General Bridges and Marshal Joffre, had descended upon us, we heard much of the desirability of sending to Europe thousands of laborers, railroad and otherwise, carpenters, miners, chauffeurs, foresters, and little about fighting troops. Such of the latter as might be sent in support of our conceit that we were really in the war in a way worthy of our past, should be sent to be fed into depleted battalions of the French and British. Nurses and doctors were especially desired. General Bridges deplored the prospect of an American army in France, as making one more weakening joint in the allied line. But if troops were to come, the consideration of language demanded that they be used with the British rather than the French. The French general staff, as quoted from France, were "not particularly interested in having American troops in France," and Colonel Fabry, that gallant chasseur who was chief of Joffre's personal staff, thought it would be better if we gave money instead of men. Marshal Joffre and General Bridges were a unit in believing that we "could not raise, train, and transport an army of sufficient size to have any effect in the European theater of war." But Joffre asked for the immediate dispatch of a division to show the flag and "It will cheer our people if you will send over some of your troops."

Such was the atmosphere in which the instructions to General Pershing were prepared. Already, though Marshal Joffre does not appear to have thought it safe to mention in America, General Nivelle's offensive had failed. He turned over to his successor a

discouraged army, 16 army corps of which were disaffected, and a few regiments of which were inclined to depose their officers and march on Paris. Such, too, was the atmosphere in which President Wilson took his definite decision to bring "the financial, the industrial, and the military strength of the United States into cooperation with that of Great Britain and France in the most immediate and effective way."

As we look back after 14 years, we recall that the modification of General Pershing's instructions, so explicit in requiring the preservation of American identity as a separate and distinct component of the combined allied forces, was for the whole period of our active participation in the war, the object of constant and forceful appeals to the President and Secretary of War. The courtly and polished Balfour opposed such a policy in its inception; the energetic Tardieu, and the highly intelligent Colonel Requin, reinforced by the popular and trusted Jusserand, and in time driven by wonderful old Clemenceau, all opposed General Pershing in Washington. The learned and clever former Lord Chief Justice of England, Lord Reading, carried direct to the President the appeal of Lloyd George, voicing that of Haig and Robertson, for American soldiers in British units. Even General Bliss, patriotic and able as he was, caught a little of the infection as he passed through England en route to join the supreme war council at the end of 1917. To the everlasting credit of the President he sustained General Pershing, as did the Secretary of War, in carrying out the orders he had received from their hands.

The definite instructions to maintain American identity constituted the wall against which General Pershing braced his back for the long months of struggle to keep his men under their own flag. His unwavering stand, so much in accord with his own patriotic beliefs, so consistent with his professional training and his reading of history, and in keeping with the confidence he enjoyed from President Wilson and Secretary of War Baker, may have kept the policy of an integral American Army from going overboard under the combined efforts of Clemenceau, Lloyd George, Reading, and Jusserand. To General Pershing himself the most forcible representations were made of the urgent need for our men in the allied ranks. Their statesmen and soldiers united in the threat that the war might be lost if our men were not forthcoming. Perhaps no greater responsibility has ever been placed on a commander in the field. He took the chance of being cursed to the latest generation if for want of his cooperation the war was lost. For the sake of history, and as the responsible man on the ground, he had to justify his refusal by something more than a mere gesture toward written orders. He found that justification in both political and military considerations.

To understand the political aims of our associates in the World War at the time General Pershing arrived in France would have required not only the political judgment of a Machiavelli but the gift of knowing the unknowable. It was no secret that Italy had entered the war on the Allied side because the territorial, pecuniary, and political inducements offered her by the Allies outbid the price offered by her old friends of the Triple Alliance. This was the secret treaty of London, signed in 1915 by Italy, France, Russia, and Great Britain. She received a loan of £50,000,000 sterling, a promise of the Trentino, southern Tyrol, Trieste, Dalmatia, and most of the Adriatic Islands and the Gulf of Valona. In the Ægean she was to receive the Dodecanese; a share in the partition of Turkey, if that should occur, equal to that of any other Mediterranean power; compensation in Africa for any enlargement of French or British colonies at the expense of Germany; and a share in the war indemnity corresponding to the magnitude of her efforts and sacrifices in the war. The Allies were dividing the skin of the bear before it was killed and throwing overboard not a few sound principles of European policy. The secret Sykes-Picot Treaty, signed by Great Britain, France, Italy, and Russia in 1916, under which Rumania entered the war, further divided territory in anticipation, awarding certain portions of the Near East among the signatories, Armenia going to France and Russia. Secret agreements of 1916 and 1917 committed Great Britain, France, Russia, and Italy to support Japan's claims regarding the Shantung leased territory and the German islands of the Pacific.

It is not perhaps too much to say that every major military operation undertaken by our Allies after the signature of the treaties mentioned was decided after deliberation as to its effect on the prospective interest each had in carrying out those treaties. In addition to which each was committed to wide-flung interests in other parts of the world and was concerned in their military protection. France in Syria, Africa, and the Indian Ocean, as far as Indo-China; Italy in the Balkans, northern and eastern Africa; Great Britain in Africa, the eastern Mediterranean, Cyprus, Egypt, India, China, and Malaya. Allied troops were operating in Mesopotamia, the Balkans, Africa, and Siberia. All of these operations were remote from the western front where American soldiers believed the war was to be won. To some extent every one of them lessened Allied efficiency on the western front. The United States had no political interest in any of the lands or treaties mentioned nor in military operations contingent upon such interest. Yet the command of every Allied soldier, his discipline, his supply, and every maneuver in which he might be used was inseparably bound up with such interests.

France had had six reorganizations of government between the beginning of the war and the time America entered it. In 1917 Briand was succeeded as Prime Minister by Ribot, who gave way to Painlevé, and he to Clemenceau before the end of the year. With each change of government there was some change of policy, some change in aim or in method of prosecuting the war. In every military crisis there had to be considered the possibility of a change of government, with a corresponding change of strategy, either through replacement of commanders and staffs or by compulsory acquiescence from those not removed from office. Rumors were rife that civilian members of the French Government, on the field as visitors, had meddled with Nivelle's command during the actual offensive, moved thereto by the sight of dead and wounded to which they were unaccustomed. Every long war, with heavy losses and infrequent victories, sees quarrels between statesmen and soldiers, and the attempt of the former to exercise actual command. In 1917 the underground warfare made by Lloyd George on the British high command had already begun, and was to carry down Sir William Robertson, and reach for Douglas Haig in the coming winter.

Theoretically any American soldier amalgamated in French, British, or Italian units was at once liable for service in furtherance of any of their widely diverging policies. Practically the effect of such an amalgamation, even if no American soldier ever left the western front, was to involve our country in the prosecution of aims bound up in treaties of which no American was yet fully aware. To insure our man power being used solely for the purpose of beating the Germans, with whom we were at war on our own account, it was absolutely necessary that it be kept under the control of an American commander, available when an allied commander in chief should be appointed, divorced from the political aims of any one country, and ready to concentrate on the single purpose of beating the Central Powers.

Ours is a population not yet perfectly welded together by the operation of that melting pot, so often a figure in Fourth of July eloquence. The Northwest is largely Scandinavian and German; Missouri, Wisconsin, and Ohio have large German populations; New York is the largest Jewish city in the world, and there are in it colonies of other immigrants in the second and third generation to whom English is an unknown tongue. The Irish are a major fraction in the voting population of Boston and New York and are a strong political element in every large city. Buffalo has a large Polish colony; Massachusetts has Greeks and Portuguese, and certain industries of the Pacific coast are in the hands of Italians and Portuguese. With what loud cheers would the Irish officeholders of New York City have seen their Seventy-seventh Division split up to serve under the British flag as units or as individuals. How the American soldiers would have welcomed that service was shown by the reception they gave to some British uniforms with the crown on the buttons, which, due to nonarrival of clothing from America, had to be issued to certain organizations. How would General Pershing have explained unusually heavy Irish-American losses if incurred under the Union Jack? What would that stormy old pacifist, the elder La Follette, have said on the annihilation of a Wisconsin regiment of the Thirty-second Division serving under French officers?

There were other political considerations involved in such amalgamation. A British soldier, who lay badly wounded in the hospital, answered a tender-hearted visitor who asked what was the most horrible sight he had seen in the war, by saying: "The sergeant's face when I stumbled over his rum ration." Rum was a part of the British ration; red wine was a component of the French ration. The French ration was little more than brown bread, petite marmite, and pinard. The British are strong for tea, but as a captain I recall that Troop M, Eleventh Cavalry, thought one evening a week was enough for tea. Our men are coffee drinkers.

The difference in language could not be ignored. It would have been an absolute bar with the French until French could have been learned. It was not easy with our British friends. They rode in lorries instead of trucks; their supplies traveled in goods instead of freight cars; words that to an American are harmless carry the most deadly insult to them. As Sir Arthur Currie said to General Pershing when we visited Canadian headquarters, "These people have no idea what you mean when you say that Ty Cobb's batting average was 300 last season." The British never dared to merge Australian and Canadian troops, nor either of them with troops from the British Isles. The Scotch, Irish, and Welsh Guards have kept their individuality since the time of the Stuarts. The French never venture to amalgamate the native Frenchmen and the colonials. Why then would it have worked with Americans, a less-disciplined race, a younger and more diversified people from beyond the seas?

A determining factor for the creation of an integral American Army was the matter of training. There is no European less traveled and less familiar with the Western Hemisphere than the cultured and keenly intelligent Frenchman. Excluding former colonials, the French high command were singularly provincial and untraveled. I recall that after the armistice General Petain wen on board an Army transport at St. Nazaire and told me it was the first time he had ever been on board an ocean-going vessel. He was born at Calais in sight of the cliffs of perfidious Albion. French officers, generally unfamiliar with our country and with its Regular Army, considered that we were unequal to furnishing the staff officers, not to mention the commanders, for an integral American Army. Our British friends, not so uninformed, reached about the same conclusion for another reason. They generally felt that way about all armies not British.

At the outbreak of war there were only 2,885 officers of our Regular Army with more than one year's service, exclusive of

medical officers, chaplains, and professors at the Military Academy. The professional level in this small pre-war Army was high, except in the one matter of experience in handling large bodies of troops. Our service schools at Fort Leavenworth, originally started as schools of rather elementary application, had been reformed at the beginning of the century and had sent back to the line over 200 extremely well-instructed officers. In addition, there were 343 graduates of the school of the line only, including graduates of the older Infantry and Cavalry school, and the corresponding school for Engineer officers. There were about 200 graduates of the Army War College in service when our country entered the war. In 1914 there were in operation 52 white and 16 colored schools and colleges organized under the Morrill land grant act of 1862, and 46 other military schools not endowed by land grant. In the 10 years from 1905 to 1915, 44,529 men were graduated from these institutions, of which there were probably several thousand well instructed for the grade of company officer, and as college graduates fitted for lower staff grades. Such institutions as the Virginia Military Institute, Culver, South Carolina Military Academy, Pennsylvania Military Academy, and others had been turning out their entire graduating classes with more than fair military training, some of them since before the Civil War. Nor are the college-bred graduates of the training camps to be forgotten. Meantime, the professional soldiers of the Allies and of the Central Powers, largely killed off in the first years of the war, were now replaced in the company and field grades by officers who had entered the war fresh from civil life. True, they were now advanced students in that best of all schools, actual war, but only in the stalemate of trench warfare. In my opinion, the professional level of such officers was by no means as high as ours in other respects.

Under the instructions of the President to cooperate with the French Army until the forces of the United States "are in your judgment sufficiently strong to warrant operations as an independent command," General Pershing had accepted the training areas suggested by the French in the foothills of the Vosges Mountains in Lorraine, and our first divisions had trained side by side with the French. There was no feature of their training that contemplated any other than trench warfare, enlivened by an occasional raid across no man's land. Preparation of trenches, throwing of hand grenades, some bayonet drill, and rehearsal of raids in advance, and the routine of duties appropriate to trench warfare comprised the program of instruction. The use of the rifle was traditional among our men—even the second generation of city-bred immigrants believed in the rifle. Our regular troops were among the best marksmen in the world. We found practically no training among the French as to the use of the rifle. Cases were known where soldiers with a rifle strapped to the back had run after an enemy trying to get close enough to throw a hand grenade.

The principles of minor tactics, which since the days of Arthur L. Wagner had formed the groundwork of our army training, seemed to have little use in the armies of our new friends. General Pershing visualized a day when, if the war was ever to end, one side or the other must climb out of its trench and move forward, and that when it did the elementary principles of minor tactics, suitable to open warfare would at once come into essential use. When one soldier climbs out and starts forward, it is open warfare for him. Our men must, therefore, be trained for open warfare and emancipated from the habits of trench warfare. That could not be done unless they served in their own units and under their own commanders.

With victory, such as it was, in 1918, instead of 1919 or later, those who opposed the American integral army can not quarrel. Nor is it possible now to see how it could have been hurried even with the most liberal distribution of American soldiers to alien flags. There were but four American divisions in France when the Germans drove through the British Fifth Army toward Amiens. Nor is it to be forgotten that with our divisions placed where they were by French direction, Pershing made to Petain and Foch the brave gesture of offering everything we had in France. March 25 found him at Compiegne to "offer such of our troops as could be used" to General Petain, whom he found at 10 p. m., with his chief of staff, just leaving for his new headquarters at Chantilly, Compiegne having been endangered by the German advance.

The two commanders studied the map together, and the American formally waived his idea of forming the American First Corps and placed all his divisions at Petain's disposal, though looking forward to their eventual assembly under their own commander. Petain hesitated to use them on fronts that might become active, preferring to have them sent to quiet sectors to release French divisions, which amounted to the same thing as far as numbers were concerned. He contemplated certain emergency maneuvers which he thought should be intrusted only to experienced staffs. Pershing left him with the understanding that American units would be used as circumstances might demand and gave orders at once that they be held in readiness for "any eventuality."

Sir Douglas Haig meanwhile had asked for engineers and heavy artillery, of which three regiments of the former were placed at his disposal at once, and the personnel of two heavy artillery regiments about to arrive were offered. On the 26th General Pershing visited Versailles, where he was met by an impassioned appeal from the Italian military adviser to the Supreme War Council to send troops to Italy. He argued that their presence would be tangible proof of American cooperation, and increase Italian confidence—besides which, he said, they needed help. To Pershing, slightly exalté from his offer to Petain, Italy looked a long distance from Amiens, and he came away with the idea that each of the Allies was thinking in terms of his own army, rather than of benefit to the Allied cause as a whole.

Meantime, on the request of Petain, the First Division was ordered to the battle line on March 28, which date found Pershing motoring to see Foch who, not yet in full power as allied commander in chief, was "coordinating allied troops in action in front of Amiens" from headquarters at Clermont-sur-Oise. He found General Foch that afternoon, studying a map and discussing the situation with Clemenceau, Petain, and Loucher, the Minister of Munitions. They gave General Pershing the latest developments, whereupon he intimated that his business was with Foch and the others withdrew and left them alone. Pershing told Foch that the Americans were ready and anxious to do their part in the crisis, and that he was willing to send any troops he had—at the same time asking Foch for suggestions as to how he might help. Foch was much touched, and taking General Pershing by the arm rushed him across the lawn to where the others stood, and asked him to repeat to them what he had just said to him.

Without reflecting on the French of the American commander in chief, but distrusting my own, it seems to me that General Pershing's offer is worth repeating in English as one of the great inspirations of history, which will live long after all of us have been gathered to our fathers. He said:

"I have come to tell you that the American people would consider it a great honor for our troops to be engaged in the present battle; I ask you for this in their name and in my own. At this moment there are no other questions but of fighting. Infantry, Artillery, Aviation, all that we have is yours; use them as you will. More will come in numbers equal to requirements. I have come especially to tell you that the American people will be proud to take part in the greatest battle of history."

Americans have not yet forgotten that offer, though it may have been crowded out of French and British memories by things they regard as more worth while. It was given wide publicity throughout France, but actually it was of greater moral than material value, for American troops were not immediately thrown into the battle. It amounted to an offer of the equivalent of 10 French or British divisions. Says Pershing: "If the responsibility had been mine, I would not have hesitated a moment to put into battle any or all of our five divisions then in France." Foch says of his failure to use the American divisions that "to replace their very heavy losses in Infantry the French and British Armies could not count on the immediate or early help of more than 70,000 American Infantry. The evident feebleness of this result demanded that the mistakes which up to the present had been made in the matter of transporting the American army to France be corrected. What was needed above all was that during several months the United States should send only Infantry, to the exclusion of all other arms. * * * It remained to convince General Pershing, who was full of the idea of commanding a great American army as soon as possible, although he was not, it is true, fully aware of the urgency of our present necessities." Thus the generous and appreciative Foch was writing in later life of General Pershing's dramatic offer made to Foch himself, in the presence of Clemenceau, Petain, and Loucheur, with the latest map before them and the best evidence available as to the urgency of their necessities.

In the busy month which followed Pershing's offer to Foch, the general went to England, stopping on the way to visit British general headquarters, where he met Lord Derby en route to Paris as British ambassador, who had also stopped to see Haig, of whom as War Secretary he had been a stanch supporter. While at British general headquarters General Pershing and Sir Douglas reached an agreement as to the training and administration of American troops that were to be temporarily with the British, including some discussion as to pooling and coordination of allied supply on the western front. In England there were present at a War Office conference, besides General Pershing and myself, the new Secretary of War, Lord Milner, who had just relieved the Earl of Derby and the volatile Sir Henry Wilson, who had replaced Sir William Robertson as the British Chief of Staff. During the conversation a telegram from Lord Reading, then special ambassador in Washington, was produced, which rather cut the ground from under the feet of the American Commander in Chief, indicating that, notwithstanding the definite orders for an integral American Army which Pershing had brought to France, the President had now given Reading the distinct impression of his approval of a four months' program of shipping infantry and machine guns to France at the rate of 120,000 men per month. The British have never had a more skilled advocate at the American capital than Lord Reading.

This London conference, in which General Pershing denied the full implications of the Reading telegram, concluded with a commitment for an exclusive shipment of infantry and machine guns during the month of May. This concession to the British was a radical departure from the wiser policy of bringing over balanced forces in complete organizations. It reflected a belief that the Washington administration had wavered from its attitude so bravely expressed in the signed letter of instructions to General Pershing, and had transferred to his shoulders the practical struggle for the independent identity of the American Army in France. Returning from London, a message summoned General Pershing

to the headquarters of General Foch, where there followed a stormy interview which, no doubt, resulted in the Abbeville conference four days later.

The supreme war council met at Abbeville on May Day, 1918. This was a council of prime ministers organized the previous autumn just following the Caporetto disaster and designed to give the allied statesmen a more direct control over military operations. Each member had a small bureau of military advisers, which in such atmosphere seemed to me likely to promote military programs in rivalry with those adopted by the several commanders in chief. I thought then and still believe that the supreme war council was of questionable value as far as winning the war was concerned. Having no prime minister, the United States was represented by General Bliss, lately retired for age from the position of Chief of Staff. In the civil and military rank of its participants, and in the importance of the subjects discussed, the Abbeville conference was one of the great historic conferences of the World War. I have always regretted that preparations for my imminent relief as Chief of Staff for General Pershing prevented me from being present on that great occasion. Around the table that May morning in northern France were gathered the venerable but still fiery Clemenceau, the oracular Foch, now allied commander in chief, and Petain, the greatest French general the war produced; the energetic and unstable Lloyd George, Lord Milner, whose fame had been won as an administrator in Egypt and South Africa, the reserved and soldierly Douglas Haig with Lawrence his chief of staff, an educated soldier who returned to the colors from civil life when the war began; Prime Minister Orlando and his military adviser General di Robilant; while Generals Pershing and Bliss were present for the United States. A few staff officers accompanied each group. I have always wondered at the absence of Weygand and Sir Henry Wilson, respectively chief of staff for Foch and for Lloyd George, but they do not appear as among those present.

The agreement concluded with the British for May shipments of infantry and machine guns the supreme war council now sought to have extended through June. General Pershing had hoped to bring over in June the artillery and auxiliary arms needed to correspond to the shipments of infantry in May. The Abbeville conference opened by a dispute between the French and British over the division of the shipments to arrive in May. From that it went to the purpose of the meeting, the extension of the May program. General Pershing did not agree to that but finally advanced a proposal that the May program of 120,000 infantry and machine gunners be extended into June, provided the British Government would furnish transportation for 130,000 men during May and 150,000 in June. To this the British prime minister agreed.

With oral expression favorable to the ultimate creation of an American army, the allied chiefs showed themselves ready to go to almost any length on policy which they must have known would prevent it. Foch, arrogating to himself authority not inherent in or conferred by the creation of his position as commander in chief, brought to his aid the presumption that the supreme war council might dictate the program for the American Expeditionary Forces. General Pershing was confronted by Foch with the question if he was willing to take the risk of the Allies being driven back to the line of the Loire River. His firmness was not to be shaken by this "third-degree" method of approach, and he adhered to his decision, stating categorically that he was willing to take the risk. He added that the time might come when the American Army would have to stand the brunt of the war, and that he did not deem it wise to fritter away its resources in the manner proposed.

The discussion was extended and acrimonious and marked the high tide of the allied effort to prevent the formation of an integral American army. General Pershing summed up in part by saying on the afternoon of the second day:

"I am entirely in agreement with General Foch as to the gravity of the present situation. In fact, we are all agreed on that point.

"Speaking in the name of the American Army and in the name of the American people, I wish to express their earnest desire to take their full part in this battle and to share the burden of the war to the fullest extent. We all desire the same thing, but our means of attaining it are different from yours.

"America declared war independently of the Allies, and she must face it as soon as possible with a powerful army. There is one important point upon which I wish to lay stress, and that is that the morale of our soldiers depends upon their fighting under their own flag. * * * I understand that in Mr. Lloyd George's proposal we shall have to examine the situation again in June before deciding for July."

Notwithstanding an honest effort to keep these official discussions from descending to a personal plane, General Pershing found his path a more difficult one from that time on. The manly and straightforward Haig cherished no resentment.

In the recent visit of Marshal Petain to America General Pershing bore testimony in a public address to the fact that he had had the support of Petain in his efforts for an American Army. Joffre, already passed off the stage before our arrival in France, had counseled General Pershing against amalgamation. Clemenceau apparently never forgave Pershing and, as late as the Argonne days, sought to have him relieved from command. There is no documentary evidence available, and possibly none exists, but military gossip of the time named the French general with whom it was expected to replace him in his command. The action of Marshal Foch in stating to Secretary of War Baker in October that he needed but 40 American divisions for his 1919 program, though he had repeatedly and recently insisted on the hundred division program, was calculated to embarrass Pershing with the Secretary and can hardly have been an honest expression of opinion, as made without qualification. Though the Clemenceau suggestion for the relief of Pershing from command was made to Marshal Foch, he either had too much sense to try it or felt that it was not justified. Though the matter of the American Army still came up for discussion from time to time, and Marshal Foch, vainly trying to scatter American divisions after St. Mihiel, was still adhering to his opposition within a week of the armistice, the Abbeville conference ended doubt as to its ultimate creation. The logical French mind of the marshal saw only that the Allies had the trained personnel of command and lacked men. We had the men and, no doubt in his mind, lacked the staff and commanders. He comprehended none of the difficulties from our standpoint and adhered to his fixed idea until the very end. With circumstances reversed we would no doubt have seen the situation the same way.

Though it was current belief around various American headquarters, it is perhaps venturing into the field of imagination to say that a final reason why the Allies opposed the formation of an integral American Army was because that except as an independent entity under arms our country would have no seat at the peace table. They knew our country so little as to credit us with the same predatory ambitions they cherished. They feared our appearance at the peace table would mean a further division of the victory pot. When they look back at the mess which the peace conference created, somewhat through the pernicious activity of the American delegation, that particular reason for not desiring an independent American Army must burn brightly in retrospect, though time in all the other circumstances has vindicated General Pershing.

The way was cleared for his American army; and the army itself actually brought into being under an American commander, did it justify itself? The First American Army, which was announced on July 24, 1918, and made its debut at St. Mihiel on September 12, had in it many units who had before its birth earned the title of veteran troops. America had been represented in the front lines since March 28. The First, Second, Third, Fourth, Twenty-sixth, Twenty-eighth, Thirty-second, Thirty-third, Forty-second, and Seventy-seventh Divisions had already been in action. Cantigny, Belleau Wood, Vaux, Chateau-Thierry, and Soissons were names already on regimental colors. The turn of the tide is now generally admitted to date from the battle of July 18 and 19, which raged from Soissons clear down to Chateau-Thierry and back to the vicinity of Rheims, in which over 300,000 American soldiers fought under French command in divisions named above.

The reduction of the St. Mihiel salient had been on the cards for the Americans, unmistakably ear-marked for their first independent effort, since the earliest strategical studies made at Chaumont in September, 1917. With the units designated and the orders in mimeograph for the battle, it narrowly escaped postponement by the desire of Marshal Foch to limit it to a local operation, followed by a French attack between the Meuse and the Argonne and a combined Franco-American offensive from the Argonne to the Champagne country. Pershing declined to have his Army again scattered out under French command. Four days after a bitter meeting between them, another was held and the differences somewhat harmonized. The St. Mihiel operation would be with limited objectives, and the Argonne-Meuse offensive would be carried out by an American army, leaving the Champagne attack to the French. Foch, himself, in his memoirs bears testimony to the efficiency of the First Army in its initial major operation. "On September 12, after an artillery preparation by nearly 3,000 guns during four hours, the principal attack was launched. This attack was so violent and was carried out with such resolution that the enemy succeeded nowhere in stopping it. A few hours had sufficed for disengaging this St. Mihiel salient where during four years the enemy had been established. The Germans did not have time to evacuate the pocket completely, and 13,250 prisoners and 460 guns were taken. It was a splendid success, and I hastened to send my congratulations to General Pershing." Nine divisions fought in the attack with 5 in reserve, and of the 14 4 were in offensive action for the first time at St. Mihiel. Approximately 550,000 men were engaged. The St. Mihiel victory probably did more than any other single operation of the war to encourage the war-worn Allies.

Thirteen days later the Americans launched their Meuse-Argonne attack. They had had 11 days after the agreement with Foch in which to prepare for the St. Mihiel drive. Twenty-four days for the same Army to undertake two great attacks on battlefields 60 miles apart. General Pershing, very proudly says: "When viewed as a whole, it is believed that history gives no parallel of such an undertaking with so large an Army." The attack started on September 26 and lasted practically continuously for 47 days. It began on a front of 24 miles, which gradually extended until the enemy was being assailed from the Argonne Forest to the Moselle River, a front of 90 miles. In all more than 1,200,000 men were employed, and the attack was driven 32 miles to the north, and 14 miles to the northeast, before the armistice terminated hostilities on November 11.

A study of the allied line at short intervals, as shown by the allied maps, shows what the American First Army accomplished. We can but regret that this colossal drive was made toward Mezieres-Sedan instead of in continuation of the St. Mihiel offen-

sive toward Metz. This had been General Pershing's plan until he was overruled by Marshal Foch and the limited objective imposed. It promised more decisive results with probably less difficulty; and an equal success, which we may reasonably feel was to have been expected, would have made the Rhine and not the Meuse the first line of defense available to the enemy. But all's well that ends well. The offensive ordered for November 14 interrupted by the armistice was a return by Foch to the Pershing plan. Twenty-two American and six French divisions in the Argonne, with an approximate fighting strength of 500,000 men, had engaged and beaten 43 different German divisions with an estimated fighting strength of 470,000 men. Of the 22 American divisions, 4 had for a part of this period been in action on fronts other than our own. The spoils were 26,000 prisoners, 874 cannon, 3,000 machine guns, and large quantities of other material. The Meuse-Argonne stands out as one of the greatest achievements in the whole history of American arms.

The armistice thus ended two wars for us—the one with our friends, the other with our enemies. The winning of the first was necessary to the winning of the second. Ending as they did, Americans may look back upon the one and the other without rancor or resentment. We may admit that the need of the Allies in early 1918 was so desperate as to blind them to the long view taken by Pershing. Millions had died for the allied cause. It seemed to them, no doubt, that other millions were yet to die if the enemy was not stopped.

Their ways were not our ways. Their diplomacy was Old World diplomacy. Their frankness lacked certain quality possessed by ours. To a certain extent theirs was the doctrine that the end justifies the means. The force and frankness of Pershing did not appeal to them at its face value. They had been long in coming to the unity of command, whereas Americans believed in it from the beginning. It was the advantage which Napoleon had over his adversaries during the rise of the First Empire. It was an advantage which almost won the World War for the Central Powers. The lessons for those who come after us are in the emphasis against entangling alliances; in the elimination of politics from the conduct of such wars as we may fight; and in the splendid way in which President Wilson and Secretary Baker sustained the leader of their choice.

Let us hope that other generations will have a Pershing to lead their armies. The commander in chief of the American Expeditionary Forces was a model to his 2,000,000 men in his dignified and soldierly deportment. In every situation he bore himself in the most distinguished way. With great personal charm when he chose to exert it, he was thoroughly impersonal in his official relations. With strength of purpose as firm and unswerving as a rock, he stood his ground with a smile, that thin-lipped smile which haunted the memory of Clemenceau to his last moments of life. The product of his own use of his opportunities, in the fine professional equipment he brought to his high office, for he was a graduate of no Army school but West Point, his great strength was that he knew exactly what he wanted and why. His force of character, pertinacity, and persistence would have won success for him in any walk in life. An organizer and a leader, a negotiator and a diplomat of sorts, his country owes him as much for building an integral American Army as it does for the high quality of leadership he gave it after it was created. Among the many considerations that enter into any attempt to fix a great commander's place in history are such factors as the particular difficulties of his mission, the magnitude of his operations, the contributory diplomacy and supporting statesmanship, the administrative problems inseparable from those of strategy and tactics, and the extent to which character and personality affected the successful combination of the various factors. After 150 years students are still discovering new facts in the life and character of George Washington. The verdict of history can not be hurried in its award of place. No man writing of his contemporaries can divest himself of sentiment. Prophecy like almost everything else is quoted at low values in these modern days. Yet, I doubt if anyone writing now of the six greatest military figures of our first 150 years of national life would deny that General Pershing easily belongs in a select group with Sherman, Jackson, Grant, Lee, and Washington. If such a group be narrowed to three, your present speaker can conceive of no such combination that would omit the name of John J. Pershing.

THE TARIFF

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD a brief editorial appearing in the New York Times of Sunday, April 10, 1932, entitled "One Week's Tariffs." The editorial is along the line of remarks made by me in the Senate on Friday last.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

ONE WEEK'S TARIFFS

A bulletin published by the Department of Commerce lists each week the tariff changes reported by its agents in foreign countries. The latest report shows no let-up in the race to erect new barriers to trade. The Union of South Africa has imposed a general surtax of 7½ per cent ad valorem on all imports except goods used predominantly by agricultural producers. Belgium has set a quota for imports of leather shoes. Holland has established a quota for ceramics. Cuba has increased duties on automobiles and trucks, lard and oil. France has established quotas for glassware, storage batteries, electric insulators, and various other products. Sweden has increased excise taxes on imported tobacco products. A new general tariff, raising many rates, is expected to become effective in Poland at the end of the present month. Estonia has added a variety of products to the list of those for which import licenses are required. Not even the South Seas are exempt from the struggle for "protection." In Western Samoa duties have been increased and the customs service tax on all imports has been doubled.

Such a list as this, noting changes reported in a single week, offers impressive evidence of the rapidity with which a network of new tariffs and "controls" is being thrown around the world. At a time when business everywhere is waiting for the consumer to return to the market, all nations are making it increasingly difficult to purchase one another's goods. The result is evident in the figures of their export trade. Tariffs raised against the foreigner are an important factor in England's loss of 36 per cent in the value of her export trade since 1929, a French loss of 33 per cent, and our loss of 53. The figures recently reported by the Department of Commerce show that during February of this year the value of American goods sold in foreign markets reached the lowest level for any corresponding month since 1910.

If a truce is to be called in the present tariff war, it must be on the initiative of the world's creditors. The debtor nations have no alternative at this stage in a prolonged depression except to curtail their imports of foreign goods in order to balance their international payments. But the creditors are in a position to lower their tariffs and to accept part payment of their loans in terms of goods. Specifically, this means action on the part of the United States, France, England, and a small number of other nations which appear as creditors on the world's ledger of international accounts. They have little to lose, and much to gain, by cooperative action to reopen the channels of trade.

FEDERAL INHERITANCE TAX

Mr. CAPPER. Mr. President, I ask to have printed in the RECORD an able editorial written by William Allen White and appearing in the Emporia Gazette on the subject of the Federal inheritance tax.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial is as follows:

THE TAX BILL

The new tax bill goes to the Senate. As it stands it seems to be adequate to balance the Budget, though Secretary Mills says it still lacks a little. Probably the Senate will add the necessary fringe to splice the bill to the Budget.

The thing that seems to have been slighted by the House is inheritance tax. There is the fairest tax that a nation can assess. It leaves men free during their lives and takes youth back to the toe mark when they start. An inheritance tax gives man his liberty and preserves to society the sense of opportunity and equality for all its members.

There is no great reason why any man should inherit more than ten or fifteen million dollars. Everything above that should be taken. The shock to the economic and industrial organization would be no greater if the surplus beyond any reasonable amount like this should be taken at death—no greater than the shock that follows when fool sons-in-law and dilettante sons get into great business organizations and wreck them. If a man has a wise son or son-in-law, he will make him full partner, and so more or less escape the inheritance tax. If he has a fool son, he can not do it. If a father can not trust his son, why should society trust him with the father's money? Let the Budget be balanced by a stiff inheritance tax and America will be a better and fairer country.

HENRY GEORGE'S LAND QUESTION

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD Henry George's Land Question in His Own Eloquent Words, abridged by Will Atkinson.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

HENRY GEORGE'S LAND QUESTIONS IN HIS OWN ELOQUENT WORDS

(Abridged by Will Atkinson)

NOTHING PECULIAR IN IRISH DISTRESS

When there is famine among savages it is because food enough is not to be had. But in any part of Ireland during the height of what was called the famine there was food enough for whoever had the means to pay for it. The trouble was not in the scarcity of food. There was no real scarcity of food, and the proof of it is that food did not command scarcity prices. During all the so-called famine food was constantly exported from Ireland to England, which shows there was no true famine. During all the so-called famine American meat and grain could have been poured into Ireland so quickly that the relief would have been felt instantaneously. The reason that so many of the Irish people were starving was not that the food was not to be had but that they had not the means to buy it. Had the Irish people had money or its equivalent, the bad seasons might have come and

gone without stinting anyone of a full meal. Their effect would merely have been to determine toward Ireland the flow of more abundant harvests.

The Irish famine was not a true famine arising from the scarcity of food. It was like the Indian famine—a "financial famine," arising not from scarcity of food but from the poverty of the people.

Are not all countries subject to just such famines as this Irish famine?

In the very centers of civilization, where the machinery of production and exchange is at the highest point of efficiency—where bank vaults hold millions and show windows flash with more than a prince's ransom, where elevators and warehouses are gorged with grain and markets are piled with all things succulent and toothsome, where the dinners of Lucullus are eaten every day, and if it be but cool the very little greyhounds wear dainty little blankets—in these centers of wealth and power and refinement there are always hungry men and women and little children. Never the sun goes down but on human beings prowling like wolves for food or huddling together like vermin for shelter and warmth.

This is "the home of freedom" and the "asylum of the oppressed"; our population is yet sparse, our public domain yet wide; we are the greatest of food producers, yet even here there are beggars, tramps, paupers, men torn by anxiety for the support of their families, women who know not which way to turn, little children growing up in such poverty and squalor that only a miracle can keep them pure. "Always with you," even here. What is the week or the day of the week that our papers do not tell of man or woman who, to escape the tortures of want, has stepped out of life unbidden? What is this but famine?

MORE THAN AN IRISH LAND QUESTION

When the agent of the Irish landlord takes from the Irish cotter for rent his pigs, his poultry, or his potatoes, or the money that he gains by the sale of these things, it is clear enough that this rent comes from the earnings of labor and diminishes what the laborer gets. But is not this in reality just as clear when a dozen middlemen stand between laborer and landlord? Is it not just as clear when, instead of being paid monthly or quarterly or yearly, rent is paid in a lumped sum called purchase money? Whence come the incomes which the owners of land in mining districts, in manufacturing districts, or in commercial districts receive for the use of their land? Manifestly they must have come from the earnings of labor—there is no other source from which they can come. From what are the revenues of Trinity Church corporation drawn if not from the earnings of labor? What is the source of the income of the Astors if it is not the labor of laboring men, women, and children? When a man makes a fortune by the rise of real estate it means that he may have fine clothes, costly food, a grand house, etc. Now, these things are not the spontaneous fruits of the soil; neither do they fall from heaven, nor are they cast up by the sea. They are products of labor—can only be produced by labor. And hence, if men who do not labor get them, it must necessarily be at the expense of those who do labor.

Simple as this truth is, it is persistently ignored.

Miserable as is the condition of the Irish peasantry, sickening as are the stories of their suffering, for the worst instances of human degradation one must go to the reports that describe the condition of the laboring poor of England rather than to the literature of Irish misery. For there are three things for which, in spite of their poverty and wretchedness and occasional famine, the very poorest of Irish peasants are by all accounts remarkable—the physical vigor of their men, the purity of their women, and the strength of the family affections. This, to put it mildly, can not be said of large classes of the laboring populations of England and Scotland. In those rich manufacturing districts are classes stunted and deteriorated physically by want and unwholesome employments; classes in which the idea of female virtue is all but lost and the family affections all but trodden out.

But it is needless to compare sufferings and measure miseries. Land is necessary to all production, no matter what be its kind or form; land is the standing place, the workshop, the storehouse of labor; it is to the human being the only means by which he can obtain access to the material universe or utilize its powers. Without land man can not exist. To whom the ownership of land is given, to him is given the virtual ownership of the men who must live upon it. When this necessity is absolute, then does he necessarily become their absolute master. And just as this point is neared—that is to say, just as competition increases the demand for land—just in that degree does the power of taking a larger and larger share of the earnings of labor increase. It is this power that gives land its value; this is the power that enables the owner of valuable land to reap where he has not sown—to appropriate to himself wealth which he has had no share in producing. Rent is always the devourer of wages. The owner of city land takes in the rents he receives for his land the earnings of labor just as clearly as does the owner of farming land. And whether he be working in a garret 10 stories above the street or in a mining drift thousands of feet below the earth's surface, it is the competition for the use of land that ultimately determines what proportion of the produce of his labor the laborer will get for himself. This is the reason why modern progress does not tend to extirpate poverty; this is the reason why, with all the inventions and improvements and economies which so enormously increase productive power, wages everywhere tend to the minimum of a bare living. The cause that in Ireland produces poverty and distress—the ownership by some of the people of the land on which and from which the whole people must live—everywhere else produces the same results. It is this that produces the hideous squalor of London and Glasgow slums; it is this that makes want jostle luxury in the streets of rich New York, that forces little children to monotonous and stunting toil in Massachusetts mills, and that fills the highways of our newest States with tramps.

WHOSE LAND IS IT?

What, then, is the true solution of the land problem?

The first question that naturally arises is that of right. Among whatever kind of people such a matter as this is discussed, the question of right is sure to be raised. This, to me, seems a very significant thing; for I believe it to spring from nothing less than a universal perception of the human mind—a perception often dim and vague, yet still a universal perception—that justice is the supreme law of the universe, so that, as a short road to what is best, we instinctively ask what is right?

Now, what are the rights of this case? To whom rightfully does the soil of Ireland belong? Who are justly entitled to its use and to all the benefits that flow from its use?

Let me go to the heart of this question by asking another question: Has or has not the child born in Ireland a right to live? There can be but one answer, for no one would contend that it was right to drown Irish babies or that any human law could make it right. Well, then, if every human being born in Ireland has a right to live in Ireland, these rights must be equal. If each one has a right to live, then no one can have any better right to live than any other one. There can be no dispute about this. No one will contend that it would be any less a crime to drown the baby of an Irish peasant woman than it would be to drown the baby of the proudest duchess, or that a law commanding the one would be any more justifiable than a law commanding the other.

Since, then, all the Irish people have the same equal right to life, it follows that they must all have the same equal right to the land of Ireland. If they are all in Ireland by the same equal permission of nature, so that no one of them can justly set up a superior claim to life than any other one of them; so that all the rest of them could not justly say to any one of them, "You have not the same right to live as we have; therefore we pitch you out of Ireland into the sea!" then they must all have the same equal rights to the elements which nature has provided for the sustaining of life—to air, to water, and to land. For to deny the equal right to the elements necessary to the maintaining of life is to deny the equal right to life. Any law that said, "Certain babies have no right to the soil of Ireland; therefore they shall be thrown off the soil of Ireland," would be precisely equivalent to a law that said, "Certain babies have no right to live; therefore they shall be thrown into the sea." And as no law or custom or agreement can justify the denial of the equal right to life, so no law or custom or agreement can justify the denial of the equal right to land.

It therefore follows, from the very fact of their existence, that the right of each one of the people of Ireland to an equal share in the land of Ireland is equal and inalienable; that is to say, that the use and benefit of the land of Ireland belongs rightfully to the whole people of Ireland, to each one as much as to every other; to no one more than to any other—not to some individuals, to the exclusion of other individuals; not to one class, to the exclusion of other classes; not to landlords, not to tenants, not to cultivators, but to the whole people.

The right is irrefutable and indefeasible. It pertains to and springs from the fact of existence, the right to live. No law, no covenant, no agreement, can bar it. One generation can not stipulate away the rights of another generation. If the whole people of Ireland were to unite in bargaining away their rights in the land, how could they justly bargain away the right of the child who the next moment is born? No one can bargain away what is not his; no one can stipulate away the rights of another. And if the newborn infant has an equal right to life, then has it an equal right to land. Its warrant, which comes direct from nature, and which sets aside all human laws or title deeds, is the fact that it is born.

Here we have a firm, self-apparent principle from which we may safely proceed. The land of Ireland does not belong to one individual more than to another individual, to one class more than to another class, to one generation more than to the generations that come after. It belongs to the whole people who at the time exist upon it.

If the land of Ireland belongs of natural right to the Irish people, what valid claim for payment can be set up by the Irish landlords? No one will contend that the land is theirs of natural right, for the day has gone by when men could be told that the Creator of the universe intended his bounty for the exclusive use and benefit of a privileged class of his creatures—that he intended a few to roll in luxury while their fellows toiled and starved for them. The claim of the landlords to the land rests not on natural right but merely on municipal law—on municipal law which contravenes natural right. And, whenever the sovereign power changes municipal law so as to conform to natural right, what claim can they assert to compensation? Some of them bought their lands, it is true; but they get no better title than the seller had to give. And what are these titles? Titles based on murder and robbery, on blood and rapine—titles which rest on the most atrocious and wholesale crimes. Created by force and maintained by force, they have not behind them the first shadow of right.

THE GREAT-GREAT-GRANDSON OF CAPTAIN KIDD

The galleys that carried Cæsar to Britain, the accoutrements of his legionaries, the baggage that they carried, the arms that they bore, the buildings that they erected; the scythed chariots of the ancient Britons, the horses that drew them, their wicker boats and wattled houses—where are they now? But the land for which Roman and Briton fought, there it is still. The British soil is yet as fresh and as new as it was in the days of the Romans. Generation after generation has lived on it since, and generation after generation will live on it yet. Now, here is a very great difference. The right to possess and to pass on the ownership of things that in their nature decay and soon cease to be is a very different thing from the right to possess and to pass on the ownership of that which does not decay, but from which each successive generation must live.

Captain Kidd was a pirate. He made a business of sailing the seas, capturing merchantmen, making their crews walk the plank, and appropriating their cargoes. Let us suppose that he did not bury his wealth, but left it to his legal heirs, and they to their heirs, until a part of it has come to a great-great-grandson of Captain Kidd. And a great-great-grandson of one whom Captain Kidd plundered makes complaint and says: "This man's great-great-grandfather robbed my great-great-grandfather of things which have been transmitted to him, whereas but for this wrongful act they would have been transmitted to me; therefore I demand that he be made to restore them."

Society would say, "We can not entertain such a demand. If we go righting the wrongs and reopening the controversies of our great-great-grandfathers, there would be no end to disputes and pretexts for disputes. We must make continued peaceful possession as absolute evidence of just title."

This common-sense principle is expressed in the statute of limitations—in the doctrine of vested rights.

But let us suppose that Captain Kidd, having established a profitable piratical business, left it to his son, and he to his son, and so on, until his great-great-grandson, who now pursues it, has come to consider it the most natural thing in the world that his ships should roam the sea, capturing peaceful merchantmen, making their crews walk the plank, and bringing home to him much plunder, whereby he is enabled, though he does no work at all, to live in very great luxury and look down with contempt upon people who have to work. But at last, the merchants get tired of having their ships sunk and their goods taken, and sailors get tired of trembling for their lives every time a sail lifts above the horizon, and they demand of society that piracy be stopped.

Now, what should society say if Mr. Kidd got indignant, appealed to the doctrine of vested rights, and asserted that society was bound to prevent any interference with the business that he had inherited, and that, if it wanted him to stop, it must buy him out, paying him all that his business was worth—so that if he stopped pirating, he could still live in luxury off the merchants and the sailors?

Society should tell Mr. Kidd that his was a business to which the statute of limitations and the doctrine of vested rights did not apply; that because his father, and his great and great-great-grandfather captured ships and made their crews walk the plank, was no reason why he should be permitted to do it.

Or suppose Mr. Kidd had sold out his piratical business to Smith, Jones, or Robinson, society ought to say that their purchase of the business gave them no greater right than Mr. Kidd had.

We will all agree that that is what society ought to say. Observe, I do not ask what society would say.

For, ridiculous and preposterous as it may appear, under these circumstances society would not for a long time say what we have agreed it ought to say. All the Kidds would claim that to make them give up their business without full recompense would be a wicked interference with vested rights, and the justice of this claim would at first be assumed as a matter of course by all or nearly all the influential classes—the great lawyers, the able journalists, the writers for the magazines, the eloquent clergymen, and the principal professors in the principal universities. Even the merchants and sailors would be so tyrannized and browbeaten by this public opinion that they would hardly think of more than of buying out the Kidds, and wherever here and there anyone dared to raise his voice in favor of stopping piracy at once and without compensation, he would only do so under penalty of being stigmatized as a reckless disturber and wicked foe of social order.

I appeal to universal history to bear me witness and to the facts of to-day.

Show me a wrong, no matter how monstrous, that ever yet became ingrafted in the social system and I will prove to you the truth of what I say.

The majority of men do not think; the majority of men have to expend so much energy in the struggle to make a living that they do not have time to think. The majority of men accept as a matter of course whatever is. This is what makes the task of the social reformer so difficult, his path so hard. This is what brings to those who first raise their voices in behalf of a great truth the sneers of the powerful and the curses of the rabble, ostracism and martyrdom, the robe of derision, and the crown of thorns.

Have there not been states of society in which piracy has been considered most respectable and honorable? Are there not states of society in which, in spite of the natural proportions of the sexes, polygamy is considered a matter of course? Are there not states of society in which it would be considered disreputable for a man to carry a burden while a woman who could stagger under it was around? States of society in which the husband who did not occasionally beat his wife would be deemed by both sexes a weak-minded, low-spirited fellow? How long has it been since the monstrous doctrine of the divine right of kings was taught through all Christiandom?

What is the slave trade but piracy of the worst kind? Yet it is not long since the slave trade was looked upon as a perfectly respectable business. The proposition to prohibit it was first looked upon as ridiculous, then as fanatical, then as wicked.

Is it not but yesterday that in the freest and greatest republic on earth, among the people who boast that they lead the very van of civilization, this doctrine of vested rights was deemed a sufficient justification for all the cruel wrongs of human slavery? Is it not but yesterday, when whoever dared to say that the rights of property did not justly attach to human beings; when whoever dared to deny that human beings could be rightfully bought and sold like cattle—the husband torn from the wife and the child from the mother; when whoever denied the right of one who had paid his money for him to work or whip his own nigger was looked upon as a wicked assailant of the rights of property? Look over American literature previous to the war and say whether, if the business of piracy had been a flourishing business, it would have lacked defenders? Say whether any proposal to stop the business of piracy without compensating the pirates would not have been denounced at first as a proposal to set aside vested rights?

I appeal to other states of society and to times that are past merely to get my readers out of their accustomed ruts of thought. The proof of what I assert about the Kidds and their business is in the thought and speech of to-day.

Here is a system which robs the producers of wealth, as remorselessly and far more regularly and systematically than the pirate robs the merchantmen. Here is a system that steadily condemns thousands to far more lingering and horrible deaths than walking the plank—to death of the mind and death of the soul, as well as death of the body. These things are undisputed. No one who will examine the subject will deny that the chronic pauperism and chronic famine which everywhere mark our civilization are the results of this system. Yet we are told that this system can not be abolished without buying off those who profit by it. Was there ever more degrading abasement of the human mind before a fetish? Can we wonder, as we see it, at any perversion of ideas?

In what does the claim of the Irish landholders differ from that of the hereditary pirate or the man who has bought up a piratical business? "Because I have inherited or purchased the business of robbing merchantmen," says the pirate, "therefore respect for the rights of property must compel you to let me go on robbing ships and making sailors walk the plank until you buy me out." "Because we have inherited or purchased the privilege of appropriating to ourselves the lion's share of the produce of labor," says the landlord, "therefore you must continue to let us do it, even though poor wretches shiver with cold and faint with hunger; even though, in their poverty and misery, they are reduced to wallow with the pigs." What is the difference?

This shows a distinction that in current thought is overlooked. Property in land, like property in slaves, is essentially different from property in things that are the result of labor. Rob a man or a people of money, or goods, or cattle, and the robbery is finished there and then. The lapse of time does not, indeed, change wrong into right but it obliterates the effects of the deed.

We can neither punish nor recompense the dead. But rob a people of the land on which they must live and the robbery is continuous. It is a fresh robbery of every succeeding generation—a new robbery every year and every day; it is like the robbery which condemns to slavery the children of the slave. To apply to it the statute of limitations, to acknowledge for it the title of prescription, is not to condone the past; it is to legalize robbery in the present. The indictment which really lies against the Irish landlords is not that their ancestors robbed the ancestors of the Irish people. The indictment that truly lies is that here, now this year, they rob the Irish people. And shall we be told that there can be a vested right to continue such robbery?

This question of compensating landowners is not merely of great practical importance but its discussion brings clearly into view the principles upon which the land question in Ireland, or in any other country, can alone be justly and finally settled. Landowners have no rightful claim either to the land or to compensation for its resumption by the people, and no such rightful claim can ever be created. It would be wrong to pay the present landowners for "their" land at the expense of the people; it would likewise be wrong to sell it again to smaller holders. It would be wrong to abolish the payment of rent and to give the land to its present cultivators. In the very nature of things land can not rightfully be made individual property. The principle is absolute. The title of a peasant proprietor deserves no more respect than the title of a great territorial noble. Neither the sovereign power of Great Britain, nor the whole people of Ireland, nor the whole population of the globe, can give to an individual a valid title to a square inch of Irish soil or any other soil. The earth is an entailed estate—entailed upon all the generations of the children of men, by a deed written in the constitution of nature, a deed that no human proceedings can bar, and no prescription determine. Each succeeding generation has but a tenancy for life. Admitting that any set of men may barter away their own natural rights (and this logically involves an admission of the right of suicide), they can no more barter away the

rights of their successors than they can barter away the rights of the inhabitants of other worlds.

The only true and just solution of the problem—the only end worth aiming at—is to make all the land the common property of all the people.

To do this it is merely necessary to divert the rent which now flows to landlords into the common treasury of the whole people. It is not possible to divide up the land of Ireland so as to give each family, still less each individual, an equal share. And even if that were possible, it would not be possible to maintain equality, for old people are constantly dying and new people constantly being born. But it is possible to equally divide the rent, or what amounts to the same thing, to apply it to purposes of common benefit. This is the way, and this is the only way, in which absolute justice can be done. This is the way, and this is the only way, in which the equal right of every man, woman, and child can be acknowledged and secured. As Herbert Spencer says of it (in Social Statics, Ch. IX, sec. 8):

"Such a doctrine is consistent with the highest state of civilization; may be carried out without involving a community of goods, and need cause no very serious revolution in existing arrangements. The change required would simply be a change of landlords. Separate ownership would merge into the joint-stock ownership of the public. Instead of being in the possession of individuals, the country would be held by the great corporate body—society. Instead of leasing his acres from an isolated proprietor, the farmer would lease them from the nation. Instead of paying his rent to the agent of Sir John or His Grace, he would pay it to an agent or deputy agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure. A state of things so ordered would be in perfect harmony with the moral law. Under it, all men would be equally landlords; all men would be alike free to become tenants. * * * Clearly, therefore, on such a system the earth might be inclosed, occupied, and cultivated, in entire subordination to the law of equal freedom."

Now, it is a very easy thing to thus sweep away all private ownership of land, and convert all occupiers into tenants of the state, by appropriating rent. No complicated laws or cumbersome machinery is necessary. It is only necessary to tax land up to its full value. Do that, without any infringement of the just rights of property, and the land would become virtually the people's.

How beautifully this simple method would satisfy every economic requirement; how, freeing labor and capital from the fetters that now oppress them (for all other taxes could be easily remitted), it would enormously increase the production of wealth; how it would make distribution conform to the law of justice, dry up the springs of want and misery, elevate society from its lowest stratum, and give all their fair share in the blessing of advancing civilization, can perhaps only be fully shown by such a detailed examination of the whole social problem as I have made in Progress and Poverty which I hope will be read by all the readers of this paper, since in it I go over much ground and treat many subjects which can not be even touched upon here. Nevertheless, anyone can see that to tax land up to its full rental value would amount to precisely the same thing as to formally take possession of it, and then let it out to the highest bidders.

The youngest child of the poorest peasant has as good a right to tread the soil and breathe the air of Ireland as the eldest son of the proudest duke. Private property in land never rises from the natural perceptions of men, but springs historically from usurpation and robbery, is something so utterly absurd, so outrageously unjust, so clearly a waste of productive forces and a barrier to the most profitable use of natural opportunities, so thoroughly opposed to all sound maxims of public policy, so glaringly in the way of further progress, that it is only tolerated because the majority of men never think about it or hear it questioned. Once fairly arraign it, and it must be condemned; once call upon its advocates to exhibit its claims, and their cause is lost.

The greatest enemy of the people's cause is he who appeals to national passion and excites old hatreds. He is its best friend who does his utmost to bury them out of sight. For that action and reaction are equal and uniform is the law of the moral as of the physical world. Herein lies the far-reaching sweep of those sublime teachings that, after centuries of nominal acceptance, the so-called Christian world yet ignores, and which call on us to answer not revilings with revilings, but to meet hatred with love. "For," as say the Scriptures of the Buddhists, "Hatred never ceases by hatred at any time; hatred ceases by love; that is an old rule."

It is not with the English people that the Irish people have cause of quarrel. It is with the system that oppresses both. That is the thing to denounce; that is the thing to fight. And it is to be fought most effectually by uniting the masses against it. Proclaim the universal truth that land is of natural right common property; abandon all timid and half-way schemes which attempt to compromise between justice and injustice, and demand nothing more nor less than a full recognition of this natural right.

If the land is rightfully the landlords', then is any compulsion as to how they shall let it, or on what terms they shall part with it, a bad and dangerous precedent which naturally alarms capital and excites the solicitude of those who are concerned for good morals and social order. For, if a man may be made to part with one species of property by boycotting or agitation, why not with another? If a man's title to land is as rightful as his title to his watch, what is the difference between agitation by land league meetings and parliamentary filibustering to make him give up the one and agitation with a cocked pistol to make him give up the other.

But if it be denied that land justly is, or can be, private property, if the equal rights of the whole people to the use of the elements gratuitously furnished by nature be asserted without drawback or compromise, then the essential difference between property in land and property in things of human production is at once brought out. Then will it clearly appear not only that the denial of the right of individual property in land does not involve any menace to legitimate property rights, but that the maintenance of private property in land necessarily involves a denial of the right to all other property, and that the recognition of the claims of the landlord means a continuous robbery of capital as well as of labor.

The way to make land common property is simply to take rent for the common benefit. And to do this the easy way is to abolish one tax after another until the whole weight of taxation falls upon the value of land. When that point is reached the battle is won.

The tax upon land values or rent is in all economic respects the most perfect of taxes. No political economist will deny that it combines the maximum of certainty with the minimum of loss and cost; that, unlike taxes upon capital or exchange, or improvement, it does not check production or enhance prices or fall ultimately upon the consumer. And, in proposing to abolish all other taxes in favor of this perfect tax, the land reformers will have on their side the advantages of ideas already current.

Landowners are in numbers but an insignificant minority. And the more they protested against the injustice of having to pay all the taxes the quicker would the public mind realize, the quicker would the majority of the people come to see the landowners ought not only to pay all the taxes but a good deal more besides. Once put the question in such a way that the British workingman will realize that he pays two prices for his ale and half a dozen prices for his tobacco, because a landowner's Parliament in the time of Charles II shook off their ancient dues to the state and imposed them in indirect taxation on him; once bring to the attention of the well-to-do Englishman, who grunts as he pays his income tax, the question as to whether the landowner who draws his income from property that of natural right belongs to the whole people ought not to pay it instead of him, and it will not be long before the absurd injustice of allowing rent to be appropriated by individuals will be thoroughly understood.

Landholders as a class are not more selfish nor more selfish than any other class. And as they saw, as they must see, as the discussion progresses, that they also would be the gainers in the great social change which would abolish poverty and elevate the very lowest classes above the want, the misery, the vice, and degradation in which they are now plunged, there are many landowners who would join heartily and unreservedly in the effort to bring this change about. There is that in a great truth that can raise a human soul above mists of selfishness.

We have had free trade in land; we have had in our American farmer, owning his own acres, using his own capital, and working with his own hands, something far better than peasant proprietorship. We have had what no legislation can give the people of Great Britain, vast areas of virgin soil. We have had all of these under democratic institutions. Yet we have here social disease of precisely the same kind as that which exists in Ireland and England. And the reason is that we have had here precisely the same cause—that we have made land private property. So long as this exists our democratic institutions are in vain, our pretense of equality, but cruel irony, our public schools can but sow the seeds of discontent. So long as this exists material progress can but force the masses of our people into a harder and more hopeless slavery. Until we in some way make the land what nature intended it to be, common property, until we in some way secure to every child born among us his natural birthright, we have not established the Republic in any sense worthy of the name, and we can not establish the Republic. Its foundations are quicksand.

A LITTLE ISLAND OR A LITTLE WORLD

Imagine an island girt with ocean; imagine a little world swimming in space. Put on it, in imagination, human beings. Let them divide the land, share and share alike, as individual property. At first, while population is sparse and industrial processes rude and primitive, this will work well enough.

Turn away the eyes of the mind for a moment, let time pass, and look again. Some families will have died out, some have greatly multiplied; on the whole population will have largely increased, and even supposing there have been no important inventions or improvements in the productive arts, the increase in population, by causing the division of labor, will have made industry more complex. During this time some of these people will have been careless, generous, improvident; some will have been thrifty and grasping. Some of them will have devoted much of their powers to thinking of how they themselves and the things they see around them came to be, to inquiries and speculations as to what there is in the universe beyond their little island or their little world, to making poems, painting pictures, or writing books; to noting the differences in the rocks and trees, and shrubs and grasses; to classifying beasts and birds and fishes and insects—to the doing, in short, of all the many things which add so largely to the sum of human knowledge and human happiness, without much or any gain of wealth to the doer. Others, again, will have devoted all their energies to the extending of their possessions. What, then, shall we see, land having been all this time treated as private property? Clearly, we shall see that the primitive equality has given way to inequality. Some will have very much more than one of the original shares into which the land was divided; very many will have no land at all. Suppose that, in all things

save this, our little island or our little world is Utopia, yet inequality in the ownership of land will have produced poverty and virtual slavery.

For the people we have supposed are human beings—that is to say, in their physical natures at least they are animals who can only live on land and by aid of the products of land. They may make machines which will enable them to float on the sea or perhaps to fly in the air, but to build up and equip these machines they must have land and the products of land and must constantly come back to land. Therefore, those who own the land must be the masters of the rest. Thus, if one man has come to own all the land, he is their absolute master, even to life or death. If they can only live on the land on his terms, then they can only live on his terms, for without land they can not live. They are his absolute slaves, and so long as his ownership is acknowledged, if they want to live, they must do in everything as he wills.

If, however, the concentration of landownership has not gone so far as to make one or a very few men the owners of all the land—if there are still so many landowners that there is competition between them as well as between those who have only their labor—then the terms on which these nonlandowners can live will seem more like a free contract. But it will not be free contract. Land can yield no wealth without the application of labor; labor can produce no wealth without land. These are the two equally necessary factors of production. Yet, to say that they are equally necessary factors of production is not to say that, in the making of contracts as to how the results of production are divided, the possessors of these two meet on equal terms. For the nature of these two factors is very different. Land is a natural element; the human being must have his stomach filled every few hours. Land can exist without labor, but labor can not exist without land. If I own a piece of land, I can let it lie idle for a year or for years, and it will eat nothing. But the laborer must eat every day, and his family must eat. And so, in the making of terms between them, the landowner has an immense advantage over the laborer. It is on the side of the laborer that the intense pressure of competition comes, for in his case it is competition urged by hunger. And further than this: As population increases, as the competition for the use of the land becomes more and more intense, so are the owners of land enabled to get for the use of their land a larger and larger part of the wealth which labor exerted upon it produces. That is to say, the value of land steadily rises. Now, this steady rise in the value of land brings about a confident expectation of future increase of value, which produces among landowners all the effects of a combination to hold for higher prices. Thus there is a constant tendency to force mere laborers to take less and less or to give more and more (put it which way you please, it amounts to the same thing) of the products of their work for the opportunity to work. And thus in the very nature of things, we should see on our little island or our little world that after a time had passed, some of the people would be able to take and enjoy a superabundance of all the fruits of labor without doing any labor at all, while others would be forced to work the livelong day, for a pitiful living.

But let us introduce another element into the supposition. Let us suppose great discoveries and inventions—such as the steam engine, the power loom, the Bessemer process, the reaping machine, and the thousand and one labor-saving devices that are such a marked feature of our era. What would be the result?

Manifestly, the effect of all such discoveries and inventions is to increase the power of labor in producing wealth, to enable the same amount of wealth to be produced by less labor, or a greater amount with the same labor. But none of them lessen or can lessen the necessity for land. Until we can discover some way of making something out of nothing—and that is so far beyond our powers as to be absolutely unthinkable—there is no possible discovery or invention which can lessen the dependence of labor upon land. And, this being the case, the effect of these labor-saving devices, land being the private property of some, would simply be to increase the proportion of the wealth produced that landowners could demand for the use of their land. The ultimate effect of these discoveries and inventions would be not to benefit the laborer, but to make him more dependent.

And since we are imagining conditions, imagine labor-saving inventions to go to the farthest imaginable point, that is to say to perfection. What then? Why then the necessity for labor being done away with, all the wealth that the land could produce would go entirely to the landowners. None of it whatever could be claimed by anyone else. For the laborers there would be no use at all. If they continued to exist, it would be merely as paupers on the bounty of the landowners.

THE CIVILIZATION THAT IS POSSIBLE

In the effects upon the distribution of wealth, of making land private property, we may thus see an explanation of that paradox presented by modern progress. The perplexing phenomena of deepening want with increasing wealth, of labor rendered more dependent and helpless by the very introduction of labor-saving machinery, are the inevitable result of natural laws as fixed and certain as the law of gravitation. Private property in land is the primary cause of the monstrous inequalities which are developing in modern society. It is this, and not any miscalculation of nature in bringing into the world more mouths than she can feed, that gives rise to that tendency of wages to a minimum—that "iron law of wages" as the Germans call it—that, in spite of all advances in productive power, compels the laboring classes to the least return on which they will consent to live. It is this that produces all those phenomena that are so often attributed to the conflict of labor and capital. It is this that condemns Irish peasants to rags and hunger, that produces the pauperism of England, and the tramps of America. It is this that makes the almshouse and penitentiary the marks of what we call high civilization; that in the midst of schools and churches degrades and brutalizes men, crushes the sweetness out of womanhood, and the joy out of childhood. It is this that makes lives that might be a blessing a pain and a curse, and every year drives more and more to seek unbidden refuge in the gates of death. For, a permanent tendency to inequality once set up, all the forces of progress tend to greater and greater inequality.

All this is contrary to nature. The poverty and misery, the vice and degradation that spring from the unequal distribution of wealth, are not the results of natural law; they spring from our defiance of natural law. They are the fruits of our refusal to obey the supreme law of justice. It is because we rob the child of his birthright, because we make the bounty which the Creator intended for all the exclusive property of some, that these things come upon us, and, though advancing and advancing, we chase but the mirage.

When, lit by lightning flash or friction amid dry grasses, the consuming flames of fire first flung their lurid glow into the face of man, how must he have started back in affright? When he first stood by the shores of the sea, how must its waves have said to him, "Thus far shalt thou go, but no farther!" Yet, as he learned to use them, fire became his most useful servant, the sea his easiest highway. The most destructive element of which we know—that which for ages and ages seemed the very thunderbolt of the angry gods—is, as we are now beginning to learn, fraught for us with untold powers of usefulness. Already it enables us to annihilate space in our messages, to illuminate the night with new suns; and its uses are only beginning. And throughout all nature, as far as we can see, whatever is potent for evil is potent for good. "Dirt," said Lord Brougham, "is matter in the wrong place." And so the squalor and vice and misery that abound in the very heart of our civilization are but results of the misapplication of forces in their nature most elevating.

I doubt not that, whichever way a man may turn to inquire of nature, he will come upon adjustments which will arouse not merely his wonder but his gratitude. Yet what has most impressed me with the feeling that the laws of nature are the laws of beneficient intelligence is what I see of the social possibilities involved in the law of rent. Rent (I, of course, use the word "rent" in its economic, not in its common sense, meaning by it what is commonly called ground rent) springs from natural causes. It arises, as society develops, from the differences in natural opportunities and the differences in the distribution of population. It increases with the division of labor, with the advance of the arts, with the progress of invention. And thus, by virtue of a law impressed upon the very nature of things, has the Creator provided that the natural advance of mankind shall be an advance toward equality, an advance toward cooperation, an advance toward a social state in which not even the weakest need be crowded to the wall, in which even for the unfortunate and the cripple there may be ample provision. For this revenue, which arises from the common property, which represents not the creation of value by the individual but the creation by the community as a whole, which increases just as society develops, affords a common fund, which, properly used, tends constantly to equalize conditions, to open the largest opportunities for all, and to utterly banish want or the fear of want.

The squalid poverty that festers in the heart of our civilization, the vice and crime and degradation and ravening greed that flow from it, are the results of a treatment of land that ignores the simple law of justice, a law so clear and plain that it is universally recognized by the veriest savages. What is by nature the common birthright of all, we have made the exclusive property of individuals; what is by natural law the common fund, from which common wants should be met, we give to a few that they may lord it over their fellows. And so some are gorged while some go hungry and more is wasted than would suffice to keep all in luxury.

In this nineteenth century, among any people who have begun to utilize the forces and methods of modern production, there is no necessity for want. There is no good reason why even the poorest should not have all the comforts, all the luxuries, all the opportunities for culture, all the gratifications of refined taste that only the richest now enjoy. There is no reason why anyone should be compelled to long and monotonous labor. Did invention and discovery stop to-day, the forces of production are ample for this. What hampers production is the unnatural inequality in distribution. And, with just distribution, invention and discovery would only have begun.

Appropriate rent in the way I propose and speculative rent would be at once destroyed. The dogs in the manger who are now holding so much land they have no use for, in order to extract a high price from those who do want to use it, would be at once choked off, and land from which labor and capital are now debarred under penalty of a heavy fine would be thrown open to improvement and use. The incentive to land monopoly would be gone. Population would spread where it is now too dense, and become denser where it is now too sparse.

Appropriate rent in this way, and not only would natural opportunities be thus opened to labor and capital, but all the taxes which now weight upon production and rest upon the consumer could be abolished. The demand for labor would increase, wages would rise, every wheel of production would be set in motion.

Appropriate rent in this way, and the present expenses of government would be at once very much reduced—reduced directly

by the saving in the present cumbrous and expensive schemes of taxation, reduced indirectly by the diminution in pauperism and crime. This simplification in governmental machinery, this elevation of moral tone which would result, would make it possible for government to assume the running of railroads, telegraphs, and other businesses which, being in their nature monopolies, can not, as experience is showing, be safely left in the hands of private individuals and corporations. In short, losing its character as a repressive agency, government could thus gradually pass into an administrative agency of the great cooperative association—society.

Think of the enormous wastes that now go on: The waste of false revenue systems, which hamper production and bar exchange, which fine a man for erecting a building where none stood before, or for making two blades of grass grow where there was but one. The waste of unemployed labor, of idle machinery, of those periodical depressions of industry, almost as destructive as war. The waste entailed by poverty, and the vice and crime and thriftlessness and drunkenness that spring from it; the waste entailed by that greed of gain that is its shadow and which makes business in a large part but a masked war; the waste entailed by the fret and worry about the mere physical necessities of existence, to which so many of us are condemned; the waste entailed by ignorance, by cramped and undeveloped faculties, by the turning of human beings into mere machines!

Think of these enormous wastes and of the others which, like these, are due to the fundamental wrong which produces an unjust distribution of wealth and distorts the natural development of society, and you will begin to see what a higher, purer, richer civilization would be made possible by the simple measure that will assert natural rights. You will begin to see how, even if no one but the present landholders were to be considered, this would be the greatest boon that could be vouchsafed them by society, and that, for them to fight it, would be as if the dog with a tin kettle tied to his tail should snap at the hand that offered to free him. Even the greatest landlord! As for such landlords as our working farmers and homestead owners, the slightest discussion would show them that they had everything to gain by the change. But even such landholders as the Duke of Westminster and the Astors would be gainers. For it is of the very nature of injustice that it really profits no one.

This we may know certainly, this we may hold to confidently—that which is injust can really profit no one; that which is just can really harm no one. Though all other lights move and circle, this is the pole star by which we may safely steer.

THE CIVILIZATION THAT IS

This is a most highly civilized community, yet every lower window has to be barred, every door locked and bolted; even doormats, not worth 25 cents, you will see chained to the steps. Stop for a moment in a crowd and your watch is gone as if by magic; shirt studs are taken from their owner's bosoms and earrings cut from ladies' ears. Even a standing army of policemen do not prevent highway robbery; there are populous districts that to walk through after nightfall is a risk and where you have far more need to go armed and to be wary than in the backwoods. There are dens into which men are lured only to be drugged and robbed, sometimes to be murdered. All the resources of science and inventive genius are exhausted in making burglar-proof strong rooms and safes, yet, as the steel plate becomes thicker and harder, so does the burglar's tool become keener. What sort of a civilization is this? In what does civilization essentially consist if not in civility—that is to say, in respect for the rights of person and property?

Yet this is not all nor the worst. These are but the grosser forms of that spirit that in the midst of civilization compels everyone to stand on guard. What is the maxim of business intercourse among the most highly respectable classes? That if you are swindled it will be your own fault; that you must treat every man you have dealings with as though he but wanted the chance to cheat and rob you. Caveat emptor! "Let the buyer beware." If a man steal a few dollars, he may stand a chance of going to the penitentiary. I read the other day of a man who was sent to the penitentiary for stealing 4 cents from a horse-car company. But if he steal a million by business methods, he is courted and flattered, even though he steal the poor little savings which washerwomen and sewing girls have brought to him in trust, even though he rob widows and orphans of the security which dead men have struggled and stinted to provide.

This is a most Christian city. There are churches and churches. All sorts of churches, where are preached all sorts of religions, save that which in Galilee taught the errant socialistic doctrine that it is easier for a camel to pass through the eye of a needle than for a rich man to enter the kingdom of God; all save that which in Jerusalem drove the money changers from the temple. Churches restful to the very eye, in which the weary and heavy laden can join in the worship of their Creator for no larger admission fee than it costs on the Bowery to see the bearded lady or the Zulu giant eight feet high. And then there are mission churches, run expressly for poor people, where it does not cost a cent. There are, in fact, more churches than there are people who care to attend them. And there are likewise Sunday schools and big religious "book concerns," and tract societies, and societies for spreading the light of the Gospel among the heathen in foreign parts.

Yet, land a heathen on the Battery with money in his pocket, and he will be robbed of the last cent of it before he is a day older. "By their fruits shall ye know them." I wonder whether they who send missionaries to the heathen ever read the daily papers. I think I could take a file of these newspapers, and from their daily chroniclings match anything that could be told in the same period of any heathen community—at least, of any heathen community in a like state of peace and prosperity.

I do not say that such things are because of civilization, or because of Christianity. On the contrary, I point to them as inconsistent with civilization, as incompatible with Christianity. They show that our civilization is one-sided and can not last as at present based; they show that our so-called Christian communities are not Christian at all. I believe a civilization is possible in which all could be civilized—in which such things would be impossible. But it must be a civilization based on justice and acknowledging the equal rights of all to natural opportunities. I believe that there is in true Christianity a power to regenerate the world. But it must be a Christianity that attacks vested wrongs, not that spurious thing that defends them. The religion which allies itself with injustice to preach down the natural aspirations of the masses is worse than atheism.

TRUE CONSERVATISM

I do not appeal to prejudice and passion; I appeal to intelligence. I do not incite to strife; I seek to prevent strife.

That the civilized world is on the verge of the most tremendous struggle, which, according to the frankness and sagacity with which it is met, will be a struggle of ideas or a struggle of actual physical force, calling upon all the potent agencies of destruction which modern invention has discovered, every sign of the times portends. The voices that proclaim the eve of revolution are in the air. Steam and electricity are not merely transporting goods and carrying messages. They are everywhere changing social and industrial organization; they are everywhere stimulating thought, and arousing new hopes and fears and desires and passions; they are everywhere breaking down the barriers that have separated men, and integrating nations into one vast organism, through which the same pulses throb and the same nerves tingle.

It is not true conservation which cries "Peace! peace!" when there is no peace, which, like the ostrich, sticks his head in the sand and fancies himself secure; which would compromise matters by putting more coal in the furnace and hanging heavier weights on the safety valves. That alone is true conservatism which would look facts in the face, which would reconcile opposing forces on the only basis on which reconciliation is possible—that of justice.

In any matter in which they are interested, the little finger of the great corporations is thicker than the loins of the people. Is it sovereign States or is it railroad corporations that are really represented in the elective Senate which we have substituted for a hereditary House of Lords? Where is the count or marquis or duke in Europe who wields such power as is wielded by such simple citizens as our Stanfords, Goulds, and Vanderbilts? What does legal equality amount to, when the fortunes of some citizens can only be estimated in hundreds of millions and other citizens have nothing? What does the suffrage amount to when, under threat of discharge from employment, citizens can be forced to vote as their employers dictate, when votes can be bought on election day for a few dollars apiece? If there are citizens so dependent that they must vote as their employers wish, so poor that a few dollars on election day seem to them more than any higher consideration, then giving them votes simply adds to the political power of wealth and universal suffrage becomes the surest basis for the establishment of tyranny.

Even if universal history did not teach the lesson, it is in the United States already becoming very evident that political equality can only continue to exist upon a basis of social equality; that where the disparity in the distribution of wealth increases, political democracy only makes easier the concentration of power and must inevitably lead to tyranny and anarchy. And it is already evident that there is nothing in political democracy, nothing in popular education, nothing in any of our American institutions, to prevent the most enormous disparity in the distribution of wealth. Nowhere in the world are such great fortunes growing up as in the United States. Considering that the average income of the working masses of our people is only a few hundred dollars a year, a fortune of a million dollars is a monstrous thing—a more monstrous and dangerous thing under a democratic government than anywhere else.

Social development is in accordance with certain immutable laws. And the law of development, whether it be the development of a solar system, of the tiniest organism, or of a human society, is the law of integration. It is in obedience to this law—a law evidently as all-compelling as the law of gravitation—that these new agencies, which so powerfully stimulate social growth, tend to the specialization and interdependence of industry. It is in obedience to this law that the factory is superseding the independent mechanic, the large farm is swallowing up the little one, the big store shutting up the small one, that corporations are arising that dwarf the State, and that population tends more and more to concentrate in cities. Men must work together in larger and in more closely related groups. Production must be on a greater scale. The only question is, whether the relation in which men are thus drawn together and compelled to act together shall be the natural relation of interdependence in equality, or in the unnatural relation of dependence upon a master. If the one, then may civilization advance in what is evidently the natural order, each step leading to a higher step. If the other, then what nature has intended as a blessing becomes a curse, and a condition of inequality is produced which will inevitably destroy civilization. Every new invention but hastens the catastrophe.

Now, all this we may deduce from natural laws as fixed and certain as the law of gravitation. And all this we may see going

on to-day. This is the reason why modern progress, great as it has been, fails to relieve poverty; this is the secret of the increasing discontent which pervades every civilized country. Under present conditions, with land treated as private property, material progress is developing two diverse tendencies, two opposing currents. On the one side the tendency of increasing population and of all improvement in the arts of production is to build up enormous fortunes, to wipe out the intermediate classes, and to crowd down the masses to a level of lower wages and greater dependence. On the other hand, by bringing men closer together, by stimulating thought, by creating new wants, by arousing new ambitions, the tendency of modern progress is to make the masses discontented with their condition, to feel bitterly its injustice. The result can be predicted just as certainly as the result can be predicted when two trains are rushing toward each other on the same track.

This thing is absolutely certain. Private property in land blocks the way of advancing civilization. The two can not long co-exist. Either private property in land must be abolished or, as has happened again and again in the history of mankind, civilization must again turn back in anarchy and bloodshed. It is not conservatism which would ignore such a tremendous fact. It is the blindness that invites destruction. He that is truly conservative let him look the facts in the face; let him speak frankly and dispassionately. This is the duty of the hour. For when a great social question presses for settlement it is only for a little while that the voice of reason can be heard. The masses of men hardly think at any time. It is difficult even in sober moments to get them to calmly reason. But when passion is roused then they are like a herd of stampeded bulls. I do not fear that present social adjustments can continue. That is impossible. What I fear is that the dams may hold till the flood rises to fury. What I fear is that dogged resistance on the one side may kindle a passionate sense of wrong on the other. What I fear are the demagogues and the accidents.

The present condition of all civilized countries is that of increasingly unstable equilibrium. In steam and electricity, and all the countless investigations which they typify, mighty forces have entered the world. If rightly used, they are our servants, more potent to do our bidding than the genii of Arabian story. If wrongly used, they, too, must turn to monsters of destruction. They require, and will compel, great social changes. That we may already see. Operating under social institutions which are based on natural justice, which acknowledge the equal rights of all to the material opportunities of nature, their elevating power will be equally exerted and industrial organization will pass naturally into that of vast cooperative society. Operating under social institutions which deny natural justice by treating land as private property their power is unequally exerted, and tends, by producing inequality, to engender forces that will tear and rend and shatter. The old bottles can not hold the new wine. This is the ferment which throughout the civilized world is everywhere beginning.

"IN HOC SIGNO VINCES"

The Irish land question is not a mere local question; it is a universal question. It involves the great problem of the distribution of wealth which is everywhere forcing itself upon attention.

It can not be settled by measures which in their nature can have but local application. It can only be settled by measures which in their nature will apply everywhere as readily as in Ireland.

What I urge the men of Ireland to do is to proclaim, without limitation or evasion, that the land, of natural right, is the common property of the whole people and to propose practical measures which will recognize this right everywhere.

Ask not for Ireland mere charity or sympathy. Let her call be the call of fraternity: "For yourselves, O brothers, as well as for us!" Let her rallying cry awake all who slumber, and rouse to a common struggle all who are oppressed. Let it breathe not old hates; let it ring and echo with the new hope!

In many lands her sons are true to her; under many skies her daughters burn with love of her. Lo! The ages bring their opportunity. Let those who would honor her carry her banner to the front!

The harp and the shamrock, the golden sunburst on the field of living green; emblems of a country without nationality; standard of a people down-trodden and oppressed! The hour has come when they may lead the van of the great world struggle. Types of harmony and of ever-springing hope, of light and of life! The hour has come when they may stand for something far higher than local patriotism; something grander than national independence. The hour has come when they may stand forth to speak the world's hope to lead the world's advance.

Torn away by pirates, tending in a strange land a heathen master's swine, the slave boy with the spirit of Christ in his heart, praying in the snow for those who had enslaved him, and returning to bring to his oppressors the message of the Gospel, returning with good to give where evil had been received, to kindle in the darkness a great light—this is Ireland's patron saint. In his spirit let Ireland's struggles be. Not merely through Irish vales and hamlets, but into England, into Scotland, into Wales, wherever the English tongue is spoken, let the torch be carried and the word be preached. And beyond! The brotherhood of man stops not with differences of speech any more than with sea or mountain chains. A century ago it was ours to speak the ringing word. Then it was France's. Now it may be Ireland's, if her sons be true. And the agitation must spread to this side of the Atlantic. The republic, the true republic is not yet here. But her birth struggle must soon begin. Already with the hope of her, men's thoughts are stirring.

Not a republic of landlords and peasants; not a republic of millionaires and tramps; not a republic in which some are masters and some serve. But a republic of equal citizens, where competition becomes cooperation, and the interdependence of all gives true independence to each; where moral progress goes hand-in-hand with intellectual progress, and material progress elevates and enfranchises even the poorest and weakest and lowliest.

And the gospel of deliverance, let us not forget it; it is the gospel of love, not of hate. He whom it emancipates will know neither Jew nor Gentile, nor Irishman nor Englishman, nor German nor Frenchman, nor European nor American, nor difference of color nor of race, nor animosities of class nor condition. Let us set our feet on old prejudices, let us bury the old hates. There have been "holy alliances" of kings. Let us strive for the Holy Alliance of the people.

Liberty, equality, fraternity! Write them on the banners. Let them be for sign and countersign. Without equality, liberty can not be; without fraternity, neither equality nor liberty can be achieved.

Liberty—the full freedom of each bounded only by the equal freedom of every other.

Equality—the equal right of each to the use and enjoyment of all natural opportunities; to all the esentials of happy, healthful, human life!

Fraternity—that sympathy which links together those who struggle in a noble cause; that would live and let live; that would help as well as be helped; that, in seeking the good of all, finds the highest good of each!

"By this sign shall ye conquer!"

"We hold these truths to be self-evident: That all men are created equal; that they are endowed by the Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness!"

It is over a century since these words rang out. It is time to give them their full, true meaning. Let the standard be lifted that all may see it; let the advance be sounded that all may hear it. Let those who would fall back, fall back. Let those who would oppose, oppose. Everywhere are those who will rally. The stars in their courses fight against Sisera!

HENRY GEORGE.

VETERANS' ADMINISTRATION

Mr. GORE. Mr. President, I ask leave to have printed in the RECORD a letter relative to the Veterans' Administration, by J. H. Stolpher, general counsel and chairman of the national executive committee, American Veterans of All Wars, of Muskogee, Okla.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MUSKOGEE, OKLA., *April 4, 1932.*

Hon. THOMAS PRYOR GORE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your valued letter of March 30, 1932, requesting my views concerning your bill S. 3062. I am glad to get your letter and beg to reply to the same as follows:

Your bill S. 3062 should be passed. It should have been law long ago. It is imperatively needed, will correct a great injustice to the totally and permanently disabled veterans, and will eliminate inefficiency in the Veterans' Administration, central and regional offices. My reasons for the above statement are as follows:

1. Your bill S. 3062 provides the correction of only one abuse of the many existing in the Veterans' Administration; it provides that where a veteran or his attorney has filed a claim for insurance that the Veterans' Administration should act with some speed, with some concern for the welfare of the disabled veteran, and if it has neglected its action, if it has delayed beyond six months, that the delay should be taken as a denial for that what it is and the courts should have a right to pass judgment on the case. Please ask the Senate Finance Committee to tell the country what is wrong with such a proposition.

Hon. Dan Nelson, of Oklahoma City, Okla., sends me a list of 49 veterans in whose cases the Veterans' Administration has kept their claims for over a year and no action has been taken. Some of these veterans have already passed beyond, where the Senate Finance Committee has no jurisdiction and where the Veterans' Administration can no longer reach them, to stand before the throne of the Almighty and pray that the surviving veterans get a fair, square deal—and your bill S. 3062 merely stops inefficiency and carelessness and gives the disabled veterans a square deal.

You state in the above-cited letter of yours that there seems to be a feeling in the Senate Finance Committee that if a presumptive disagreement should be created that the veteran would delay giving the Veterans' Administration his evidence and the six months would pass away before the Veterans' Administration would get the proof of his claim and the veteran would then go to court. Senator, the Senate Finance Committee has some real, real lawyers on its membership and a good many very wise men who are well acquainted with the functions of the Veterans' Administration, and such do know that the Veterans' Administration has a complete file of everything pertaining to the life history, disabilities, and treatment of every disabled veteran from the time he was discharged from military service to the present moment. Every disabled veteran—and please bear in mind that your bill concerns only disabled veterans; more than that, your bill concerns only such veterans who are permanently and totally dis-

abled, for to recover his insurance a veteran must first be a totally and also a permanently disabled person. Such veterans have died by the thousands, and the Veterans' Administration has the record of their whole life, and it is complete, including burial certificate. What other evidence do they need?

Senator, when the Veterans' Administration says they would not be able to get the evidence from the veteran, it is merely throwing dust in the record. They have all the evidence they need, and they have had for 14 years; it has been in their custody, kept away from the veteran; it is complete, what more do they want or what more can they need?

If you will allow me, I desire to quote you from the highest authority of the Veterans' Administration, the man to whom we veterans will finally check up all responsibility, Herbert Hoover, President of the United States. He said, "In this problem we are dealing with sick and disabled veterans, except for some marginal cases, the Government has long since generously provided for the men whose disabilities arise from the war itself." Senator, is it generously providing, when it refuses and tries to get a generous Congress to deny the disabled veteran his right to be heard in court?

Now, suppose, for the sake of argument, I will adopt the plea of the Veterans' Administration and say that, very well, the veteran has neglected to furnish evidence, although the evidence is in the possession of the Veterans' Administration and has been there for 14 years, and has filed his case in court, what harm is there done? None if the administration decides it wishes to pay off, the case can always be dismissed. No harm is done. Senator, the Veterans' Administration has stated its views on this matter in a letter by General Hines to Senator SMOOT, dated February 27, 1932, in reporting against a similar proposition to McGILL'S S. 2440. What do they say? What is General Hines's argument? Absolutely irrelevant and immaterial. He says, "It is the opinion of the Administrator of Veterans' Affairs that the Veterans' Administration should be given the opportunity to complete the adjudication of claims before the claimant is permitted to file suit." Very well, give them the opportunity, but does this opportunity mean a license for endless neglect? What your bill does is given them, who have in their files all and every particle of evidence needed, six months. They only need about 24 hours. How long should you give them? General Hines's letter is a plea for inefficiency, a plea for cruelty, for men die before the Veterans' Administration acts. You are a lawyer. What would you say if somebody would come to you with a proposition that the code of civil procedure of the United States should be amended so as to give a defendant the right to decide for himself whether to plead or not to plead to the plaintiff's complaint or petition, and when to do so, in the courts of the United States? And that is exactly what the Veterans' Administration is asking when it says to the Senate, Do not put a time limit upon our duty to disabled veterans, do not make us work, do not expect any efficiency from us. There can be no other meaning to General Hine's opposition to giving the veteran his right to be heard in court without delay or neglect.

Senator, in the words of a great American judge, Robert L. Williams, United States district judge for the eastern district of Oklahoma, "The Veterans' Administration is a public agency, it is a public servant, it should help the veteran and not quibble on every little thing."

See the attitude of another great American, a Senator—Senator CUTTING, of New Mexico—God bless him; what does he say?

"For the last 11 years I have been spending most of my time fighting the battles of the disabled veterans of the late war. I believe that I owe them a duty more sacred than that concerned with any personal affection or political loyalty."

Now, Senator, does not the Veterans' Administration owe a duty to the veteran? Why are they placing every obstruction in his way? Your bill, S. 3062; the McGill bill, S. 3591; the Shortridge bill, S. 2185 are just bills and should be passed as a just act to the veterans. Why does the Veterans' Administration obstruct all these bills? Why is the Veterans' Administration against every legislative act that is in the interest of the veteran?

I can take issue with them when they at least stand by the truth; but when they depart from the truth I am merely hoping that a change in the White House will bring a change and relief in the Veterans' Administration. Just listen to this:

We had on March 16, 1932, a hearing before the Senate finance subcommittee on the identical question of your bill, by McGILL; also whether the courts should be reopened for veterans who have not filed their claims, either with the Veterans' Administration or the courts; and, what do you think I found?—That General Hines cites the Senate the provision in the act approved July 3, 1930, which provides that cases can be brought within six years after the date on which the claim upon which the case is based accrued. General Hines: "It would not appear that any undue hardship would result in the enforcement of the uniform period of six years," letter to Senator SMOOT, February 8, 1932.

From the above you would think that we still have six years in which to bring suit; but General Hines is silent and does not say that all of these cases have accrued mostly in 1918 and 1919, and six years from 1918 end in 1924, and from 1919 in 1925. So the six years are dead and gone. General Hines's letter is so misleading that it has misled such a good friend to the veterans, Senator WALSH of Massachusetts; he actually believed that the 6-year limit is still in force.

Senator, read the hearing before Senate Finance Committee on McGILL'S bills, S. 2324, S. 2440, and S. 3591, and you will get an idea how much the veteran needs relief. We trust the veterans' friends in Congress will be alert and will not allow themselves to be misled by any source, no matter how high it may be.

Thanking you for giving us the opportunity of acquainting you with our views and giving you the veterans' side.

Very respectfully,

J. H. STOLPER,
General Counsel and Chairman National Executive Committee, American Veterans of All Wars.

NATIONAL PROGRAM OF ECONOMY

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 194) submitted by Mr. BYRNES on April 6, 1932, as follows:

Resolved, That the President of the United States be, and he is hereby, requested to transmit to the Congress his recommendations as to—

(1) What specific items of appropriation heretofore recommended by him for the fiscal year 1933 can be reduced by the Congress;

(2) What specific existing laws require the carrying on of functions not absolutely essential for the present;

(3) What specific departments, bureaus, or independent establishments of the Government should be merged or consolidated; and

(4) What specific legislation should be enacted to establish a complete national program of economy.

Mr. BYRNES. I do not ask at this time for the present consideration of the resolution, but I request that it remain on the table.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

STOCK SALES TAX PROTESTS

Mr. FESS. Mr. President, out of order, I wish to make a statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator will proceed.

Mr. FESS. Our mails are filled this morning with protests of various kinds and especially with reference to one provision which is contained in the House tax bill.

These letters protesting against the stock sales tax come from thoughtful people in my State, and are of a type that really ought to have personal attention. I have increased my office force in the effort to take care of the additional mail, but this morning I think about 500 letters came in protesting against the proposed tax on stock sales. While the letters do not all run in the same vein, they make specific objection to it, stating why the writers can not afford to accept this additional burden.

I answer such of these letters as I can get to to the effect that no tax legislation will be pleasing to the taxpayer and no reduction of any expenditure of the Government will be pleasing to the ones who are affected. Our problem, however, is to balance the Budget, and to this end we must proceed in both directions, reducing the expenditures of the Government on the one hand and adding additional taxes on the other. The very best we can do is to meet the requirements of the situation without much regard as to whether or not the action taken will be pleasing to the individual.

It is simply a physical impossibility for my office to answer all these letters; and, as I have said, most of them deserve answers; so I have taken this occasion to make this statement in order that my friends in Ohio will understand why they do not receive personal answers when they may expect to get them.

Mr. JOHNSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Ohio yield to the Senator from California?

Mr. FESS. I yield.

Mr. JOHNSON. We are all in a similar situation to that which has been suggested by the Senator from Ohio. I was going to put to him a query as to whether we could not en masse answer all the telegrams and letters which have come to us in such plentitude by adopting a resolution in which we declare unanimously that we are going to pass a tax bill that will be just and equitable to everybody. [Laughter.]

Mr. FESS. To the best of our ability.

PERSONAL EXPLANATION

Mr. FLETCHER. Mr. President, I should like to make a brief statement.

On January 25, while calling attention of the Senate to the necessity for monetary reform, I had inserted in the RECORD certain letters received that apparently dealt with the main subject then under discussion.

One of these letters, while partially dealing with the subject in which I am interested, was largely made up of alleged charges against better-business bureaus. These charges and the controversies behind and growing out of them are entirely apart from the subject of monetary reform, and had not been investigated by me nor am I particularly interested, one way or another, in them.

It has, however, been called to my attention that reproductions have been made of an excerpt from the CONGRESSIONAL RECORD of January 25, which is in fact only part of the particular letter I had inserted. These reproductions do not indicate that it was an excerpt from the letter addressed to me, but rather tend to create the impression that the charges were made by me.

My purpose in making these remarks is to clarify and, I hope, conclude the controversy in so far as I am concerned.

PROPOSED ELIMINATION OF TARIFF ITEMS FROM TAX BILL

Mr. TYDINGS. Mr. President, a number of Senators have asked me if I intended to press the resolution which is upon the table directing the Finance Committee to strike from the pending tax bill all tariff matters. It is not my intention to ask for the consideration of the resolution to-day.

Mr. ASHURST. Mr. President, I am pleased that the Senator from Maryland is withholding action, if only temporarily, on his resolution, which would ask the Senate Committee on Finance to evade instead of performing a plain duty.

I have a vast deal of respect for the opinions of the Senator from Maryland, and I particularly respect his opinions on questions of law. I assume that, as a lawyer, he is of the opinion that the Senate has no authority under the Constitution to add a tariff item to a tax bill. I assume that that is the purpose of the Senator's resolution, because I need not resort to the unseemly procedure of saying that we are trying to raise money by way of taxes, and, inasmuch as the purpose of the pending tax bill is to raise revenue, I am sure the Senator would not willfully and willingly resist and reject the opportunity to collect some fifteen million to twenty million dollars annually from a tariff on copper. Lest, however, the Senator has omitted to read the case, I desire to quote from Two hundred and twentieth United States Reports, Flint against Stone Tracy Co., where the converse of this very proposition was considered by the Supreme Court. Mr. Justice Day delivered the opinion of the court:

> These cases involve the constitutionality, section 38 of the act of Congress approved August 5, 1909, known as the corporation tax law.

I may say that one of the principal grounds upon which the act was assailed was that it contained a tax as distinguished from a tariff. The Supreme Court said:

> It is contended, in the first place, that this section of the act is unconstitutional, because it is a revenue measure, and originated in the Senate in violation of section 7 of Article I of the Constitution, providing that "all bills for the raising of revenue shall originate in the House of Representatives, but the Senate may propose or concur with amendments as on other bills." The history of the act is contained in the Government's brief, and is accepted as correct, no objection being made to its accuracy.
>
> This statement shows that the tariff bill, of which the section under consideration is a part, originated in the House of Representatives and was there a general bill for the collection of revenue. As originally introduced, it contained a plan of inheritance taxation. In the Senate the proposed tax was removed from the bill and the corporation tax, in a measure, substituted therefor. The bill having properly originated in the House, we perceive no reason in the constitutional provision relied upon why it may not be amended in the Senate in the manner it was in this case.

I read no farther.

Mr. President, the tax bill contains tariff items. The tax bill contains the item of a tariff upon oil and the item of a tariff upon coal. Whatever other provisions it may contain, it contains a tariff, sent to us under the Constitution by the House of Representatives; and to my mind it is shocking to think that the able Senator and lawyer from Maryland would therefore ask the Senate to instruct the Committee on Finance to refuse to consider tariff items.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. TYDINGS. I had not in mind the point which the Senator has brought out. My idea in introducing the resolution was that the country wants the Budget balanced quickly so that confidence in government will be restored, and the sooner the tax bill is passed the more quickly the revenue will come into the Treasury with which to pay the appropriations made and to care for the pending deficit.

Assuming that the tax bill raises $1,200,000,000 a year, and that of that amount about $300,000,000 is in the form of additional income and corporation taxes, the other $900,000,000 is raised largely through excise taxes. Each day that we postpone the passage of the tax bill means a loss of approximately $3,000,000 of income to the Government. My idea, therefore, in offering the resolution was to get the money to meet the appropriations which we have made; and it was with the fear that the tariff provisions now in the bill and other tariff amendments likely to be offered will cause long delays. Each day of delay would cost the Treasury nearly $3,000,000 in anticipated revenue. If the delay extended to six months, we would lose roughly a half billion dollars. Of course, then, the tax bill would be inadequate to make up the deficit.

It was not to pass upon the merits of the Senator's claim for a tariff on copper, but to have those things considered separately, that nothing be allowed to interfere with balancing the Budget at this critical time.

The PRESIDING OFFICER. May the Chair call the attention of the Senator from Arizona to the fact that the resolution to which he refers having gone over, this debate is out of order. The morning business is closed. The calendar under Rule VIII is in order.

Mr. ASHURST. I thank the Chair.

THE CALENDAR

Mr. McNARY. Mr. President, there has not been a call of the calendar for a month. I ask unanimous consent that we proceed with the consideration of the calendar of unobjected bills under Rule VIII.

The PRESIDING OFFICER. Is there objection?

Mr. FLETCHER. I do not see why we should not proceed under Rule VIII. Is there any reason why we should not? It practically amounts to the same thing.

Mr. McNARY. Rule VIII limits speeches to only five minutes.

Mr. FLETCHER. Yes.

Mr. McNARY. The calendar is a long one, and we have only a short time. It will be conducive to progress to consider only unobjected bills.

Mr. FLETCHER. I do not see why we should not proceed under Rule VIII.

Mr. McNARY. Let me state to the Senator that I asked unanimous consent to proceed with the consideration of unobjected bills under Rule VIII.

Mr. FLETCHER. Unobjected bills; yes. That is the thing I object to. That leaves it in the power of any Senator to have a bill passed over.

Mr. McNARY. Otherwise, we would not proceed far on the calendar before some Senator would move to take up a bill, and its consideration would last until 2 o'clock. This is only to expedite matters, and to consider as many as possible of the measures on the calendar.

Mr. FLETCHER. I shall not object; but I want to get to the calendar sometime when we can make motions to take up bills. It is all right to limit debate to five minutes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider unobjected bills on the calendar only, debate being limited to five minutes.

The bill (S. 88) to authorize the Postmaster General to investigate the conditions of the lease of the post-office

garage in Boston, Mass., and to readjust the terms thereof, was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 268) to amend subdivision (c) of section 4 of the immigration act of 1924, as amended, was announced as next in order.

Mr. JOHNSON. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

MAILING OF UNSOLICITED MERCHANDISE

The Senate proceeded to consider the bill (S. 1663) to prohibit the sending of unsolicited merchandise through the mails.

The PRESIDING OFFICER. There is pending an amendment offered by the Senator from Maryland [Mr. GOLDSBOROUGH], which will be stated.

The CHIEF CLERK. On page 1, line 7, it is proposed to insert:

Except any religious, charitable, or eleemosynary society or institution: *Provided*, That the Postmaster General may provide by suitable regulations for the submission of applications by any such religious, charitable, or eleemosynary society or institution, accompanied with satisfactory evidence of its bona fides, for the privilege of sending through the mails unsolicited merchandise bearing the pledge of the sender to pay the return postage if undeliverable or refused.

Mr. HAYDEN. Mr. President, I have conferred with the Senator from Maryland on this matter, and I am very glad to accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. WAGNER. I ask that the bill may go over.

The PRESIDING OFFICER. The bill will be passed over, as amended.

MARY WILLOUGHBY OSTERHAUS

The Senate proceeded to consider the bill (S. 209) granting an increase of pension to Mary Willoughby Osterhaus, which had been reported from the Committee on Pensions with an amendment, on page 1, line 8, after the words "rate of," to strike out "$100" and insert "$75," so as to make the bill read:

Be it enacted, etc., That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Mary Willoughby Osterhaus, widow of Rear Admiral Hugo Osterhaus, late of the United States Navy, and pay her a pension at the rate of $75 per month in lieu of that she is now receiving.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CALL OF THE ROLL

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum. I am afraid there are Senators interested in the calendar who are not here.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cousens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bailey	Dale	Kendrick	Shipstead
Bankhead	Dickinson	Keyes	Shortridge
Barbour	Dill	King	Smoot
Bingham	Fess	Lewis	Steiwer
Black	Fletcher	Long	Thomas, Idaho
Blaine	Frazier	McGill	Thomas, Okla.
Borah	George	McKellar	Townsend
Bratton	Glass	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Bulkley	Goldsborough	Morrison	Vandenberg
Bulow	Gore	Neely	Wagner
Byrnes	Hale	Norbeck	Walcott
Capper	Harrison	Norris	Walsh, Mont.
Caraway	Hatfield	Nye	Watson
Carey	Hayden	Oddie	Wheeler
Connally	Hebert	Pittman	White
Coolidge	Howell	Reed	
Copeland	Hull	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present. The clerk will state the next bill on the calendar.

BILLS, ETC., PASSED OVER

The bill (S. 2642) to establish a commission to be known as a Commission on a National Museum of Engineering and Industry was announced as next in order.

Mr. COPELAND. I ask that the bill may go over without prejudice.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 76) authorizing the President to reorganize the executive agencies of the Government was announced as next in order.

Mr. JOHNSON. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1856) to provide for the relief of farmers in any State by the making of loans to drainage districts, levee districts, levee and drainage districts, irrigation, and/or similar districts other than Federal reclamation projects, or to counties, boards of supervisors, and/or other political subdivisions and legal entities, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 36) to change the name of the island of "Porto Rico" to "Puerto Rico" was announced as next in order.

Mr. TRAMMELL. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

OTTO SCHLUTER

The bill (S. 2060) for the relief of Otto Schluter was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy Otto Schluter shall be held and considered to have been honorably discharged as a quartermaster, first class, United States Navy, on February 15, 1930: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of this act prior to its passage.

ROSCOE MEADOWS

The bill (S. 2375) for the relief of Roscoe Meadows was announced as next in order.

Mr. REED. Mr. President, we have had a number of those cases in the Military Affairs Committee, coming up from the Army, in which Army officers who were in the Regular Establishment find that they can get more money by having a special act passed to put them in the temporary forces retroactively; that is to say, an act of Congress which declares something to be a fact which was not a fact. We have set our faces against any such legislation, or against efforts to switch men from the temporary forces to the regular forces. It seems to me that the Naval Affairs Committee ought to follow the same policy; and in the absence of the chairman of the committee I shall have to object.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

BILL PASSED OVER

The bill (S. 2914) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CREDIT UNIONS IN THE DISTRICT

The Senate proceeded to consider the bill (S. 1153) to provide for the incorporation of credit unions within the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

Mr. DICKINSON. Mr. President, I have been objecting to the consideration of this bill on the theory that there ought to be some amendments. I have reached an arrangement with the chairman of the committee [Mr. CAPPER] and with the junior Senator from Wisconsin [Mr. BLAINE]

with reference to the proposed amendments which I now send to the desk.

The PRESIDING OFFICER. The amendments of the committee will be stated.

Mr. DICKINSON. Mr. President, all of these amendments have reference to the same subject, which is a matter of procedure. I ask that they be submitted in gross.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON. Mr. President, that is a procedure that I can not concede.

The PRESIDING OFFICER. Objection is made. The amendments will be stated separately.

Mr. JOHNSON. I have no objection to the bill, nor to the amendments; but the procedure is one that I can not adopt.

The first amendment was to strike out section 4 and in lieu thereof to insert:

SEC. 4. The organization certificate shall be presented to the Commissioners of the District of Columbia, who may, in their discretion, approve the certificate. The said commissioners are hereby authorized to refer any such proposed certificate to the Comptroller of the Currency, who shall, within a reasonable time, submit a report to the said commissioners with respect (1) to the conformity of the certificate to the provisions of this act (2) the general character and fitness of the subscribers, and (3) the advisability of establishing a credit union in the proposed field of membership.

The amendment was agreed to.

The next amendment was, on page 4, line 13, after the word "unions," to insert "*Provided, however*, That the publication of reports named in section 713 shall not be required of credit unions having assets of less than $100,000 and fees incident to making the examination specified in section 714 shall not exceed a basic fee of $5 and 3 cents per $1,000 of assets per annum," and in line 22, after the words "tax of," to strike out "$50" and insert "$15," so as to read:

RECORDING CERTIFICATE

SEC. 5. The certificate, if approved by the Commissioners of the District of Columbia, shall be filed for record in the office of the recorder of deeds for the District of Columbia, and shall be recorded by him. At such time as the approved certificate is so filed, the subscribers and their successors shall thereupon become a body corporate and as such shall, subject to the limitations of section 8 (relating to approval of by-laws), be vested with all the powers and charged with all the liabilities conferred and imposed by this act upon corporations organized thereunder as credit unions: *Provided*, That the last paragraph of section 552 of the Code of Law for the District of Columbia shall have no application to credit unions.

SUPERVISION BY COMPTROLLER OF THE CURRENCY

SEC. 6. The provisions of sections 713 and 714 of the Code of Law for the District of Columbia, as now or hereafter amended (relating to supervision by the Comptroller of the Currency of banking institutions in the District of Columbia), shall apply to credit unions, except that the Comptroller of the Currency may relieve credit unions from compliance with any such requirements to such extent and in such manner as he deems will not prejudice the proper conduct of the affairs of such credit unions: *Provided, however*, That the publication of reports named in section 713 shall not be required of credit unions having assets of less than $100,000 and fees incident to making the examinations specified in section 714 shall not exceed a basic fee of $5 and 3 cents per $1,000 of assets per annum: *Provided, however*, That it shall be unlawful for any such credit union to transact business in the District of Columbia without procuring a license from the District of Columbia; and all such credit unions shall pay a license tax of $15 per annum to the District of Columbia. No license shall be granted for a period longer than one year: *Provided, however*, That the Commissioners of the District of Columbia may suspend or revoke a license upon proof of the bankruptcy or insolvency of any such credit union or upon conviction of a violation of any provision of this act or of any law or regulation of the District of Columbia or the United States.

The amendment was agreed to.

The CHIEF CLERK. On page 5, line 23, after the word "shares," the Senator from Iowa [Mr. DICKINSON] proposes to strike out the words "and deposits," so as to read:

POWERS

SEC. 7. A credit union shall have succession in its corporate name during its existence and shall have power—

First. To make contracts.

Second. To sue and be sued in its corporate name.

Third. To adopt and use a common seal and alter the same at pleasure.

Fourth. To purchase, hold, and dispose of property necessary to enable the corporation to carry on its operations.

Fifth. To make loans to its members for provident purposes upon such terms and conditions as the by-laws provide and as the credit committee may approve at rates of interest not exceeding 1 per cent per month on unpaid balances, inclusive of all charges incident to the making of the loan: *Provided*, That no loan to a director, officer, or member of a committee shall exceed the amount of his holdings in the company in shares, nor shall any such director, officer, or member indorse for borrowers.

The amendment was agreed to.

The next amendment was, on page 6, line 2, to strike out "busines" and to insert in lieu thereof "business," so as to read:

A borrower may prior to maturity repay his loan in whole or in part on any business day.

The amendment was agreed to.

The CHIEF CLERK. On page 6, line 3, the Senator from Iowa [Mr. DICKINSON] moves to strike out the words "the savings" and the words "either as."

The amendment was agreed to.

The CHIEF CLERK. On page 6, line 4, after the word "shares," the Senator from Iowa moves to insert a period and to strike out the words "or as deposits (including the power to conduct Christmas clubs, vacation clubs, and other such thrift organizations within the membership)."

The amendment was agreed to.

The next amendment of the committee was, on page 6, line 12, where the committee proposed to strike out the words "national banks" and to insert in lieu thereof the words "banks in the District of Columbia under the supervision of the Comptroller of the Currency," so as to read:

Seventh. To invest in the paid-up shares of building and loan associations and of other credit unions to an extent not to exceed 25 per cent of its capital, and in any investment legal for savings banks or for trust funds in the District of Columbia.

Eighth. To make deposits in banks in the District of Columbia under the supervision of the Comptroller of the Currency.

The CHIEF CLERK. The Senator from Iowa [Mr. DICKINSON] offers an amendment to the committee amendment, on line 12, after the word "banks," to insert the words "and trust companies."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 6, line 16, to strike out "50" and insert in lieu thereof "40"; on page 7, line 2, to strike out the words "deposits or"; on page 10, line 8, to strike out the words "and deposits"; on page 10, lines 20 and 21, to strike out the words "or deposits"; on page 11, line 22, after the word "qualified," to insert a colon and a new proviso, as follows, "*Provided, however*, That before the treasurer shall enter upon his duties he shall give bond, with good and sufficient security, in an amount to be determined by the board of directors, conditioned upon the faithful performance of his trust"; on page 12, line 23, after the word "shares," to strike out the words "and 30 days' notice of intention to withdraw deposits"; and on page 14, after line 6, to insert a new section, as follows:

SEC. 18. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this act.

So as to read:

Ninth. To borrow in an aggregate outstanding amount not exceeding 40 per cent of its paid-in and unimpaired capital.

Tenth. To fine members for failure to meet promptly their obligations to such corporation.

Eleventh. To impress a lien upon the shares and dividends of any member to the extent of any loan made to him and any dues or fines payable to him.

BY-LAWS

SEC. 8. (a) The incorporators shall subscribe, acknowledge, and submit to the Commissioners of the District of Columbia proposed by-laws, and no credit union shall receive payments on account of shares or make any loans until such proposed by-laws have been approved by the commissioners as being in conformity with the provisions of this act.

(b) The by-laws shall prescribe the purposes for which the corporation is formed, the qualifications for membership, the date of the annual meeting, the manner of conducting meetings, the methods by which members shall be notified of meetings and the number of members which shall constitute a quorum, the number of directors and the compensation and duties of officers, the number of members of the credit committee, the fines, if any, to be

charged for failure of members to meet promptly obligations to the corporation, the amount of the entrance fee, if any, to be paid, and such other regulations as are deemed necessary.

(c) Amendments of the by-laws may be adopted by a three-fourths vote of the members present at any members' meeting, but the amendments shall not take effect until approved by the Commissioners of the District of Columbia as being duly adopted and in conformity with the provisions of this act. The meeting shall be duly called for the purpose and the proposed amendments shall be set forth in the call.

MEMBERSHIP

SEC. 9. Credit-union membership shall consist of the incorporators and such other persons or organizations as may be elected to membership and subscribe to at least one share, pay the initial installment thereon, and the entrance fee, if any; except that credit-union membership shall be limited to groups the members of which are actual residents of or do business or are employed within the District of Columbia and either have a common bond of occupation or association or reside within a well-defined neighborhood or community.

MEMBERS' MEETINGS

SEC. 10. The fiscal year of all credit unions shall end December 31. The annual meeting of the corporation shall be held at such time during the month of January and at such place as the by-laws shall prescribe. Special meetings may be held in the manner indicated in the by-laws. No member shall be entitled to vote by proxy, but a member other than a natural person may vote through an agent delegated for the purpose. No member shall, irrespective of the number of shares held by him, have more than one vote, and after a credit union has been incorporated one year no member thereof shall be entitled to vote until he has been a member for more than three months. All offices of a credit union shall be in the District of Columbia.

MANAGEMENT

SEC. 11 (a) General: The business affairs of a credit union shall be managed by a board of not less than five directors, a credit committee of not less than three members, and a supervisory committee of three members, to be elected at the annual meeting, and to hold office for such terms, respectively, as the by-laws may provide and until successors qualify; except that prior to the first annual meeting all the business affairs of a credit union shall be managed by the subscribers to the certificate of incorporation. A record of the names and addresses of the members of the board and committees and the officers shall be filed with the Commissioners of the District of Columbia within 10 days of their election. No member of the board or of either committee shall, as such, be compensated: *Provided*, That no person shall be elected to the board or to either committee unless he be duly elected to membership as provided in section 9 of this act.

(b) Officers: At their first meeting after the annual meeting the directors shall elect from their own number a president, a vice president, a clerk, and a treasurer, who shall be the executive officers of the corporation. The offices of clerk and treasurer may be held by the same person. The duties of the officers shall be as determined in the by-laws, except that the treasurer shall be the general manager of the corporation.

(c) Directors: The board of directors shall have the general direction of the affairs of the corporation. They shall act upon application for membership; fix the amount of the surety bond required of any officer having custody of funds; recommend declaration of dividends; determine interest rates on loans: *Provided, however*, That the interest rate on loans shall not be in excess of the maximum amount fixed by the provisions of this act; fill vacancies in the board and in the credit committee until successors to be elected at the next annual meeting have qualified; have charge of investments other than loans to members; determine the maximum loans other than loans to members; determine the maximum individual share holdings and the maximum individual loan which can be made with and without security, except that no loan in excess of $50 shall be made without adequate security; and transmit to the members recommended amendments to the by-laws. For the purposes of this subdivision an assignment of shares or the indorsement of a note shall be deemed security.

(d) Credit committee: The credit committee shall hold meetings, of which due notice shall be given to its members, to consider applications for loans to members of the corporation, and no loan shall be made unless all members of the committee who are present when the application is considered and a majority of all the committee approve the loan. Applications for loans shall be on forms prepared by such committee, which shall set forth the purpose for which the loan is desired, the security, if any, and such other data as may be required.

(e) Supervisory committee: The supervisory committee shall make an examination of the affairs of the credit union at least quarterly, including an audit of its books; shall make an annual audit and report to be submitted at the annual meeting of the corporation; by a unanimous vote may suspend any officer of the corporation, or any member of the credit committee or of the board of directors until the next members' meeting, at which time the suspension shall be acted on by the members; and, by a majority vote, may call a meeting of the shareholders to consider any violation of this subchapter or of the by-laws, or any practice of the corporation deemed by the committee to be unsafe or unauthorized. The said committee shall fill vacancies in its membership until successors to be elected at the next annual meeting have qualified: *Provided, however*, That before the treasurer shall enter upon his duties he shall give bond with good and sufficient security, in an amount to be determined by the board of directors, conditioned upon the faithful performance of his trust.

RESERVES

SEC. 12. All entrance fees and fines provided by the by-laws and, before the declaration of any dividend therefrom, 20 per cent of the net earnings of each year shall be set aside as a reserve fund against bad loans, which fund shall be kept liquid and intact and not distributed except in case of liquidation.

DIVIDENDS

SEC. 13. At the annual meeting a dividend may be declared from net earnings on recommendation of the board, which dividend shall be paid on all paid-up shares outstanding at the end of the preceding fiscal year. Shares which become fully paid up during such year shall be entitled to a proportional part of said dividend calculated from the first day of the month following such payment in full.

EXPULSION AND WITHDRAWAL

SEC. 14. A member may be expelled by a two-thirds vote of the members of the corporation present at a special meeting called for such purpose, but only after an opportunity has been given him to be heard. The credit union may require 60 days' notice of intention to withdraw shares. Expulsion or withdrawal shall not operate to relieve a member from any remaining liability to the credit union. All amounts paid in on shares or deposited by expelled or withdrawing members prior to their expulsion or withdrawal shall be paid to them in the order of their withdrawal or expulsion, but only as funds become available and after deducting any amounts due from such members to the credit union.

MINORS

SEC. 15. Shares may be issued and deposits received in the name of a minor or in trust in such manner as the by-laws may provide. The name of the beneficiary shall be disclosed to the credit union.

TAXATION

SEC. 16. Credit unions, but not the members thereof, shall be exempt from Federal and District of Columbia taxation, except taxes upon real property.

RESTRICTION ON USE OF WORDS "CREDIT UNION"

SEC. 17. It shall be unlawful for any individual, partnership, association, or corporation, except corporations organized in accordance with this act, to transact business in the District of Columbia under any name or title containing the words "credit union," or to transact business at any place in the United States under any name or title containing the words "credit union" and "District of Columbia" or "Federal" or "United States" or other words indicating that the business is transacted pursuant to authority of any act of Congress. Any individual, partnership, association, or corporation violating this section shall upon conviction thereof be subject to a fine not in excess of $100 for each day during which the violation continues.

SEC. 18. Congress reserves the right to alter, amend, or repeal this act or any part thereof, or any charter or certificate of incorporation issued pursuant to the provisions of this act.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE EDWIN GODWIN

The bill (S. 1009) for the relief of George Edwin Godwin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers and sailors George Edwin Godwin shall hereafter be held and considered to have been honorably discharged from the Navy of the United States: *Provided*, That no pension shall accrue prior to the passage of this act.

FOREIGN DECORATIONS TO NAVY AND MARINE CORPS OFFICERS

The Senate proceeded to consider the bill (S. 1469) to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered, which had been reported from the Committee on Naval Affairs, with amendments, on page 1, line 7, following the colon after the word "Navy," to insert "Admiral William V. Pratt"; line 8, after the semicolon following the bracket, insert "Vice Admiral Arthur L. Willard"; on page 2, line 2, following the semicolon after the name "Sellers," insert "Rear Admiral Henry V. Butler; Rear Admiral Walter S. Crosley; Rear Admiral Frank B. Upham"; line 7, following the semicolon after the word "junior," insert "Capt. George Washington Steele"; line 14, following the semicolon after the name "Waddell," insert "Commander Willis W. Bradley, jr."; line 19, following the semicolon after the name "O'Leary," insert "Lieut. Commander Francis C. Denebrink"; line 21 and line 22, strike



out "Lieut. John B. O'Neill, Medical Corps" and insert in lieu thereof "Lieut. Ralph A. Ofstie"; on page 3, line 2, change the period to a semicolon and add "Ensign Howard F. Hozey, D-M, United States Naval Reserve," so as to make the bill read:

Be it enacted, etc., That the following-named officers of the United States Navy and Marine Corps are hereby authorized to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered: United States Navy: Admiral William V. Pratt; Admiral William B. Caperton (retired); Vice Admiral Arthur L. Willard; Rear Admiral John R. Y. Blakely; Rear Admiral Edward H. Campbell; Rear Admiral Harley H. Christy; Rear Admiral Sumner E. W. Kittelle; Rear Admiral David F. Sellers; Rear Admiral Henry V. Butler; Rear Admiral Walter S. Crosley; Rear Admiral Frank B. Upham; Rear Admiral Herbert O. Dunn (retired); Rear Admiral William C. Braisted, Medical Corps (retired); Capt. William H. Allen; Capt. Gordon W. Haines; Capt. Alfred G. Howe; Capt. Victor A. Kimberly; Capt. David M. LeBreton; Capt. Benyaurd B. Wygant; Capt. Rufus F. Zogbaum, jr.; Capt. George Washington Steele; Capt. John R. Edie (retired); Capt. Charles C. Marsh (retired); Capt. Edward T. Hoopes, Supply Corps; Capt. Norman T. McLean, Medical Corps; Commander Augustin T. Beauregard; Commander Harold M. Bemis; Commander Alfred W. Brown; Commander Milo F. Draemel; Commander Douglas W. Fuller; Commander Harold C. Train; Commander Ward W. Waddell; Commander Willis W. Bradley, jr.; Commander Harry H. Lane, Medical Corps; Commander Joseph J. A. McMullin, Medical Corps; Lieut. Commander Bernhard H. Bieri; Lieut. Commander Dallas D. Dupre; Lieut. Commander Henry J. Shields; Lieut. Commander Ralph F. Wood; Lieut. Commander Charles R. O'Leary; Lieut. Commander Francis C. Denebrink; Lieut. Harvey R. Bowes; Lieut. George H. DeBaum; Lieut. Curry E. Eason; Lieut. Ralph A. Ofstie; Lieut. Commander Schuyler F. Cumings, United States Naval Reserve; Lieut. Commander Harold B. Grow, United States Naval Reserve; Lieut. Commander Edward O. McDonnell, United States Naval Reserve; Lieut. (Junior Grade) Frank E. La Cauza, United States Naval Reserve; Ensign Howard F. Hozey, D-M, United States Naval Reserve.

United States Marine Corps: Col. George C. Thorpe (retired).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MOONEY-BILLINGS REPORT

The resolution (S. Res. 166) to print the pamphlets entitled "Draft of Mooney-Billings Report" and "Appendix Containing Official Documents," was announced as next in order.

Mr. McNARY. In the absence of the Senator from Delaware [Mr. HASTINGS] I ask that the resolution may go over.

The PRESIDING OFFICER. The resolution will be passed over.

BILLS PASSED OVER

The bill (S. 2494) to amend section 4 of the legislative, executive, and judicial appropriation act, passed and approved March 4, 1925, relating to the compensation of Members of and Delegates to Congress, which had been reported adversely from the Committee on Civil Service, was announced as next in order.

Mr. JOHNSON. Let that go over.

Mr. BORAH. Mr. President, I ask that Senate bill 2494 and Senate bill 2495, dealing with practically the same subject, a controversial matter, may go over.

The PRESIDING OFFICER. They will be passed over.

The bill (S. 3051) to reinstate Lawrence L. Myatt and Miller S. Burgin as midshipmen in the United States Naval Academy was announced as next in order.

Mr. REED. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 276) for the construction and equipment of a hospital on Crow Indian Reservation, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2987) providing for the construction and equipment of a hospital upon the Blackfeet Indian Reservation in the State of Montana was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 51) to authorize the building up of the United States Navy to the strength permitted by the Washington and London naval treaties was announced as next in order.

Mr. BLAINE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1835) granting disability allowance to Harvey Wilson, which had been reported adversely from the Committee on Finance, was announced as next in order.

Mr. JOHNSON. I ask that that, and the subsequent bills on the same page introduced by my colleague [Mr. SHORTRIDGE], may go over. My colleague is unavoidably absent.

The PRESIDING OFFICER. Senate bill 1835 will be passed over.

LANDING OF PONCE DE LEON

The bill (S. 3014) to provide for commemoration of the landing of Ponce de Leon in the State of Florida was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of commemorating the military historic events in connection with the landing of Ponce de Leon in the State of Florida the Secretary of War is authorized and directed to erect a tablet, either on ground owned or to be acquired by a municipality in the State of Florida or on approximately 1 acre of land to which the Secretary of War is authorized to accept title without cost to the United States. He is further authorized to do all matters incident to procurement and erection provided for herein, by contract or otherwise, with or without advertising, including also the engagement by contract or otherwise, without regard to section 3709, Revised Statutes (U. S. C., title 41, sec. 5), and at such rates of compensation as he may determine, of the services of architects, sculptors, artists, and other technical and professional personnel as may be necessary, or of firms, partnerships, or corporations thereof.

SEC. 2. There is hereby authorized to be appropriated the sum of $1,000, or so much thereof as may be necessary, to carry out the provisions of this act.

SEC. 3. If land is acquired by the United States under the provisions of this act, it shall be under the jurisdiction and control of the Secretary of War, and in such case he shall provide for the care and maintenance of said tablet and its site, and for this purpose shall submit an estimate with his annual estimates to Congress.

PUBLIC-SCHOOL BUILDING, COLVILLE INDIAN RESERVATION

The bill (S. 3323) to provide funds for cooperation with the school district at Nespelem, Wash., in the construction of a public-school building to be available to Indian children of the Colville Indian Reservation was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be pased over.

BILLS PASSED OVER

The bill (S. 1836) for the relief of William D. Barbee was announced as next in order.

Mr. JOHNSON. Mr. President, I ask that this bill and Senate bill 1879, Senate bill 1881, Senate bill 1884, and Senate bill 1886, the next bills on the calendar, be passed over. They are bills which were introduced by my colleague [Mr. SHORTRIDGE], who is unavoidably absent.

The PRESIDING OFFICER. Without objection, the bills referred to will be passed over.

The bill (S. 3696) to provide for cooperation by the Federal Government with the several States in relieving the hardship and suffering caused by unemployment, and for other purposes, was announced as next in order.

Mr. REED. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3377) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 9642) to authorize supplemental appropriations for emergency highway construction with a view to increasing employment was announced as next in order.

Mr. REED. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

A. C. MESSLER CO.

The Senate proceeded to consider the bill S. 439, for the relief of A. C. Messler Co., which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$16,378.68" and to insert in lieu thereof "$12,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. C. Messler Co., of Providence, R. I., the sum of $12,000 in full compensation for material furnished the Government during the late war by said company under contract dated April 17, 1918.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 2190) to amend section 300 of the World War veterans' act, 1924, as amended, reported adversely by the Committee on Finance, was announced as next in order.

Mr. JOHNSON. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 15) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes, was announced as next in order.

Mr. REED. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

NICK WAGNER

The Senate proceeded to consider the bill (S. 3440) for the relief of Nick Wagner, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$3,000" and to insert in lieu thereof "$1,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nick Wagner, of Wibaux, Mont., the sum of $1,500 in full satisfaction of his claim against the United States for damages on account of injuries sustained in a fall caused by a protruding mat on the steps leading into the post-office building at Miles City, Mont.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SCHUTTE & KOERTING CO.

The bill (S. 215) authorizing adjustment of the claim of Schutte & Koerting Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Schutte & Koerting Co., under contract NOs-2018, dated December 27, 1926, for certain experimental work in the manufacture of valves for submarines, and to allow not to exceed $7,337.10 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $7,337.10, or so much thereof as may be necessary, for payment of said claim.

LITTLE ROCK COLLEGE, LITTLE ROCK, ARK.

The bill (S. 1421) for the relief of Little Rock College, Little Rock, Ark., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to reopen and allow credit in the property accounts of the Little Rock College, Little Rock, Ark., in the sum of $1,451.41, representing certain articles of ordnance, quartermaster, and engineer property for which the said Little Rock College is held liable on reports or surveys, as follows: Nos. 7, 8, 11, 12, approved January 13, 1926, and No. 10, approved January 5, 1926.

REVIEW OF UNITED STATES DISTRICT COURT CASES

The Senate proceeded to consider the bill (S. 941) relating to the review of cases tried in the district courts of the United States without a jury, which had been reported by the Committee on the Judiciary with an amendment, on page 1, to strike out all after the enacting clause and insert the following:

That section 700 of the Revised Statutes (U. S. C., title 28, sec. 875) is amended to read as follows:

"SEC. 700. When an issue of fact in any civil cause in a district court is tried and determined by the court without the intervention of a jury, according to section 649, the rulings of the court in the progress of the trial of the cause, if excepted to at the time, and duly presented by a bill of exceptions, may be reviewed upon appeal; and in any case, whether the finding be general or special, the review may extend to the determination of the sufficiency of the evidence to sustain the judgment."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROMOTING HEALTH OF RURAL POPULATION

The bill (S. 572) to provide that the United States shall cooperate with the States in promoting the general health of the rural population of the United States and the welfare and hygiene of mothers and children was announced as next in order.

Mr. REED. Let that go over.

Mr. JONES. Mr. President, this is a very important bill. A similar bill passed the Senate during the last Congress, and this bill has been reported favorably and placed on the calendar. I did not object to the unanimous-consent request to-day, but I give notice that I expect to offer objection to a unanimous-consent request for a call of the calendar for the consideration of unobjected bills until some arrangement is made by which this bill may be acted upon. I am satisfied that the great majority of the Senate are in favor of it, and I think it is proper that this notice should be given, so as to look out for the future.

The PRESIDING OFFICER. On objection, the bill will be passed over.

HOSPITALIZATION AND OTHER BENEFITS TO CERTAIN VETERANS

The bill (S. 1328) to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition the benefits of hospitalization and the privileges of the soldiers' homes was announced as next in order.

Mr. JOHNSON. Mr. President, I ask leave to substitute for this bill Calendar No. 530, House bill 4724, to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition the benefits of hospitalization and the privileges of the soldiers' homes.

The bill which I ask to have substituted is a House bill in exactly the same form as the Senate bill. It passed the House, and I seek to substitute the House bill for the Senate bill.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, can the Senator tell us why the Senate bill was not referred to the Committee on Military Affairs?

Mr. JOHNSON. I have not the slightest idea.

Mr. REED. It seems to have been reported by the Committee on Pensions, which certainly has no jurisdiction in a matter of that sort. The bill has nothing to do with pensions.

Mr. JOHNSON. If I had been making a reference of the bill, I would have referred it to the Committee on Commerce, but it was referred to the Committee on Pensions instead.

Mr. REED. I ask that it go over for the present.

Mr. JOHNSON. The Senator does not object to my request for substitution?

Mr. REED. Not at all.

The PRESIDING OFFICER. House bill 4724 will be substituted for Senate bill 1328, and under objection by the Senator from Pennsylvania, the bill will be passed over.

Mr. FLETCHER. Mr. President, I suppose that Senate bill 1328, to complete the action, should be indefinitely postponed, since the House bill has been substituted for it.

The PRESIDING OFFICER. The Chair will ask the Senator from California whether he now asks that his bill, Senate bill 1328, be indefinitely postponed?

Mr. JOHNSON. Yes; after the substitution has been made.

The PRESIDING OFFICER. The substitution has been made, and the Senate bill will be indefinitely postponed.

Mr. REED subsequently said: Mr. President, if I may have the attention of the Senator from California, I notice that accompanying Order of Business 449, Senate bill 1328, there is a report from the Committee on Pensions which states that persons who served under the Quartermaster General in the Spanish-American War or the Philippine insurrection shall have the benefit of hospitalization and rights of Soldiers' Home, and I notice that the bill itself gives them rights under section 202 of the World War veterans' act. Surely a civilian employee in the war with Spain ought not to be given such rights when there is a long waiting list of actual veterans of the military service in the last war.

Mr. JOHNSON. Is the Senator speaking of the House bill or the Senate bill?

Mr. REED. I am asserting that the report does not give us a fair picture of the contents of the bill.

Mr. JOHNSON. The bill has gone over, and we will take that matter up and argue it at a subsequent time.

Mr. REED. Would the Senator be willing to have the bill referred to the Committee on Military Affairs?

Mr. JOHNSON. No.

INVESTIGATION OF FEDERAL FARM BOARD

The Senate proceeded to consider the resolution (S. Res. 42) directing the Committee on Agriculture and Forestry to make an investigation of the activities and operations of the Federal Farm Board, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with amendments, on page 2, after line 3, to insert a new paragraph, as follows:

The committee shall likewise make a complete investigation of the interstate and foreign marketing of such agricultural commodities, whether by individuals, firms, or corporations, doing business for private profit, or by cooperative associations, which have borrowed from the Federal Farm Board. The committee shall further investigate and report as to the earnings, bonuses, salaries, and commissions paid by any or all of such private and cooperative organizations as may be investigated.

On line 15, after the word "organization," to insert the words "and operations"; on line 16, after the word "organizations," to insert the words "and operations"; on page 3, line 14, after the word "losses," to insert the words "or benefits"; on page 4, line 25, to strike out "$50,000" and insert in lieu thereof "$25,000," so as to read:

Resolved, That the Committee on Agriculture and Forestry be, and it is hereby, authorized and directed to make a thorough and complete investigation of the activities and operations of the Federal Farm Board created by the agricultural marketing act approved June 15, 1929.

In connection with such investigation and as a part thereof, said committee shall likewise make a complete investigation of all exchanges in the continental United States dealing in any of the commodities over which the Federal Farm Board, by said act, is given any jurisdiction or control. The said committee shall ascertain the relationship between such exchanges and the operations of said board.

The committee shall likewise make a complete investigation of the interstate and foreign marketing of such agricultural commodities whether by individuals, firms, or corporations, doing business for private profit, or by cooperative associations, which have borrowed from the Federal Farm Board. The committee shall further investigate and report as to the earnings, bonuses, salaries, and commissions paid by any or all of such private and cooperative organizations as may be investigated.

The said committee shall likewise, in addition to the general investigation, specifically inquire into the organization and operations of any stabilization corporations and the organization and operations of any other corporations or subsidiaries organized by said board. It shall ascertain whether, in the organization of any corporation by said board, such corporation was advisable or necessary, and whether the operation of said Federal Farm Board under said act could or could not have been better performed if, instead of organizing an independent corporation to act as sale or purchasing agent or in any other capacity, the services of existing cooperative organizations could not have been more properly utilized.

The committee shall likewise ascertain whether the said Federal Farm Board in its activities under said act has been, within the meaning and intent of said act, unjust to any existing cooperative organization and whether said board has been guilty of any practices which tend to injure the operation or the activities of any existing cooperative organization.

The committee shall also ascertain whether, in the buying and selling of any of the products dealt in by said board by virtue of said act, its activities were advisable or necessary; or whether the trading in the buying, selling, and storing of grain, cotton, and other products was carried on in accordance with the intent of said act. The committee shall also ascertain what, if any, losses or benefits have been or will probably be sustained by any of the activities of said board or any other corporation organized by said board under said act.

The committee shall likewise ascertain whether any of the exchanges or boards of trade or other organizations privately owned and privately controlled, dealing in any of the products mentioned in said act, have in any way interfered with or hampered, wrongfully or unjustly, the activities of said board in carrying out the provisions of said act.

The said committee, after making such investigation, shall report to the Senate what legislation, if any, should be passed by Congress in the premises.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpœna or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical, and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee or by the chairman thereof. The chairman of said committee or the chairman or any member of any subcommittee appointed hereunder may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $25,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

The amendments were agreed to.

The resolution as amended was agreed to.

CLAIMS OF INDIANS IN OREGON

The bill (S. 824) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands, nations, or tribes of Indians residing in the State of Oregon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear and determine any claims, whether legal or equitable, which may be had against the United States by the following Indian tribes, namely: The To-to-tin Nation of Indian tribes, composed of the following: Na-so-mah, Choc-re-le-aton, Qua-to-mah, Cosutt-Hentens, Eu-qua-chees, Yah-shules, Chat-less-entens, Wish-te-na-tans, Chet-co, To-to-tin, Mack-an-tin, Shas-te-koostees, and other tribes who have or do reside principally in Curry County, in western Oregon, and west of the Cascade Mountains.

Description of property involved, to wit, bounded as follows: Beginning at a point half a mile south of the mouth of the Windchuck River, on the California and Oregon line at the ocean beach, in Curry County, Oreg.; thence running east along the said line to the summit headwaters to the southeast corner to township 41 south, range 10 west, Willamette meridian; thence in a northerly direction along divide to Canyon Peak; thence along the divide north to Onion Camp Butt, near the southwest corner of township 38 south, range 9 west; thence in a northeasterly direction across the Illinois River, at the mouth of Six Mile Creek; thence in a northeasterly direction up said creek to the summit; thence along a divide north to Onion Mountain, township 36 south, range 8 west, Willamette meridian; thence in a northwesterly direction along divide to Bear Camp, township 34 south, range 10 west, Willamette meridian; thence in a northeasterly direction, crossing the Rogue River, near the mouth of Kelly Creek, section 16, township 33, range 9 west, Willamette meridian; thence in a northeasterly direction following divide to Nine Mile Mountain on the north and south line between townships 32, ranges 8 and 9 west, Willamette meridian; thence north across Cow Creek; thence northerly to the summit; thence along the divide north to south boundary of the Coos, Umpquah, and Siuslaw Indian claim, in township 27 south, range 8 west, Willamette meridian; thence west to the ocean beach, and following said beach to the point of beginning, containing approximately 83 townships, or an area of about 3,000 square miles, and takes in part of the following counties: All of Curry, part of Josephine, part of Douglas, and part of Coos, in Oregon.

If it is found that any sum of money is rightfully owing from the United States and in favor of the proper Indian tribe, nation, or tribes, and either party shall have the right of appeal to the Supreme Court of the United States in the manner provided in

sections 242 and 243 of the Judicial Code, official letters, papers, documents, maps, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give to the attorney or attorneys so employed access to such treaties, papers, maps, correspondence, and reports as they may require in the preparation or prosecution of any suit or suits instituted hereunder.

The Court of Claims shall advance the cause or causes upon its docket for hearing, and shall have jurisdiction, notwithstanding lapse of time or statute of limitations. The suit or suits instituted hereunder shall be presented by petition of any such Indian tribe, nation, or tribes as plaintiff against the United States as defendant, and the petition may be verified by the attorney or attorneys employed by such Indian tribe or tribes upon information and belief as to the facts therein alleged, and no other verification shall be necessary.

The attorney or attorneys for such Indian tribe or tribes shall be paid such fee as the Court of Claims may find reasonable, the same to be approved by the Secretary of the Interior, but in no case shall the fee decreed by the Court of Claims be in excess of the amount stipulated in the contract of employment, nor amount to more than 10 per cent of the recovery, if any, to which any such Indian tribe, nation, or tribes shall be entitled. The sum or sums recovered for such Indian tribe, nation, or tribes shall be disbursed under the supervision of the Secretary of the Interior to the parties entitled thereto in the manner prescribed by the Court of Claims.

The Senate proceeded to consider the bill (S. 826) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, which had been reported from the Committee on Indian Affairs with an amendment, on page 2, line 16, to strike out the word "on" and to insert the words "Coast Range and," so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims arising under or growing out of any treaty, agreement, act of Congress, Executive order, or otherwise, which certain Indian tribes or bands, or portions thereof, and their descendants, may have against the United States, namely, the Indians described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981); together with those described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8 to 15), except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands residing in the State of Oregon, west of the Cascade Range at the dates of the said treaties, respectively, and their descendants, some of whom, in 1855 or later, were removed by the military authorities of the United States to the Siletz Coast Range and the Grande Ronde Reservation, in the said States, except the three tribes last named.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon any such claim shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead and shall receive credit for all sums, including gratuities if properly chargeable, paid to or expended for the benefit of any of said nations, tribes, or bands of Indians. The claim or claims of each nation, tribe, or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and the laws, treaties, agreements, Executive orders, or wrongful actions of the Government under and upon which recovery is sought, and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. A copy of the petition in such suit shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice designated by him, shall appear and defend the interests of the United States: *Provided*, That any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 10 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be proper.

SEC. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, based upon actual services rendered, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, to be paid to the attorney or attorneys employed by said nations, tribes, or bands of Indians; and if not otherwise paid, the same shall be included in the decree and shall be paid out of any sum or sums found to be due said Indians.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 per cent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATIONS FOR PREVENTING COLLISIONS ON CERTAIN HARBORS, ETC.

The bill (S. 4008) to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That article 5 of the act of Congress approved June 7, 1897, be amended by striking out the word "or" after the word "way" and preceding the word "being" in the first line thereof, and adding the words "and any vessel" after the word "way" and before the word "being" hereinabove referred to; and that the article be further amended by inserting a comma and the words "except barges and canal boats when in tow of steam vessels," between the words "towed" and "shall," so that the article as amended shall read as follows:

"ART. 5. A sailing vessel under way and any vessel being towed, except barges and canal boats when in tow of steam vessels, shall carry the same lights as are prescribed by article 2 for a steam vessel under way, with the exception of the white lights mentioned therein, which they shall never carry."

BILLS PASSED OVER

The bill (S. 4050) to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods, was announced as next in order.

Mr. BLACK. Mr. President, I desire to substitute for this bill the bill (H. R. 9453) bearing the same title, which has passed the House and is now on the calendar, providing for the same survey.

Mr. WALSH of Montana. I ask that the bill go over.

Mr. BLACK. Mr. President, may I ask the Senator to withhold his objection just a moment?

Mr. WALSH of Montana. Very well.

Mr. BLACK. The bill is simply to provide a preliminary survey, and it carries no appropriation.

Mr. WALSH of Montana. I have observed that. I think we ought not to institute any proceedings now that would increase eventually the appropriation for rivers and harbors. I think the bill ought to go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 4051) to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods, was announced as next in order.

Mr. BLACK. I desire to ask to have substituted for this bill the House bill (H. R. 9452) bearing the same title and providing for the same thing.

The VICE PRESIDENT. Is there objection?

Mr. WALSH of Montana. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 4052) to provide a preliminary examination of Flint River, Ala., and Tenn., with a view to the control of its floods, was announced as next in order.

Mr. BLACK. I desire to ask that the House bill (H. R. 9451) bearing the same title and having in view the same object may be substituted for the Senate bill.

The VICE PRESIDENT. Is there objection?

Mr. WALSH of Montana. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

MARKER FOR CONFEDERATE GRAVES AT LA FAYETTE, GA.

The bill (H. R. 132) to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers

killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to erect one single marker at the grave in the La Fayette Cemetery at La Fayette, Ga., in which are buried 15 unknown Confederate soldiers killed in action in 1864, at a cost not exceeding the cost to be represented by 15 separate markers as now authorized by law.

PENSIONS AND INCREASE OF PENSIONS

The bill (H. R. 9575) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, which had been reported from the Committee on Pensions with amendments, was considered.

The first amendment of the Committee on Pensions was, on page 7, line 10, after the words "rate of," to strike out "$30" and insert "$20," so as to read:

The name of Mary J. Glace, widow of David L. Glace, late of the United States Marine Corps, war with Spain, and pay her a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 12, line 20, after the words "rate of," to strike out "$50" and insert "$30," so as to read:

The name of George W. Baker, late of Company D, Second Regiment Nebraska Volunteer Infantry, war with Spain, and pay him a pension at the rate of $30 per month.

The amendment was agreed to.

The next amendment was, on page 12, after line 21, to strike out:

The name of Lucille E. K. Hanigan, widow of Henry A. Hanigan, late colonel, United States Army, Regular Establishment, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 16, line 2, after the words "rate of," strike out "$30" and insert "$20,' so as to read:

The name of Mary J. Stearns, remarried widow of Charles M. Grogan, late of Company A, Seventeenth Regiment United States Infantry, Indian wars, and pay her a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 16, after line 12, to strike out:

The name of Ella E. Ayers, dependent mother of Henry O. Ayers, late of Company M, Third Regiment United States Volunteer Engineers, Regular Establishment, and pay her a pension at the rate of $12 per month.

The amendment was agreed to.

The next amendment was, on page 16, line 17, after the word "receiving," to insert a comma and "from February 17, 1931," so as to read:

The name of Thomas E. Cruess, late of the United States Navy, Regular Establishment, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving, from February 17, 1931.

The amendment was agreed to.

The next amendment was, on page 23, after line 15, to strike out:

The name of Henry W. Baylor, late of Captain Wilkerson's Company G, First Regiment Texas Volunteer Cavalry (Montell Guards), Indian war, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 23, after line 20, to strike out:

The name of James Whitecotton, late of Captain Wilkerson's Company G, First Regiment Texas Volunteer Cavalry (Montell Guards), Indian war, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, at the top of page 24, to strike out:

The name of Wyatt E. Heard, late of Company G, Texas Volunteer Cavalry, Montell Guards (Captain Wilkerson's company), Indian war, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 24, after line 4, to strike out:

The name of George W. Baylor, late lieutenant, Company G, First Regiment Texas Volunteer Cavalry (Montell Guards), and private, Company A, Texas Frontier Battalion, Indian war, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 24, after line 9, to strike out:

The name of Sidney J. Baylor, late of Companies A and D, Texas Frontier Battalion, Indian war, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

The next amendment was, on page 25, line 10, after the words "rate of," to strike out "$20" and insert "$12," so as to read:

The name of Theodore V. Cowart, late of Troop A, Sixth Regiment United States Cavalry, Regular Establishment, and pay him a pension at the rate of $12 per month, said pension to be paid to a duly appointed guardian.

The amendment was agreed to.

The next amendment was, on page 26, after line 21, to strike out:

The name of Ida L. Von Harten, widow of William H. E. Von Harten, late of the United States Navy, war with Spain, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, at the top of page 29, to strike out:

The name of Julia May Townsend, widow of Engen de Kay Townsend, late captain Company A, Seventy-first Regiment New York Volunteer Infantry, war with Spain, and pay her a pension at the rate of $40 per month in lieu of that she is now receiving.

The amendment was agreed to.

The next amendment was, on page 29, after line 5, to strike out:

The name of Julius Hanson, late signal quartermaster, United States Navy, war with Spain, and pay him a pension at the rate of $18 per month.

The amendment was agreed to.

The next amendment was, on page 30, line 22, after the words "rate of," to strike out "$30" and insert "$20," so as to read:

The name of Alexander Kalish, late of Company C, Sixth Regiment United States Infantry, war with Spain, and pay him a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 31, line 9, after the words "rate of," to strike out "$50" and insert "$30," so as to read:

The name of Margaret E. Cantrell, widow of William Cantrell, late of Company B, Battalion Georgia Mounted Volunteers, Mexican War, and pay her a pension at the rate of $30 per month.

The amendment was agreed to.

The next amendment was, on page 31, line 13, before the words "per month," to strike out "$6" and insert "$2," so as to read:

The name of Alma D. DeCoen, widow of Emile G. DeCoen, late major, United States Field Artillery, Regular Establishment, and pay her a pension at the rate of $20 per month, with $2 per month additional for the minor children until they shall attain the age of 16 years, respectively.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to strike out:

The name of Ida A. Davis, widow of Hardin W. Davis, late of the Fifth Regiment Illinois Volunteer Infantry, war with Spain, and pay her a pension at the rate of $20 per month.

The amendment was agreed to.

The next amendment was, on page 32, after line 17, to insert:

The name of Lillian M. Johnson, mother of Kenneth G. W. Johnson, late of the United States Naval Air Service, and pay her a pension at the rate of $12 per month.

The name of Nellie B. Leighton, helpless child of James G. Leighton, late of Company D, Fourth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

The name of Hannah Collins, dependent mother of Daniel D. Collins, late of Company E, First Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Roy M. Osborne, late of Troop G, Fifth Regiment United States Cavalry, and pay him a pension at the rate of $17 per month.

The name of Adele Y. Taylor, widow of Gen. Harry Taylor, late chief of engineers, United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Orpha Blanche Thompson, widow of Robert M. Thompson, late of the United States Navy, and pay her a pension at the rate of $12 per month, and $2 per month additional for any minor child under 16 years of age.

The name of Lewis Plumeley, late of the Twenty-third Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

The name of James W. Ashby, late of Troop I, Twelfth Regiment United States Cavalry, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of James Frances Feeley, late of Company M, First Regiment Rhode Island Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Lawrence M. Norton, late of Headquarters Company, First Battalion, Twenty-ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Ronald P. Hartfield, late of the One hundred and sixtieth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Andrew J. Lowe, late of Company F, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Chester Shartzer, late of the Medical Department, United States Army, and pay him a pension at the rate of $12 per month.

The name of Edward Brennenstuhl, late of Company F, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Eugene T. Wooldridge, late of Company A, Fifty-fourth Regiment United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

The name of Charles E. Ballard, helpless child of Charles A. Ballard, late of Company M, Second Regiment United States Infantry, and pay him a pension at the rate of $20 per month.

Willard W. Mims, late of the Ninety-fifth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

The name of Agnes M. Sexton, widow of Walter Sexton, late of the Twenty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

The name of Bert Hillis, late of the Medical Department, United States Army, and pay him a pension at the rate of $12 per month.

The name of Thomas W. Wright, late of Company D, Fortieth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Charles Dierson, late of Troop K, Eighth Regiment United States Cavalry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of David C. McDonald, late of Company F, Twentieth Regiment United States Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Thomas W. Johnston, late of Troop K, Thirteenth Regiment United States Cavalry, and pay him a pension at the rate of $8 per month.

The name of Florence E. Moseley, widow of Gen. Edward Buckland Moseley, late assistant surgeon general, United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of William Johnson, late of Company C, First Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of George N. Butler, late of Company I, Fourth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $20 per month.

The name of Benjamin P. Howett, late of Battery D, Third Regiment United States Artillery, and pay him a pension at the rate of $8 per month.

The name of John S. Monahan, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of Elizabeth P. Menoher, widow of Gen. Charles T. Menoher, late Chief of Air Service, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

The name of Henry G. Brockus, late of Company A, Ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of John W. Riley, late of Company H, First Regiment Arkansas National Guard Infantry, and pay him a pension at the rate of $10 per month.

The name of Sarah E. Draper, widow of Amburs E. Draper, late of Capt. Franklin P. Whitemore's Company A, Second Regiment Utah Militia, and pay her a pension at the rate of $12 per month.

The name of Charles P. Hagely, late of Company F, First Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Mary C. Daly, late contract nurse, Medical Department, United States Army, and pay her a pension at the rate of $20 per month.

The name of Beatrice E. Duke, helpless child of Frank W. F. Duke, late of Company F, Third Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Herbert W. Leach, who served on the ill-fated Jeanette Arctic expedition, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Leo P. Thomas, late of the Quartermaster Corps, United States Army, and pay him a pension at the rate of $12 per month.

The name of Frank Swartz, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of Charles R. Bailey, late of the United States Navy, and pay him a pension at the rate of $8 per month.

The name of John E. Hamilton, late of the United States Navy, and pay him a pension at the rate of $8 per month.

The name of Myrtle J. Buzan, helpless child of George Buzan, late of Company B, Second Regiment Oregon State Militia, and pay her a pension at the rate of $12 per month.

The name of William H. Owens, late of Company F, Sixth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Spencer Graham, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $10 per month.

The name of Otis H. Dorsett, late of Company A, Signal Corps, Kansas National Guard, and pay him a pension at the rate of $12 per month.

The name of Charles Lee, late of United States Military Detachment of Cavalry, and pay him a pension at the rate of $12 per month.

The name of Mary E. Pratt, widow of Frank E. Pratt, late of Troop A, Fifth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

The name of Frank R. Spradling, late of the United States Marine Corps, and pay him a pension at the rate of $10 per month in lieu of that he is now receiving.

The name of Cale Stinnett, late of Troop F, Tenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

The name of William J. Smith, late of Company B, Second Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Roy Wilcox, late of Company H, Second Regiment West Virginia National Guard Infantry, and pay him a pension at the rate of $10 per month.

The name of Allie Selick, widow of August A. Selick, late of the United States Navy, and pay her a pension at the rate of $12 per month.

The name of Joseph J. McNeal, late of Company M, Second Regiment West Virginia National Guard Infantry, and pay him a pension at the rate of $8 per month.

The name of Margaret Kingery, dependent mother of Cager Kingery, late of the Twenty-third Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month.

The name of Mathias Kennedy, late of Company K, Tenth Regiment, United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Archie Flynn, late of Battery B, United States Field Artillery, and pay him a pension at the rate of $10 per month.

The name of Frank Deloe, late of Troop C, ——— Regiment United States Cavalry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of George W. Chris, late of the Medical Department, United States Army, and pay him a pension at the rate of $10 per month.

The name of George G. Gribben, late recruit, unassigned, United States Cavalry, and pay him a pension at the rate of $12 per month.

The name of William H. Rader, late of the military organization, Yakima, Wash., Indian campaign, 1878, and pay him a pension at the rate of $6 per month.

The name of Lee A. Smith, late of Troop F, Fifteenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

The name of Lillie Randall, widow of Charles H. Randall, late of Company K, Second Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Bessie G. Radliff, widow of Frank T. Radliff, late of Company C, First Regiment New York National Guard Field Artillery, and pay her a pension at the rate of $12 per month.

The name of Carl M. Toepper, late of Company E, Third Regiment United States Engineers, and pay him a pension at the rate of $10 per month.

The name of Joseph F. Sourek, late of the Quartermaster Corps, United States Army, and pay him a pension at the rate of $12 per month.

The name of Vinson San Filipo, late of Company I, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Anna McNamara, widow of Joseph McNamara, late of the United States Navy, and pay her a pension at the rate of $12 per month.

The name of Carl H. DeMunbrun, late of Company B, Second Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Helma Alfred, widow of Henry W. Alfred, late of Company D, Eleventh Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Daniel Doran, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of William H. Idle, late of Company G, Ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Anna White, widow of Calvin R. White, late guide under Major Collins, Boise Nez Perce Indian expedition, and pay her a pension at the rate of $12 per month.

The name of Charles N. Cannon, late of Company E, Third Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Thomas E. Morrison, late of the One hundred and sixth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of John R. Sparks, late of the One hundred and eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Frank House, late of the One hundred and twenty-seventh Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Allen Nants, late of Company H, First Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Herman Martin, late of the Fifteenth Recruit Company and Nineteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Edwin L. Smith, late of the Cavalry detachment, United States Military Academy, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Connell Perkins, late of the Nineteenth United States Airship Company, and pay him a pension at the rate of $10 per month.

The name of Joseph G. Scheier, late of the One hundred and eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

The name of Sue Bradley, widow of Arthur Bradley, late of Company H, Thirty-second Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of John P. Jensen, late of Capt. J. D. Pearce's detachment of Cavalry, Second and Third Iron Mountain District, and pay him a pension at the rate of $20 per month.

The name of Daniel S. J. Leif, late of Company K, Seventeenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Leonard C. Huntington, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of Elizabeth R. Barnes, widow of Alpheus A. Barnes, late of Troop E, Eighth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

The name of Virgil Simpson, late of Company L, Eighteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Mary T. Lunsford, widow of John W. Lunsford, late of General Service, United States Army, and pay her a pension at the rate of $12 per month.

The name of Beatrice Sedgwick, widow of Weller G. Sedgwick, late of the Sixty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

The name of Jim Bailey, helpless child of Alonso A. Bailey, late of Battery A, ——— Regiment Wyoming Volunteer Light Artillery, and pay him a pension at the rate of $20 per month.

The name of Boyd E. Scott, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of George P. Silvey, late of Company K, Second Regiment North Carolina Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Emory M. Farrer, late of Company C, Ninth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Edward W. Jones, late of Pendleton (Oreg.) Volunteer Militia, and pay him a pension at the rate of $12 per month.

The name of Herbert Hale, late of Company F, Thirty-eighth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Philip T. West, late of Company E, Sixteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

The name of Howard J. Sheehan, late of Headquarters Company, Third Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Amos O. Cox, late of Company E, Nineteenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Daniel R. McKay, late of Troop K, Eighth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

The name of Ove Hansom Gram, late of Troop M, Third Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

The name of Rosa Helms, dependent mother of Leonard G. Helms, late unassigned recruit, Fourteenth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

The name of Ethel V. Walker, widow of Henry L. Walker, late of Company M, Eighth Regiment California Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of George Thornes, late of the United States Navy, and pay him a pension at the rate of $6 per month.

The name of Cohen R. Thomason, late of Troop F, Second Regiment United States Cavalry, and pay him a pension at the rate of $8 per month.

The name of John O. Pelto, late of Company H, Twenty-seventh Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Arthur Hunt, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $8 per month.

The name of Harold G. Bates, late of Balloon Company No. 1, as of Detachment United States Quartermaster Corps, and pay him a pension at the rate of $10 per month.

The name of Emma H. Hughes, widow of Edward H. Hughes, late of Troop K, Fifth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

The name of Mark Baldwin, late of Company A, First Provisional Battalion United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Roy E. Donnelly, late of Company K, Fifth Regiment Nebraska Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Ann E. Thomas, widow of Richard W. Thomas, late of Captain Flandran's company, Minnesota State Militia Frontier Guards, and pay her a pension at the rate of $20 per month.

The name of James E. Rush, late of Company K, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Richard Payne, late assigned to the Thirty-fourth Ordnance Company, United States Army, and pay him a pension at the rate of $12 per month.

The name of Anthony Penson, late of Company H, Twenty-fifth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Henry A. Pennington, late of Company B, Thirty-sixth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

The name of Charles F. Williams, late of Troop D, Fifth Regiment United States Cavalry, and pay him a pension at the rate of $12 per month.

The name of John A. Davis, late of the One hundred and forty-eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

The name of Lora A. Lemons, widow of Henry M. Lemons, late of Company F, Sixth Regiment United States Infantry, and pay her a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

The name of Michael Kanyuch, late of the United States Marine Corps, and pay him a pension at the rate of $12 per month.

The name of William A. Luttrell, late of the Seventy-fourth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Nathan Ain, late of Troop C, First Machine Gun Squadron, United States Army, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

The name of Stephen Sowinski, late of Battery D, Second Regiment United States Field Artillery, and pay him a pension at the rate of $12 per month.

The name of Charles Parker, late of Battery A, Sixty-first Regiment United States Artillery; Battalion of Searchlight Battery, First AA Battalion, and pay him a pension at the rate of $6 per month.

The name of Dawson W. Fawbush, late of Company M, Sixth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of Daniel L. Myers, late of Battery M, Fourth Regiment United States Artillery, and pay him a pension at the rate of $12 per month.

The name of Maud Melville, widow of Ora E. Melville, late of Troop H, Second Regiment United States Cavalry, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

The name of William H. Revelle, late of the United States Navy, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Charles E. Gulledge, late of Company B, Twenty-ninth Regiment United States Engineers, and pay him a pension at the rate of $12 per month.

The name of James H. Allred, late of Captain Winn's company, Utah Militia Cavalry, and pay him a pension at the rate of $12 per month.

The name of Hosea F. Dearth, late of Troop A, Fourteenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

The name of Alice May Marshall, minor child of Robert A. Marshall, late of Company E, First Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of $12 per month, and $2 per month additional for the minor child under 16 years of age.

The name of Eliza J. Logan, dependent mother of Lewis W. Brown, late of Company D, First Regiment District of Columbia Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Edward L. Hayes, late of Company I, First Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of Isabel Galanes Calvert de Bohun, widow of John Calvert de Bohun, late of Troop F, First Regiment United States Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

The name of Robert Muir, late of the Ordnance Department, United States Army, and pay him a pension at the rate of $8 per month.

The name of Martin Erikson, late of the Twenty-eighth Battery, United States Field Artillery, and pay him a pension at the rate of $12 per month.

The name of Mack G. Ragsdale, late of the Fourth Instruction Company, United States Army, and pay him a pension at the rate of $8 per month.

The name of Frank L. Wilkinson, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of Herbert L. Sanders, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of Arthur W. Mace, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of Morris Glickstone, late of Company B, Eighteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

The name of Nancy C. Williams, widow of Walter Williams, late of the Sixty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

The name of Charles O. Puckett, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of Mary Alice Maum, helpless child of James W. Maum, late of Company E, ——— Battalion Mississippi Volunteer Infantry, and pay her a pension at the rate of $20 per month.

The name of Edward A. McGuire, late of the United States Navy, and pay him a pension at the rate of $17 per month.

The name of Charles E. Conner, late of Company L, Nineteenth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of John T. Wilson, late of the United States Navy, and pay him a pension at the rate of $17 per month.

The name of Samuel Herkowitz, late of Company E, Eighth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

The name of John E. Cutlip, late of the One hundred and fourteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Robert Blake, late of Company G, Twenty-fifth Regiment United States Infantry, and pay him a pension at the rate of $15 per month in lieu of that he is now receiving.

The name of John H. Jackson, late of Company B, Second Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Harry Oaks, late of Company L, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

The name of David Fatty, late of Company I, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Edith Ross, widow of Charles A. Ross, late of the United States Army, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving.

The name of Reuben Samson, late of Company K, Fourth Regiment United States Infantry, and pay him a pension at the rate of $30 per month in lieu of that he is now receiving.

The name of Thomas Miller, alias James W. Huston, late of the United States Navy, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of Charlie A. Stacks, late of the United States Navy, and pay him a pension at the rate of $12 per month.

The name of John H. Crawley, late of Company L, Ninth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

The name of Howard E. Tolson, late of Company E, Seventeenth Regiment United States Infantry, and pay him a pension at the rate of $17 per month.

The name of Joe W. George, late of the One hundred and thirty-fifth Observation Squadron, Air Service, United States Army, and pay him a pension at the rate of $12 per month.

The name of Janet Powell Staud, widow of Benamin F. Staud, late of the United States Navy, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

The name of guardian of minor children of Joseph A. Ryan, late of the Eighteenth Company, Second United States Coast Artillery Corps, and pay them a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

The name of Joseph B. King, late of the Ninety-fifth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Albert R. Meeker, late of the Fifty-fourth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $8 per month.

The name of Cad W. Savage, late of the United States Navy, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The name of James B. Stanfield, late of Company C, First Regiment Third Brigade, Pendleton Volunteers of Oregon, and pay him a pension at the rate of $20 per month.

The name of Arminta Sullivan, widow of Andrew J. Sullivan, late of Capt. J. L. Sperry's company, Umatilla Guards, Oregon Militia, and pay her a pension at the rate of $20 per month.

The name of Blaine E. Davis, late of Company B, Twenty-seventh Regiment United States Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

The name of Josephine Johnson, widow of Frederick H. Johnson, late of Company B, Twentieth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Alice Neelley, widow of Jesse D. Neelley, late of Company I, First Regiment Tennessee Volunteer Infantry, and pay her a pension at the rate of $12 per month.

The name of Lee Street, late of Battery C, Fifteenth Regiment United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month in lieu of that he is now receiving.

The name of William J. Chepan, late of Company I, Twenty-third Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Emma Jarvis McLean, widow of Admiral Walter McLean, late of the United States Navy, and pay her a pension at the rate of $75 per month in lieu of that she is now receiving.

The name of William L. Seaman, late of Company M, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

The name of Peter Beades, late of Company A, Fourth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Paul A. Randall, late of Company G, Tenth Regiment United States Infantry, and pay him a pension at the rate of $20 per month.

The name of David Franklin, late of Battery A, Fifth Regiment United States Artillery, and pay him a pension at the rate of $8 per month.

The name of John Winn, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $6 per month.

The name of Daniel J. McGrath, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of Ardella Melco, widow of John Melco, alias Mealco, late of Battery B, Third Regiment United States Artillery, and pay her a pension at the rate of $12 per month.

The name of Wilbur J. Patterson, late of the Twelfth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

The name of Matilda Jane Hart, widow of Edmond A. Hart, late of Capt. A. C. Smith's company, Oregon Militia, and pay her a pension at the rate of $12 per month.

The name of Alonzo Borden, late of the Sixteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $8 per month.

The name of Llewellyn J. S. Judice, late of Battery ———, Second Regiment United States Field Artillery, and pay him a pension at the rate of $12 per month.

The name of Richard H. Wraase, late of the Eleventh Signal Company, Signal Corps, United States Army, and pay him a pension at the rate of $6 per month.

The name of Frank E. Reasoner, late of the United States Navy, and pay him a pension at the rate of $10 per month.

The name of Frederick E. Ruffner, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $10 per month.

The name of Lightning, widow of Dog Shield, late of Company I, Sixteenth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

The name of Charlie Kills-in-Sight, late of Company I, Sixteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

The name of Jennie Claymore, widow of Antonie Claymore, late Indian scout, United States Army, and pay her a pension at the rate of $12 per month.

The name of Hugh M. Jones, late of Company I, Twenty-first Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

The name of John E. Fitzgerald, late of the One hundred and forty-seventh Company, United States Coast Artillery Corps, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

The amendment was agreed to.

Mr. REED. Mr. President, what was done with the amendment on page 29, line 16?

The VICE PRESIDENT. The clerk informs the Chair he overlooked it. It will be stated.

The CHIEF CLERK. On page 29, line 16, strike out "$200" and insert "$100," and in line 17 after the word "month," insert "in lieu of what she is now receiving," so as to read:

The name of Eleanora Emma Bliss, widow of Tasker H. Bliss, late general, United States Army, Regular Establishment, and pay her a pension at the rate of $100 per month in lieu of what she is now receiving.

Mr. REED. Mr. President, I hope the Senate will not agree to that amendment. This is a provision for the relief of the widow of Gen. Tasker H. Bliss, with whose distinguished service every Member of the Senate is thoroughly familiar. The House passed the bill providing a pension of $200 a month. Mrs. Bliss needs this and needs it desperately. I trust, in view of the long and very distinguished service of General Bliss, the Senate will not feel that that amendment ought to be agreed to.

Mr. McKELLAR. Is Mrs. Bliss in needy circumstances?

Mr. REED. She is.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LAWRENCE DOWLING

The bill (S. 2246) for the relief of Lawrence Dowling was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Lawrence Dowling, otherwise known as Patrick Dowling, who was a member of Company I, Ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on April 18, 1890: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

DOCK LEACH

The bill (H. R. 2285) for the relief of Dock Leach was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Dock Leach, who was a member of Company H, Twenty-seventh Regiment United States Colored Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 21st day of September, 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILLS PASSED OVER

The bill (S. 3477) for the relief of the Playa de Flor Land & Improvement Co. was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill?

Mr. BRATTON. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1058) repealing various provisions of the act of June 15, 1917, entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes" (40 Stat. L. 217), was announced as next in order.

Mr. JONES. Mr. President, I have been requested by some parties who desire to speak to the Senator from Montana [Mr. WALSH] with reference to the bill to ask that it go over. Therefore, I ask that it be passed over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 97) to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name was announced as next in order.

Mr. McKELLAR. May we have an explanation of the bill?

Mr. CAPPER. Mr. President, a number of Senators who are interested in the bill have requested me to ask that it be passed over.

Mr. McKELLAR. I think it ought to go over.

The VICE PRESIDENT. The bill will be passed over.

PRELIMINARY EXAMINATION OF CATACO CREEK, ALA.

Mr. BLACK. Mr. President, a few moments ago Calendars 454, 455, and 456 were called and objection was made by the Senator from Montana [Mr. WALSH]. I have explained to the Senator that these bills provide merely for a first preliminary survey and involve no expenditure of money. I would like to ask to recur to those orders of business on the calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none. Let the first one be reported.

Mr. BLACK. I have asked that Calendar 533, the bill (H. R. 9453) to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods, be substituted for the Senate bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the House bill (H. R. 9453) was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Cataco Creek and its branches in Morgan County, Ala., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917.

The VICE PRESIDENT. Senate bill 4050 will be indefinitely postponed.

PRELIMINARY EXAMINATION OF FLINT CREEK, ALA.

The bill (S. 4051) to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods, was considered.

Mr. BLACK. I have asked that Calendar 532, the bill (H. R. 9452) to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods, be substituted for the Senate bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the House bill, H. R. 9452, was substituted, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Flint Creek and its branches in Morgan County, Ala., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917.

The VICE PRESIDENT. Senate bill 4051 will be indefinitely postponed.

PRELIMINARY EXAMINATION OF FLINT RIVER, ALA. AND TENN.

The bill (S. 4052) to provide a preliminary examination of Flint River, Ala. and Tenn., with a view to control of its floods, was announced as next in order.

Mr. BLACK. I ask that the House bill (H. R. 9451) to provide a preliminary examination of Flint River, Ala. and Tenn., with a view to the control of its floods, be substituted for the Senate bill.

There being no objection, the House bill, H. R. 9451, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Flint River, Ala.-Tenn., with a view to control of its floods in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917.

The VICE PRESIDENT. Senate bill 4052 of the same title will be indefinitely postponed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 80) authorizing the Secretary of War to furnish equipment, goods, and supplies to

governors and acting governors for use in aid of distressed citizens was announced as next in order.

Mr. REED. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

BRIDGE BILLS

The bill (H. R. 8379) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo., was announced as next in order.

Mr. VANDENBERG. Mr. President, this bill and the subsequent bills on the calendar down to and including Order of Business 471 are bridge permit extension bills which passed the House of Representatives, and which have the unanimous approval of the department and of the committee. I ask for their passage en bloc.

The VICE PRESIDENT. Is there objection?

There being no objection, the following bridge bills were considered, ordered to a third reading, read the third time, and passed:

A bill (H. R. 8379) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

A bill (H. R. 8394) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

A bill (H. R. 8396) to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

A bill (H. R. 8506) to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

A bill (H. R. 8696) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

A bill (H. R. 9264) to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70; and

A bill (H. R. 9266) to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.

BILL PASSED OVER

The bill (S. 1155) to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, will the chairman of the Committee on the District of Columbia tell us whether this was the unanimous report of the committee?

Mr. CAPPER. It was a unanimous report.

Mr. McKELLAR. Will the Senator explain what the bill is?

Mr. CAPPER. It is to establish in the District of Columbia, as the title of the bill indicates, a board of indeterminate sentence and parole. Under the existing law the Federal Parole Board has jurisdiction in cases involving District of Columbia prisoners. Both the Federal and District authorities are in agreement on the bill.

Mr. WALSH of Montana. Mr. President, as the bill is of some importance, I ask that it may go over.

The VICE PRESIDENT. The bill will be passed over.

MONONGAHELA RIVER BRIDGE, FAYETTE CITY, PA.

The bill (S. 4040) granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa., was announced as next in order.

Mr. REED. Mr. President, I ask that Order of Business 534, the bill H. R. 10365, bearing the same title, be substituted for the Senate bill.

Mr. McKELLAR. Will the Senator from Pennsylvania explain the bill?

Mr. REED. It is just the usual bridge bill.

The VICE PRESIDENT. Is there objection to the substitution?

There being no objection, the bill (H. R. 10365) granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Fayette, Pa., or its board of county commissioners, their successors or assigns, and/or to the county of Washington, Pa., or its board of county commissioners, their successors or assigns, to construct, maintain, and operate a bridge and approaches thereto across the Monongahela River, at a point suitable to the interests of navigation, at or near Fayette City, Pa., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act, is hereby granted to the county of Fayette, Pa., or its board of county commissioners, their successors and assigns, and/or the county of Washington, Pa., or its board of county commissioners, their successors and assigns, and any public agency or corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

SEC. 4. The rights, powers, and privileges conferred by this act upon the county of Fayette, Pa., or its board of county commissioners, their successors or assigns, and/or upon the county of Washington, Pa., or its board of county commissioners, their successors or assigns, are hereby declared to be conferred upon the two counties, or their boards of county commissioners, their heirs, successors, or assigns, either jointly or severally.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The VICE PRESIDENT. Senate bill 4040 will be indefinitely postponed.

WILLIE B. CLEVERLY

The bill (S. 902) for the relief of Willie B. Cleverly was considered. The bill had been reported from the Committee on Claims with an amendment on page 1, line 6, to strike out "$160" and insert "$124.23," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Willie B. Cleverly the sum of $124.23 in full compensation for money expended by him in doctor's and hospital bills growing out of an injury which he received while in the performance of his duties as temporary surfman at the Point Allerton Station of the United States Coast Guard on January 13, 1924, at which time the said Cleverly was filling a vacancy in the personnel at that station.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARRIETTE OLSEN

The bill (S. 1858) for the relief of Harriette Olsen was considered. The bill had been reported from the Committee on Claims with an amendment in line 3, to strike out "Postmaster General" and insert "Comptroller General of the United States," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and is hereby, authorized and directed to credit the

account of Harriette Olsen, postmaster at Armstrong, Iowa, in the sum of $42.91, due the United States on account of the loss resulting from the closing of the First National Bank of Armstrong, Iowa.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LYMAN L. MILLER

The bill (S. 3504) for the relief of Lyman L. Miller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money not otherwise appropriated, to Lyman L. Miller, the sum of $400 as reimbursement for the amount paid by said Lyman L. Miller to the Department of the Interior as advance royalty accompanying application for proposed coal-mining leases, which said application was rejected on March 6, 1926. Under regulations governing the disposition by fiscal officers of payments under the mineral lease act, advanced royalty of $400 was covered into the United States Treasury and that no request for refund was filed within two years from the date of rejection of application and that the same is now barred by statute, act of December 11, 1919 (41 Stat. 366).

MAGGIE KIRKLAND

The bill (S. 3344) for the relief of Maggie Kirkland was considered. The bill had been reported from the Committee on Claims with an amendment in line 3, to strike out "Postmaster General" and insert "Comptroller General of the United States," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Maggie Kirkland, former postmaster at Chicago, Ky., with the sum of $93.50, covering a shortage in her accounts believed to be due to the destruction of paid money orders in a fire in the post office on March 25, 1924.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VAN CAMP SEA FOOD CO. (INC.)

The bill (S. 220) authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of the Van Camp Sea Food Co. (Inc.), Terminal Island, Calif., for reimbursement of the cost of repairing damages sustained by the fishing boat *Costa Rica No. 1*, while attempting to rescue the crew and salvage Navy seaplane *No. A-7807* attached to the United States steamship *Idaho*, which crashed in the Los Angeles Harbor October 27, 1930, and for demurrage while the repairs were being made, and to allow not exceeding the sum of $1,718.06 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum not to exceed $1,718.06, or so much thereof as may be necessary, for payment of said claim.

B. F. HART

The bill (S. 222) authorizing adjustment of the claim of B. F. Hart was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to adjust and settle the claim of B. F. Hart in the sum of $65 as the bona fide holder of check No. 4957, dated May 15, 1925, issued by C. C. Collins, special disbursing agent, United States Veterans' Bureau, to the order of Theodore John Gustavus in payment under a vocational rehabilitation award, which payment was later determined to be unauthorized, and to allow in full and final settlement of said claim an amount not exceeding $65. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $65, or so much thereof as may be necessary, for payment of said claim.

WILLIAM L. GILBERT CLOCK CO.

The bill (S. 2236) to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the William L. Gilbert Clock Co., of Winsted, Conn., the sum of $416.92 to reimburse the company for money expended by it in an overpayment of customs duties to the collector of customs at New York, N. Y., on parts used in making clocks which were imported and entered at the port of New York, N. Y., under entry No. 888945 of March, 1928, and entry No. 901780 of April, 1928.

CLAIMS OF TLINGIT AND HAIDA INDIANS OF ALASKA

The bill (S. 1196) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes, was announced as next in order.

Mr. REED. Mr. President, I notice there is an adverse report by the Indian Commissioner on this bill. I think I should like to have it passed over.

Mr. FRAZIER. Mr. President, will the Senator withhold his request for the moment?

Mr. REED. I will.

Mr. FRAZIER. A hearing was held on this bill and the Delegate from Alaska, Judge WICKERSHAM, came before the committee and made an extended explanation of the situation. It is simply a jurisdictional bill giving the Indians the right to go to the Court of Claims to establish what they believe and what Judge WICKERSHAM is very positive in his statement that the Indians are entitled to, and that is to collect some damages from the Government.

When the Territory of Alaska was purchased these Indians, of course, had their land there. It has always been customary, where land is taken either by purchase or in any other way, to give the Indians title to the land and let them live there and enjoy the privileges of the land. In many instances they have been crowded off their lands and their fishing rights taken away from them. Those of the committee who were present were unanimous in their expression of opinion that the bill should be passed and the Indians authorized to go before the Court of Claims.

I will say that the department reports unfavorably any bill of that kind, on general principles, I think, but we have passed such bills time after time here, and I believe, Mr. President, that this bill also should be passed. I hope the Senator will not object.

Mr. REED. Mr. President, I notice that this bill proposes to give these Indians money judgments for lands which they do not occupy, which they were not occupying, and which were taken over by the United States back at the time of the Civil War or immediately thereafter, when we bought Alaska from the Emperor of Russia. I am not sure, of course, that the bill is wrong, but I do think that it ought to go over until we may have a little further explanation of it.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Montana?

Mr. REED. I yield.

Mr. WALSH of Montana. I know nothing about this particular bill, but I am able to confirm the view expressed by the Senator from North Dakota [Mr. FRAZIER] that the department uniformly reports against such bills as this. The department enters into consideration of the question as to whether the Indians are entitled to anything or not, and, of course, if the department decides in their favor nothing more is heard of it; but if the department decides against the measure, the Indians ought to have an opportunity to go somewhere to litigate the question as to whether or not they are entitled to have anything. Such bills grant nothing to the Indians except the opportunity to go into court to have their rights adjudicated; and I myself can find no objection to the enactment of any of these proposed laws giving the Indians opportunity to sue when they claim that their treaty rights have been violated and disregarded.

The VICE PRESIDENT. The Senator from Pennsylvania objects to the consideration of the bill.

Mr. FRAZIER. Mr. President, I just want to say a word further. If this measure shall pass, the cases will be taken on a contingent basis by attorneys, and unless they think there are grounds for collecting something from the

Government they are not going to take cases of this kind. There will be no expense to the Government unless the Court of Claims holds that the Indians are entitled to damages.

Mr. REED. I am wondering at the task that confronts the Government when an Indian of one of these tribes is defined as one of mixed blood or whole blood, a descendant of any such Indian who was living in Alaska on March 30, 1867. How, in the name of all that is sacred, can the United States investigate the pedigree of the Indians since 1867 and tell what lands their ancestors were occupying 75 years ago?

Mr. FRAZIER. Mr. President, there are court decisions that hold that the natives of Alaska are included as Indians, and, of course, the natives date back to the time when the Alaskan Territory was purchased by the United States Government. In every bill it is provided that the Indians always have to establish their right, both by blood and their previous residence.

Mr. REED. I should like to look into the bill further, Mr. President, and I am sorry to have to object.

The VICE PRESIDENT. The Senator from Pennsylvania objects, and the bill will go over.

ENROLLMENT OF INDIANS OF KLAMATH RESERVATION, OREG.

The Senate proceeded to consider the bill (S. 2671) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon, which had been reported from the Committee on Indian Affairs with amendments. The first amendment was, in section 1, page 2, after the word "act," in line 3, to insert "Nothing contained in this act shall be construed to affect such cases adversely," so as to make the section read:

That the Secretary of the Interior is hereby authorized and directed to prepare, within one year after date of the approval of this act, a complete roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians belonging to the Klamath Indian Reservation in the State of Oregon who were living January 1, 1932: *Provided*, That as to all cases pending, whether on appeal or otherwise, the Secretary of the Interior may determine the status of the Indians involved after the expiration of one year from the effective date of this act. Nothing contained in this act shall be construed to affect such cases adversely. Upon the completion of such roll it shall constitute the final roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians belonging to the Klamath Indian Reservation in the State of Oregon for all purposes, including the distribution of tribal lands, funds, or other property now existing or which may hereafter accrue. In the event of the death of any person whose name appears on the roll herein provided for, his interest in any allotment and in the tribal lands, funds, or other property of such Indians shall descend in accordance with the laws of descent and distribution of the State of Oregon; except that if any such person dies without heirs his interest shall revert to and become a part of the common tribal property. The Secretary of the Interior may remove from such roll any names which are found to have been placed thereon through fraud or error, and he shall cancel the allotment and trust patent of any person whose name is so removed, whereupon the land covered by such allotment and trust patent shall, after due notice and hearing, become a part of the common tribal property.

The amendment was agreed to.

The next amendment was, on page 4, to insert a new section, as follows:

SEC. 4. That hereafter the final degree of Klamath, Modoc, and Yahooskin Band of Snake Indian blood, for enrollment with the Indians of the Klamath Reservation in Oregon shall be established at one-sixteenth degree Indian blood for any of the three abovementioned tribes, signers to the treaty of 1864.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HOMESTEADERS ON DIMINISHED COLVILLE INDIAN RESERVATION, WASH.

The Senate proceeded to consider the bill (S. 2983) for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash., which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 13, after the word "shall," to strike out "upon the filing of a statement to that effect by the Secretary," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, in his discretion, to extend for a period of not to exceed two years the time for the payment of any installment or installments due, or hereafter to become due, of the purchase price for lands sold under the act of Congress approved March 22, 1906 (34 Stat. 80): *Provided*, That the payments extended under the provisions of Public Resolution No. 33, approved March 19, 1920 (41 Stat. 535), may be extended hereunder: *Provided further*, That any and all payments must be made when due unless the entryman applies for an extension and pays interest for one year in advance at 5 per cent per annum upon the amount due, and patent shall be withheld until full and final payment of the purchase price is made in accordance with the provisions hereof: *Provided further*, That where payments are extended hereunder for more than one year the same rate of interest shall be paid in advance for the second year: *And provided further*, That failure to make any payment that may be due, unless the same be extended, or to make any extended payment at or before the time to which such payment has been extended as herein provided, shall forfeit the entry, and the same shall thereupon be canceled, and any and all payments theretofore made shall be forfeited.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3371) authorizing the Secretary of the Interior to vacate withdrawals of public lands under the reclamation law, with reservation of rights, ways, and easements, was announced as next in order.

Mr. McKELLAR. I think we should have an explanation of that bill.

Mr. VANDENBERG. I ask that the bill go over.

Mr. McKELLAR. Let the bill go over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

FRANCIS R. SANCHEZ

The bill (S. 3592) confirming the claim of Francis R. Sanchez, and for other purposes, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the claim of Francis R. Sanchez for lands described as sections 33 and 34, township 6 south, range 18 east, and as section 5, township 7 south, range 18 east, Tallahassee meridian, Florida, embracing 4,000 acres as shown on plats of survey approved May 27, 1841, contained in report No. 2 as claim No. 25, of the commissioners of the district of east Florida (American State Papers, Duff Green edition, vol. 3, p. 643), communicated to Congress by the Treasury Department, May 20, 1824, be, and the same is hereby, approved and confirmed to the equitable owners of the equitable title thereto and to their respective heirs and assigns forever: *Provided*, That this act shall amount only to a relinquishment of any title that the United States has, or is supposed to have, or is supposed to have had, in and to any of said lands, and shall not be construed to abridge, impair, injure, prejudice, divert, or affect in any manner whatsoever any valid right, title, or interest of any person or body corporate whatever heretofore acquired based on a patent issued by the United States.

COUER D'ALENE AND ST. JOE NATIONAL FORESTS, IDAHO

The bill (S. 3639) for the inclusion of certain lands in the Couer d'Alene and St. Joe National Forests, State of Idaho, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, I think we ought to have an explanation of the bill if the Senator from Idaho [Mr. THOMAS] will give it to us.

Mr. THOMAS of Idaho. Mr. President, this bill simply provides for the adjustment of some public timberlands in order that exchanges may be made. It involves an area that is not now in the forest reserve and provides for the inclusion of certain lands within the forest reserve. The bill has the recommendation of the department, and I know of no objection to its passage.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the act of March 20, 1922 (U. S. C., title 16, sec. 485), be, and the same are hereby, extended and made applicable to the following-described lands, and such of said lands as are now owned by the United States, subject to existing valid claims, are hereby given a national-forest status and shall hereafter be administered as parts of the adjacent

national forest and subject to all laws and regulations relating thereto:

All of township 42 north, ranges 1 and 2 east.

All of township 43 north, ranges 1, 2, 3, and 4 east.

All of township 44 north, ranges 1 and 2 east.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, township 44 north, range 3 east.

All of township 44 north, range 1 west.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, and 36, township 44 north, range 2 west.

Sections 1, 11, 12, 13, 14, and 15, township 44 north, range 3 west.

All of township 45 north, ranges 1, 2, and 3 east.

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, and 35, township 45 north, range 4 east.

All of township 45 north, range 1 west.

All that portion east of the east boundary of the former Coeur d'Alene Indian Reservation, township 45 north, range 2 west.

All that portion east of the east boundary of the former Coeur d'Alene Indian Reservation, township 45 north, range 3 west.

All of township 46 north, ranges 1 and 2 east and range 1 west.

Sections 13, 24, 25, 34, 35, and 36, and that portion of sections 1, 11, 12, and south half of section 27, and all of sections 28 and 33 east of the east boundary of the former Coeur d'Alene Indian Reservation, township 46 north, range 2 west.

All of township 47 north, range 1 east.

All that portion of township 47 north, range 1 west, not included in the former Coeur d'Alene Indian Reservation.

Sections 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 47 north, range 2 east.

Lot 2, section 36, township 47 north, range 2 west.

Sections 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 48 north, range 1 west.

Sections 25 and 36, township 48 north, range 2 west.

Sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 48 north, range 1 east.

All the foregoing descriptions relate to the Boise base and meridian.

IDAHO NATIONAL FOREST

The bill (S. 3784) to add certain lands to the Idaho National Forest, Idaho, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-described areas be, and the same are hereby, included in and made a part of the Idaho National Forest, subject to all prior adverse rights, and that said lands shall hereafter be subject to all laws affecting national forests: All township 23 north, ranges 2 and 3 east, and that part of the west half of township 24 north, range 4 east, which is not already included in the Nez Perce National Forest; all Boise meridian.

BILL PASSED OVER

The bill (H. R. 231) to grant certain lands to the State of Colorado for the benefit of the Colorado School of Mines was announced as next in order.

Mr. WALSH of Montana. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

MELISSA ISABEL FAIRCHILD

The bill (H. R. 4390) for the relief of Melissa Isabel Fairchild was read, considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Melissa Isabel Fairchild, widow of Seymour Fairchild, deceased, on desert entry, Blackfoot, Idaho, No. 037882, entered by him on November 6, 1917, for the northeast quarter of the southwest quarter, and southeast quarter of section 8; east half of the northeast quarter and northeast quarter of the southeast quarter of section 17, all in township 9 south, range 14 east, Boise (Idaho) meridian.

WESLEY A. HOWARD

The Senate proceeded to consider the bill (S. 1044) authorizing the issuance to Wesley A. Howard of a patent for certain lands, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 4, after the words "issue to," to strike out "Wesley A. Howard" and to insert "Cassie E. Howard," and in line 7, after the word "such," to strike out "Wesley A. Howard" and to insert "Cassie E. Howard," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Cassie E. Howard, as transferee of Frank Bastien, patent for the lands covered by homestead entry No. Great Falls 054646, upon payment by such Cassie E. Howard, within 60 days from the date of the approval of this act, of the balance due upon such lands.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the issuance to Cassie E. Howard of a patent for certain lands."

CONVEYANCE OF LAND TO SCHOOL DISTRICT NO. 15, MONTANA

The Senate proceeded to consider the bill (S. 2395) authorizing the conveyance of certain land to school district No. 15, Lincoln County, Mont., which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 5, after the word "quarter," to insert "of the"; in line 6, after the word "northwest," to strike out "quarter" and insert "quarter of the"; and in the same line, after the word "quarter," where it occurs the second time, to insert "of the," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to school district No. 15, Lincoln County, Mont., the southwest quarter of the northwest quarter of the southwest quarter of the northwest quarter, section 16, township 33 north, range 34 west, Montana principal meridian.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1039) establishing additional land offices in the States of Montana, Oregon, South Dakota, Idaho, New Mexico, Colorado, and Nevada was announced as next in order.

Mr. McKELLAR. I call the attention of the Senator from Montana to the fact that there was recently a recommendation from the executive department to abolish all land offices, but I see this bill proposes to establish additional land offices in various States.

Mr. WALSH of Montana. The bill may go over.

Mr. McKELLAR. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

MATHIE BELSVIG

The bill (S. 2259) for the relief of Mathie Belsvig was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Mathie Belsvig, of Ossette, Mont., a patent to 80 acres of land upon which said Mathie Belsvig made homestead entry in 1917, and submitted final proof in 1921 (homestead entry No. Great Falls 054858, containing 319.50 acres): *Provided*, That within 60 days from approval of that act said Mathie Belsvig shall specify the 80 acres in the entry for which patent is desired and shall make complete payment for the balance due thereon.

WATERTON-GLACIER INTERNATIONAL PEACE PARK

The bill (H. R. 4752) for the establishment of the Waterton-Glacier International Peace Park was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Montana explain this bill?

Mr. WALSH of Montana. Mr. President, the Waterton Lake National Park is a Canadian park immediately adjacent to the Glacier National Park in the State of Montana. This bill is just a nice gesture toward our neighboring country of Canada. They are very eager there to have these two parks created as a kind of international peace park, and the Rotarians of this country are interested in the project, and propose to make a pilgrimage there during the coming summer when they hold their national convention at Seattle. They want at that time to dedicate this park. The bill provides that the administration of the Waterton Park shall remain in Canada and the administration of the Glacier Park shall remain in the United States, but they are both to be designated as the international peace park. That is all there is in the bill.

Mr. McKELLAR. Will it call for appropriations?

Mr. WALSH of Montana. It involves no appropriations.

Mr. FRAZIER. Mr. President, there is now pending a similar measure to this, a bill, I understand, having been introduced in the House to establish an international peace park on the northern border of North Dakota at a point practically half way from coast to coast on the Canadian and United States border. The organization that is backing that measure has asked me to request that this bill be temporarily held up, at least until a little further action is developed on the other measure, as they are afraid that action on this bill will affect detrimentally the proposal to establish a peace park or garden in North Dakota. So I ask that the bill go over.

The VICE PRESIDENT. On objection of the Senator from North Dakota, the bill will be passed over.

PURCHASE OF TOBACCO FOR VETERANS' HOSPITALS

The Senate proceeded to consider the bill (S. 3886) to authorize the purchase of tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration, which was read, as follows:

Be it enacted, etc., That appropriations heretofore or hereafter made for hospital and domiciliary services under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to patients received hospital treatment in Veterans' Administration hospitals and members cared for in Veterans' Administration homes: *Provided*, That tobacco shall not be furnished those in receipt of monetary benefits.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this bill.

Mr. SMOOT. Mr. President, this bill was introduced by the Senator from Georgia [Mr. GEORGE] and referred to the Committee on Finance. The Chief of the Veterans' Administration, Gen. Frank T. Hines, wrote a letter to me in answer to one addressed by me to him inquiring whether, in the opinion of the Veterans' Administration, the bill should be enacted into law or not. In his letter General Hines says:

There is inclosed a draft of a proposed bill to authorize the purchase of tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration.

The furnishing of tobacco to the inmates of Veterans' Administration homes is authorized under existing appropriations. However, upon the consolidation of the Bureau of Pensions, the National Home for Disabled Volunteer Soldiers, and the United States Veterans' Bureau, authorized by the act of July 3, 1930, the National Home for Disabled Volunteer Soldiers at Marion, Ind., for example, became a Veterans' Administration hospital in view of the fact that that home had been used primarily for the care and treatment of neuropsychiatric cases. Under existing appropriation laws there is no authority for the furnishing of tobacco in Veterans' Administration hospitals.

In order that there may be a uniform provision the proposed bill is forwarded for introduction in such manner as you may deem appropriate.

The purpose of the bill is to provide tobacco for veterans who are in hospitals under the jurisdiction of the Veterans' Administration.

Mr. McKELLAR. I have no objection to the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES M. GRIFFIN

The bill (S. 4166) for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, in the amount of $360.27, which sum represents the aggregate of payments made during the fiscal year 1930 by said disbursing officer on account of travel performed by civilian officers and employees of the Coast and Geodetic Survey and which sum has been disallowed by the Comptroller General as follows: On voucher No. 96675, to Deck Officer John C. Ellerbe, jr., $7.65; on voucher No. 96713, to Deck Officer J. S. Morton, $7.35; on voucher No. 96771, to Mate F. E. Okeson, $14.37; on voucher No. 96818, to Deck Officer I. R. Rubottom, $4.10; on voucher No. 96412, to Deck Officer J. C. Tison, $4.20; on voucher No. 96626, to Deck Officer J. C. Tribble, $7.45; on voucher No. 96649, to Deck Officer K. S. Ulm, $14.40; on voucher No. 95340, to Deck Officer K. S. Ulm, $4.65; on voucher No. 96241, to Deck Officer H. C. Walker, $6.55; on voucher No. 97132, to Deck Officer E. B. Brown, $4.65; on voucher No. 97150, to Chief Engineer H. Ely, $42.35; on voucher No. 97151, to Chief Engineer H. Ely, $12.30; on voucher No. 98186, to Deck Officer E. L. Jones, $2.64; on voucher No. 97492, to Deck Officer R. A. Marshall, $3.25; on voucher No. 97019, to Deck Officer J. S. Morton, $3.94; on voucher No. 97642, to Associate Geodetic Engineer W. Mussetter, $9.75; on voucher No. 97175, to Deck Officer F. Natella, $11.55; on voucher No. 98184, to Deck Officer C. R. Reed, $2; voucher No. 97020, to Deck Officer M. G. Ricketts, $3; on voucher No. 98183, to Deck Officer W. C. Russell, $2.10; on voucher No. 98313, subvoucher No. 250, to C. Sylar, hand, $33.54; on voucher No. 96989, to Deck Officer J. C. Tribble, $5.35; on voucher No. 99316, subvoucher No. 16, to Deck Officer M. A. Hecht, $10.42; on voucher No. 99684, to Assistant Marine Engineer W. R. McLaughlin, $4; on voucher No. 98585, to Junior Engineer E. R. Martin, $3.70; on voucher No. 99157, to Deck Officer J. S. Morton, $14.21; on voucher No. 99933, to Associate Geodetic Engineer W. Mussetter, $3.25; on voucher No. 98776, subvoucher No. 240, to Seaman W. R. Norton, $10.20; on voucher No. 99414, to Mate F. E. Okeson, $9.86; on voucher No. 99261, to Deck Officer F. Natella, $16.16; on voucher No. 101243, to Surgeon F. J. Soule, $50.75; on voucher No. 101138, to Junior Engineer E. R. Martin, $7; and on voucher No. 101084, to Seaman J. M. Narrow, $18.58: *Provided*, That the civilian officers and employees named herein shall not be required to make any refunds to the Government on account of payments made to carriers for travel furnished by the Government on transportation requests in connection with the vouchers listed herein as follows: Deck Officer John C. Ellerbe, jr., transportation requests Nos. C-71170, 71211, 71219, 71220, in the total amount of $138.82; Mate F. E. Okeson, transportation requests No. C-71233, 71234, in the total amount of $49.42; Deck Officer I. R. Rubottom, transportation requests Nos. C-71017, 71018, 71055, 71057, 71058, 71059, 71060, in the total amount of $175.93; Deck Officer J. C. Tison, transportation request No. C-71214 in the amount of $11.85; Deck Officer K. S. Ulm, transportation requests Nos. C-71212, 71213, 71216, 71217, in the total amount of $168.11; Deck Officer K. S. Ulm, transportation request No. C-70768 in the amount of $6.05; Deck Officer H. C. Walker, transportation request No. C-71215 in the amount of $6.05; Deck Officer E. B. Brown, transportation requests Nos. C-70720, 71226, in the total amount of $11.89; Chief Engineer H. Ely, transportation requests Nos. C-70638, 70639, 70686, in the total amount of $509.49; Deck Officer R. A. Marshall, transportation request No. C-71133 in the amount of $6.05; Deck Officer J. S. Morton, transportation requests Nos. C-70990, 71199, 71226, 71231, in the total amount of $52.01; Associate Geodetic Engineer W. Mussetter, transportation requests Nos. C-70724, 70725, 70726, in the total amount of $41.43; Deck Officer F. Natella, transportation requests Nos. C-71230, 71271, in the total amount of $56.73; Deck Officer C. R. Reed, transportation request No. C-71369 in the amount of $6.05; Deck Officer M. G. Ricketts, transportation request No. C-70929, in the amount of $6.05; Deck Officer W. C. Russell, transportation request No. C-71369 in the amount of $6.05; Deck Officer J. C. Tribble, transportation requests Nos. C-70927, 70928, in the total amount of $15.75; Deck Officer M. A. Hecht, transportation request No. C-71275 in the amount of $28.41; Assistant Marine Engineer W. R. McLaughlin, transportation requests Nos. C-70865, 70866, in the total amount of $43.49; Junior Engineer E. R. Martin, transportation requests Nos. C-79828, 79829, in the total amount of $37.04; Deck Officer J. S. Morton, transportation requests Nos. C-71332, 71333, in the total amount of $100.84; Associate Geodetic Engineer W. Mussetter, transportation requests Nos. C-71421, 71422, in the total amount of $41.63; Mate F. E. Okeson, transportation requests Nos. C-71431, 71432, in the total amount of $17.67; Deck Officer F. Natella, transportation requests Nos. C-71434, 71435, 71436, in the total amount of $57.21; and Surgeon F. J. Soule, transportation requests Nos. C-71022, 71023, in the total amount of $41.64.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 13) to authorize the merger of street-railway corporations in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR and Mr. HOWELL asked that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 929) relating to the taking of depositions in cases arising under section 19 of the World War veterans' act, 1924, as amended, was announced as next in order.

Mr. REED. In the absence of the Senator from Nebraska [Mr. NORRIS] that bill ought to go over.

The VICE PRESIDENT. The bill will be passed over.

SAMSON DAVIS

The Senate proceeded to consider the bill (S. 332) to correct the military record of Samson Davis, which had been reported from the Committee on Military Affairs with amendments.

The first amendment was, on page 1, line 5, after the words "member of," to strike out "Company A, Ninth Regiment United States Infantry" and insert "the Hospital Corps, United States Army."

The amendment was agreed to.

Mr. SMOOT. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

WAR DEPARTMENT EQUIPMENT FOR AMERICAN LEGION CONVENTION

The bill (S. 3765) to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932, was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized to lend at his discretion, to the Oregon National Convention Commission of the American Legion, for use at the fourteenth national convention of the American Legion to be held at Portland, Oreg., in the month of September, 1932, 20,000 cots 40,000 blankets, 40,000 bed sheets, 20,000 pillows, 20,000 pillowcases, and 20,000 mattresses or bed sacks: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered at such time prior to the holding of the said convention as may be agreed upon by the Secretary of War and the Oregon National Convention Commission of the American Legion, through the executive vice president of the Oregon National Convention Commission of the American Legion, Ben F. Dorris: *Provided further*, That the Secretary of War, before delivering said property, shall take from the said Oregon National Convention Commission of the American Legion a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

EMPLOYMENT IN PUBLIC SCHOOLS OF THE DISTRICT

The bill (S. 3707) to authorize appointment of public-school employees between meetings of the Board of Education of the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, I shall have to ask the Senator from Kansas [Mr. CAPPER] to explain the purpose of this bill. It looks to me as if it grants a great deal of authority.

Mr. CAPPER. Mr. President, the bill merely authorizes appointments to be made during recess or vacation times of the Board of Education of the District. The bill was prepared by the committee on legislation of the Board of Education, went to the board, to the District Commissioners, was approved by the corporation counsel, and came to the Senate committee with the request that we secure its passage. No one is objecting to it. We had representatives of the different departments before us, and all of them concurred in the advisability of the passage of the bill.

Mr. McKELLAR. It will mean a very large additional expenditure for school employees in the city, will it not?

Mr. CAPPER. It will mean no additional expenditure.

Mr. McKELLAR. If they appoint additional people to the places?

Mr. CAPPER. The superintendent of schools already has the authority contained in this proposed legislation.

Mr. McKELLAR. This bill takes it away from him and gives it to another board, I understand.

I will ask that this bill go over, and I will look into it by the next time the calendar is called.

The VICE PRESIDENT. The bill will be passed over.

LANDS IN NEW MEXICO

The bill (S. 1624) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, was considered by the Senate, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue patents for the lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928 (New Mexico *v.* Texas, 276 U. S. 558), to the persons in actual and bona fide possession of and claiming title under patent from the State of Texas to such lands and/or the accretions thereto: *Provided*, That if the right, title, and interest of any claimant to any such lands or accretions shall be hereafter held by a court of competent jurisdiction to be superior to that of a patentee under this act, the patent issued under this act shall be held and considered to have been issued to such claimant: *Provided further*, That this act shall not become effective and no such patent shall be issued until the Legislature of the State of Texas shall have enacted an act providing for the issuance of patents or other appropriate conveyances for the lands and accretions thereto determined to be within the State of Texas in accordance with such decree of the supreme court to the persons in actual and bona fide possession of and claiming title under patent from the United States to such lands and/or the accretions thereto.

SEC. 2. As used in this act, the term "person" includes an individual, corporation, partnership, or association.

Mr. BRATTON. Mr. President, I desire to offer two amendments.

On page 2, line 1, after the word "title," insert "on April 9, 1928."

The amendment was agreed to.

Mr. BRATTON. Then I send forward a second amendment, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 7, after the colon, it is proposed to insert:

Provided further, That any land acquired by patent issued under this act shall be subject to the same liens, other than liens for taxes and water and like quasi-public charges, that would have been against such land had it been in Texas.

Mr. WALSH of Montana. Mr. President, I will ask the Senator from New Mexico to explain that amendment.

Mr. BRATTON. I shall be glad to do so.

By decree entered April 9, 1928, in the case of New Mexico *v.* Texas (276 U. S. 558), the Supreme Court fixed the true boundary line in a disputed strip as the center of the Rio Grande on September 9, 1850. Resulting from that decree, certain land theretofore thought to be in Texas, held under title emanating from the State of Texas, was shifted into New Mexico; and, conversely, certain lands thought to be in New Mexico, and held under title emanating from the United States, were determined to be in Texas. Thus, some people occupying lands, believing they had title from the State of Texas, found themselves in New Mexico with no title; and, conversely, people occupying lands, believing they held title from the Federal Government, found themselves in Texas with no title.

This bill authorizes the Secretary of the Interior to issue a patent to any such land, provided the State of Texas will enact a reciprocal statute, so that parties will not be disturbed in their lands when they are relying upon title emanating from a sovereignty which believed it had a right to convey. The amendment I have just offered provides that in the case of any land conveyed under this act, meaning land shifted into New Mexico, the occupant gets a patent to the land; and that a lien holder, mortgagee, or trustee has the same right that he would have had, had the land actually been in Texas.

Mr. ROBINSON of Arkansas. What is the total area affected by the bill?

Mr. BRATTON. My recollection is that there are probably eight or nine thousand acres in all, including that in Texas and that in New Mexico. I am not certain about it, but that is my memory.

Mr. CONNALLY. Mr. President, let me ask the Senator from New Mexico if it is not a fact that the State of Texas has already passed a reciprocal statute?

Mr. BRATTON. It has passed a statute dealing with the subject matter. There is some doubt as to whether it is truly reciprocal; but this bill expressly provides that no patent shall issue until the State of Texas enacts a reciprocal statute according holders of land in Texas the same grace that this measure gives to them in New Mexico.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Mexico.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATURALIZATION OF ALIEN VETERANS OF WORLD WAR

The Senate proceeded to consider the bill (H. R. 6477) to further extend naturalization privileges to alien veterans of

the World War residing in the United States, which had been reported from the Committee on Immigration, with amendments.

Mr. BLAINE. Mr. President——

Mr. ROBINSON of Arkansas. Mr. President, when the Senator from Wisconsin rose, I was just about to ask for an explanation of the amendments to the bill. It appears that a large number of amendments have been incorporated in the bill by the committee. I should also like to be informed as to the number of persons affected by the proposed legislation.

Mr. BLAINE. Mr. President, I desire to offer an amendment to the bill and to make just a brief explanation. After my explanation it may be that some Senators will desire to have the bill go over.

During the punitive expedition into Mexico in 1916, or possibly the early part of 1917, the National Guard constituted the greater portion of the Army. They were called into the service of the United States as National Guardsmen; and I find that some of them—I do not know how many—were aliens who had been exercising all rights of citizenship. I find that the bill does not relieve that group.

The commonly known misinformation statute, which provides that an alien who has exercised all the rights of a citizen may be admitted as a citizen without going through all the forms ordinarily required, applies only to those who had exercised those rights of citizenship five years prior to July 1, 1914. Therefore, the National Guardsmen who were called into the service in the Mexican border affair can not take advantage of that statute.

I therefore propose to amend the so-called misinformation statute so as to place the time as five years next preceding July 1, 1920; and I offer that amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Wisconsin offers the following amendment: After line 10, on page 6, insert the following:

SEC. 10. The tenth subdivision of section 4 of the act of June 29, 1906 (ch. 3592, 34 Stat. 598), as amended by the act of May 9, 1918 (ch. 69, 40 Stat. 545; U. S. Code, t. 8, sec. 377) is hereby amended to read as follows:

"Tenth. That any person not an alien enemy, who resided uninterruptedly within the United States during the period of five years next preceding July 1, 1920, and was on that date otherwise qualified to become a citizen of the United States, except that he had not made the declaration of intention required by law and who during or prior to that time, because of misinformation regarding his citizenship status, erroneously exercised the rights and performed the duties of a citizen of the United States in good faith, may file the petition for naturalization prescribed by law without making the preliminary declaration of intention required of other aliens, and upon satisfactory proof to the court that he has so acted may be admitted as a citizen of the United States upon complying in all respects with the other requirements of the naturalization law."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. REED. Mr. President, the Senator from West Virginia [Mr. HATFIELD], the chairman of the committee, and the Senator from Utah [Mr. KING] are not here; but I think I can safely say for them that they would have no objection to the inclusion of this amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

The VICE PRESIDENT. The amendments of the committee will be stated.

The first amendment was, on page 2, after line 18, to insert:

(b) All petitions for citizenship made outside the United States in accordance with the seventh subdivision of section 4 of the naturalization act of June 29, 1906, as amended, upon which naturalization has not been heretofore granted, are hereby declared to be invalid for all purposes.

The amendment was agreed to.

The next amendment was, on page 2, after line 23, to insert:

SEC. 2. (a) The seventh subdivision of section 4 of the naturalization act of June 29, 1906, as amended, is amended by striking out "the National Guard or Naval Militia of any State, Territory, or the District of Columbia, or the State militia in Federal service."

(b) This section shall not be applied in the case of any individual whose petition for naturalization has been filed before the enactment of this act.

Mr. BINGHAM. Mr. President, I should like to ask the Senator from Pennsylvania just what that means.

Mr. REED. During war time any member of the National Guard or Naval Militia might apply for citizenship without waiting the full five years. It has been found that that provision, being still in effect, is being taken advantage of improperly now, and we thought the provision ought to be terminated.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 3, after line 6, to insert:

SEC. 3. The last proviso in the first paragraph of the seventh subdivision of section 4 of such act of June 29, 1906, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "except that this proviso shall not apply in the case of service on American-owned vessels by an alien who has been lawfully admitted to the United States for permanent residence."

Mr. REED. Mr. President, to explain that in a word, there are a number of people, and some of them very good people, who have been lawfully admitted to the United States but who are engaged in ocean commerce as officers or crew of ocean-going vessels. The Immigration and Naturalization Bureau has been forced to hold that every time they go outside the 3-mile limit, their continuous residence is interrupted. As a matter of fact, they are under the American flag all the time, or on American-owned vessels, and it ought to be construed as continuous residence in the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 3, after line 14, to insert:

SEC. 4. Section 32 of such act of June 29, 1906, as amended, is amended by adding at the end thereof the following new subdivisions:

"(c) If the name of any naturalized citizen has, subsequent to naturalization, been changed by order of a court of competent jurisdiction, or by marriage, the citizen may, upon the payment to the commissioner of a fee of $10, make application (accompanied by two photographs of the applicant) for a new certificate of citizenship in the new name of such citizen. If the commissioner finds the name of the applicant to have been changed as claimed, he shall issue to the applicant a new certificate with one of such photographs of the applicant affixed thereto.

"(d) The Commissioner of Naturalization is authorized to make and issue, without fee, certifications of any part of the naturalization records of any court, or of any certificate of citizenship, for use in complying with any statute, State or Federal, or in any judicial proceeding. Any such certification shall be admitted in evidence equally with the original from which such certification was made in any case in which the original thereof might be admissible as evidence. No such certification shall be made by any clerk of court except upon order of the court."

The amendment was agreed to.

The next amendment was, on page 4, after line 12, to insert:

SEC. 5. So much of subdivision (a) of section 33 of such act of June 29, 1906, as amended, as reads, "Upon obtaining a certificate from the Secretary of Labor showing the date, place, and manner of arrival in the United States," is hereby repealed.

Mr. ROBINSON of Arkansas. What is the object of that?

Mr. REED. That only takes care of the cases of citizens who derived their citizenship through other citizens; that is, minor children who come in, and those who acquire citizenship by marriage.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 4, after line 17, to insert:

SEC. 6. Section 4 of the act entitled "An act to supplement the naturalization laws, and for other purposes," approved March 2, 1929, is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following:



"except that no such certificate shall be required if the entry was on or before June 29, 1906."

Mr. REED. Mr. President, it is impossible to get a certificate of arrival for an immigrant who came before 1906, because there were no records kept. Naturalization can not require that in all conscience, because the immigration people have no records of arrivals before that date.

Mr. ROBINSON of Arkansas. The present law does require such certificate?

Mr. REED. The present law has no exception in it.

Mr. ROBINSON of Arkansas. Even though there is no record available?

Mr. REED. That is so. That has prevented naturalization in some cases.

Mr. FLETCHER. Mr. President, does that conflict with the amendment of the Senator from Wisconsin [Mr. BLAINE]?

Mr. REED. Not at all.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 4, after line 23, to insert:

SEC. 7. Despite the provisions of subdivision (a) of section 1 of the act entitled "An act making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law," approved March 4, 1929, as amended, an alien, if otherwise admissible, shall not be excluded from admission to the United States under the provisions of such subdivision after the expiration of one year after the date of deportation if, prior to his reembarkation at a place outside of the United States, or prior to his application in foreign contiguous territory for admission to the United States, the Secretary of Labor, in his discretion, shall have granted such alien permission to reapply for admission.

Mr. REED. That would take care of the cases of young children who have been wrongfully brought here without their parents, without any guilt on their own part. There are a number of other cases of entirely innocent young people who have been deported without any guilt or moral culpability.

The amendment was agreed to.

The next amendment was, on page 8, after line 11, to insert new sections, as follows:

SEC. 8. The compilation of the statistics to show races, nationalities, and other information, authorized and directed to be prepared by the Commissioner of Naturalization, shall be completed and published at the same time, as near as practicable, as the publication of the statistics of the 1930 census; except that reports covering the census of 1910 shall be completed and submitted not later than January 31, 1933, and reports covering the census of 1920 not later than December 31, 1933. Such statistics shall show the records of registry made under the provisions of the act entitled "An act to supplement the naturalization laws, and for other purposes," approved March 2, 1929. Payment for the equipment used in preparing such compilation shall be made from appropriations for miscellaneous expenses of the Bureau of Naturalization.

SEC. 9. The Secretary of the Treasury, upon the recommendation of the Secretary of Labor, is authorized to provide quarters, without payment of rent, in the building occupied by the Naturalization Service in New York City, for a photographic studio operated by welfare organizations without profit and solely for the benefit of aliens seeking naturalization. Such studio shall be under the supervision of the Commissioner of Naturalization.

Mr. McKELLAR. Mr. President, I was out of the Chamber for a moment, and I would like to ask how much additional cost this would provide for.

Mr. REED. Not anything; in fact, it provides for a small revenue in the way of some fees which are required for issuing duplicate certificates.

Mr. McKELLAR. The Senator does not believe it will bring about a charge on the Government?

Mr. REED. I do not think it will cost the Government a cent.

The VICE PRESIDENT. The question is on agreeing to the amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to further amend the naturalization laws, and for other purposes."

CHESTER J. DICK

The Senate proceeded to consider the bill (S. 669) for the relief of Chester J. Dick, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out "$245.24" and to insert the words "an amount not to exceed $662.77."

Mr. ROBINSON of Arkansas. Mr. President, I should like to have an explanation of that bill. It appears that very much larger sums were involved than that carried in the bill.

Mr. CAPPER. Mr. President, I would rather have the author of the bill, the senior Senator from Utah [Mr. SMOOT], explain it.

Mr. McKELLAR. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

RALPH E. WILLIAMSON

The Senate proceeded to consider the bill (S. 2458) for the relief of Ralph E. Williamson for loss suffered on account of the Lawton (Okla.) fire, 1917, which had been reported from the Committee on Claims with an amendment, on page 2, line 9, after the word "the," to insert the words "difference between insurance paid, if any, and the," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $565 to Ralph E. Williamson as compensation in full for loss of property destroyed by the fire on September 24, 1917, in the city of Lawton, Okla., such loss having been the result of the inability of the fire department of the city of Lawton to control said fire because of lack of water, all available water for fire-fighting purposes having been appropriated and being used by the War Department in connection with the training of soldiers at Fort Sill and Camp Doniphan: *Provided*, That before said claim is allowed and paid the Comptroller General of the United States shall make an investigation of said claim to determine the extent and amount of such loss and damage, and such claim shall be adjusted in amount not in excess of the difference between insurance paid, if any, and the amount set out herein and upon certificates issued to said claimant by the said Comptroller General of the United States.

The amendment was agreed to.

Mr. REED. Mr. President, I think that bill ought to go over for an explanation.

The VICE PRESIDENT. The bill will be passed over.

MONTANA, IDAHO, AND WASHINGTON INDIANS

The Senate proceeded to consider the bill (S. 2986) to supplement the act entitled "An act for the relief of certain nations or tribes of Indians in Montana, Idaho, and Washington," approved March 13, 1924 (re Stat. 21), which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians of Montana shall be granted a further period of two years from the date of this act within which to file suit in the Court of Claims under the act of March 13, 1924 (43 Stat. L. 21): *Provided*, That the limitation of attorneys' fees to $25,000 contained therein shall not apply to the Indians of the Flathead Reservation, Mont.

Mr. McKELLAR. Mr. President, will not the Senator from North Dakota explain that bill? It is a very long bill.

Mr. FRAZIER. Mr. President, under an act passed some years ago these Indians were given the right to go into the Court of Claims. Certain tribes in these three States, three tribes, I think, neglected, for some reason or other, to take advantage of that act until the time expired. Now, they simply ask for an extension of two years from the date of the passage of this measure to take their cases into the Court of Claims. This amendment to the act was recommended by the department, and I think it should be passed as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to,

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of March 13, 1924 (43 Stat. L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder."

ALBERT A. MARQUARDT

The Senate proceeded to consider the bill (S. 848) for the relief of Albert A. Marquardt, which had been reported from the Committee on Military Affairs with an amendment, on page 2, line 1, to strike out "bounty, back pay, pension, or allowance," and to insert the words "compensation, retirement pay, back pay, pension, or other benefit," so as to read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Albert A. Marquardt, who was a member of Company F, Three hundred and tenth Regiment United States Infantry, Seventy-eighth Division, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of November, 1918: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PARRAMORE POST, NO. 57, AMERICAN LEGION

The Senate proceeded to consider the bill (H. R. 4515) extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building and correcting street location.

The bill was ordered to a third reading, read the third time, and passed.

LOANS TO VETERANS ON ADJUSTED-SERVICE CERTIFICATES

The bill (S. 1251) relating to the making of loans to veterans upon their adjusted-service certificates was announced as next in order.

Mr. McNARY. Let that go over.

Mr. BINGHAM. Mr. President, I should like to call attention to the report, which contains a letter from General Hines, of the Veterans' Bureau, in which he says:

Since the amount due on a 50 per cent loan, with interest compounded, would amount at the end of 20 years to more than the face value of a certificate, it is not believed that favorable consideration should be given to this proposed amendment.

Further on, he says:

It is estimated that if this bill becomes a law there will be an additional cost of approximately $70,000,000.

In view of those statements, I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

HUDSON RIVER BRIDGE, NEW YORK

The bill (S. 4122) granting the consent of Congress to the State of New York to construct, maintain, and operate a highway bridge across the Hudson River at or near Catskill, Greene County, N. Y., was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask that Calendar No. 535, House bill No. 10775, to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y., be substituted for the bill just called and that that bill be indefinitely postponed.

The VICE PRESIDENT. Are the bills similar?

Mr. VANDENBERG. They are identical.

There being no objection, the Senate proceeded to consider the bill (H. R. 10775) to extend the time for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y., which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 4122 will be indefinitely postponed.

INTERNATIONAL GEOLOGICAL CONGRESS

The joint resolution (S. J. Res. 82) authorizing an appropriation for the expenses of the Sixteenth Session of the International Geological Congress, to be held in the United States in 1933, was announced as next in order.

Mr. McKELLAR. Mr. President, I would like to have some one who is interested in this measure tell us how much it is to cost the Government.

The VICE PRESIDENT. The senior Senator from California [Mr. JOHNSON] reported the joint resolution.

Mr. McNARY. In the absence of that Senator, I ask that it go over.

The VICE PRESIDENT. The joint resolution will be passed over.

THE AMERICAN MERCHANT MARINE

The bill (S. 3950) to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes," as applied to the Virgin Islands of the United States was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. BINGHAM. Mr. President, will the Senator yield to me to explain the bill?

Mr. McKELLAR. I withhold the objection for the present so that the Senator may explain it.

Mr. BINGHAM. Mr. President, normally the coastwise navigation laws of the United States would apply to the Virgin Islands, but each year their application is exempted by Executive decree, so that the coastwise laws do not apply to the Virgin Islands.

I will say to the Senator from Tennessee that most of the lines going to the Virgin Islands are foreign lines. There is very limited accommodation on American lines, and it would work a very great hardship on the already overburdened port of St. Thomas if the coastwise laws were made to apply. This bill makes an exemption until such time as there are American ships which can take care of the trade. I trust the Senator will not object.

Mr. McKELLAR. Mr. President, I had had in mind the matter of the subsidy given one line already in the coastwise business running from New York by way of Balboa, which is in the Canal Zone, which is a patent subterfuge. This line, although in the coastwise trade, has been given this very large subsidy contrary to law, in my judgment. I was just wondering whether it is proposed in any way, through a measure of this kind, to permit any such operation of an American ship.

Mr. BINGHAM. No, Mr. President.

Mr. McKELLAR. If so, I want to object to it, because I do not think it ought to be done.

Mr. BINGHAM. Under existing law, without presidential exemption, no person could go from here or from Porto Rico to the Virgin Islands except in an American ship, but each year the President, under the provisions of the law, exempts the Virgin Islands from the provisions of the coastwise shipping law. This makes it unnecessary for him to exempt Virgin Islands each year, but gives him the power to apply the coastwise shipping laws as long as he thinks there are American ships sufficient to take care of the trade needed in the Virgin Islands.

Mr. McKELLAR. Mr. President, I am going to object to its consideration, so that I can look into it and see just exactly what it is. If I find it all right, I will not object the next time the calendar is called, I will say to the Senator from Connecticut.

Mr. JOHNSON subsequently said: Mr. President, before I came into the Chamber the Senator from Tennessee objected to the consideration of Senate bill 3950. That bill was carefully gone over by the Shipping Board, and an amendment was prepared and made to the bill in accordance with the desire of those who wanted to preserve exactly what the Senator from Tennessee wants to preserve.

Mr. McKELLAR. I call the Senator's attention to the fact that the provision is that "the coastwise laws of the United States shall not extend to the Virgin Islands of the United States until the President," and so forth.

Mr. JOHNSON. Exactly.

Mr. McKELLAR. In other words, a line could be fixed by the Shipping Board by way of the Virgin Islands and a mail subsidy contract could be given to it. As I think it is too important a matter to be considered just now, I ask that it go over.

The VICE PRESIDENT. The bill will go over.

PUBLIC HEALTH SERVICE TELEPHONE STATIONS

The Senate proceeded to consider the bill (S. 4252) to authorize telephone service in Government-controlled buildings on Public Health Service stations, which was read, as follows:

Be it enacted, etc., That the provisions of section 7 of the act of August 23, 1912 (U. S. C., title 31, sec. 679), or any other law prohibiting the expenditure of public money for telephone services installed in private residences shall not be construed to apply to such telephones in Government-controlled buildings as the Surgeon General of the Public Health Service may certify to be necessary for the prosecution of Government business and as the Secretary of the Treasury may authorize in connection with the operation of Public Health Service stations.

Mr. McKELLAR. Mr. President, I would like to have an explanation of that.

Mr. JOHNSON. Mr. President, that bill was presented at the instance of the Treasury Department, merely that the Public Health Service might answer emergency calls on the telephone, an exemption that is accorded now in some other directions as well.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMELIA ISLAND LIGHTHOUSE RESERVATION

The bill (S. 4195) to authorize the city of Fernandina, Fla., under certain conditions to dispose of a portion of the Amelia Island Lighthouse Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That upon the payment of $1,000 by the city of Fernandina, Fla., to the Secretary of Commerce, such city is authorized to convey, without regard to the conditions and limitations of paragraph (6) of section 1 and of section 2 of the act entitled "An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes," approved May 22, 1926, and without regard to the conditions and limitations of the act entitled "An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation," approved March 3, 1931, the land conveyed to such city pursuant to paragraph (6) of section 1 of the act approved May 22, 1926, a tract bounded on the south by so much of the shell road as crosses section 12, on the east by the eastern boundary of section 12 with a water front 960 feet more or less on the north by a straight line extending from such eastern boundary for 1,000 feet more or less to the western boundary of section 12, and on the west by the western boundary of section 12 extending 1,000 feet more or less to the shell road, containing 20 acres more or less. Any conveyance made by such city shall contain express conditions reserving to the United States (1) a perpetual easement for beams of light from the Amelia Island Lighthouse, and (2) the right to trim any trees and to limit the height of any structures erected on such property that may obstruct the beams of such light.

ELIZABETH MONCRAVIE

The bill (H. R. 3559) for the relief of Elizabeth Moncravie was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John W. Moncravie, alias John Wisner, deceased, who was a member of Company G, One hundred and seventeenth Regiment Illinois Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 1st day of November, 1862: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RIFLE RANGE, NATIONAL GUARD OF SOUTH DAKOTA

The Senate proceeded to consider the bill (S. 1752) to authorize an appropriation for the purchase of land in South Dakota for use at camp sites or rifle ranges for the National Guard of said State, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 10, to strike out "War Department" and to insert in lieu thereof "National Guard," so as to read:

Be it enacted, etc., That a sum not to exceed $14,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purchase of camp sites or rifle ranges in the State of South Dakota, for the use of the National Guard of said State. All purchase of land under this act shall be made by the Secretary of War pursuant to law governing the acquisition of land for the use of the National Guard.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, what bill was that? My attention was temporarily diverted.

The PRESIDING OFFICER (Mr. FESS in the chair). Senate bill 1752.

Mr. McKELLAR. I want to ask if that does not provide for an appropriation?

Mr. SHEPPARD. The bill does not involve a new charge upon the Treasury. It calls for an appropriation of the proceeds of a sale by the Government of a rifle range formerly used by the National Guard of South Dakota. The guard is now in need of another range. The money derived from the former sale was turned into the Treasury. The National Guard of the State of South Dakota is entitled to have this money used for another range to take the place of the range which the Federal Government sold.

Mr. McKELLAR. What is the amount?

Mr. SHEPPARD. About $13,000.

Mr. McKELLAR. Mr. President, I just want to call the Senator's attention, and the attention of other Senators, too, to the fact that possibly hundreds of these bills are passed authorizing appropriations, and in a few days the officials of the department affected, very properly, because it is their duty to do it, send down a special Budget estimate, asking that the money be appropriated, and the Committee on Appropriations has to do it. I think we ought to watch these authorizations all along the line.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business which will be stated.

The LEGISLATIVE CLERK. A bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

ST. LAWRENCE RIVER BRIDGE

Mr. COPELAND. Mr. President, the next bill on the calendar is a bridge bill relating to my State. We are very anxious to have it passed because the work should begin. I refer to the bill (H. R. 483) to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River. I ask unanimous consent that it may be taken up for consideration at this time.

Mr. SMOOT. If it leads to no discussion, I am willing.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first section of the act of March 2, 1897 (29 Stat. L. 603, ch. 357), entitled "An act to authorize the construction and maintenance of a bridge across the St. Lawrence River, be, and is hereby, amended to read as follows:

"The Northern New York Railroad Co., a corporation organized and created under and by virtue of the laws of the State of New York, or such railway or bridge company now or hereafter incorporated under the laws of said State or of the Dominion of Canada as the said Northern New York Railroad Co. or its assigns may unite with, be, and it hereby is, authorized and empowered to construct, own, maintain, and operate a bridge and approaches thereto across the St. Lawrence River from a point on the right or southerly bank thereof at or near the village of Hogansburg, in the county of Franklin, in the State of New York, to a point on the island of Cornwall near the town of Cornwall, in the county of Cornwall, and Stormont, Province of Ontario, Dominion of Canada, at such point as may be most convenient to said corporation to unite and connect the railroad built or to be built by it in the said State of New York with any railroad or bridge that may be constructed by any person or corporation in the said Dominion of Canada. Said bridge shall be constructed to provide for the passage of railway trains and, at the option of the said corporation, may be used for the passage of vehicles, animals, and foot passengers upon such reasonable rates of toll as may be fixed and from time to time revised by the Secretary of War of the United States; the bridge may be equipped for use for the passage of

vehicles, animals, and foot passengers by the lessee under a lease made by the corporation, and the tolls for such passage, as fixed and revised by the Secretary of War as aforesaid, may be collected by the lessee under such lease. Said bridge when completed shall be deemed and taken to be a lawful structure, and shall be recognized and known as a post route for the United States mails: *Provided*, That before the construction of the said bridge shall be begun all proper and requisite authority therefor shall be obtained from the Government of the Dominion of Canada."

BILL RECOMMITTED

Mr. VANDENBERG. Mr. President, in the call of the calendar we did not reach Order of Business No. 541, a bridge bill which it is desired to have recommitted to the Committee on Commerce. I ask unanimous consent that the bill (H. R. 10159) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near O'Hern Street, South Omaha, Nebr., may be so recommitted.

The PRESIDING OFFICER. Without objection, the request will be granted and the bill is recommitted to the Committee on Commerce.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The Chief Clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the heading "Office of the Secretary, salaries," on page 2, line 1, after the name "District of Columbia," to strike out "$363,580; in all, $378,580" and insert "$338,580; in all, $353,580," so as to read:

Secretary of the Interior, $15,000; First Assistant Secretary, Assistant Secretary, and other personal services in the District of Columbia, $338,580; in all, $353,580.

Mr. SMOOT. Mr. President, perhaps I had better make a brief statement about the Interior Department appropriation bill, because the amendments to which we now ask the Senate to agree are the amendments carrying out the instructions of the Senate.

Briefly stated, the amount of the bill as it passed the House was $50,446,432. The amount of the bill as reported by the Senate is $45,398,000. In other words, we have taken the House provisions and deducted 10 per cent from them, for all the Senate amendments were disagreed to. I think that tells the whole story unless some Senator wants some particular item explained. If the clerk will read the bill for amendments and if there is any amendment about which any Senator desires to ask any question, I shall be glad to answer him if I can.

Mr. ROBINSON of Arkansas. Mr. President, when the Senator said all Senate amendments were disagreed to, he meant specific amendments?

Mr. SMOOT. Yes; all the amendments that were made by the Senate upon the bill were, of course, rejected.

Mr. McKELLAR. That is in regard to amount but not in regard to specific amendments as to appropriations.

Mr. SMOOT. I thought I said that. If not, that is what I meant.

Mr. McKELLAR. I am sure that is what the Senator meant.

Mr. JOHNSON. Mr. President, I assume the purpose of the committee was to make the 10 per cent reduction that was passed upon by the Senate. Very well. Does that mean a horizontal reduction in the various items presented?

Mr. SMOOT. No; it does not.

Mr. JOHNSON. It is a 10 per cent gross reduction that was made?

Mr. SMOOT. Yes. I do not know whether I should have it printed now, but I am in receipt of a statement from the Department of the Interior showing the effect of the reductions proposed to be made in the Interior Department appropriation bill. Of course, they are very, very much opposed to the 10 per cent reduction.

Mr. JOHNSON. I hope, if the Senator will pardon me, that he will print the document.

Mr. SMOOT. Very well. At this particular time I ask that the document may be printed in the RECORD.

The PRESIDING OFFICER (Mr. McNARY in the chair). Is there objection to the request of the Senator from Utah? The Chair hears none and it is so ordered.

The document is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
April 8, 1932.

EFFECT OF THE REDUCTION IN THE INTERIOR DEPARTMENT APPROPRIATION BILL FOR 1933

Forty per cent decrease under 1932 appropriations

Appropriations for 1932, exclusive of permanent and indefinite items	$75,680,598
Budget estimates for 1933	56,705,352
Reduction by Budget	18,975,246
House appropriation bill for 1933	50,446,432
Reduction by House	6,258,920
10 per cent cut by Senate	5,047,760
Total decrease under 1932 appropriations	30,281,928

RAY LYMAN WILBUR, *Secretary.*

Interior Department appropriation bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933

[NOTE.—Appropriations for 1932 include amounts in regular annual and deficiency acts. Amounts taken from tribal funds are indicated by italics]

Object	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimates	10 per cent cut by Senate	Total decrease under Budget
SECRETARY'S OFFICE							
Salaries	$373,000.00	$373,000.00	[1] $378,580.00	+$5,580.00	[1] +$5,580.00	$25,000.00	$19,420.00
Solicitor's office, salaries	120,000.00	116,200.00	116,200.00	−3,800.00		5,000.00	5,000.00
Contingent expenses	100,000.00	94,500.00	94,500.00	−5,500.00		4,500.00	4,500.00
Purchase of professional books, etc	500.00	500.00	500.00				
Printing and binding: Interior Department	172,000.00	177,500.00	172,000.00		−5,500.00	47,000.00	52,500.00
Board of Indian Commissioners	14,100.00	14,100.00	14,100.00				
Total, Secretary's office	779,600.00	775,800.00	775,880.00	−3,720.00	+80.00	81,500.00	81,420.00
GENERAL LAND OFFICE							
Salaries	732,000.00	725,000.00	725,000.00	−7,000.00		25,000.00	25,000.00
General expenses	30,000.00	28,000.00	28,000.00	−2,000.00			
Maps, United States and other	15,000.00			−15,000.00			
Surveying public lands	700,000.00	700,000.00	500,000.00	−200,000.00	−200,000.00		200,000.00
Registers	84,600.00	80,000.00	80,000.00	−4,600.00			
Contingent expenses of land offices	192,500.00	185,000.00	175,000.00	−17,500.00	−10,000.00		10,000.00
Protecting public lands, timber, etc	485,000.00	475,000.00	450,000.00	−35,000.00	−25,000.00	50,000.00	75,000.00
Opening Indian reservations (reimbursable)	300.00	300.00	300.00				
Total, General Land Office	2,239,400.00	2,193,300.00	1,958,300.00	−281,100.00	−235,000.00	75,000.00	310,000.00

Footnotes at end of table.

Interior Department appropriation bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933—Continued

Object	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimates	10 per cent cut by Senate	Total decrease under Budget
BUREAU OF INDIAN AFFAIRS							
General items:							
Salaries, commissioner's office	$465,000.00	$481,000.00	$472,900.00	+$7,900.00	−$8,100.00	$72,900.00	$81,000.00
General expenses	20,000.00	18,000.00	16,000.00	−4,000.00	−2,000.00		2,000.00
Supplies, purchase, and transportation	700,000.00	700,000.00	650,000.00	−50,000.00	−50,000.00		50,000.00
Field representatives	21,000.00	23,000.00	23,000.00	+2,000.00		3,000.00	3,000.00
Judges of Indian courts	18,000.00	18,000.00	18,000.00			3,000.00	3,000.00
Indian police	163,000.00	163,000.00	163,000.00			13,000.00	13,000.00
Suppressing liquor traffic	100,000.00	100,000.00	100,000.00				
Agency buildings	280,000.00	275,000.00	275,000.00	−11,000.00		80,000.00	80,000.00
Telephone line repair between Gallup, N. Mex., and Zuni Agency	23,000.00			−23,000.00			
Determining heirs of deceased Indians (reimbursable)	73,000.00	73,000.00	73,000.00			13,000.00	13,000.00
Probate attorneys	40,000.00	40,000.00	35,000.00	−5,000.00	−5,000.00	5,000.00	10,000.00
Total, general items	1,909,000.00	1,891,000.00	1,825,900.00	−83,100.00	−65,100.00	117,000.00	121,000.00
Indian lands:							
Surveying and allotting reservations (reimbursable)	50,000.00	40,000.00	30,000.00	−20,000.00	−10,000.00		10,000.00
Quieting land titles, Pueblo Indian land grants	8,000.00	10,000.00	10,000.00	+2,000.00			
Advertising sale of lands (reimbursable)	500.00	500.00	500.00				
Attorney for Pueblos	3,700.00	3,700.00	3,700.00				
Land for Choctaw Indians of Mississippi (reimbursable)	6,500.00	6,500.00	6,500.00			6,500.00	6,500.00
Compensation for land and water rights losses, Indians of certain pueblos in New Mexico	131,535.73	112,435.33	112,435.33	−19,100.40			
Purchase of land and water rights, etc., Cochiti pueblo (tribal funds)	*4,863.98*			*−4,863.98*			
Santa Clara pueblo, reimbursing appropriation for encouraging industry (tribal funds)	*1,000.00*			*−1,000.00*			
Purchase of farm equipment, Nambe pueblo, New Mexico (tribal funds)	*1,500.00*			*−1,500.00*			
Purchase of land and water rights, Navajo Tribe (tribal funds)	*125,000.00*	(1)	(1)	*−125,000.00*			
Purchase of land and installation of water system, Indian colony, near Ely, Nev	1,600.00			−1,600.00			
Purchase of land for Cahuilla Indian Reservation, Calif		2,560.00	2,560.00	+2,560.00			
Purchase of land, Fort Apache Reservation, Ariz. (tribal funds)		*1,500.00*	*1,500.00*	*+1,500.00*			
Purchase of land and water rights, Navajo Tribe (reimbursable)	100,000.00	(1)	(1)	−100,000.00			
Payment to loyal Shawnee Indians, Oklahoma	(1)	(1)	(1)				
Kiowa, Comanche, and Apache Indians of Oklahoma, payments to (tribal funds)	*200,000.00*	*125,000.00*	*125,000.00*	*−75,000.00*			
Total, Indian lands, exclusive of tribal funds	301,535.73	175,695.33	165,695.33	−135,840.40	−10,000.00		
Total Indian lands, tribal funds	*332,363.98*	*126,500.00*	*126,500.00*	*−205,863.98*			
Industrial assistance:							
Administration of Indian forests	248,000.00	225,000.00	225,000.00	−23,000.00		25,000.00	25,000.00
Expenses incidental to sale of timber (reimbursable)	250,000.00	150,000.00	140,000.00	−110,000.00	−10,000.00	15,000.00	25,000.00
Forest insect control work, Klamath Indian Reservation, Oreg. (tribal funds)	*20,000.00*	*20,000.00*	*20,000.00*				
Forest fires, suppression of (tribal funds)	*25,000.00*	*25,000.00*	*25,000.00*				
Forest-fire suppression	50,000.00	50,000.00	40,000.00	−10,000.00	−10,000.00		10,000.00
Supervision of mining operations by Geological Survey	95,000.00	95,000.00	75,000.00	−20,000.00	−20,000.00	15,000	35,000.00
Expenses of obtaining employment for Indians	60,000.00	70,000.00	60,000.00		−10,000.00		10,000.00
Development of agriculture and stock raising	382,000.00	407,000.00	382,000.00		−25,000.00		25,000.00
Industry among Indians (reimbursable)	575,000.00	500,000.00	500,000.00	−75,000.00		25,000	25,000.00
Leveling land, San Carlos Reservation, Ariz	7,500.00			7,500.00			
General assistance for miscellaneous tribes (tribal funds)	*100,000.00*	(1)	(1)	*−100,000.00*			
Reimbursing Indians for livestock destroyed by disease	10,000.00	10,000.00	9,000.00	−1,000.00	−1,000.00		1,000.00
Eradication of scabies in sheep and goats	60,000.00	50,000.00	50,000.00	−10,000.00			
Reconstruction, international boundary line fence, Papago Reservation, N. Mex	15,000.00			−15,000.00			
Total, industrial assistance	1,752,500.00	1,557,000.00	1,431,000.00	−271,500.00	−76,000.00	80,000.00	156,000.00
Total, industrial assistance (tribal funds)	*145,000.00*	*45,000.00*	*45,000.00*	*−100,000.00*			
Water supply:							
Developing water supply	141,000.00	141,000.00	100,000.00	−41,000.00	−41,000.00		41,000.00
Developing water supply (tribal funds)	*11,000.00*	*29,000.00*	*29,000.00*	*+18,000.00*			
Total, water supply	141,000.00	141,000.00	100,000.00	−41,000.00	−41,000.00		41,000.00
Total, water supply (tribal funds)	*11,000.00*	*29,000.00*	*29,000.00*	*+18,000.00*			
Irrigation and drainage:							
Miscellaneous projects (reimbursable)	224,000.00	202,000.00	190,000.00	−34,000.00	−12,000.00	27,000.00	39,000.00
Arizona—							
Irrigation structures, Gila River Reservation (reimbursable)	600,000.00	100,000.00	100,000.00	−500,000.00		25,000.00	25,000.00
Colorado River Reservation (reimbursable)	8,000.00	28,000.00	28,000.00	+20,000.00		8,000.00	8,000.00
Ganado project (reimbursable)	3,000.00	3,000.00	3,000.00				
San Carlos Reservation (tribal funds)	*6,000.00*	*6,000.00*	*6,000.00*				
Idaho—							
Fort Hall Reservation maintenance (gratuity)	45,000.00	42,000.00	42,000.00	−3,000.00		7,000.00	7,000.00
Construction of Michaud Unit, Fort Hall project (reimbursable)		332,500.00	332,500.00	+332,500.00		82,500	82,500
Kootenai Indian allotments, reclamation (reimbursable)	(1)	(1)	(1)				

Footnotes at end of table.

Interior Department appropriation bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933—Continued

Object	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimates	10 per cent cut by Senate	Total decrease under Budget
BUREAU OF INDIAN AFFAIRS—continued							
Irrigation and drainage—Continued.							
Montana—							
Fort Belknap Reservation (reimbursable)	$20,000.00	$20,000.00	$20,000.00			$2,500.00	$2,500.00
Fort Peck Reservation (reimbursable)	8,000.00	8,000.00	8,000.00			3,000.00	3,000.00
Flathead Reservation (reimbursable)	338,000.00	436,000.00	436,000.00	+$98,000.00		182,000.00	182,000.00
Blackfeet Reservation (reimbursable)	78,000.00	86,000.00	86,000.00	+8,000.00		45,000.00	45,000.00
Crow Reservation (reimbursable)	28,300.00	25,000.00	20,000.00	−8,300.00	−$5,000.00	2,000.00	2,000.00
Nevada—							
Pyramid Lake Reservation (reimbursable)	4,000.00	4,000.00	4,000.00				
Newlands project (reimbursable)	17,941.00	15,624.00	15,624.00	−2,317.00			
Investigation of dam construction, Duck Valley Reservation		15,000.00	15,000.00	+15,000.00		5,000.00	5,000.00
New Mexico—							
Laguna and Acoma (reimbursable)	4,000.00	5,500.00	5,500.00	+1,500.00			
Hogback project (reimbursable)	12,000.00	12,000.00	12,000.00				
Flood protection, Pueblo lands	[4] 5,000.00	[4] 5,000.00	5,000.00				
Payment to Middle Rio Grande Conservancy District, New Mexico, (reimbursable)	200,000.00	(5)	(5)	−200,000.00			
Salaries and expenses, engineer and assistants, Middle Rio Grande conservancy project, New Mexico	14,000.00	5,000.00	5,000.00	−9,000.00			
Oregon, Klamath Reservation, and miscellaneous projects (tribal funds)	*3,500.00*	*5,000.00*	*5,000.00*	*+1,500.00*			
Utah, Uncompahgre, Uintah, and White River Utes (tribal funds)	*10,000.00*	*[4] 20,000.00*	*20,000.00*	*+10,000.00*			
Washington—							
Toppenish-Simcoe irrigation project (reimbursable)	1,000.00	1,000.00	1,000.00				
Continuing construction, Wapato project (reimbursable)	360,000.00	(5)	(5)	−360,000.00			
Water payments, Yakima Reservation	11,000.00	11,000.00	11,000.00				
Wapato project, Satus unit (reimbursable)	1,000.00	15,000.00		−1,000.00	−15,000.00		
Reclamation of land, Lummi Reservation	3,600.00			−3,600.00			
Wyoming—							
Wind River Reservation (reimbursable)	66,000.00	55,000.00	55,000.00	−11,000.00		10,000.00	10,000.00
Total irrigation and drainage, exclusive of tribal funds	2,051,841.00	1,426,624.00	1,394,624.00	−657,217.00	−32,000.00	399,000.00	411,000.00
Total irrigation and drainage, tribal funds	*18,500.00*	*30,000.00*	*30,000.00*	*+11,500.00*			
Education:							
Support of Indian schools	3,528,500.00	3,521,500.00	3,521,500.00	−7,000.00			
Support of Indian schools (tribal funds)	*881,000.00*	*805,000.00*	*805,000.00*	*−76,000.00*			
Subsistence of pupils, summer classes	105,000.00	98,000.00	98,000.00	−7,000.00			
School transportation	100,000.00	100,000.00	100,000.00				
School buildings	815,000.00	807,000.00	497,000.00	−318,000.00	−10,000.00	55,000.00	65,000.00
Pawnee, Okla., school buildings	85,000.00			−85,000.00			
Buildings for children of employees in Arizona	6,500.00			−6,500.00			
Leupp Indian School, Arizona, flood protection		40,000.00	40,000.00	+40,000.00		30,000.00	30,000.00
Boarding schools	[3] 5,500,000.00	4,850,000.00	4,825,000.00	−675,000.00	−25,000.00		25,000.00
Support of Chippewa schools, Minnesota (treaty)	4,000.00			−4,000.00			
Indian schools, Five Civilized Tribes	400,000.00	400,000.00	400,000.00				
Education of Sioux Indians, South Dakota (treaty)	400,000.00	406,500.00	406,500.00	+6,500.00		56,500.00	56,500.00
Education of natives in Alaska	799,000.00	726,400.00	690,000.00	−109,000.00	−36,400.00	40,000.00	76,400.00
Industrial boarding school, Shoemaker Bay, Alaska	100,000.00			−100,000.00			
Total for education, exclusive of tribal funds	11,843,000.00	10,649,400.00	10,578,000.00	−1,265,000.00	−71,400.00	181,500.00	252,900.00
Total for education, tribal funds	*881,000.00*	*805,000.00*	*805,000.00*	*−76,000.00*			
Conservation of health:							
General relief and hospitalization	4,050,000.00	3,310,000.00	3,213,000.00	−837,000.00	−97,000.00		
Clinical survey of tuberculosis, trachoma, etc	75,000.00	50,000.00	50,000.00	−25,000.00			
Hospitals for Chippewas of Minnesota (tribal funds)	*100,000.00*	*125,000.00*	*125,000.00*	*+25,000.00*			
Canton Insane Asylum, South Dakota	50,000.00	50,000.00	50,000.00			10,000.00	10,000.00
Medical relief in Alaska	319,000.00	281,800.00	281,800.00	−37,200.00			
Total for conservation of health, exclusive of tribal funds	4,494,000.00	3,691,800.00	3,594,800.00	−899,200.00	−97,000.00	10,000.00	10,000.00
Total for conservation of health (tribal funds)	*100,000.00*	*125,000.00*	*125,000.00*	*+25,000.00*			
General support and administration:							
For various agencies and reservations, including discharge of treaty obligations	[6] 1,350,000.00	1,588,000.00	[7] 1,596,000.00	+246,000.00	[7] +8,000.00	196,000.00	188,000.00
For Northern Cheyennes and Arapahoes, Montana (treaty)	75,000.00	75,000.00	75,000.00				
Fulfilling treaties with Pawnees, Oklahoma (treaty)	51,300.00	51,300.00	51,300.00				
Support of Sioux Tribes, South Dakota (treaty)	445,000.00	445,000.00	445,000.00				
Administration, Quapaw Agency (reimbursable)	20,000.00	20,000.00		−20,000.00	−20,000.00		20,000.00
Total, general support and administration	1,941,300.00	2,179,300.00	2,167,300.00	+226,000.00	−12,000.00	196,000.00	208,000.00
Support and administration from tribal funds:							
Miscellaneous	*1,298,700.00*	*980,480.00*	*945,480.00*	*−353,220.00*	*−35,000.00*	233,100.00	268,100.00
Support of Chippewas, Minnesota	*100,000.00*	*100,000.00*	*100,000.00*	*−900.00*		25,000	25,000.00
Attorneys for Creek Nation	*1,500.00*			*−1,500.00*			
Attorneys for Seminole Nation	*5,000.00*			*−5,000.00*			
Support for Osage Agency, Okla	*259,000.00*	*210,000.00*	*175,000.00*	*−84,000.00*	*−35,000.00*	25,000	60,000.00
Osage Tribal Council expenses, Oklahoma	*5,000.00*	*5,000.00*	*5,000.00*			5,000.	5,000.00
Confederated Bands of Utes, Utah	*93,000.00*	*68,000.00*	*68,000.00*	*−25,000.00*		8,000.	8,000.00
Total support and administration, tribal funds	*1,763,100.00*	*1,363,480.00*	*1,293,480.00*	*−469,620.00*	*−70,000.00*	291,100.00	361,100.00

Footnotes at end of table.

Interior Department appropriation bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933—Continued

Object	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimates	10 per cent cut by Senate	Total decrease under Budget
BUREAU OF INDIAN AFFAIRS—continued							
Roads and bridges:							
On Red Lake Reservation, Minn. (tribal funds)	*$25,000.00*	*$25,000.00*	*$25,000.00*				
Road construction, etc., reservations excluded from aid under Federal highway act	500,000.00	400,000.00	400,000.00	−$100,000.00			
Gallup Shiprock Highway, Navajo Reservation, N. Mex. (reimbursable)	20,000.00	20,000.00	20,000.00				
Total roads and bridges, exclusive of tribal funds	520,000.00	420,000.00	420,000.00	−100,000.00			
Total, roads and bridges, tribal funds	*25,000.00*	*25,000.00*	*25,000.00*				
Monuments, erection of:							
Site of battle between Nez Perces and command of Nelson A. Miles	2,500.00			−2,500.00			
Cheyenne River Agency Reserve, S. Dak	1,500.00			−1,500.00			
Total, erection of monuments	4,000.00			−4,000.00			
Annuities and per capita payments:							
Treaties with Senecas, New York	6,000.00	6,000.00	6,000.00				
Treaties with Six Nations, New York	4,500.00	4,500.00	4,500.00				
Treaties with Choctaws, Oklahoma	10,520.00	10,520.00	10,520.00				
Treaty with Chippewas	10,000.00	10,000.00	10,000.00				
Total, annuities and per capita payments	31,020.00	31,020.00	31,020.00				
Total, Bureau of Indian Affairs. Total, gratuity appropriations	20,826,415.73	18,895,875.33	18,563,375.33	−2,263,040.40	−$332,500.00	$552,900.00	$885,400.00
Total, reimbursable appropriations	3,068,241.00	2,169,624.00	2,097,624.00	−970,617.00	−72,000.00	453,500.00	510,500.00
Total, treaty appropriations	1,094,840.00	1,097,340.00	1,097,340.00	+2,500.00		56,500.00	56,500.00
Total, Bureau of Indian Affairs, exclusive of tribal funds	[4] 24,989,496.73	22,162,839.33	21,758,339.33	−3,231,157.40	−404,500.00	1,062,900.00	1,452,400.00
Total, Bureau of Indian Affairs, from tribal funds	*3,275,965.98*	*2,546,780.00*	*2,476,780.00*	*−799,185.98*	*−70,000.00*	*291,100.00*	*361,100.00*
BUREAU OF RECLAMATION							
Washington office	178,000.00	173,360.00	173,360.00	−4,640.00		13,360.00	13,360.00
Examination and inspection of projects	[1]	[1]	[1]				
Operation and maintenance of reserved works	[1]	[1]	[1]				
Yuma project, Arizona-California	265,000.00	80,000.00	80,000.00	−205,000.00		10,000.00	10,000.00
Orland project, California	39,000.00	39,000.00	39,000.00			4,000.00	4,000.00
Grand Valley project, Colorado	15,000.00			−15,000.00			
Boise project, Idaho	65,000.00	40,000.00	40,000.00	−25,000.00		5,000.00	5,000.00
Minidoka project, Idaho	329,000.00	165,000.00	165,000.00	−164,000.00		10,000.00	10,000.00
Bitter Root project, Montana	550,000.00	100,000.00	100,000.00	−450,000.00			
Milk River project, Montana	24,000.00	31,000.00	31,000.00	+7,000.00			
Sun River project, Montana	[2]						
North Platte project, Nebraska-Wyoming	[2]	[2]	[2]				
Carlsbad project, New Mexico	70,000.00	50,000.00	30,000.00	−40,000.00	−20,000.00	5,000.00	25,000.00
Rio Grande project, New Mexico-Texas	475,000.00	411,000.00	411,000.00	−64,000.00		65,000.00	65,000.00
Owyhee project, Oregon	3,000,000.00	1,000,000.00	1,000,000.00	−2,000,000.00		500,000.00	500,000.00
Baker project, Oregon	[2]	[2]	[2]				
Vale project, Oregon	165,000.00	694,000.00	20,000.00	−145,000.00	−674,000.00		674,000.00
Klamath project, Oregon-California	362,000.00	123,000.00	123,000.00	−239,000.00		3,000.00	3,000.00
Belle Fourche project, South Dakota	150,000.00	[2]	[2]	−150,000.00			
Salt Lake Basin project, Utah (second division)	[2]	[2]	[2]				
Yakima project, Washington	325,000.00	1,300,000.00	800,000.00	+475,000.00	−500,000.00	50,000.00	550,000.00
Yakima project, Washington (Kittitas division)	831,000.00	45,000.00	45,000.00	−786,000.00		5,000.00	5,000.00
Riverton project, Wyoming	[3]	30,000.00	20,000.00	+20,000.00	−10,000.00	2,500.00	12,500.00
Shoshone project, Wyoming	33,000.00	12,000.00	12,000.00	−21,000.00		2,000.00	2,000.00
Secondary projects	[3]		[10]				
Economic investigations, reclamation projects	50,000.00	[10]		−50,000.00			
Secondary and economic investigations		75,000.00			−75,000.00		75,000.00
Giving information to settlers	25,000.00	[2]	[2]	−25,000.00			
Total, Bureau of Reclamation, from reclamation fund	6,971,000.00	4,368,360.00	3,089,360.00	−3,881,640.00	−1,279,000.00	674,860.00	1,953,860.00
Colorado River front work and levee system	100,000.00	[2]	[2]	−100,000.00			
Boulder Canyon project	15,000,000.00	10,000,000.00	8,000,000.00	−7,000,000.00	−2,000,000.00	2,000,000.00	4,000,000.00
Grand total, Reclamation Service	22,071,000.00	14,368,360.00	11,089,360.00	−10,981,640.00	−3,279,000.00	2,674,860.00	6,953,860.00
GEOLOGICAL SURVEY							
Salaries	150,000.00	150,000.00	150,000.00			25,000.00	25,000.00
General expenses:							
Topographic surveys	780,000.00	616,000.00	[11] 366,000.00	−414,000.00	−250,000.00		250,000.00
Geologic surveys	400,000.00	400,000.00	350,000.00	−50,000.00	−50,000.00	25,000.00	75,000.00
Fundamental research, geologic science	100,000.00	100,000.00	50,000.00	−50,000.00	−50,000.00	10,000.00	60,000.00
Volcanologic surveys	35,000.00	32,000.00	21,000.00	−14,000.00	−11,000.00	6,000.00	17,000.00
Investigation of mineral resources of Alaska	84,500.00	84,500.00	67,500.00	−17,000.00	−17,000.00	7,500.00	24,500.00
Gaging streams	720,000.00	719,500.00	600,000.00	−120,000.00	−119,500.00		119,500.00
Classification of lands	199,000.00	199,000.00	175,000.00	−24,000.00	−24,000.00		24,000.00
Printing, binding, illustrating, and engraving of geologic maps, etc	403,240.00	333,500.00	250,000.00	−153,240.00	−83,500.00		83,500.00
Minerals on public lands and naval petroleum reserves	270,000.00	269,500.00	250,000.00	−20,000.00	−19,500.00	25,000.00	44,500.00
Total, Geological Survey	3,141,740.00	2,904,000.00	2,279,500.00	−862,240.00	−624,500.00	98,500.00	723,000.00
NATIONAL PARK SERVICE							
Director's office salaries	167,400.00	174,620.00	174,620.00	+7,220.00			
General expenses	35,100.00	37,000.00	37,000.00	+1,900.00			

Footnotes at end of table.

Interior Department appropriation bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933—Continued

	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimate	10 per cent cut by Senate	Total decrease under Budget
NATIONAL PARK SERVICE—continued							
National parks:							
Acadia National Park, Me.	$61,600.00	$89,400.00	$59,400.00	−$2,200.00			
Bryce Canyon National Park, Utah	20,000.00	14,900.00	14,500.00	−5,200.00			
Carlsbad Caverns National Park, N. Mex.	140,100.00	141,900.00	128,800.00	−21,300.00	−$13,000.00		$13,000.00
Crater Lake National Park, Oreg.	106,900.00	89,200.00	88,000.00	−18,900.00	−1,200.00		1,200.00
General Grant National Park, Calif.	21,900.00	21,900.00	21,900.00				
Glacier National Park, Mont.	256,500.00	259,100.00	224,200.00	−32,300.00	−14,900.00		14,900.00
Grand Canyon National Park, Ariz.	172,200.00	162,800.00	150,000.00	−22,200.00	−12,800.00		12,800.00
Grand Teton National Park	76,750.00	29,900.00	29,900.00	−46,850.00			
Proposed Great Smoky Mountains Park	30,000.00	30,000.00	30,000.00				
Hawaii National Park	54,600.00	54,600.00	49,100.00	−5,500.00	−5,500.00		5,500.00
Hot Springs National Park	89,300.00	92,200.00	87,700.00	−1,600.00	−4,500.00		4,500.00
Lassen Volcanic National Park, Calif.	50,300.00	50,300.00	43,100.00	−7,200.00	−7,200.00		7,200.00
Mesa Verde National Park, Calif.	57,300.00	70,900.00	70,900.00	+13,600.00			
Mount McKinley National Park, Alaska	31,100.00	35,600.00	35,600.00	+4,500.00			
Mount Rainier National Park, Wash.	196,000.00	227,100.00	225,100.00	+30,100.00	−2,000.00		2,000.00
Platt National Park, Okla.	35,900.00	34,600.00	31,600.00	−4,300.00	−3,000.00		3,000.00
Rocky Mountain National Park, Colo.	118,800.00	117,100.00	112,300.00	−6,500.00	−4,800.00		4,800.00
Sequoia National Park, Calif.	156,900.00	134,500.00	129,800.00	−27,100.00	−4,700.00		4,700.00
Wind Cave National Park, S. Dak.	25,200.00	20,600.00	20,600.00	−4,600.00			
Yellowstone National Park, Wyo.	560,800.00	535,800.00	528,800.00	−32,000.00	−7,000.00		7,000.00
Yosemite National Park, Calif.	558,600.00	412,200.00	399,200.00	−159,400.00	−13,000.00		13,000.00
Zion National Park, Utah	54,100.00	51,400.00	46,600.00	−7,500.00	−4,800.00		4,800.00
National monuments	165,400.00	93,800.00	93,800.00	−71,600.00			
Colonial National Monument, Va.		78,000.00	72,000.00	+72,000.00	−6,000.00		6,000.00
George Washington's birthplace, Wakefield, Va., care of	26,800.00	27,800.00	25,800.00	−700.00	−2,000.00		2,000.00
Emergency repair and fire-fighting fund	50,000.00	80,000.00	80,000.00				
Insect control and fire prevention	170,000.00	170,000.00	140,000.00	−30,000.00	−30,000.00		30,000.00
Salaries, National Park Commissioners	[13] 20,000.00	20,000.00	20,000.00				
Purchase of privately owned land	1,000,000.00			−1,000,000.00			
Construction, etc., roads and trails	5,000,000.00	6,000,000.00	5,000,000.00		−1,000,000.00	$500,000.00	1,500,000.00
Total, National Park Service	[13] 9,518,250.00	9,277,620.00	8,140,620.00	−1,377,630.00	−1,136,400.00	500,000.00	1,636,400.00
OFFICE OF EDUCATION							
Salaries	280,000.00	285,600.00	280,000.00		−5,600.00	30,000.00	35,600.00
General expenses	25,000.00	29,000.00	25,000.00		−4,000.00	5,000.00	9,000.00
Investigation of secondary education	75,000.00			−75,000.00			
Investigation of teacher training	80,000.00	[14] 70,000.00	[14] 70,000.00	−10,000.00		20,000.00	20,000.00
Investigation of school finance	50,000.00	100,000.00	50,000.00		−50,000.00	50,000.00	100,000.00
Total, Office of Education	510,000.00	484,600.00	425,000.00	−85,000.00	−59,600.00	105,000.00	164,600.00
GOVERNMENT IN THE TERRITORIES							
Alaska:							
Governor	7,000.00	10,000.00	10,000.00	+3,000.00			
Secretary	3,600.00	5,400.00	5,400.00	+1,800.00			
Contingent expenses	14,000.00	17,200.00	17,200.00	+3,200.00			
Legislative expenses	[15]	46,000.00	46,000.00	+46,000.00			
Reindeer for Alaska	26,900.00	34,300.00	34,300.00	+7,400.00			
Insane, care of	152,000.00	156,000.00	156,000.00	+4,000.00			
Intoxicating liquor traffic, suppression of	16,200.00	12,000.00	12,000.00	−4,200.00			
The Alaska R. R.	1,000,000.00	500,000.00	500,000.00	−500,000.00		50,000.00	50,000.00
Hawaii:							
Governor	10,000.00	10,000.00	10,000.00				
Secretary	5,800.00	5,800.00	5,800.00				
Contingent expenses	6,100.00	6,100.00	6,100.00				
Legislative expenses	[15]	47,000.00	47,000.00	+47,000.00			
Virgin Islands:							
Salaries, central administration		150,613.00	150,613.00	+150,613.00			
Agricultural experiment station		25,000.00	25,000.00	+25,000.00			
Defraying deficits of municipalities		236,387.00	236,387.00	+236,387.00			
Total, government in the Territories	1,242,100.00	1,282,300.00	1,262,300.00	+20,200.00		50,000.00	50,000.00
ST. ELIZABETHS HOSPITAL							
Support, clothing, etc.	1,204,020.00	1,245,653.00	1,245,653.00	+41,633.00			
Construction and equipment, male receiving building	750,000.00			−750,000.00			
Continuous-treatment buildings and accessories	825,000.00			−825,000.00			
Total, St. Elizabeths Hospital	2,779,020.00	1,245,653.00	1,245,653.00	−1,533,367.00			
COLUMBIA INSTITUTION FOR THE DEAF							
Salaries and general expenses	125,000.00	128,000.00	128,000.00	+3,000.00			
Total, Columbia Institution for the Deaf	125,000.00	128,000.00	128,000.00	+3,000.00			
HOWARD UNIVERSITY							
Salaries	450,000.00	475,000.00	450,000.00		−25,000.00		25,000.00
General expenses	225,000.00	275,000.00	225,000.00		−50,000.00		50,000.00
Educational classroom building	260,000.00			−260,000.00			
Heat, light, and power system	225,000.00	460,000.00	300,000.00	+75,000.00	−160,000.00	300,000.00	460,000.00
Construction of library building	[16] 400,000.00	400,000.00	100,000.00	−300,000.00	−300,000.00	100,000.00	400,000.00
Total, Howard University	1,560,000.00	1,610,000.00	1,075,000.00	−485,000.00	−535,000.00	400,000.00	935,000.00

Footnotes at end of table.

Interior Department Appropriation Bill, 1933—Comparative statement of the amounts appropriated for the fiscal year 1932, the Budget estimates for the fiscal year 1933, and the amounts recommended in the accompanying bill for 1933—Continued

	Appropriations for 1932	Estimates for 1933	Amount recommended in bill for 1933	Increase (+) or decrease (−), bill compared with 1932 appropriation	Increase (+) or decrease (−), bill compared with 1933 Budget estimate	10 per cent cut by Senate	Total decrease under Budget
FREEDMEN'S HOSPITAL							
Salaries, professional services, etc	$197,000.00	$198,280.00	$198,280.00	+$1,280.00			
Subsistence, fuel, medicine, etc	93,000.00	94,500.00	94,500.00	+1,500.00			
New construction	97,000.00			−97,000.00			
Total, Freedmen's Hospital	387,000.00	293,480.00	293,480.00	−93,520.00			
Grand total, Department of the Interior	[17] 69,342,606.73	56,705,352.33	50,431,432.33	−18,911,174.40	$−6,273,920.00	$5,047,760.00	$11,321,680.00

[1] This apparent increase over Budget estimates is due to transfer of 4 positions and $5,530 estimated under "Salaries, Commissioner of Indian Affairs," by the Budget.
[2] Unexpended balance also available.
[3] Reappropriation.
[4] And reappropriation.
[5] And $25,000 unexpended balance.
[6] Includes $75,000 in second deficiency, 1931.
[7] This apparent increase over Budget estimates is due to consolidation of item for "Administration, Quapaw Agency" with this appropriation.
[8] $70,000 from power revenues.
[9] $40,000 from power revenues.
[10] Consolidated into paragraph "Secondary and economic investigations."
[11] And unexpended balance of $150,000.
[12] This appropriation was carried in Department of Justice appropriation act for 1932.
[13] Includes $20,000 carried in Department of Justice appropriation act for 1932.
[14] And unexpended balance.
[15] Appropriation made biennially.
[16] And contract authorization for $400,000 additional.
[17] Contains $20,000 for salaries, national park commissioners, carried in Department of Justice appropriation act.

The appropriation of $20,000,000 for drought relief carried in the 1932 law has been transferred to the Department of Agriculture for expenditure and is contained in the 1932 total for that department.

Permanent and indefinite appropriations

Object	Estimated expenditures for 1932	Estimated expenditures for 1933
Repayments for lands erroneously sold	[1] 25,000	$15,000
5, 3, and 2 per cent funds to States	12,000	10,000
Deposits by individuals for surveying public lands	25,000	28,000
Payments to States under oil leasing act	1,500,000	1,000,000
Coos Bay wagon road grant fund	40,000	10,000
Payments to certain counties of Oregon and Washington	575,000	575,000
Payments to Oklahoma, royalties oil and gas, south half of Red River	30,000	27,000
Outstanding liabilities, lands	500	500
Interest on Indian trust funds	760,000	800,000
Civilization of the Sioux	100,000	150,000
Annette Islands Reserve, Alaska fund	20,000	20,000
Miscellaneous trust funds of Indian tribes	7,000,000	5,800,000
Indian moneys, proceeds of labor	3,000,000	1,300,000
Donations to National Park Service	50,000	50,000
Colleges for agriculture and mechanic arts	2,550,000	2,550,000
Public schools, Alaska fund	85,000	55,000
Alaska Railroad fund		1,191,300
Pension money, St. Elizabeths Hospital	90,000	80,000
Personal funds of patients, St. Elizabeths Hospital	150,000	160,000
Total permanent annual and indefinite appropriations	15,952,500	13,971,800

Secretary's office

	District of Columbia		Field	
	Permanent	Temporary	Permanent	Temporary
Secretary's office	12	0		
General Land Office	12	0	56	150
Indian Office	41	0	254	{ 425 [1] 0
Office of Education	24	0		
Bureau of Reclamation	4	0	45	{ 145 [1] 1,645
Geological Survey	42	0	168	160
National Park Service	0	0	5	{ 400 [1] 300
Alaska R. R	0	0	10	0
Total	185	0	538	3,225
Reclamation (to be put on part-time basis)			32	113

[1] Contract.

The reductions by the Senate and House in the Interior Department appropriation bill for 1933 will result in the discharge of approximately 723 permanent civil-service employees—185 in Washington and 538 in the field. Furthermore, it will be impossible to employ or continue approximately 3,225 temporary employees and employees working for contractors during the coming field season. Of this number about 1,600 are now employed.

The above tabulation distributes the decrease in force by bureaus.

SECRETARY'S OFFICE, SALARIES (PP. 1–3)

To take care of the cut of $25,000 made in the item for salaries, Office of the Secretary, 1933, by the Senate Appropriations Committee, it is estimated it will be necessary to drop 12 or 13 employees.

For the last several years the number of positions appropriated for in the office of the Secretary has been gradually reduced. To illustrate: The appropriation for 1928 covered 196 positions, while the appropriation for 1932 covered 170, which, exclusive of the 18 employees involved in the transfer of the Pension Bureau, shows a reduction of eight. In addition, we have made two additional details to other Government agencies, taken over three of the employees who were detailed from bureaus in connection with the operation of the tabulating unit, and more recently, to relieve the Indian Bureau and in anticipation of an appropriation for 1933 to cover them, have taken over four other detailed operators. The administrative duties of the Secretary's office, however, have steadily increased. Our policy of strong centralization has added to the administrative duties, and additional supervisory attention has been necessary in such highly important matters as improving conditions in Alaska, furthering the oil-conservation policy, construction of Hoover Dam, the Secretary's Indian Service program, and the administration of the Virgin Islands which has been placed under this department. Other duties of the office have also been increased, and functions broadened. For example: A central tabulating unit has been installed in the consolidated duplicating section to compile promptly and accurately necessary statistical data in connection with the work of all the bureaus and offices; additional requirements in personnel administration, including civil-service matters, installation of a new retirement record system, preparation of acturial data, etc., have added considerably to the duties of those immediately engaged upon it.

Office of the Secretary

PRINTING AND BINDING (P. 5, LINES 17–24)

National Park Service

The original estimates of the service for printing and binding, 1933, were $67,930. This figure covered the minimum increased requirements of the National Park Service for the issuance of printed information circulars, forms, and popular scientific publications needed in the furtherance of the important work of the new educational unit.

The estimate of $50,000 approved by the Budget and the House of Representatives, and originally by the Senate, will enable us to mark time, keeping up the most important printing but not enabling us fully to meet the present demands upon us or to expand as the travel to the parks, operations therein, and educational developments demand.

Never in the past have we been able to meet the public demands upon us for information circulars regarding the national parks. The editions of these circulars possible with the limited printing and binding funds, have always been too small. Now we are

faced with the problem of meeting increased demands caused by increased travel to the parks and increased knowledge of these areas brought about by the extension of our educational work with 30 per cent less funds than during the current year. Incidentally two new information circulars, covering the last two national parks established, should be prepared and printed.

In the field operation of 22 national parks and 36 national monuments, from the standpoint of operation, construction, maintenance, and handling visitors, it is necessary to use large supplies of printed forms. The funds in the past have been barely enough to provide the necessary forms and our field operations will be seriously affected if this 30 per cent decrease is made. One item of our paper work greatly increased by depressed economic conditions is the issuing of automobile permits, as many more people are coming to the parks in their own cars, and using the public camp grounds, than in the past.

The cut of 30 per cent in the printing funds will have a serious effect on the work of the branch of education and research, since it takes away practically all the increase allowed for that division. The committee on educational problems in the national parks, upon whose recommendation the educational branch was established with congressional approval nearly two years ago, strongly advocated the publication of leaflets giving authentic information on the scientific features of the parks for free distribution to visitors and the public in general. Some manuscripts are already in hand, and others are now in course of preparation, to be finished shortly. It would be a serious setback to the educational program to curtail these much-needed publications or to delay their issuance indefinitely. Other scientific publications should be prepared for sale by the Superintendent of Documents, but in such cases all costs of plating and composition must be borne by Park Service printing funds. No publications of this type can be issued if the proposed cut is made in the appropriations.

In closing, I want to emphasize the fact that the appropriation of $50,000 made for printing and binding in 1932, and approved for 1933, is absurdly small when one considers the function of the National Park Service to bring the national parks to the attention of the public.

ARNO B. CAMMERER, *Acting Director.*

Office of Education

The reduction of the amount available for printing for the office of education from $65,000 to $40,000 will cripple very seriously the work of the office. The office is now a fact-finding and information-giving office, and unless the results of its work can be made available to school officers and the public generally in printed form, the value of much of its work is lost.

WILLIAM JOHN COOPER, *Commissioner.*

General Land Office

SALARIES, GENERAL LAND OFFICE (P. 6, LINES 8–12)

Budget allowance	$725,000
Bill as reported by Senate committee	700,000
Reduction	25,000

The personnel of the General Land Office is at present 317, with a normal pay-roll burden of $721,540. A reduction of $25,000 would require the separation from the service of approximately 12 employees, taking $2,200 as our present average pay-roll burden. Since our estimates were prepared, the Secretary on April 4, 1932, provided for the filing of oil and gas applications for prospecting permits, and it is anticipated that thousands of applications will be filed in consequence thereof, which will cast an unexpected burden upon the office. If adequate service is to be rendered the public in this, as well as our regular run of work, it will be necessary not only to maintain our present number of employees but to augment the force.

SURVEYING THE PUBLIC LANDS (P. 7, BEGINNING LINE 3)

Budget allowance	$700,000
Bill as reported by Senate Committee	500,000
Reduction	200,000

As indicated by the Secretary's statement of February 17, 1932, on the effect of reductions in the Interior appropriations, 1933, if the surveying service is required to operate on such a reduced appropriation, a drastic reorganization of the whole service will be necessary. Many surveys and resurveys requested by legitimate applicants can not be undertaken and some of those in process will be discontinued. At least 5 of the 14 public survey offices in the West will be abandoned and 24 field engineers and 10 draftsmen, computers, and other technical office employees, all of whom have been trained from youth in this highly specialized work, will be dropped from the service.

PROTECTING PUBLIC LANDS, ETC. (P. 9, BEGINNING LINE 1)

Budget allowance	$475,000
Bill as reported by Senate Committee	400,000
Reduction	75,000

Though this appropriation has been reduced by $75,000, the allotment of $60,000 included therein for exclusive use in fire prevention and suppression remains the same, leaving but $340,000 available for the ordinary functions of the Field Service as compared with $415,000 available under the Budget for the same purpose. It will be necessary, therefore, to take care of this cut by reducing personnel by approximately 17 field men, with an average salary and operating expense of $4,000 per man, and approximately 5 office employees, with an average salary of $1,600 each. This may require a reorganization of the entire field service, resulting in the abolishing of at least two field divisions and the transfer of their work to the remaining divisions.

Bureau of Indian Affairs

The appropriations for the Indian Service for 1932 are $24,989,496.73. The Budget estimates submitted to Congress aggregate $22,162,839.33, or $2,826,657.40 under the current appropriations. The bill as passed by the House carried a total of $21,773,339.33 for the Indian Service or $389,500 less than the Budget estimates. The action of the Senate Committee in further reducing the Budget estimates by $1,062,900 makes a gross reduction under the Budget estimates of $1,452,400, thereby reducing the total appropriation for 1933 to $20,710,439.33, which is in round figures $4,279,000 less than the aggregate of appropriations for 1932. The foregoing amounts are exclusive of any tribal funds.

The major portion of the expenditures for the Indian Service are set charges made necessary by the tremendous amount of institutional care for a dependent race of people and reduction in the ordinary operating expenses required will necessitate many adjustments which will be to the disadvantage of the Indians.

SALARIES, BUREAU OF INDIAN AFFAIRS (P. 10, LINES 3–5)

Budget estimate	$481,000
Allowed by House	472,900
Reported to Senate	400,000
Total reduction	81,000

If this reduction stands, 5 new positions authorized by the Budget and allowed by the House to relieve in part the present shortage of clerical help in the Indian Office will be eliminated, and in addition thereto 34 employees ranging in salary from $1,320 to $5,600 will have to be stricken from the rolls of the Washington office. The number of employees allowed for 1933 in the Budget was 207. In the fiscal years 1923 and 1924 a total number of 234 was employed. During the intervening years the work of the office has increased due to expansion in the medical, industrial, and educational programs. The reduction, as the bill now stands, will result in crippling the Washington office to such an extent that the effect will be felt throughout the entire Indian Service through an absolutely insufficient organization to carry on the work. One activity to be laid down completely would be the statistical section, important to the work of the Indian Service in compiling accurate statistics for presentation to the committees of Congress and to the public at large. Other activities are bound to suffer through this reduction.

PURCHASE AND TRANSPORTATION OF INDIAN SUPPLIES (P. 10, LINES 17–24)

Budget estimate	$700,000
Allowed by House	650,000
Reported to Senate	650,000
Total reduction	50,000

This will not result in any reduction in personnel. Almost all of this appropriation is used for reimbursing common carriers for freight charges on goods and supplies shipped to the various Indian jurisdictions throughout the United States. Supplies are purchased from other appropriations throughout the bill and must be transported to points of use. A deficiency appropriation will necessarily be required to meet such charges if the amount allowed proves to be insufficient. Congress so understands this situation and has made deficiency appropriations for many years past.

FIELD REPRESENTATIVES, INDIAN SERVICE (P. 11, LINES 1–3)

Budget estimate	$23,000
Allowed by House	23,000
Reported to Senate	20,000
Total reduction	3,000

This reduction will require the elimination of one field representative of the Commissioner of Indian Affairs at a salary of $4,000. Because of the many complicated problems arising in connection with Indian administration, it is necessary that the commissioner have representatives in the field who can investigate charges against employees and assist in adjusting other controverted questions of a miscellaneous nature. These employees likewise bring about a better understanding between office and field of the many complications arising in Indian administration.

PAY OF JUDGES OF INDIAN COURTS (P. 11, LINES 4–6)

Budget estimate	$18,000
Allowed by House	18,000
Reported to Senate	15,000
Total reduction	3,000

This entire appropriation is used for paying the salaries of judges of Indian courts set up on numerous Indian reservations. These judges are outstanding members of the particular tribe involved, and their influence has an important bearing on general tribal conditions. These judges are paid a nominal compensation. There are 32 receiving $360 a year, 34 receiving $180 a year, and 3 receiving $120 a year. The $3,000 reduction will require us to abolish 6 of the $360 positions and 5 of the $180 positions.

PAY OF INDIAN POLICE (P. 11, LINES 7–11)

Budget estimate	$163,000
Allowed by House	163,000
Reported to Senate	150,000
Total reduction	13,000

This fund is used to employ approximately 265 Indian police drawing salaries ranging from $420 to $840 a year. All of these employees are Indians, and they are performing a valuable service on the reservations in maintaining order among the members of the tribe. The reduction will necessitate the abolishment of 10 positions of chief of police and 10 positions of private. The present law-enforcement organization on Indian reservations is insufficient to meet the needs, and a reduction in the present personnel will add to the difficulties of maintaining proper conditions.

INDIAN AGENCY BUILDINGS (P. 11, LINES 15–23)

Budget estimate	$275,000
Allowed by House	275,000
Reported to Senate	195,000
Total reduction	80,000

This reduction will make necessary the abolishment of one position of assistant construction foreman. It will also result in neglecting urgent repairs and maintenance to existing Government-owned buildings on the various reservations. Our appropriation for maintaining these buildings has always been extremely limited, and the reduction in the repair item of $60,000 will result in failure to make needed repairs not only to buildings but to heating, lighting, sewer, and water systems. Such failure to make these needed repairs and maintain buildings and other facilities in a fair state will not result in economy in the long run but will rather necessitate heavier appropriations in the future. The reduction of $20,000 in the item for physical improvements under this head will make necessary a continuation of present unsatisfactory housing conditions on several of the reservations where employees are herded together in a most unsatisfactory manner. Because of poor housing conditions on some of our reservations we are not able to maintain suitable personnel.

Aside from the one permanent position which will be abolished, the furnishing of irregular labor principally to local Indians will be materially reduced.

VEHICLES, INDIAN SERVICE (P. 11, LINES 24–25; P. 12, LINES 1–10)

This item authorizes the use of funds appropriated throughout the bill for the maintenance and repair of passenger-carrying vehicles and the purchase of new vehicles to replace those worn out in service. The House approved the text of this item as submitted by the Budget. The action of the Senate committee reduces the amount for maintenance by $25,000 and the amount to be expended in purchase of new cars by a similar amount. Many field positions require travel over the various reservations. Many of the roads are exceedingly rough and cars suffer through hard usage. If the field forces are to perform the jobs assigned to them in a proper manner, transportation facilities in a fair state of repair are most urgent. We buy lightweight cars (Fords and Chevrolets almost exclusively), and no car is replaced until it has seen at least three years' service. At the end of that period many cars have traveled from 75,000 to 100,000 miles. The cost of upkeep then becomes so heavy that it is an actual economy to replace the car rather than to expend sums for temporary and useless repairs.

REPLACEMENT OF PROPERTY DESTROYED BY FIRE, FLOOD, OR STORM (P. 11, LINES 11–25)

This is not an appropriation but an authorization to expend a certain sum for replacement of property destroyed or rendered unserviceable by fire, flood, or storm. It has been carried in the bill for several years and is most helpful in replacing needed structures that are so destroyed or rendered unserviceable. The money is diverted from general appropriations in accordance with the text of the item. Diversions in any one year have not exceeded the amount carried in the bill as reported to the Senate. No objection is made to this reduction in the limitation of the amount that can be used for these replacements.

AUTHORIZATION FOR ATTENDING HEALTH, EDUCATIONAL, OR OTHER MEETINGS (P. 13, LINES 1–7)

This is not an appropriation but an authorization to use certain sums from general appropriations for expenses of Indian Service employees in attending meetings of certain associations in the interest of work among the Indians. The authorization has been in effect for several years but no large amount has been expended for attendance at these meetings. In 1931 approximately $4,000 was used. The action of the Senate committee in reducing the limit that can be expended in this manner to $10,000 is not objected to.

DETERMINING HEIRS OF DECEASED INDIAN ALLOTTEES (P. 13, LINES 9–17)

Budget estimate	$73,000
Allowed by House	73,000
Reported to Senate	60,000
Total reduction	13,000

This reduction will require the abolishment of one position in the Washington office at a salary of $2,600, and the abolishment of two positions of examiner of inheritance and three positions of assistant clerk on duty in the field. These field employees are assigned to certain territories and travel from one agency to another conducting hearings for the purpose of determining the heirs of deceased Indian allottees as directed by the act of June 25, 1910. This work is already in arrears and a reduction in this force of employees will delay indefinitely the settlement of many of these heirship cases. It is desirable that the heirs be determined as promptly as possible in order that settlement of the cases may be disposed of. Delays now occurring resulting from our present insufficient force of employees assigned to this work cause constant complaints from interested Indians throughout the country.

PROBATE ATTORNEYS, FIVE CIVILIZED TRIBES (P. 13, LINES 8–25; P. 14, LINES 1–4)

Budget estimate	$40,000
Allowed by House	35,000
Reported to Senate	30,000
Total reduction	10,000

This reduction will necessitate the abolishment of two positions of probate attorney at $2,900 and two positions of assistant clerk at $1,620. These employees are attached to the Five Civilized Tribes Agency, with headquarters at Muskogee, Okla. This jurisdiction covers 40 counties in eastern Oklahoma and handles the affairs of approximately 12,000 restricted Indians. A reorganization has taken place in the probate work within the last year in order that more effective results can be accomplished. Probate attorneys are already burdened with unusually large territories and this reduction will result in further reorganization, enlargement of existing territories, and absolute inability to effectively perform the requirements coming under this head. There is urgent need for the type of assistance rendered by these employees among the restricted Indians of eastern Oklahoma.

SURVEYING AND ALLOTTING INDIAN RESERVATIONS (P. 14, LINES 6–17)

Budget estimate	$40,000
Allowed by House	30,000
Reported to Senate	30,000
Total reduction	10,000

The larger part of this work is done under the jurisdiction of the General Land Office; and while it is desirable that some surveys be completed with as little delay as possible, no great harm will come from the reduction made in the Budget estimate.

PURCHASE OF LAND FOR CHOCTAWS IN MISSISSIPPI (P. 15, LINES 8–14)

Budget estimate	$6,500
Allowed by House	6,500
Reported to Senate	------
Total reduction	6,500

The first appropriation for this purpose was in 1919. Annual appropriations have been made since 1927 and beginning with 1929 the amount provided annually has been $6,500. Expenditures from this appropriation are reimbursable by the individual Indians benefited.

Total expended to June 30, 1931	$57,932
Area purchased ..... acres	2,353
Families furnished land	77
Families yet to be furnished land	95
Additional expenditure of Federal funds required	$77,000

The Government has assumed responsibility for approximately 1,668 Choctaw Indians in Mississippi and has been endeavoring to provide lands upon which they may be located and engage in farming activities. A number of schools have been constructed for the benefit of this group of Indians and it is desirable that land be provided as rapidly as possible. Practically no repayments have been made of the money heretofore advanced and while it is desirable that this activity be continued, less harm will result by this item being stricken from the bill than adherence to some of the other suggested reductions.

No employees are paid from this appropriation.

COMPENSATION TO PUEBLO INDIANS OF NEW MEXICO (P. 15, LINES 15–25; P. 16, LINES 1–4)

Original Budget estimate	$112,435.33
Allowed by House	112,435.33
Supplemental Budget estimate	55,502.02
Total Budget estimate (original and supplemental)	167,937.35
Reported to Senate	112,435.33
Total reduction	55,502.02

This reduction covers supplemental or original amounts found due the following pueblos of New Mexico:

Nambe	$1.40
San Ildefonso	73.27
Laguna	33,566.47
San Felipe	21,860.88

These amounts have been found due by the Pueblo Lands Board, created under the act of June 7, 1924 (43 Stat. 636). The amount should be added to the appropriation item contained in the Interior Department bill in order that the awards found due the Indians can be paid. In the case of Laguna officials of the pueblo have executed an option looking to the purchase of certain areas which they desire to obtain and the money should be made available as early as possible.

No employees are paid from this appropriation.

ADMINISTRATION OF INDIAN FORESTS (P. 17, LINES 22–24; P. 18, LINES 1–9)

Budget estimate	$225,000
Allowed by House	225,000
Reported to Senate	200,000
Total reduction	25,000

This fund is used on 38 reservations. The total area included in Indian forest lands is 42,845,477 acres. Grazing on the reservations is also under the jurisdiction of the forestry branch of the service. The reduction in this item will involve the abolishment of eight positions with salaries aggregating $19,300, abandonment of contemplated improvements considered necessary for preservation and care of timbered areas, the continued use of worn-out equipment, including trucks and automobiles, and the postponement of purchase of much-needed new equipment.

EXPENSES, SALE OF TIMBER, REIMBURSABLE (P. 18, LINES 10–19)

Budget estimate	$150,000
Allowed by House	140,000
Reported to Senate	125,000
Total reduction	25,000

This appropriation is used on reservations where timber-sale contracts are in effect. Many areas under contract are inactive at the present time, but if contractors resume operations in the near future it will be necessary that a supplemental appropriation be provided in order that adequate personnel may be employed to supervise these timber operations.

The reduction in this item will result in the abolishment of 10 positions with salaries aggregating $21,500. The remainder of the cut will be absorbed in postponement of repairs to equipment and the acquiring of new equipment.

SUPERVISING MINING OPERATIONS OF LEASED INDIAN LAND (P. 19, LINES 12–20)

Budget estimate	$95,000
Allowed by House	75,000
Reported to Senate	60,000
Total reduction	35,000

This appropriation is used to employ technically trained persons qualified to supervise mining operations on leased Indian lands under the provisions of the acts of Congress specified in the text of the item. The reduction in the item will mean the abolishment of eight professional and four clerical positions. The withdrawal of these employees will result in tremendous loss in revenue to the Indians and in waste of natural fuel resources from this reduction valued at hundreds of thousands of dollars.

INDUSTRY AMONG INDIANS, REIMBURSABLE (P. 20, LINES 18–25; P. 21, LINES 1–17)

Budget estimate	$500,000
Allowed by House	500,000
Reported to Senate	475,000
Total reduction	25,000

No employees are affected by this reduction. The appropriation is used principally in financing Indians in the purchase of farm equipment, livestock, and other articles required by them in the development of their individual allotments. A reduction in this item will directly affect the aid given to individual Indians in their own development.

WATER SUPPLY FOR INDIAN USE (P. 22, LINES 12–21)

Budget estimate	$141,000
Allowed by House	100,000
Reported to Senate	100,000
Total reduction	41,000

Two full-time employees, with salaries aggregating $3,700, and several part-time employees engaged in supervisory work would be stricken from the pay roll under the reduction, and Indians engaged in water-development work would be without employment. This appropriation provides for the development of water for domestic and stock purposes principally on the Navajo Reservation in Arizona and New Mexico. These Indians are engaged mainly in raising sheep and goats and water is an essential feature if they are to be successful in their endeavors. The present water supply is woefully inadequate and until additional supplies are developed overgrazing will continue on numerous sections of this vast domain.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE, ADMINISTRATIVE EXPENSES (P. 23, LINES 6–9)

Budget estimate	$102,000
Allowed by House	102,000
Reported to Senate	75,000
Total reduction	27,000

This appropriation supports the general administrative expenses in connection with the Indian irrigation service. The reduction will necessitate the abolishment of six full-time positions and two part-time positions with salaries aggregating $21,160. The remainder of the reduction would be absorbed in curtailment of travel, purchase of equipment and supplies, and other miscellaneous expenses. The amount of the Budget estimate is a low minimum required for general supervisory purposes when it is considered that there are 45 projects subdivided into 188 units on the various Indian reservations. Regardless of what may be said with reference to the Indian irrigation service, as long as the projects are in existence and general maintenance and betterment are to be carried on and the projects operated, an adequate amount of supervision must be provided.

IRRIGATION, INDIAN RESERVATIONS, REIMBURSABLE, TOTAL (P. 23, LINES 10–11)

Budget estimate	$303,000
Allowed by House	190,000
Reported to Senate	163,000
Total reduction	89,000

The total of the items listed under this heading as submitted by the Budget was $207,300. The actual Budget estimate was $5,300 less than the total of the several items involved. Without reducing a single one of these specific items, the House reduced the actual appropriation by $12,000, thus giving a differential of $17,300. The action of the Senate committee confirms that of the House and takes into consideration the reduction of $27,000 in the item for general administrative expenses. Such a differential on this appropriation is beyond all reason, and if the Budget allowance is not restored, needed improvements must be deferred and necessary operation costs cut down to such an extent that the projects will suffer. All projects under this appropriation are of particular benefit to individual Indians, there being very few white persons either owners or lessees on these miscellaneous small projects.

IRRIGATION PROJECT, GILA RIVER RESERVATION, ARIZ. (P. 26, LINES 9–24)

Budget estimate	$100,000
Allowed by House	100,000
Reported to Senate	75,000
Total reduction	25,000

This reduction will necessitate the discard of six employees now engaged full time in construction work with wages aggregating $13,780. The remainder of the reduction will be absorbed in the amount required for purchase of supplies and general repairs throughout the project. The amount now allowed will permit no money whatever for continuation of construction. Pursuant to the act of June 7, 1924, and other acts relating to this project, a repayment contract was approved by the Secretary of the Interior on April 27, 1931, and confirmed by the Superior Court of Pinal County, Ariz., on September 23, 1931. Additional construction and necessary operation and maintenance are imperative if the Indian Service is to live up to the requirements of the repayment contract. This project will be used almost to full capacity when all lands are subjugated and necessary ditches constructed to supply water to the lands.

IMPROVEMENT, ETC., COLORADO RIVER IRRIGATION SYSTEM (P. 27, LINES 1–5)

Budget estimate	$28,000
Allowed by House	28,000
Reported to Senate	20,000
Total reduction	8,000

The amount allowed by the Budget and the House contemplated an expenditure of $20,000 for replacement of a worn-out pumping plant with a new Diesel plant. The boilers in the present plant are beyond repair and must be replaced. If this improvement is not provided, delivery of water will be impossible, either to Indian farmers or lessees on the reservation. Good use is made of this project and collections from water users are well above the average. The contemplated reduction will void the possibility of the new plant, and if this improvement is to be denied the appropriation may well be reduced to the amount allowed for 1932—namely, $8,000. It is sincerely hoped that the full Budget estimate may be approved.

The reduction in this item will not involve any decrease in personnel.

IMPROVEMENT, MAINTENANCE, AND OPERATION, FORT HALL IRRIGATION SYSTEM, IDAHO (P. 27, LINES 17–18)

Budget estimate	$42,000
Allowed by House	42,000
Reported to Senate	35,000
Total reduction	7,000

This reduction will make necessary the abolishment of two positions of ditch rider at $1,740 a year. It will also be necessary to defer replacement of structures, cleaning of canals, and other urgent maintenance operations. During 1930 the area of irrigable land actually irrigated was 30,152 acres, of which 10,283 was used by Indians. Collections on this project are above the average, but if delivery of water fails and structures are not kept in fair repair nonuse of land may well be expected to follow. The amount allowed by the Budget and House is $3,000 less than is available for 1932.

CONSTRUCTION OF MICHAUD UNIT, FORT HALL PROJECT, IDAHO (P. 27, LINES 19–24; P. 28, LINES 1–5)

Budget estimate	$332,500
Allowed by House	332,500
Reported to Senate	250,000
Total reduction	82,500

Work on the Michaud division of the Fort Hall project, including certain improvements of general benefit to the entire Fort Hall system, was authorized by the act of February 4, 1931 (46 Stat., p. 1061). The amount contained in the Budget estimate contemplated only such expenditures as would be of benefit to the entire system. The items involved in the estimate are as follows:

Final surveys and preparation of plans	$20,000
Grays Lake north embankment and outlet structure	10,000
Grays Lake-Blackfoot Reservoir diversion channel:	
Right of way	5,000
Construction and Meadow Creek channel improvement	10,500
Blackfoot Reservoir: Right of way, purchase of additional necessary right of way not heretofore acquired	37,000

Blackfoot River and regulating reservoir:	
Right of way and damages	$15,000
River channel improvement, levees, and drains	74,500
Regulating reservoir and diversion works	85,500
Idaho or Reservation Canal:	
Right of way and damages	5,000
Replacement of diversion structure and lowering head of canal	15,000
Rehabilitation Tyhee siphon	55,000
Total	332,500

It is not known which of these items the Senate committee struck out. With the reduced appropriation the program of expenditure will have to be rearranged after consultation with the engineers. The entire item could be stricken from the bill with less harm than some of the other proposed reductions.

The proposed reduction will result in eliminating not less than four of the positions contemplated.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, FORT BELKNAP RESERVATION, MONT. (P. 28, LINES 14–18)

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	17,500
Total reduction	2,500

This reduction will make necessary the postponement of replacing old timber structures. In their present condition satisfactory delivery of water is well-nigh impossible. Should it be possible to go through the year without purchasing stored water, a saving might be accomplished in the amount set aside for such purpose, thus permitting the replacement and repair work to go forward. Maximum use is not obtained from the project at this time.

MAINTENANCE AND OPERATION, FORT PECK IRRIGATION SYSTEMS, MONTANA (P. 28, LINES 19–23)

Budget estimate	$8,000
Allowed by House	8,000
Reported to Senate	5,000
Total reduction	3,000

Improvements on certain units of this project were completed during the fiscal year 1931, thrpugh an appropriation provided by Congress after an investigation as to the feasibility of such improvements looking to a better utilization of those units. The amount contained in the Budget estimate and allowed by the House represents minimum operation and maintenance requirements for next year. If these funds are not provided, advantageous use of the project can not be expected, and efforts to encourage larger use of the irrigable areas in the future will be in vain.

IRRIGATION SYSTEMS, FLATHEAD RESERVATION, MONTANA (P. 28, LINES 24–25; P. 29, LINES 1–20)

Budget estimate	$436,000
Allowed by House	436,000
Reported to Senate	254,000
Total reduction	182,000

Expenditures on this project are fully justified in the House hearings (pp. 373–386). The amount contained in the Budget was below the original expenditure contemplated in our program for 1933.

Pablo Reservoir enlargement, $5,000

The total estimated expenditure for this construction is $250,000. The amount carried in the bill is the second installment on a 3-year program, and this reduction would result in no special harm, since the amount contemplated for completion in 1934 would be increased by $5,000.

Power distribution system, $55,000

Electric transmission line construction was begun in 1931, during which a distribution system was provided for the Camas area and work was begun in the Mission Valley division.

Lines of the local power company on Hellroaring Creek have been purchased and it is desirable to continue construction so that all farmers in project towns can be supplied with power. It is desirable to complete the principal distribution lines by the fall of 1933. Not only will power be available for the various communities but it will also be available for pumping and other project purposes. A considerable revenue will be derived from power sold. The elimination of this item will postpone the furnishing of power to farmers on the project, deprive the Government of revenues from the sale of such power, and the project will be without power needed for pumping and other utility purposes.

Pumping plant, $100,000

This item is for a pumping plant to lift water from Flathead Lake 300 feet to the Pablo Reservoir. This source of supply is inexhaustible and the construction of the pumping plant will insure the dependability of a water supply for 40,000 acres of the project. The construction of this plant will involve a total outlay of $250,000. The elimination of this item will result in increased costs, since the foundations for the plant and other preliminary work can be done before the reservoir area is flooded as a result of construction now under way.

Enlargement Tabor Feed Canal

Enlargement of this canal will permit the carrying of more water from Jocko River to Tabor Reservoir during the high-water season. By this work it is estimated that from 6,000 to 10,000 acre-feet of water can be added to the water supply of the Mission Valley division.

In connection with these items for Flathead, a repayment contract has been executed and public notice was issued by the Secretary of the Interior, pursuant to existing law, on November 1, 1930.

IMPROVEMENT, ETC., IRRIGATION SYSTEM, BLACKFEET RESERVATION, MONT. (P. 29, LINES 21–24; P. 30, LINES 1–2)

Budget estimate	$86,000
Allowed by House	86,000
Reported to Senate	41,000
Total reduction	45,000

Based upon definite recommendations of engineers who made a thorough study of the project, and with the view of better utilization of certain units of the project, a 3-year construction program was initiated on the Blackfeet Reservation in the fiscal year 1931. This program contemplated expenditures as follows:

1931	$64,250
1932	46,000
1933	45,000
Total	155,250

Appropriations have been made in fulfillment of this program and the work contemplated carried to, or in process of, completion at this time. Elimination of the amount required for the third year of the program will not only postpone final completion and use of the project, but will result in voiding some of the work already done. Since it was decided by Congress several years ago to proceed with construction looking to effective use of a portion of this project, it is poor economy to withdraw at this time, leaving works already constructed inoperative.

At the conclusion of this 3-year program no further development is contemplated, all future expenditures to be confined to operation and maintenance work.

No decrease in permanent personnel will result from this proposed reduction, but much local day labor will be affected.

MAINTENANCE AND OPERATION, IRRIGATION SYSTEMS, CROW RESERVATION, MONT. (P. 30, LINES 3–11)

Budget estimate	$25,000
Allowed by House	20,000
Reported to Senate	18,000
Total reduction	7,000

Of the total reduction, $5,000 cut off by the House represented the amount allowed by the Budget for drainage work on certain areas. A small appropriation is available the current year for beginning that work and until such time as the effectiveness thereof can be determined, with the consent of the Bureau of the Budget, the House committee was requested by the Indian Service to transfer that $5,000 to land-designation work. The House committee denied our request. One of the largest sources of complaint on this project is and has been the payment of charges on land which owners claim should not be assessed. Some land is covered with brush, other tracts are slightly seeped, while other areas are in need of leveling. It was the hope of the office that studies could be made, through the use of this $5,000, to the end that project lands irrigable and assessable could be determined.

Ordinary operation and maintenance costs have been met in the past largely through accumulated collections from water users. These surplus collections have been depleted to such an extent that Federal appropriations are necessary if further use of the project is to be permitted. Expenditures in 1931 from collections were $47,581; estimated expenditures from such funds in 1932, $35,616; and in 1933, $20,000. The total estimated expenditures on this project for 1933, exclusive of the $5,000 referred to in the preceding paragraph, are $40,000, or $23,616 less than for the current year.

The further reduction proposed by the Senate committee will mean postponement of canal cleaning and other necessary project expenses incidental to delivery of water.

The contemplated reduction will not affect the status of any regular employees.

INVESTIGATIONS, ETC., DAM CONSTRUCTION, DUCK VALLEY RESERVATION, NEV. (P. 31, LINES 1–6)

Budget estimate	$15,000
Allowed by House	15,000
Reported to Senate	10,000
Total reduction	5,000

This expenditure is authorized by the act of February 28, 1931 (46 Stat. 1458). The very nature of the work makes it impossible to definitely determine the exact amount that will be required to complete it. Since Congress has directed that the surveys be made and authorized a specific sum therefor, it would seem appropriate to set aside the entire amount of the authorization. If not used in this work it can be used for nothing else, and will revert to the Federal Treasury.

A full discussion of this item appears on pages 411–424 of the House hearings.

IRRIGATION SYSTEMS, WIND RIVER DIMINISHED RESERVATION, WYO. (P. 34, LINES 8–19)

Budget estimate	$55,000
Allowed by House	55,000
Reported to Senate	45,000
Total reduction	10,000

For the last two or three years increases have been allowed for the replacement of old wood structures with concrete and steel. These replacements have proceeded satisfactorily and have resulted in greater use of the project. During the irrigation season of 1931 about 200 Indian families irrigated 10,263 acres. An agricultural extension agent is assigned to this reservation and encouragement is being given the Indians to use their own lands for raising subsistence and commercial crops.

Approval of the contemplated reduction will make necessary continued use of worthless structures with resultant inefficient delivery of water. It will also mean postponement of studies looking to the designation of those areas properly assessable under the project.

Surplus collections are used up on this project, and it is necessary to have adequate Federal funds for operation and maintenance costs.

No permanent employees will be affected by the proposed reduction.

INDIAN SCHOOL BUILDINGS (P. 37, LINES 4–25; P. 38, LINES 1–5)

Budget estimate	$507,000
Allowed by House	497,000
Reported to Senate	442,000
Total reduction	65,000

Repairs and improvements

A total reduction of $25,000 is carried for general repair and maintenance of reservation boarding and day schools, including sewer, water, heating, and lighting systems. Present funds permit only minimum expenditures on the upkeep of plants, and this reduction will force postponement of many needed maintenance jobs.

One permanent position at $2,600 will no doubt have to be abolished.

Physical improvements (Tongue River, Mont.)

The amount allowed by the House contemplated an expenditure of $50,000 for a new building to provide classroom facilities now housed in the dormitory of this reservation boarding school. The present structure is in a most dilapidated condition, is insanitary, and unfit for occupancy. A new building is highly desirable and should be provided. However, if that can not be, it is believed that an expenditure of $10,000 will permit the making of certain alterations and repairs which will in part overcome existing unsatisfactory conditions.

FLOOD CONTROL, LEUPP SCHOOL AND AGENCY (P. 38, LINES 6–12)

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	10,000
Total reduction	30,000

The bill as passed by the House authorizes the expenditure of $40,000 for the construction of a dike around the Leupp School and agency plant. The estimate was submitted pursuant to a report made by a board of engineers appointed by the Secretary to consider the feasibility of protecting this plant from flood. Since the submission of the estimate a severe flood occurred, breaking the main dikes surrounding this school in several places, and for the safety of the pupils, hospital patients, and employees the school was temporarily abandoned. The Government has expended more than $80,000 in the last three years in attempting to protect this property from destruction by flood. The school has a capacity of 400 pupils and the hospital a capacity of 60 beds. Upon the abandonment of the institution about half of the pupils were taken care of in near-by reservation or nonreservation boarding schools, and the remainder are being accommodated in temporary quarters in the town of Winslow. Some few pupils are attending Government day or State public schools.

A reduction of $30,000 in this item will definitely eliminate the possibility of further expenditure of Government funds in building dikes in an attempt to save this property from destruction by flood. The $10,000 allowed by the Senate will be used to make investigations as to the availability of water supplies preparatory to relocating the facilities abandoned at Leupp.

No permanent employees are affected by this reduction, but a large portion of the original $40,000 would be paid to Indians engaged in dike construction.

EDUCATION, SIOUX NATION (P. 46, LINES 12–17)

Budget estimate	$406,500
Allowed by House	406,500
Reported to Senate	350,000
Total reduction	56,500

This appropriation is used to maintain about 30 day schools, with an average attendance in excess of 500, and 3 reservation boarding schools, with a combined capacity of 800, all for the benefit of the Sioux Indians. The amount required for ordinary support purposes, exclusive of repairs to buildings, is $331,500. The fund is also used for general supervisory purposes in the Sioux country, tuition of Indian pupils in mission schools, and repairs to plants.

The reduction will require the abolishment of 10 or more teaching positions; possibly 5 housekeeper positions at the day schools; and other much-needed positions, principally at the boarding schools. The Budget estimate has already taken into consideration savings of $10 per pupil based on present market prices of commodities, and the reduction here proposed will mean the closing of day schools and the denial of educational facilities to some of the Sioux children.

Public-school facilities are not convenient to this Indian population, and consequently the Government has got to provide its own facilities. The schools operated under this appropriation should be accorded the same treatment as those maintained from the general educational appropriation and the appropriations for the nonreservation boarding schools.

EDUCATION OF NATIVES IN ALASKA (PAGE 47, LINES 3–24; P. 48, LINES 1–9)

Budget estimate	$726,400
Allowed by House	690,000
Reported to Senate	650,000
Total reduction	76,400

The amount allowed for salaries under this appropriation is $8,100 less than the appropriation for 1932, and will necessitate elimination of the 25 additional employees approved by the Bureau of the Budget and the House for duty at established stations; prohibit extension of the school term at 31 schools; deny the teacher at Gulkana, where 20 children of school age are available but have no teacher; and prohibit the establishment of eight positions necessary for opening the Shoemaker Bay School, now being completed. In addition to the positions named it will be necessary to reduce the present staff to come within the amount allowed.

The reduction of $2,000 in the travel expense item was apparently made because of the reduction in personnel. If the salary appropriation is allowed, the Budget estimate for travel should be restored.

The Budget allowance for equipment, supplies, fuel, and so forth, was $219,000. This amount was reduced by the House to $192,600 and is now reduced further by the Senate to $182,600, or only $12,600 above the amount allowed for 1932, and a total reduction in the Budget estimate of $36,400. Proceeding on the theory that the Shoemaker Bay School is not to be opened, since no employees have been allowed therefor, this reduction is accounted for. It is inconceivable that after providing this plant it is the wish of Congress that it remain vacant for one full school term.

The cut of $2,000 in the repair item will force postponement of needed repairs on station buildings, many of which are of crude construction and are constantly in need of attention.

Summarizing, the reductions below the Budget estimates are as follows:

Object	Budget	House	Senate	Reduction
Salaries	$376,900	$366,900	$341,900	$35,000
Travel	24,000	24,000	22,000	2,000
Equipment, etc	219,000	192,600	182,600	37,400
Repairs	25,000	25,000	23,000	2,000
New structures	13,000	13,000	13,000	----------
Freight	30,000	30,000	30,000	----------
Operation of vessels	35,000	35,000	35,000	----------
Rents	1,500	1,500	1,500	----------
Telephone and telegraph	2,000	2,000	2,000	----------
Total	726,400	690,000	[1] 651,000	76,400

[1] Error of $1,000 in total of allowances by Senate.

Attention is invited to the amendments on page 47, lines 13 and 14, and lines 21 and 22, striking out the text with reference to the *Bozer*, and substituting the word "vessels." Unless the amount of $35,000 "for operation of vessels" is increased by at least $10,000, funds will not be available for continued operation of the *Bozer* in the Alaskan service.

All phases of the situation considered, the total reduction in this appropriation is most severe, and this work will go backward instead of forward.

CONSERVATION OF HEALTH (TRIBAL FUNDS) (P. 52, LINES 20–24; P. 53, LINES 1–2)

This is not an appropriation but merely a limitation, appearing on the face of the bill, as to the amount of tribal funds that may be expended for health work among Indians. If the decrease proposed in tribal-fund expenditures should stand, this reduction in the authorization for health work would be entirely consistent.

ASYLUM FOR INSANE INDIANS, CANTON, S. DAK. (P. 53, LINES 3–8)

Budget estimate	$50,000
Allowed by House	50,000
Reported to Senate	40,000
Total reduction	10,000

This institution, for insane persons, while not requiring a larger number of employees than does an ordinary hospital, has always been operated with a small complement of personnel. The present staff is considered as a minimum. The proposed reduction will make necessary the abolishment of not less than four positions, and further savings will have to be effected through a lesser expenditure for food and other supplies. Not only does this appropriation provide for care of patients, but for maintenance and upkeep of buildings, including all heating and plumbing, water, light, and sewer systems. This asylum can not be maintained in accordance with even minimum standards if this reduction stands.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (P. 53, LINES 21–24; P. 54, LINES 1–14)

Budget estimate	$1,588,000
Budget estimate, Quapaw item	20,000
Total Budget estimate	1,608,000
Allowed by House, combined	1,596,000
Reported to Senate	1,400,000
Total decrease	208,000

If this decrease stands, not less than 50 positions, ranging in salaries from $1,080 to $6,500, will be abolished, salaries of positions so abolished aggregating $90,480. Jurisdictions are constantly complaining under present conditions of the tremendous burden now being carried by the clerical forces at the agencies. Office hours in the field are from 8 to 5, and practically all agency employees are forced to perform many hours of overtime labor in order to keep the work current. Through lack of funds we are constantly denying appeals for temporary clerical assistance or for full-time positions. The elimination of positions now authorized will seriously handicap the local agencies in handling the mass of detail work requiring daily attention.

In addition to the above, it will be necessary to reduce expenditures for the following purposes:

Supplies (food, clothing, etc., for direct issue to Indians)	$55,000
Travel expenses of employees	6,000
Repairs to office equipment, agency machinery, etc	15,000
Seed for issue to Indians	5,000
Burial expense of Indians	4,000
Office equipment, agency machinery, etc., including replacement of automobiles	20,000
Improving home conditions of Indians	15,000
Other miscellaneous purposes	3,920

A total of 63 agencies are supported in whole or in part from this appropriation. These agencies are handling the affairs of more than 90 per cent of the Indians under the jurisdiction of the office, and a reduction in this appropriation is striking at one of the most essential of all appropriations of the Indian Service, since it is used for direct benefit for the Indians on the reservations.

SUPPORT OF INDIANS AND ADMINISTRATION OF INDIAN PROPERTY (TRIBAL FUNDS)

General statement

The total reduction in tribal funds authorized for expenditure for general support and administration purposes, including authorizations from Chippewa funds for general agency purposes and indigent relief, authorizations from Osage funds for agency support and expenses in connection with oil and gas production, and expenditures from the principal funds to the credit of Confederated Bands of Utes under Ute Mountain and Uintah Reservations is $278,600. The purposes for which these authorizations are expended correspond very closely to those for which the gratuity appropriation for general support and administration of Indian property is utilized. This cut will necessitate a serious reduction in the personnel on the reservations involved; reduction in expenditures for relief of needy Indians, which have been so heavy during the past year and will continue to be heavy until a return of normal conditions and opportunity for employment of the Indians; reduction in expenditures calculated to advance the industrial welfare of the Indians, such as increased farming activities, development of their livestock, 4-H-club work, chapter organizations among the adults; and a general decrease in the amount of supervision which can be given the affairs of the Indians in general.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (ARIZONA) (P. 55 LINES 12–15)

Fort Apache:

Budget estimate	$25,000
Allowed by House	25,000
Reported to Senate	20,000
Total reduction	5,000

Reduction of $5,000 will necessitate the abolishment of one position of farmer or stockman at $1,500 and a decrease of $3,500 in expenditures for relief of Indians, operation of the tribal sawmill, and the construction of Indian homes. This agency has heretofore been supported from tribal funds, but by reason of decreasing revenues the larger part of the general administrative overhead will be borne from gratuity appropriations in 1933.

San Carlos:

Budget estimate	$120,000
Allowed by House	120,000
Reported to Senate	100,000
Total reduction	20,000

If this reduction is made, $7,000 must be absorbed through a cut in personnel, probably eliminating two laborers, two line riders, and one deputy special officer. Our industrial program for 1933 contemplated the expenditure of $35,000 in the purchase of bulls and heifers for the tribal herd. This will necessarily be reduced to $22,000, accounting for the remaining $13,000 of the $20,000 decrease. This reservation has an area of 1,610,000 acres and a population of 2,670 Indians. The Indians have been especially interested in livestock activities, and a number of the employees paid from this appropriation are engaged in work directly connected with the livestock industry.

Truxton Canyon:

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	16,000
Total reduction	4,000

A reduction of $4,000 means the abolishment of one position of farmer at $1,620 and a reduction of $2,380 in proposed expenditures for relief of Indians and advancement of their livestock interest by cutting expenses in connection with the running of the tribal herd, round-up expenses, water development, etc. This reservation contains 973,000 acres and has a population of 460. Stock activities constitute the main industry of the reservation and are the principal sources of support for the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (COLORADO) (P. 55, LINES 16–20)

Southern Ute:

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

None of this authorization is expended for salaries of regular employees. This reduction will result in less employment for Indians in road and bridge construction and repair work on the reservation and a decrease in the purchase of subsistence supplies for issue to old and indigent Indians.

Ute Mountain:

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

A cut of $5,000 will necessitate abandonment of our plan to construct a community house at Towaoc for the use of the Ute Mountain Indians. Experience at other jurisdictions, especially in the Navajo country, has demonstrated the value of community houses. A similar building for the Indians of this reservation would be of value to them in providing a place where they may meet to discuss subjects relating to home and farm improvement.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IDAHO) (P. 55, LINES 21–24 AND P. 56, LINES 1–2)

Fort Hall:

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	15,000
Total reduction	5,000

A reduction of $5,000 will necessitate abolishment of a position of deputy special officer at $1,920, a financial clerk at $1,740, and curtailment of industrial activities, relief of Indians, and general administrative expenses to the extent of $1,340. The amount of the Budget estimate was $17,500 less than the appropriation for 1932, or eliminating the $10,000 for weed control, $7,500 less than the ordinary annual authorization for this jurisdiction. Any further reduction without a corresponding increase of the gratuity appropriation will handicap the administration of the affairs of this jurisdiction.

Fort Lapwai:

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	7,500
Total reduction	2,500

A reduction of $2,500 will necessitate abolishment of one position, probably that of assistant clerk at $1,740. The remainder of the decrease will necessitate a smaller expenditure for relief of indigent Indians and purchase of farm and garden seeds for issue to them and other activities relating to industrial development.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (IOWA) (P. 56, LINE 3)

Sac and Fox:

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

This money is not used to pay salaries of any regular employees. Approximately $1,500 will be required to pay State and county taxes on tribal lands. If only $1,000 is allowed, full tax payment can not be made, and the penalty will accrue on any amount that goes delinquent.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (KANSAS) (P. 56, LINE 4)

Pottawatomie:

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

Reduction to $1,000 means that one position or clerk at $1,920, now charged to this authorization, will have to be dropped entirely or the balance required for his salary provided from some other fund. This employee is on duty at the Pottawatomie subagency located at Mayetta, Kans. There are 891 Indians on the Pottawatomie Reservation, and the present clerical force necessary to carry on the required work is extremely limited.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MINNESOTA) (P. 56, LINE 6)

Red Lake:

Budget estimate	$53,000
Allowed by House	53,000
Reported to Senate	45,000
Total reduction	8,000

Practically all of the reduction of $8,000 will have to be absorbed in the abolishment of seven existing positions or the transfer of salaries of these positions to Red Lake tribal funds made available elsewhere in the bill for the operation of the Red Lake and Cross Lake boarding schools. Practically the entire expense of maintaining this agency is borne from this appropriation. There are about 1,800 Indians on the Red Lake Reservation, which contains approximately 407,000 acres, all of which is in a tribal status. The Indians support themselves largely through lumbering and fishing activities, and some of them engage in farming and chicken raising.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (MONTANA) (P. 56, LINES 7–10)

Blackfeet:

Budget estimate	$7,500
Allowed by House	7,500
Reported to Senate	5,000
Total reduction	2,500

No regular salaries are charged to this fund. Reduction of $2,500 would be reflected in a decrease to that extent in our program for the relief of needy Indians. Almost the entire amount requested from Blackfeet funds for 1933 is justified as being needed for relief of needy Indians on this reservation, which has a population of approximately 3,550. In addition to expenditures from tribal funds, a large amount of gratuity appropriations is expended each year in providing subsistence supplies and clothing for this group of Indians. If the Indians have funds to their credit, such funds should be used for the relief of indigent members of the tribe.

Flathead:

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	30,000
Total reduction	10,000

This reduction will probably necessitate abolishment of 1 position of special officer, 1 clerk, 1 laborer, 2 farmers, and 1 physician; also decreased expenditures for other purposes, including the hospitalization of Indians in the Holy Family Mission Hospital at St. Ignatius. There are 3,000 Indians on this reservation. The Budget estimate was $10,400 less than the amount appropriated for 1932, which amount will of necessity be provided at least in part from gratuity appropriations. Funds will not be sufficient in general appropriations to permit employment in the above positions, the abolishment of which would be most unfortunate.

Fort Peck:

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	5,000
Total reduction	5,000

We do not contemplate the use of any part of this money in payment of the salaries of regular positions. The farm-agent position no doubt will be abolished. The remainder of the reduction will necessitate a corresponding decrease in our general agency and reservation activities, particularly in the amount available for relief of needy Indians. During the present year we have expended large sums both from Red Cross money and gratuity appropriations for the relief of needy Indians on this reservation. Expenditures for education, medical work, and other purposes are borne from general gratuity appropriations.

Tongue River:

Budget estimate	$15,100
Allowed by House	15,100
Reported to Senate	10,000
Total reduction	5,100

The proposed reduction of $5,100 will involve abolishment of one position of farmer at $1,380, and decreased expenditures for irregular Indian labor, relief of needy members of the tribe, operation of the tribal sawmill, purchase and issue of garden seed, and encouragement of Indian livestock activities. There are 1,460 Indians on this reservation, and the Government is expending from gratuity appropriations large sums for educational, health, and other purposes. Indian labor is hired under this appropriation for road work, fence repair and upkeep, cutting of ice, and other agency and reservation activities, and any compensation received contributes to the support of the individuals employed and their families.

Rocky Boy:

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

The salary of a position of general mechanic at $1,500 has heretofore been paid from this fund. A cut to $1,000 will require the abolishment of this position. School, health, industrial, and other activities for the benefit of this group of Indians numbering about 550 are supported from gratuity appropriations. The amount allowed by the Budget represents small annual revenues from rental of surplus grazing land. Expenditures from this fund are of direct benefit to the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (NEBRASKA)

Omaha:

Budget estimate	$2,000
Allowed by House	2,000
Reported to Senate	1,000
Total reduction	1,000

This authorization does not bear the salaries of any regular positions. Reduction to $1,000 means a proportionate decrease in employment of irregular Indian labor, relief of needy Indians, and development of industrial activities among the Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS, NEVADA (P. 56, LINES 12–14)

Pyramid Lake:

Budget estimate	$5,000
Allowed by House	5,000
Reported to Senate	2,500
Total reduction	2,500

The proposed reduction of $2,500 will necessitate the abolishment of one position of farmer at $1,680 and the expenditure of $820 less for direct aid to Indians through the issuance of subsistence supplies, clothing, hospitalization, and other expenses. The use of $5,000 of Indian moneys is small compared to the expenditure of Federal funds for the benefit of this group of 550 Indians.

Western Shoshone:

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	5,000
Total reduction	5,000

The proposed cut of $5,000, representing half of the estimate, all of which was considered necessary, will necessitate the abolishment of one position of laborer at $1,260 and decreased expenditures for supplies, materials, equipment, for relief of Indians, and care of their livestock. The Budget estimate was $5,200 less than the amount authorized for use in 1932. The decrease is made necessary by reason of diminished income to the tribe from rental of surplus grazing lands. There are approximately 700 Indians on this reservation and a considerable sum is annually expended from gratuity appropriations for the support of Federal activities for their benefit.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS, NEW MEXICO (P. 56, LINES 15–16)

Jicarilla:

Budget estimate	$30,000
Allowed by House	30,000
Reported to Senate	25,000
Total reduction	5,000

A cut of $5,000 will involve curtailment to that extent of our program of industrial development on the reservation, including such items as operation of the tribal sawmill, water development, fence construction and repair, rodent control, and care of the tribal sheep herd. The greater part of this money is expended in the employment of irregular Indian labor, lessening the opportunity for which would be particularly unfortunate at this time in view of the needy condition of the Indians and their extremely heavy stock losses during the past winter. It is anticipated that only two regular employees will be paid from this fund in 1933. During the past year 16 employees at this jurisdiction are chargeable to the tribal fund authorization. The Budget estimate for 1933 was $30,000 less than the authorization for the present year. A further reduction without compensating increase in gratuity appropriations will result in severely crippling the activities of the agency and greatly curtailing the income of individual Indians through lack of employment heretofore provided.

Mescalero:

Budget estimate	$40,000
Allowed by House	40,000
Reported to Senate	25,000
Total reduction	15,000

The proposed reduction of $15,000 will necessitate the abolishment of one position of farmer at $1,740 and a sharp decrease in the amount expended in the employment of irregular Indian labor in connection with such projects as the operation of the sawmill, water development, construction and repair of fences, and care of the tribal sheep herd. Our plans for the expenditure of the original $40,000 estimate contemplated the expenditure of almost none of it for general administrative purposes and any cut in this authorization can not help but be reflected in projects of direct benefit to the Indians. It is especially desirable to purchase new animals for addition to the cattle and sheep herds, and expenditures are necessary for the purchase of supplies and equipment, oil cake and other feed, repairs to camp buildings and other purposes necessary to proper handling of the tribal herds. Funds are not provided elsewhere to supplement the loss through this reduction. Since these expenditures are made for the direct benefit of the Indians their funds should stand a major portion of the costs. The Budget estimate for 1933 was $15,000 less than the amount authorized for use in the present fiscal year. As a result of such reduction, seven positions have been transferred





to the gratuity support appropriation, and under the amount now allowed it is possible that some of these positions will have to be abolished.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (OKLAHOMA) (P. 56, LINES 18–22)

Otoe:

Budget estimate	$1,500
Allowed by House	1,500
Reported to Senate	1,000
Total reduction	500

The proposed cut of $500 will necessitate a proportionate reduction in miscellaneous agency and reservation expenditures, such as traveling expense, operation and upkeep of automobiles, relief of needy Indians, etc. The Otoe Indians are under the jurisdiction of the Pawnee Agency, which is supported largely from gratuity appropriations.

Ponca:

Budget estimate	$3,000
Allowed by House	3,000
Reported to Senate	2,000
Total reduction	1,000

The proposed cut of $1,000 will mean the abolishment of one position of junior clerk. These Indians are also under the jurisdiction of the Pawnee Agency and share in the benefits derived from expenditure of Federal funds for educational, medical, industrial, and other purposes. The amount contributed from Indian funds is small compared to the expenditure of Federal funds.

Sac and Fox:

Budget estimate	$3,100
Allowed by House	3,100
Reported to Senate	2,000
Total reduction	1,100

The proposed reduction of $1,100 means that one position of assistant clerk at $1,800 now paid from this authorization must be abolished. The Sac and Fox Reservation, inhabited by about 700 Indians, is under the administrative jurisdiction of the Shawnee Agency. They receive about $3,000 annually from the rental of surplus grazing lands. They share in the benefits derived from the expenditure of Federal funds for educational, medical, industrial, and other purposes. Children attend the public schools, for which tuition is paid, and a sanatorium is located at Shawnee, Okla. The amount contributed from Indian funds for administrative purposes is small compared to the contribution made by the Federal Government.

Cheyenne and Arapaho:

Budget estimate	$3,000
Allowed by House	3,000
Reported to Senate	2,000
Total reduction	1,000

This item was inserted at the request of the Indians to provide money for expenses of the tribal business committee and tribal delegates to Washington. The proposed reduction simply means that there will be $1,000 less available for such purposes. No part of this fund is to be used for administrative purposes by the Indian Service.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS, OREGON (P. 56, LINES 23–24)

Klamath:

Budget estimate	$110,000
Allowed by House	75,000
Reported to Senate	50,000
Total reduction	60,000

The Budget estimate of $110,000 represented what we considered at the time of submission the lowest possible amount that would be required for the maintenance of this agency during the next fiscal year. Over a period of four years there has been a cut of approximately 34 per cent in the appropriation of tribal funds for this jurisdiction. During the present year there has been expended on this reservation $25,000 of the gratuity road appropriation. Following a hearing before the House committee on the question of expenditures at this jurisdiction, during which representatives of the Klamath Indians were present and testified, that committee recommended a reduction of $35,000 in this appropriation. Following this action the superintendent was directed to make a minute study of his needs and to indicate the lowest possible minimum required for operations during the next year. This study revealed that in round figures approximately $100,000 would be required for the agency, including $10,000 for reimbursable loans to Indians and about $4,000 for expenses of the tribal business committee.

There are 28 authorized positions at Klamath at the present time, and if the reduction of $60,000 under the Budget estimate stands, we will be required to abolish positions which we now consider necessary for general reservation work and in addition thereto the 25-bed hospital will be closed. The money carried in the bill as reported to the Senate will not permit the maintenance of the hospital and the employment of a sufficient clerical force at the agency to handle the routine business connected with per capita payments and numerous miscellaneous matters daily being brought to the agency office for consideration and action. It will also be necessary to deny any applications for reimbursable loans and there will be no money for expenses of the tribal business committee, either for activities on the reservation or for the expenses of its delegates when visiting Washington. The Indian Service has a responsibility delegated to it by law in the administration of the vast estate of this group of one thousand two hundred and seventy and odd Indians. Necessary administrative expense money must be provided or curtailments of the activities will take place which are bound to create most unfavorable criticism of the Federal Government. If Congress refuses to provide necessary funds to properly maintain this agency then it should be willing to share the criticism which is bound to result from that action.

Umatilla:

Budget estimate	$9,100
Allowed by House	9,100
Reported to Senate	5,000
Total reduction	4,100

Reduction to $5,000 means that we would probably have to dispense with two positions of clerk at $1,560 and $1,260 and reduce other administrative expenses to the extent of $1,280. The authorization for 1932 is $15,000. The Budget estimate is $6,000 under that amount. A further reduction of $4,100 with no supplemental gratuity appropriation will seriously impair the effectiveness of work done in the past and retard the future progress of this group of 1,100 Indians.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (SOUTH DAKOTA) (P. 57, LINES 1–2)

Cheyenne River:

Budget estimate	$90,300
Allowed by House	90,300
Reported to Senate	75,000
Total reduction	15,300

A reduction of $15,300 means the elimination of one clerk, one carpenter, one line rider, one hospital attendant, reduction in the amount of irregular labor (almost entirely Indian), smaller quantities of supplies and materials for the agency, the hospital and needy Indians. There are 3,164 Indians on the Cheyenne River Reservation which covers an area of approximately 1,330,000 acres. The administrative expenses of this agency are borne almost entirely from tribal funds, and our present force of employees paid from this appropriation is 29, which number includes employees of the hospital maintained for the benefit of these Indians. It is estimated that approximately $15,000 will be required during 1933 for the relief of needy Indians through the issue of subsistence, clothing, and fuel and the furnishing of medical and other supplies and payment of hospitalization and burial expenses. We believe that this agency is maintained at an extremely low cost, and the reduction of $15,300 will greatly impair the value of the services rendered the Indians.

Pine Ridge:

Budget estimate	$7,000
Allowed by House	7,000
Reported to Senate	4,000
Total reduction	3,000

The entire amount of this authorization is set up for miscellaneous agency and reservation purposes, travel expenses, relief of Indians, etc. The proposed cut of $3,000 will restrict our activities accordingly. The original Budget estimate contemplated the expenditure of approximately $3,000 for relief of needy Indians and $4,000 for payment of general administrative expenses, including the hauling of supplies from the railroad to the point of use. There are 8,000 Sioux Indians on this reservation, which contains approximately 2,560,000 acres of land. This amount of money is derived mainly from the rental of surplus grazing lands. Expenditures for educational, health, industrial, and other purposes on this reservation come from gratuity appropriations. During the fiscal year 1931 more than $560,000 was so expended. It will be seen that the amount requested from tribal funds is exceedingly small compared to the expenditures from Federal appropriations.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (UTAH) (P. 57, LINES 3–7)

Uintah and Ouray:

Budget estimate	$15,000
Allowed by House	15,000
Reported to Senate	10,000
Total reduction	5,000

The greater part of this annual authorization is expended in the purchase of supplies for the agency, the hospital, and for issue to old and indigent Indians. The proposed reduction of $5,000 will necessitate proportionately decreased expenditures for these needs. No regular employees are paid from this appropriation, and expenditures therefrom are largely for direct benefit to Indians either through employment or the issuance of supplies.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WASHINGTON) (P. 57, LINES 8–15)

Colville:

Budget estimate	$40,500
Allowed by House	40,500
Reported to Senate	30,000
Total reduction	10,500

A reduction of $10,500 will necessitate abolishment of 1 position of forest ranger, 1 junior clerk, 2 laborers, and 1 general mechanic, involving approximately $7,000, and a reduction of $3,500 in the amounts expended for miscellaneous purposes, such as irregular labor, principally Indian; purchase of supplies and

materials; and relief of indigent Indians. The administrative expenses of this agency are largely borne from tribal funds. There are about 3,000 Indians on the reservation, which contains more than 378,000 acres of allotted lands and 824,000 acres of tribal lands. They have valuable timber resources and a large area of their reservation lands is leased for grazing purposes. This is a very active agency, and present employees are unable to keep their work current without much overtime.

Neah Bay:

Budget estimate	$7,500
Allowed by House	7,500
Reported to Senate	5,000
Total reduction	2,500

The proposed cut of $2,500 will necessitate abolishment of one laborer position, at $1,200, and a decrease of $1,300 in the amount expended for relief of indigent Indians, repairs to machinery and equipment, and the purchase of new equipment. There are 660 Indians under this jurisdiction, and a considerabl sum is expended each year from general gratuity appropriations for purposes of general benefit to them.

Puyallup:

Budget estimate	$4,000
Allowed by House	4,000
Reported to Senate	2,000
Total reduction	2,000

One thousand dollars of this appropriation is required for upkeep and maintenance of the Puyallup Indian cemetery. This money represents interest at 4 per cent per annum on a trust fund of $25,000 definitely set aside for the purpose. It will be necessary to abolish a position of clerk, at $1,660, and the remaining amount of this reduction will necessarily be absorbed through curtailment in other administrative expenditures. This reservation is under administrative control of the Tulalip Agency, which is largely supported from gratuity appropriations.

Spokane:

Budget estimate	$10,000
Allowed by House	10,000
Reported to Senate	7,500
Total reducton	2,500

The reduction of $2,500 will necessitate the abolishment of a position of farmer, at $1,560, and a reduction in the amount to be expended for relief of needy Indians, including hospitalization and burial expense. There are 774 Indians on this reservation, which contains more than 150,000 acres of land. The reservation is under the administrative control of the Colville Agency.

Taholah (Quinaielt):

Budget estimate	$36,000
Allowed by House	36,000
Reported to Senate	30,000
Total reduction	6,000

Under the wording of the item, $25,000 of this authorization is available only for a sewer and water system for the Indian village at Taholah. This improvement has been requested by the Indians. One thousand dollars of the remaining amount was definitely set aside for expenditure in such manner as the tribal council might determine. This leaves only $4,000 for general purposes, as against $10,000 allowed by the Budget and the House. One position of practical nurse at $1,560 must be abolished. The remainder of the reduction must be absorbed through other reductions in expenses of administration and care of Indians, particularly decreased purchase of supplies for indigent Indians.

Yakima:

Budget estimate	$30,000
Allowed by House	30,000
Reported to Senate	20,000
Total reduction	10,000

The proposed reduction of $10,000 in this authorization means that we must abolish positions of physician, 1 farmer, 1 clerk, 1 laborer, employ less irregular labor, and expend less for necessary supplies and materials. This reservation is inhabited by 2,916 Indians and has an area of over 1,000,000 acres of land. There is a vast amount of work involved on this reservation in connection with the leasing of lands, the collection of rentals therefrom, and other miscellaneous activities in handling the affairs of this group of Indians. The original Budget estimate for 1933 was decreased by $8,300 under the amount of the appropriation for 1932. Withdrawal of the employees named would work a hardship not only upon the remaining employees but upon the Indians of the reservation.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS, WISCONSIN (P. 57, LINES 16–22)

Keshena:

Budget estimate	$75,000
Allowed by House	75,000
Reported to Senate	50,000
Total reduction	25,000

The proposed reduction of $25,000, one-third of the amount allowed by the House and the Budget, will seriously cripple our activities at Keshena. Positions which must necessarily be abolished will probably include 1 electrician, 1 clerk, 1 forest guard, 1 blacksmith, 1 laborer, and 1 hospital attendant. The balance will have to be met through reduced expenditures for irregular labor, supplies, materials, equipment, and other necessary expenses incident to agency and reservation activities. The Budget estimate contemplated an expenditure of $10,000 for direct benefit to indigent members of the tribe, $5,000 of which was set aside for maintaining the old folks' home for indigent members of this group and $5,000 for advances to families taking care of indigent members of the tribe. A hospital of 60-bed capacity is maintained for the benefit of this group of Indians and the entire cost of maintenance is borne from tribal funds. The Budget allowed an increase of $4,200 over the 1932 authorization, practically all of which was considered necessary in connection with the operating expenses of the hospital. There are on the Keshena pay roll 25 employees paid from this appropriation, at least 10 of whom are assigned to the hospital. The contemplated reduction will of necessity force curtailment of hospital and medical service to the Indians as well as relief for the indigent members of the tribe.

SUPPORT AND ADMINISTRATION FROM TRIBAL FUNDS (WYOMING) (P. 57, LINE 23)

Shoshone:

Budget estimate	$50,000
Allowed by House	50,000
Reported to Senate	40,000
Total reduction	10,000

The proposed reduction of $10,000 involves the abolishment of forest guard, clerk, and assistant engineer positions; also reduced expenditures for other administrative, agency, and reservation purposes. There are 2,000 Indians under this jurisdiction. The hospital and boarding school have been transferred to gratuity support funds and other activities under this jurisdiction are also being supported from gratuity funds. The Budget estimate as submitted was $24,100 below the amount authorized for 1932, a portion of which was transferred to the gratuity item for general support purposes.

SUPPORT OF CHIPPEWA INDIANS IN MINNESOTA (TRIBAL FUNDS) (P. 58, LINES 1–19)

Budget estimate	$100,000
Allowed by House	100,000
Reported to Senate	75,000
Total reduction	25,000

The original estimate proposed $100,000, of which $60,000 was set up for agency and general support purposes, and $40,000 for relief of indigent Indians; $15,000 has been cut from the former item and $10,000 from the latter. The $15,000 cut will involve the abolishment of one position of physician, 2 clerks, 1 forest guard, and 1 laborer.

The Consolidated Chippewa Agency has jurisdiction over approximately 13,400 Indians, residing on nine different reservations. It is necessary to maintain subagencies for the benefit of several of the separate groups. Some years ago the numerous Chippewa agencies, except Red Lake, were consolidated, resulting in considerable savings. Further savings at this time will work a hardship upon these Indians and will delay the handling of details of administration to a marked degree. For the Red Lake and Consolidated Chippewa jurisdictions only 24 employees are paid from this appropriation and we consider each of them necessary.

With regard to the proposed $10,000 reduction in expenditures for the relief of needy members of the tribe, we can only say that we know of no better use to which this money can be put and earnestly request that the amount of the reduction be restored. It is sorely needed.

SUPPORT OF OSAGE AGENCY, OKLAHOMA (TRIBAL FUNDS) (P. 59, LINES 10–19)

Budget estimate	$210,000
Allowed by House	175,000
Reported to Senate	150,000
Total reduction	60,000

This reduction will mean a very drastic cut in personnel, as well as a reduction in other expenses in connection with the administration of Osage affairs, both individual and tribal. It will be necessary to abolish at least 17 positions, preservation of law and order will be disrupted, the field offices or subagencies at Hominy, Fairfax, and Foraker will be closed and other economies will necessarily be effected. Notwithstanding the diminishing income to this tribe of Indians, there is a vast amount of routine work that must be handled, such as the many individual Indian accounts, supervision of oil and gas mining activities, including receipt and disbursement of funds accruing from royalties, execution of leases and assignment of leases, and aiding Indians in the construction or repair of homes. Because of past history in connection with this reservation, with its large income from natural resources, a complex administrative problem exists. The relinquishment of supervision or withdrawal of clerical assistance will undoubtedly result in many cases of undue advantage being taken of the individual Indians. The Indian Service is charged by law with certain detailed duties the performance of which require adequate personnel. The Budget estimate was $49,000 less than the amount provided for the current year and $54,000 less than the amount authorized for 1931. While the necessity for curtailment of expenditures is recognized, a too rapid change will be to the actual disadvantage of the Indians. It is believed that $175,000 is the lowest possible minimum that should be provided. As a matter of fact, we feel that the minimum requirement in this transition period is $200,000.

CONFEDERATED BANDS OF UTES, UTAH (TRIBAL FUNDS) (P. 60, LINES 1–21)

Ute Mountain:

Budget estimate	$48,000
Allowed by House	48,000
Reported to Senate	42,500
Total reduction	5,500

The proposed decrease of $5,500 will involve the abolishment of two positions of laborer and decreases in the amounts expended for miscellaneous purposes, such as supplies for issue to Indians, purchase of equipment, industrial assistance, and repair of reservation roads, bridges, and fences. Nearly half of this appropriation is paid out per capita to the Indians.

Uintah:

Budget estimate	$20,000
Allowed by House	20,000
Reported to Senate	17,500
Total decrease	2,500

This proposed reduction will probably involve the abolishment of one position of clerk at the agency and decreases in the amount expended for irregular labor, mining expenses, road and bridge work, etc.

Bureau of Reclamation

DISTRICT OF COLUMBIA (P. 64, LINES 17 AND 19)

Personal services, reduction, $10,860.

Other expenses, reduction, $3,000.

Reduction in personal services will require an adjustment in the present organization by three or four employees. It will necessarily affect work now done with dispatch.

Reduction of $3,000 in other expenses can be absorbed by strict economy in the purchase of office supplies, in travel, and in other items of expense.

LIMITATIONS FOR FIELD OFFICES AND OTHER ITEMS (PP. 64–65, BEGINNING LINE 20)

Chief engineer's office: Personal services, reduction, $8,000.

This reduction will require adjustment in the present organization by two or more employees. Due to probable transfers of projects to water users and reduction in construction expenditures as contained in the bill as reported by the Senate committee, this reduction is logical.

TELEPHONE AND OTHER COMMUNICATION SERVICE (P. 65, LINE 1)

Reduction, $5,000.

This reduction will require consideration of important matters by correspondence instead of telephone and telegraph and will affect consideration of important matters with dispatch. The reduction is not a serious one.

FIELD LEGAL OFFICES (P. 65, LINE 4)

Personal services, reduction, $9,000.

Other expenses, reduction, $2,000.

The reduction for personal services will require a reduction in force of at least three employees, which will seriously affect the expeditious handling of important legal matters. The reduction in other expenses will require the consideration of important legal matters by correspondence, which could be more satisfactorily considered by conference.

PHOTOGRAPHING AND MAKING PHOTOGRAPHIC PRINTS (P. 65, LINE 3)

Reduction, $2,000.

This reduction will make it necessary to curtail the policy of the bureau of recording progress of construction, settlement, etc., by photography. Photographic history of the progress of construction and settlement is of much value to the future work.

LITHOGRAPHING, ENGRAVING, PRINTING, AND BINDING (P. 65, LINE 8)

Reduction, $5,000.

The major part of construction work now being performed by the bureau is being done by contract. This policy requires extensive printing of advertisements, specifications, etc. Work already authorized and for which appropriations are now available and are continued available during 1933, will require issuance of advertisements and specifications. In order that construction work may continue under contract, it will be necessary to call for a deficiency appropriation.

Many engineering and other reports are published as House documents, the cost of which is charged to the printing fund for the bureau. Congress must use discretion when ordering the printing and binding of such reports if the bureau's limitation is not to be exceeded.

YUMA PROJECT, ARIZONA-CALIFORNIA (P. 65, LINE 4)

The $60,000 requested for operation and maintenance of the Bard division of this project is considered the minimum necessary to properly operate and maintain the irrigation and drainage works. The consequences would be less serious if the amount of $20,000 for drainage was reduced by $10,000. Expensive irrigation works must be properly maintained and if sufficient money is not available, loss of property will result.

RIVERTON PROJECT, WYOMING (P. 72, LINE 14)

Expenditures for operation and maintenance have averaged between $25,000 and $30,000. The amount considered necessary is $30,000. The House reduced the estimate to $20,000. Additional reduction of $2,500 results in a 42 per cent reduction in the amount estimated as necessary. It is impossible to properly operate and maintain the irrigation works with $17,500. The number of employees will have to be reduced 50 per cent. Necessary maintenance must be neglected and proper delivery of water can not be made to the settlers now on the project.

ORLAND PROJECT, CALIFORNIA (P. 68, LINE 10)

Reduction, $4,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

BOISE PROJECT, IDAHO (P. 68, LINE 13)

Reduction, $5,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

MINIDOKA PROJECT, IDAHO (P. 68, LINE 16)

Reduction, $10,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

CARLSBAD PROJECT, NEW MEXICO (P. 69, LINE 23)

Reduction, $5,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

RIO GRANDE PROJECT, NEW MEXICO-TEXAS (P. 70, LINE 4)

Operation and maintenance: Reduction, $65,000.

This project involves the delivery of water to 4,800 farms, embracing 155,000 acres of land. It extends more than 100 miles along the Rio Grande. Necessary operation and maintenance has required annually $375,000, and in addition the water users have advanced additional money in order that necessary maintenance work could be performed.

The reduction of $65,000 will require reduction in forces and resort to part-time labor of operating employees. Necessary maintenance work must be neglected in order that money will be available as long as possible for proper operation. Neglect of necessary maintenance work is expensive in the end. It will be necessary to call upon the water users to advance additional money. If money can not be advanced it will be necessary to request a deficiency appropriation, and if this is not provided operations must be discontinued when the amount provided is exhausted. Irrigation works costing $15,000,000 would be without proper protection. Large losses will be sustained by the settlers if proper delivery of water can not be made. If it becomes necessary to suspend operation, 200 employees will be affected.

The reduction would be less serious if applied to the item for construction work contemplated by the appropriation for 1933.

OWYHEE PROJECT, OREGON (P. 70, LINE 11)

Construction: Reduction, $500,000.

An appropriation of $500,000 for this project for 1933 will be insufficient to meet contractor's earnings under existing contracts for tunnels and canal work. This work is being done to supply highly cultivated lands under existing irrigation districts with additional water. At the present time these districts have to resort to pumping, which is expensive and proving burdensome to the point of bankruptcy.

The $1,000,000 requested is primarily for tunnel work, involving the inlet structure to the tunnel. Unless this structure is completed, serious damage would occur should the river reach flood stage.

It will be necessary to order the contractors to suspend operations. About 325 men now employed will be discharged.

VALE PROJECT, OREGON (P. 70, LINE 20)

This project was commenced five years ago. At present we have invested $3,500,000. The State of Oregon and local organizations took an active interest in its settlement. In 1932 the canal and lateral system will be completed for 17,000 acres. No further extension of the irrigable area is contemplated. Storage water was purchased from an existing reservoir, but this has proven inadequate. An appropriation of $674,000 was requested to provide additional storage. This item has been eliminated by the House committee. The immediate construction of this reservoir is urgently needed for lands under the Vale-Oregon irrigation district, which district is under contract to repay the cost. If we stop now, we will have an incompleted project of 17,000 acres with only a partial water supply. The interests of the people on the project, who settled in good faith, will be jeopardized. It will be impossible for us to collect from the water users.

KLAMATH PROJECT, OREGON-CALIFORNIA (P. 70, LINE 22)

Reduction, $3,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

YAKIMA PROJECT, WASHINGTON (P. 72, LINE 5)

Operation and maintenance—reduction, $50,000.

Annual expenditures average $325,000. With strictest economy the project can not be operated and maintained with $250,000. Necessary maintenance work must be neglected in order that money may be available as long as possible to operate the reservoirs, canals, etc. Neglect of necessary maintenance work is expensive in the end. The canals are threatened with serious breaks, which, when they occur, cause considerable damage to property. It will be necessary to call upon the water users to advance additional money. If this can not be advanced, it will be necessary to request a deficiency appropriation. If this is not provided, operations must be suspended when the money is exhausted. Should this become necessary, suspension will come in the early part of the irrigation season and will result in large losses of crops; 200 employees will be without work, and an investment of $15,000,000 in irrigation works will be without protection.

CONTINUATION OF CONSTRUCTION (P. 72, LINE 6)

The Cle Elum Reservoir is the last of a system of reservoirs to supply storage water for lands in the Yakima Valley, the major part of which has been under cultivation for many years. There has been great pressure for many years. The project lands suffered materially from a water shortage during 1931. A 20 per cent crop loss resulted. Lands in the Kittitas division are entirely dependent upon storage. The Indian lands need additional storage.

Contracts have been awarded for the construction of the dam and for clearing the reservoir. While the contract for the dam calls for completion about February 1, 1934, the contractor is ahead of his progress schedule. The peak of construction will come during the fiscal year 1933. The work, estimated to cost $3,000,000, should be 85 per cent completed at the end of 1933. This will provide storage of approximately 100,000 acre-feet.

At the time of appearing before the Budget we estimated $1,300,000 necessary to meet the progress planned. This was reduced to $1,000,000. The House committee has reduced this item another $500,000. The amount allowed will permit only 50 per cent completion. We will be required to give notice to the contractor to retard construction. No storage can be made available for 1933. Delayed construction will result in irreparable loss.

YAKIMA-KITTITAS PROJECT, WASHINGTON (P. 72, LINE 9)

Reduction, $5,000.

By limiting operation and maintenance expenditures to absolute necessities, resorting to part-time labor, and delaying some maintenance work, it is believed that this reduction will cause no serious disturbance in the operation and maintenance of this project.

BOULDER CANYON PROJECT (P. 73, LINE 25; P. 76, LINE 1)

Construction: Reduction, $2,000,000.

The effect of this reduction is fully set forth in the following joint telegram from the Government engineer and the superintendent of construction for the contractor—the Six Companies (Inc.):

"Retel fifth appropriations. Our best estimate funds required to February 1, 1933, for program now in progress, $6,000,000. Reduction below this will probably require lay off 900 men during winter 1932–33, and, moreover, might jeopardize diversion river, which, if not done, would necessitate closing down work for six months to end of 1933 flood season. Insufficient funds also would prevent orderly deliveries of Government materials required by program, resulting in delay to contractor and extra expense to Government through extension contract and loss of power. Present force employees, 3,400, probably reduced to 2,000 during summer; reemployment during winter, estimates 3,200 if no shortage funds reduction appropriation cause estimated loss of wages to employees one-half to three-quarter million dollars."

A deficiency estimate of $5,000,000 to $7,000,000 will be necessary to continue construction at economical progress. For this project speed means economy. The use of the facilities one year in advance will mean a saving of $3,000,000. It would be an economic blunder not to provide sufficient money to meet the contractor's progress.

Geological Survey

Memorandum for the Secretary:

I attach brief comments, item by item, on the effect on the personnel and the work of the Geological Survey of the appropriations proposed in the report of the Senate Committee on Appropriations dated April 6, 1932.

In this report total survey appropriations are reduced 25.8 per cent below the figures for 1932 and 19.7 per cent below the Budget estimates for 1933. Each item in support of survey work is reduced. The reductions from the Budget estimates vary from 12 per cent for classification of lands to 62 per cent for volcanological surveys and 60 per cent for geologic research.

The estimated contribution that the survey must make to unemployment on this basis is about 250 persons. This includes a large proportion of scientists and technical men who on entering the survey deliberately selected scientific instead of business careers, knowing that they were thus abandoning hope of financial independence but with the expectation that they were entering upon reasonably stable scientific careers whose chief reward would be the satisfaction of useful public service and the opportunity to make contributions to human knowledge and to the Nation's welfare and advancement.

W. C. MENDENHALL, *Director.*

SALARIES (P. 76, LINE 18)

1932 appropriation	$150,000
1933:	
Budget estimate	150,000
House	150,000
Senate committee	125,000
	[1] 25,000

The reduction of the appropriation for the general administrative group of the survey from $150,000 to $125,000 will apparently require the separation of about 17 employees from a present staff of 73.

Needless to say, such a reduction will very seriously affect the efficiency of the central office administration and of the service rendered through it to the public. Even the present staff is inadequate for its tasks, yet emergency arrangements of a more or less lasting character must be made to meet the situation.

TOPOGRAPHIC SURVEYS (P. 77, LINE 16)

1932 appropriation	$730,000
(Limited to cooperation only, $543,000.)	
1933:	
Budget estimate	616,000
House	[2] 516,000
Senate committee	[3] 516,000
(Limited to cooperation only, $256,000.)	
	[3] 100,000

Personnel: It will be necessary to reduce the number of civil-service employees in all grades in the Washington office and field classification from 246 employees now on the rolls to 152. (There were 278 such employees on the rolls in 1931.)

Output: Reduced funds for expenses and salaries and insufficient funds to accept and meet the full anticipated State offerings of at least $289,000 for cooperation will, of course, mean a corresponding decrease in the areas surveyed and the maps prepared for issue.

GEOLOGIC SURVEYS RESEARCH IN GEOLOGY VOLCANOLOGIC SURVEYS

(P. 78, lines 7–16)

Effect of reduced appropriations on work of the geologic branch:

	Figures for 1933		Decrease	
	Budget estimate	Senate committee	Amount	Per cent
Geologic surveys	$400,000	$325,000	$75,000	18.7
Research in geology	100,000	40,000	60,000	60.0
Volcanologic surveys	32,000	15,000	20,000	62.5
Total	532,000	380,000	152,000	28.6

Personnel: As in scientific work, the larger part of available funds must necessarily be invested in salaries; the first effect of the proposed reduction will be a very large decrease in the professional and technical personnel of the survey.

The proposed reduction of $135,000 in the appropriations for geologic surveys and research in geology will mean a reduction of at least $100,000 in the amount available for salaries of scientists and laboratory assistants and the separation of 35 or 40 persons from the scientific and technical staff.

The reduction of volcanologic survey funds from $35,000 to $15,000 will cut the present personnel of seven to three or possibly four.

Accomplishments: A concomitant effect of the reduction will, of course, be a severe curtailment of field work. This means both a direct and an indirect reduction in the aid that the survey is rendering to the development of the mineral wealth of the country. Research is undertaken in large part because of its known or expected application to industry and education. The mining industry is in particular need of increased aid, and now that aid must be reduced.

ALASKAN MINERAL RESOURCES (P. 78, LINE 17)

1932: Appropriation	$84,500
1933:	
Budget estimate	84,500
House	67,500
Senate committee	60,000
	[4] 24,500

The proposed cut reported by the Senate committee in the item for investigation on the Alaskan mineral resources will seriously cripple the work.

The cut can be met only by dispensing with personnel and by greatly reducing funds allotted for technical investigations and restricting the choice of projects to be undertaken to those that can be done cheaply rather than those that fit into a well-coordi-

[1] Reduction below Budget estimate, or 16.7 per cent.
[2] Including $150,000 of 1932 funds reappropriated.
[3] Reduction below Budget estimate, or 16.2 per cent.
[4] Reduction below Budget estimate, or 29 per cent.

nated program. It is impracticable to state at this time the precise number of individuals that will have to be released to meet this reduction. Tentative plans provide for the certain elimination of two positions, and probably it will be necessary to release two others before the end of the fiscal year—a cut of approximately 25 per cent of the present force.

GAGING STREAMS (P. 78, LINE 22)

1932: Appropriation	$720,000
1933:	
Budget estimate	719,500
House	600,000
Senate committee	600,000
	[1] 119,500

The proposal to reduce the gaging streams appropriation for 1933 to a total of $600,000, of which $450,000 would be available only for cooperation with States and municipalities and $40,000 would be available for base stations in Colorado River, has the following significance with respect to work and personnel:

It will not be possible to meet the cooperation which it is expected will be offered by States and municipalities by at least $70,000. The reduction in the item for cooperation from $552,000 in 1932 to $450,000, when combined with the related reductions in State and municipal cooperative funds (largely brought about because we will be unable to meet tendered cooperation) will result in a reduction of the cooperative work of about 20 per cent as compared with the current fiscal year.

The Colorado River base stations must be reduced by the elimination of at least one of the principal stations on Colorado River and of several of the minor stations.

It is estimated that the total available funds will be decreased by about $250,000 below 1932. Of this amount $120,000 represents the reduction in Federal funds and $130,000 the accompanying reduction in State and municipal cooperative funds. On this basis the personnel must be reduced by from 40 to 50 persons.

CLASSIFICATION OF LANDS AND MINERAL LEASING (P. 79, LINE 16)

	Classification of lands	Mineral leasing	Indian transfer
1932: Appropriations	$199,000	$270,000	$95,000
1933:			
Budget estimate	199,000	269,500	95,000
House	175,000	250,000	75,000
Senate committee	175,000	225,000	60,000
Reductions below Budget estimates	24,000	44,500	35,000
Per cent	12.2	16.5	36.8

These decreases will necessitate reduction in pay roll to the extent of dropping about 20 professional and 10 clerical employees. They will necessitate completely eliminating supervision of oil and gas and mining operations in certain geographical districts, thereby decreasng the revenue from such operations and increasing the waste of the Nation's mineral resources. They will necessitate almost complete elimination of progress in areal classification of the public lands.

PRINTING AND BINDING (P. 80, LINE 1)

1932: Appropriation	$190,000
1933:	
Budget estimate	160,000
House	120,000
Senate committee	120,000
	[1] 40,000

Output: A reduction of 25 per cent will mean falling again into serious arrears and delays in publishing the reports which make available to the public the results of investigations and surveys already paid for and completed. The similar arrears in the years following the war brought many complaints from the public who badly needed the information and help that the reports would give.

PREPARATION OF ILLUSTRATIONS (P. 80, LINES 1, 2)

1932: Appropriation	$23,240
1933:	
Budget estimate	23,500
House	20,000
Senate committee	20,000
	[2] 3,500

Personnel: Dismissal of 1 illustrator and furlough half time of 1 illustrator out of staff of 7 highly skilled artist-illustrators.

Expenses: Insufficient funds for purchases of necessary supplies, photographic work, etc.

Work: Arrears will again accumulate in the work, though reports have been or soon will be submitted by geologists and engineers and will await illustrations; delay in publication will prevent public receiving benefits from the investigations and surveys already made.

[2] Reduction below Budget estimate, or 16.6 per cent.
[1] Reduction below Budget estimate, or 25 per cent.
[2] Reduction below Budget estimate, or 14.9 per cent.

ENGRAVING AND PRINTING MAPS (P. 80, LINES 2, 3)

1932: Appropriation	$190,000
1933:	
Budget estimate	150,000
House	110,000
Senate committee	110,000
	[2] 40,000

Personnel: Dismissal of about 12 copperplate engravers, lithographic artists, transferrers, and other specialized craftsmen in map reproduction.

Output: Preparation and printing of new maps and reprinting of older maps now out of stock, already in arrears, will fall still farther behind. For example, issue of new topographic sheets will fall to about 80, or 25 less than received annually for reproduction; other kinds of work abandoned or indefinitely delayed, with much loss to the public who need the maps in development work, engineering, etc. Delays will bring renewed complaints from cooperating States, which have paid at least half the cost of the surveys with the understanding that the resulting maps would be issued promptly. We shall fail to keep our obligations.

National Park Service

ROADS AND TRAILS (PP. 97–99, BEGINNING LINE 19)

A reduction of $1,500,000 from the appropriation for the construction of roads means that the program for this work will be prolonged. As it is generally accepted that 75 to 85 cents of every dollar spent for road construction goes directly to labor and salaries, this reduction will result in withholding $1,125,000 to $1,275,000 from circulation for the employment of labor. The average number of men who will be affected by these reduced expenditures is estimated at 1,000 during the peak months of construction.

Statement showing decreases in the 1933 Budget estimates compared to the amounts contained in the revised bill reported to the Senate

Appropriation title	Budget estimates, 1933	Amount contained in revised bill	Decrease
Washington office	$174,620	$174,620	
General expenses	37,000	37,000	
Acadia	59,400	59,400	
Bryce Canyon	14,800	14,800	
Carlsbad Caverns	141,800	128,800	$13,000
Crater Lake	89,200	88,000	1,200
General Grant	21,900	21,900	
Glacier	238,100	224,200	14,900
Grand Canyon	163,800	150,000	12,800
Grand Teton	29,900	29,900	
Great Smoky Mountains	30,000	30,000	
Hawaii	54,600	49,100	5,500
Hot Springs	92,200	87,700	4,500
Lassen Volcanic	50,300	43,100	
Mesa Verde	70,900	70,900	
Mount McKinley	35,600	35,600	
Mount Rainier	227,100	225,100	2,000
Platt	34,600	31,600	3,000
Rocky Mountain	117,100	112,300	4,800
Sequoia	134,500	129,800	4,700
Wind Cave	20,600	20,600	
Yellowstone	835,800	828,800	7,000
Yosemite	412,200	399,200	13,000
Zion	51,400	46,600	4,800
National monuments	93,800	93,800	
Colonial National Monument	78,000	72,000	6,000
George Washington Birthplace National Monument	27,800	25,800	2,000
Emergency reconstruction and fighting forest fires	50,000	50,000	
Forest protection and fire prevention	170,000	140,000	30,000
Salaries, national park commissioners	20,000	20,000	
Roads and trails	6,000,000	4,500,000	1,500,000
Total annual appropriation	9,277,020	7,640,630	1,636,400

Office of Education

SALARIES (P. 99)

The reduction from $285,600 to $250,000 will mean the elimination of at least 11 specialists in important fields of education and the reduction in salaries or furlough of a considerable additional number of employees.

GENERAL EXPENSES (P. 99)

The office will absorb this reduction of $5,000.

INVESTIGATION OF TEACHER TRAINING (P. 100)

The reduction from $70,000 to $50,000 will render impossible the printing of a considerable portion of the results of the study, thus making such results unavailable to school officers throughout the country.

INVESTIGATION OF SCHOOL FINANCE (P. 101)

The elimination of this item will result in the dropping on June 30 next of 23 employees and render useless practically all of the work that has been done during the present fiscal year on that study under the $50,000 appropriation for 1932.

[2] Reduction below Budget estimate, or 26.7 per cent.

Mr. JOHNSON. Mr. President, if the Senator from Utah will permit me, I should like to pursue my inquiry just a bit farther. A 10 per cent reduction was made in the gross, as I understand it.

Mr. SMOOT. Ten per cent from the gross amount of the bill as it passed the House. That was the order of the Senate.

Mr. JOHNSON. Now, necessarily in making that 10 per cent reduction, not having made it in respect to specific items but in gross, some items get the worst of it and some items get the best of it.

Mr. SMOOT. That is true, and we could not do it in any other way. There were some items that must be provided for under the law; that is, the law requires it and we had to make the appropriation. Therefore the only way to do it was to use the best judgment of the committee and cut where the committee thought it would be the least harmful to the department.

Mr. JOHNSON. I probably have an utter misconception of what was done by the Senate. I was laboring under the delusion, when the Senate suggested a 10 per cent cut and passed its resolution to that effect, that the 10 per cent would apply with impartiality and equality to every item in the bill.

Mr. SMOOT. No; that was not the resolution.

Mr. JOHNSON. I do not say that it was the resolution. I am not asserting that it was the resolution. But to make a horizontal reduction of 10 per cent would be one thing. To take selected items and reduce so that the 10 per cent would in the aggregate ultimately be made is a very different thing. For instance, in the Boulder Dam item the committee has reduced what the Senate provided from $10,000,000 to $6,000,000, and from what the House bill provided there has been a reduction from $8,000,000 to $6,000,000. That is correct, is it not?

Mr. SMOOT. That is correct.

Mr. JOHNSON. So that we have the appropriation as made by the House of $8,000,000 and a reduction by this 10 per cent process of $2,000,000 made in one appropriation, which is 25 per cent. Of course there is no use in befooling ourselves. It is a mere paper reduction, in any event, because it will have to be absolutely made up in a deficiency bill at the end of the year. There is no escape from it because of the obligations that have been incurred. Am I not correct?

Mr. SMOOT. Absolutely.

Mr. JOHNSON. Then, let me suggest that the process in which we have been engaged is not one that commends itself.

Mr. SMOOT. It is the best we could do under the circumstances. There is no other way under the instructions we received from the Senate. The Senator knows and I know that the Congress of the United States is not going to stop the work on the Boulder Dam project.

Mr. JOHNSON. Of course we are not.

Mr. SMOOT. It would cost $2,000,000 to do it.

Mr. JOHNSON. Of course that is true.

Mr. SMOOT. Not only that, but I want to say further that if we had left the $8,000,000 in the bill and if we had left the $10,000,000 in the bill, even then before the end of the Congress we would have to make an appropriation for the Boulder Dam.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JOHNSON. I will yield in just a moment. That is exactly what I object to when I say that we are pretending we are making a 10 per cent reduction in the appropriation bill. In reality, in this item in which the committee has made a reduction of 25 per cent and that looms large now in the new bill which is thus reported, we are making absolutely no reduction and we are simply making a pretense to our people about the reduction.

Mr. McKELLAR. Oh, no!

Mr. SMOOT. No; I do not agree to that.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Tennessee?

Mr. JOHNSON. I yield.

Mr. McKELLAR. The Senator from California is mistaken about that. The work on the Boulder Dam, as our committee is informed, is progressing six months ahead of time now. The contractors are ahead of their work that much. That is to say, they are ahead of the time limit given them under the contract. Under those circumstances it was thought that this great work, for which I voted and which the Senator from California was instrumental in carrying through the Congress, should proceed and that there is no reason at this time, when we have a $3,000,000,000 deficit in our Treasury, to crowd that work ahead of everything else, to force it ahead. For that reason these deductions were made by the committee. I want to say that the committee has treated the whole bill in as fair and just and straightforward way as I have ever known the committee to act in my life.

Mr. JOHNSON. I am not reflecting upon the committee nor upon any individual in relation to the matter. I am questioning the mode of dealing with appropriations upon the theory that reductions are being made when in reality there is no such thing as a reduction in the mode that has been adopted.

Mr. McKELLAR. The Senator is mistaken about that.

Mr. JOHNSON. It is true the contractors are ahead with their work upon Boulder Dam. It is quite true that more than $6,000,000 will be required there during the ensuing year in the work upon Boulder Dam. It is equally true that an amount over the $6,000,000 will be provided ultimately this year by a deficiency bill. Am I not correct in that?

Mr. McKELLAR. That is the Senator's opinion. I differ. I do not think it will. I think if we appropriate this year $6,000,000 for the Boulder Dam, Congress has been under the circumstances unusually generous to the Boulder Dam project.

Mr. JOHNSON. That is not the point. The Senator misunderstands what I am speaking about.

Mr. McKELLAR. I think I understand the Senator.

Mr. JOHNSON. I will grant the generosity. I will concede anything the Senator says in that regard, but the fact is that the so-called reduction is a sham.

Mr. McKELLAR. I do not not believe that at all. The trouble about it is that reduction is a real and genuine reduction, and that is why objection is being made to it.

Mr. SMOOT. Mr. President, I want to say that if we stop the work on Boulder Dam with our diversion channels in the shape in which they will be in six months, no one knows what might happen to them. If there is an ordinary flow of water there that is one thing, but if they should have more water on account of the deep snows which have taken place there, I believe they would be destroyed. The Congress is not going to let them be destroyed.

Mr. JOHNSON. Of course not. It is not that point to which I have been addressing myself.

Mr. SMOOT. The Senator and I agree.

Mr. JOHNSON. I think the Senator agrees with me.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Louisiana?

Mr. SMOOT. I yield.

Mr. LONG. The Senator means the Hoover Dam?

Mr. SMOOT. The Boulder Dam.

Mr. JOHNSON. A rose by any other name!

Mr. LONG. I was wondering why the Republicans were changing the name of the Hoover Dam at this particular time.

Mr. SMOOT. The Boulder Dam is what the law calls it.

Mr. LONG. I wondered why the Senator from Utah was not calling it the Hoover Dam at this particular stage of events.

Mr. SMOOT. It makes no difference what we call it, we are referring to the same project.

Mr. ODDIE. Mr. President, I want no misgivings as to my attitude in this matter. I protested vehemently in the committee against the reduction. The cut was suggested by the Senator from Washington [Mr. JONES]. He drew

up the series of cuts to be made in the bill. I protested. I said I did not think it was fair. I gave some facts and figures which showed that many hundreds of men would be thrown out of employment if the cut were made. I stated that the Yakima project in Washington was not any more important or not as important as Boulder Dam. Yet the Senator from Washington saw fit to keep in the bill the figure that the House placed there with reference to the Yakima project, and at the same time to cut the Boulder Dam estimate 25 per cent below the House figure. I did not feel that it was fair, and I protested strongly.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Tennessee?

Mr. ODDIE. I yield.

Mr. McKELLAR. It is true the Senator from Nevada worked faithfully and hard, and very properly and very fairly and squarely, and I have no criticism of his being opposed to this cut, but if I remember rightly—and the Senator will correct me if I am wrong—the Senator from Nevada voted alone in the committee. The committee thought unanimously, with the exception of the Senator from Nevada, that this was one of the cuts that should be made. Is not that true?

Mr. ODDIE. I think that is substantially true, Mr. President; I stood practically alone, but I think when the matter is explained to the Senate the very Members who have advocated this reduction will see it differently.

Mr. President, some days ago, when this matter was under discussion on the floor of the Senate, I put a statement into the RECORD showing the number of men from each State employed on that dam. The Government held out an inducement to men seeking employment throughout the entire United States, and they flocked there by the hundreds and by the thousands.

Mr. McKELLAR. How many, all told, are working on that dam?

Mr. ODDIE. There are over 3,000 now.

Mr. McKELLAR. Just now there are about that number, but ordinarily there are about 3,500 men.

Mr. ODDIE. No; the number has been increasing.

Mr. McKELLAR. Does the Senator think that we ought to increase such an appropriation as this, affecting so small a number, when there are probably 8,000,000 people out of employment in this country?

Mr. ODDIE. Mr. President, I should like to read a telegram that came from Boulder City on April 5, signed by Mr. Young, who is engineer in charge of the contract for the Reclamation Bureau, and by Mr. Crowe, who is the engineer in charge of the project for the contractor. The telegram states:

BOULDER CITY, NEV., *April 5, 1932.*

RECLAMATION,
Washington:

Retel fifth appropriations. Our best estimate funds required to February 1, 1933, for program now in progress, eight million. Reduction below this will probably require lay-off 900 men during winter of 1932-33 and moreover might jeopardize diversion of river, which, if not done, would necessitate closing down work for six months to end of 1933 flood season. Insufficient funds also would prevent orderly deliveries of Government materials required by program resulting in delay to contractor and extra expense to Government through extension contract and loss of power. Present force of employees 3,400, probably reduce to 2,000 during summer; reemployment during winter estimates 3,200 if no shortage of funds. Reduction appropriation cause estimated loss of wages to employees of one-half to three-quarters of a million dollars.

YOUNG AND CROWE.

On this question I have a number of facts which I should like to place before the Senate. The funds appropriated for the Boulder Canyon project are not a public expenditure. The act requires that every dollar advanced by the Government for the construction of this project be returned from the revenue derived from it. It is only a temporary use of Government credit because of the fact that all of the money is to be returned. However, revenue can not be expected to come from the project before the same is completed, and the cut which is now proposed, of $4,000,000, in this appropriation is liable to delay the completion of the Boulder Canyon project for probably a year, deferring for a year the income from the sale of power to the Government by way of liquidating the investment already made and which is to be made in the construction of the project. Furthermore, the year's delay will involve a loss in interest on the cash advanced by the Government of $5,000,000, the loss being greater by $1,000,000 than the cut in the present appropriation. To delay this project is a public waste of the grossest character. The greatest economy can be effected through expediting rather than by retarding the construction of this dam. I refer to my previous statement in the CONGRESSIONAL RECORD on March 10, 1932, on pages 5664 to 5670, in which I discussed in detail the necessity for carrying $10,000,000 for the Boulder Canyon project in this bill.

Mr. President, I hope the Senate will reconsider the action of the committee on this item. I will have something further to say regarding it when it is reached in the bill.

Mr. ROBINSON of Arkansas. Mr. President, the Senate has now reached a point when it will decide whether the results of prolonged consideration of this body of proposals for reductions in the cost of administering the Interior Department shall be maintained or whether all efforts to that end so far made shall be nullified.

Mr. President, anyone who voted for the motion of the Senator from Tennessee [Mr. McKELLAR] to recommit the bill with instructions to the committee to reduce the aggregate amount carried by the bill must have known that issues like that now before the Senate were bound to arise. It was not to be expected that reductions could be made without causing reaction and opposition. I said when the motion to recommit was presented that it was not a scientific way of reducing expenditures, but that it was about the only way in which the Senate could act promptly under the circumstances.

If the heads of the departments in the beginning had exercised the authority which they possess and had made reductions in these bills, in accordance with their best judgment, to an aggregate amount substantially below that carried in the House bill, there is little doubt in my mind but that better administrative results would have been obtained; but they did not do that.

Mr. SMOOT. In order to be fair, I want to say that the Secretary of the Interior did submit a list covering the 10 per cent reductions, but to that list the committee did not agree, and, therefore, they did the best they could.

Mr. ROBINSON of Arkansas. The Senator from Utah is speaking of one thing and I am speaking of the other. I was referring to the failure to reduce more notably the estimates in the first instance.

Mr. SMOOT. Oh, well, that is a different thing.

Mr. ROBINSON of Arkansas. There is not anyone here who has studied these bills who does not realize, as I believe, that the mistake originally was made when the Budget was first sent to the Senate. In view of the known condition of the Treasury the amounts ought to have been reduced far below the sums that were actually recommended. The Secretary of the Interior, as stated by the Senator from Utah, presented his recommendations after the bill had been recommitted. I am not familiar with the details of those recommendations, but it is fair to assume that the committee considered them and would have adopted them if the committee had found that they were better and fairer than the reductions which the committee itself finally made.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON of Arkansas. I yield.

Mr. McKELLAR. Just as an illustration of how the committee acted and in justice to the committee's sense of fairness, I will state to the Senator and to the Senate that two of the recommendations of the Secretary of the Interior were that we should abolish all Indian schools and all Indian hospitals. That was unthinkable to the committee, and I do not believe that that plan had a single, solitary upholder in the Appropriations Committee. That is the reason why that recommendation was not followed.

Mr. ROBINSON of Arkansas. I thank the Senator for that information. Assuming the Senator's statement to be correct, I have not the slightest hesitation in approving the conclusion of the committee that it was better to reduce a number of other items, including the appropriation for the Hoover Dam, than to abolish all Indian hospitals and schools.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Wyoming?

Mr. ROBINSON of Arkansas. I yield.

Mr. KENDRICK. I think perhaps the Senator from Tennessee should correct his statement as to the recommendation of the Secretary of the Interior in reference to Indian schools and hospitals. The fact was developed by the committee when the Secretary was present that he only recommended the abandonment of Indian schools where there were other opportunities in the same neighborhood or community in the way of school facilities for the Indians.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON of Arkansas. I yield.

Mr. McKELLAR. In answer to the Senator from Wyoming, my recollection is that the Secretary recommended a reduction in the appropriations for Indian schools and hospitals generally, but when he came before the committee it may be possible that he modified his recommendation to some extent, after very vigorous cross-examination by many members of the committee.

Mr. SMOOT. Mr. President, if the Senator from Arkansas will permit me, I will say that there were 10 Indian schools recommended to be discontinued.

Mr. ROBINSON of Arkansas. Mr. President, for the purposes of my statement it is sufficient to know that the Secretary of the Interior had the opportunity to present his suggestions for reductions; that the committee considered them and then made reductions in the items they found could best bear reduction.

The question before us now is not whether deficiency appropriations may become necessary. We have deficiency appropriations every year. I point out to the Senator from California that, during the present session of Congress, we have passed a deficiency appropriation bill carrying more than $100,000,000. The value of these reductions now, in spite of the fact that some deficiency appropriations may hereafter be made to cover them or parts of them, lies in the fact that the Congress retains control; that, if conditions make it imperative, Congress can fail to make appropriations that may be asked, or we can make them as the necessity rises and is made to appear. There is no escaping the fact that somewhere substantial reductions must be made; there is no escaping the fact that someone must take responsibility for advancing them. We can not forever go on saying that it is the business of the Executive to do it and to make recommendations, and have him say it is the business of a joint commission or a mixed commission to perform that duty. All the while the difficulties of the situation are increasing and gathering volume; and we are now at the point where we must determine whether we are going to make effective the resolution of the Senate, seriously taken after prolonged debate, that, in spite of the inconvenience that is inevitable, in spite of the embarrassment that may come to the administrative heads of the departments, the Government expenses must be reduced.

Mr. BORAH. Mr. President, if I may have the attention of the Senator from Utah. I am seeking information.

On page 68, line 11, the bill says:

Boise project, Idaho: For continuation of construction, Arrowrock division, $15,000.

There is no reduction in that.

For operation and maintenance, Payette division—

A reduction of $25,000 to $20,000; and in the following project—

Minidoka project, Idaho: For operation and maintenance, reserved works—

The appropriation is reduced from $65,000 to $55,000.

Mr. ROBINSON of Arkansas. Mr. President, may I ask from what document the Senator is reading?

Mr. BORAH. I am reading from the bill, page 68. What I was about to say is, that does not seem to me to relieve the taxpayers of the country at all, nor to meet the situation which we are undertaking to meet, because operation and maintenance are paid by the settlers. That does not come out of the Treasury of the United States.

Mr. SMOOT. It comes out of the reclamation fund.

Mr. BORAH. Yes; it comes out of the reclamation fund, and it is supplied to the reclamation fund by the settlers themselves. They pay it, and they desire this amount.

Mr. SMOOT. But we have to appropriate every year for the reclamation fund, and there is carried in this bill the total amount of the appropriation for the reclamation fund; and we were instructed to take off 10 per cent, not as a whole, but where we thought it was of the least inconvenience to the administration of the department.

Mr. BORAH. If this decrease were within the spirit and purpose of the resolution of the Senate, I should not say a word in opposition to it; but the operation and maintenance which the committee have reduced are paid by the settlers themselves.

Mr. SMOOT. That is, over a number of years.

Mr. BORAH. Yes; over a number of years. It is essential to their welfare that they have it, however; and as they are paying it back to the Treasury of the United States, and the taxpayers are paying no part of it, I do not see why they should not have it.

Mr. SMOOT. The Senator will notice that we have made just about the same cut through the other projects. The committee thought, at least, that they could get along, under the conditions existing to-day, with this cut without in any way, shape, or form hurting the project.

Mr. McKELLAR. Mr. President, if the Senator will yield, that project was gone over with all these projects by the committee. We had proof as to it in the House hearings, and it was believed by the committee that that project could be operated and maintained for $35,000 virtually as well as for $40,000; and that is why that item was reduced $5,000.

While, of course, it is technically true that it is intended at some time that this shall be paid out of the Indian fund, actually that is not the case, because the money is appropriated out of the Treasury, and the Treasury is simply hopeful of getting it back hereafter. Some of it we will get back, and some of it we will not get back.

Mr. BORAH. If this reduction took place in the interest of economy in the operation of the project, I could understand the wisdom of making the reduction.

Mr. McKELLAR. That was what was thought by the committee.

Mr. BORAH. But certainly it is not a relief to the taxpayers of the United States generally to reduce the amount of the appropriation when the amount is to be paid altogether by the settlers.

Mr. McKELLAR. I have not the testimony before me. That runs over a period of 20 years; but if the Senator will get the House hearings, he will find it stated that it can be operated for the $35,000.

The PRESIDING OFFICER. The question is upon agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSON. Mr. President, what amendment were we on?

The PRESIDING OFFICER. That was the first amendment of the committee. The clerk will state the second amendment.

The next amendment was, under the heading "Office of solicitor," on page 3, line 5, to strike out "$116,200" and insert "$111,200"; so as to read:

For personal services in the District of Columbia, $111,200.

Mr. KING gained the floor.

Mr. LONG. Mr. President——

Mr. KING. I yield to the Senator from Louisiana.

Mr. LONG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Jones	Schall
Austin	Cutting	Kean	Sheppard
Bailey	Dale	Kendrick	Shipstead
Bankhead	Dickinson	Keyes	Shortridge
Barbour	Dill	King	Smoot
Bingham	Fess	Lewis	Steiwer
Black	Fletcher	Long	Thomas, Idaho
Blaine	Frazier	McGill	Thomas, Okla.
Borah	George	McKellar	Townsend
Bratton	Glass	McNary	Trammell
Brookhart	Glenn	Metcalf	Tydings
Bulkley	Goldsborough	Morrison	Vandenberg
Bulow	Gore	Neely	Wagner
Byrnes	Hale	Norbeck	Walcott
Capper	Harrison	Norris	Walsh, Mont.
Caraway	Hatfield	Nye	Watson
Carey	Hayden	Oddie	Wheeler
Connally	Hebert	Pittman	White
Coolidge	Howell	Reed	
Copeland	Hull	Robinson, Ark.	
Costigan	Johnson	Robinson, Ind.	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. KING. Mr. President, I have heretofore discussed various items in the pending bill, particularly those relating to the Indian Bureau. Because I am profoundly interested in the welfare of the Indians and am convinced that their interests have not been properly guarded by the Government or the Indian Bureau and because I believe the pending measure fails to meet the present situation in so far as it deals with the Indians, I feel constrained to again challenge attention to some phases of the Indian problem and to some of the defects of the bill before us.

After the bill was recommitted to the Senate Appropriation Committee changes were made which undoubtedly improved it; but, in my opinion, further changes and modifications should have been made—not only in the interest of economy but in the interest of the Indians. Before proceeding to a discussion of the provisions directly and indirectly relating to the Indians I desire to submit a few observations concerning the attitude of the President and the so-called Economy Committee, as reported in the morning's press, toward suggested plans for the reduction of governmental expenditures.

Mr. McKELLAR. Mr. President, I hope the Senator's censure does not apply to the Appropriations Committee of the Senate, because I want to say to the Senator that, irrespective of politics or anything else, I believe that the committee has striven faithfully and well to carry out the resolution of the Senate.

Mr. KING. The committee, I have no doubt, endeavored to carry out the instructions of the Senate when it recommitted the bill with instructions to reduce the total appropriation 10 per cent; but after a careful examination of the bill as reported back to the Senate I can not help but believe that further reductions should have been made. I might add that the committee was not limited to a 10 per cent reduction in the total amount carried by the bill; and although the bill now reaches that level, there are still many items which, in my opinion, could have, with propriety and in the interest of proper economy, been eliminated or materially reduced.

(At this point Mr. KING yielded to Mr. LONG, who suggested the absence of a quorum, and the roll was called.)

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. KING. I yield to my colleague.

Mr. SMOOT. So that the Senate may know just what recommendations the Secretary did make about the Indian schools, I want to read the names of the six schools that he recommended to be discontinued:

Mount Pleasant, Mich.; Bismarck, N. Dak; Fort Totten, N. Dak.; Tahlequah, Okla.; Rapid City, S. Dak.; and Hayward, Wis.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. KENDRICK. The Senator from Utah recalls the fact that the Secretary said that in those cases the Indian children could attend other schools.

Mr. SMOOT. In other words, school facilities better than they have had were provided in these particular districts.

Mr. KENDRICK. And at more economical cost.

Mr. SMOOT. Yes.

Mr. KING. Mr. President, I shall discuss that matter later; but in the light of the statement just made by the Senator from Wyoming and in the light of the recommendation of Secretary Wilbur, I can not understand why the committee did not follow that recommendation and close those schools, thus contributing something to the cause of economy to which we profess so much devotion.

Mr. KENDRICK. Mr. President, will the Senator yield further for a statement?

The PRESIDING OFFICER. Does the Senator from Utah yield further to the Senator from Wyoming?

Mr. KING. I yield.

Mr. KENDRICK. I think it ought to be said, in the interest of fairness, that the Secretary recommended the elimination of another million and a half of items in the bill for park roads and trails. He indicated that in his opinion construction might be delayed without serious inconvenience as well as not; and yet we, as members of the committee, failed to eliminate that million and a half also.

Mr. KING. Perhaps we should again return the bill to the committee, in order that further items might be eliminated, particularly some recommended by the Secretary of the Interior.

I was about to observe, when interrupted by the quorum call, that I was disappointed at the reported action of the Economy Committee and the President, if we are to accept the published reports of the meeting recently held at the White House. These reports indicate that the President and the Economy Committee estimated that the total reductions in the appropriation bills were less than $220,000,000. I sincerely hope that upon further consideration an agreement will be reached by the President and the Economy Committee that there should be reductions of at least $500,000,000 in the Budget recommendations submitted by the President to Congress. I have repeatedly stated that in my opinion the President's recommendations exceeded by at least $500,000,000 the appropriations which should be made for the next fiscal year. When we recall that the entire expenses of the Government in 1916 were approximately $1,000,000,000, we can not, in my judgment, defend the enormous appropriations recommended by the various executive departments and also by the President of the United States.

I have heretofore called the attention of the Senate to the fact that the National Government and the executive departments have created scores of commissions, bureaus, and Federal agencies, which are manned by more than a million employees; that many of these organizations are wholly unnecessary; that some are engaged in activities beyond the authority of the Federal Government, and still others are engaged in parallel and duplicating activities; that the number of Federal employees is greatly in excess of any legitimate need; and that inefficiency, waste, and extravagant, reactionary, and archaic methods all have contributed to swell the mounting costs of the Government. There should be a thorough reorganization of all executive departments and administrative agencies, and proper business methods should be introduced into the administration of governmental affairs, and economies not now known and not heretofore supported by executive organizations should be compelled, in order that Government budgets shall be brought within reasonable bounds and the burdens upon the taxpayers materially lightened.

I repeat that if executive agencies were reorganized and consolidated and business methods employed, the expenditures of the Government would be reduced hundreds of millions of dollars; several hundred thousand employees would be separated from the public service, and scores of

Federal bureaus and agencies would be abolished. It is time that the Federal Government was checked in its mad career of waste and extravagance and that Federal agencies and executive departments are brought within constitutional limits, and the activities of the Government limited to those for which warrant is found in the fundamental law of the land. Of course, if the Federal Government is to engage in socialistic experiments; if it is to assume the rôle of business manager of the industries of the country and regard itself as the director of the activities of individuals; in other words, if the people and the sovereign States, voluntarily or otherwise, are to surrender to the Federal Government authority and liberty and rights which belong to them respectively, then the lives of all will be merged into a despotic paternalism in association with a pervasive bureaucracy.

Mr. President, I have no doubt that the appropriation bills could be reduced $500,000,000 without abridging the legitimate activities of the Government or interfering with a proper discharge of the obligations resting upon it. However, the moment it is suggested that some Federal agency or bureau be abolished or its functions limited or that executive agencies be consolidated or that duplication of work shall cease, a storm of opposition is aroused and a flood of propaganda in opposition sweeps over the land. Chambers of commerce and local organizations of various kinds and description are mobilized by interested parties and those who are drawing Federal salaries and whose positions might be jeopardized, and every effort is made to convince the public and Congress that such recommended changes would work irreparable harm if it did not shake the foundations of the Government. Congress is daily brought face to face with organized efforts directed against economies, consolidations, and changes in administrative methods and reforms imperatively required in the interest of the Government and all the people. It has become a part of the political thought of the people that all Government positions are permanent and that a person once lodged in Federal office can not be dislodged.

In my opinion the demanded appropriations for the Army and Navy for the next fiscal year could be reduced at least from $150,000,000 to $200,000,000. The Budget recommendation calls for approximately $740,000,000 to meet the ordinary exenses of the Army and Navy for the coming year. The legitimate needs of the Army and Navy do not require the appropriation of a sum so stupendous. We are spending more for military purposes than any country in the world and yet we are at peace with all nations and occupy a strategic military and naval position which makes our country invulnerable to attack from any power or combination of powers. It is difficult to understand how a sum so large is required to meet the ordinary expenses of the Army and Navy. In my opinion the overhead in each of these departments is entirely too great. There are more than 60,000 civilian employees, as I recall, in these two departments. Economies should be compelled in both the Army and the Navy and the appropriations should be materially reduced. If all our military establishments were united under one department, there would be economical gains and at the same time the protection of our country would be better assured.

Several years ago I offered a bill to unite the two departments and to organize a Department of National Defense. This measure has been opposed, and similar measures now pending are opposed by naval and military officers. Notwithstanding such opposition, I believe that Congress should promptly enact a measure creating a Department of National Defense within which would be placed all activities relating to our military and naval concerns. In addition to the more than $700,000,000 demanded by the executive department for the Army and Navy for the next fiscal year, bills are pending approved by the President and the Budget Bureau calling for tens of millions of dollars for new naval construction.

The Senator from Maine [Mr. HALE] has for days been anxiously awaiting an opportunity to secure action by the Senate upon a measure which contemplates an expenditure of over $300,000,000 for new naval construction. It is true that this enormous sum is not to be expended during the next fiscal year, but is to cover the cost of certain war vessels that are to be built between now and 1936. While we are demanding hundreds of millions of dollars for war purposes our representatives are at Geneva participating in a disarmament conference. It seems to me that we would evince greater sincerity in our expressed desire for world peace and world disarmament if we would more sympathetically and constructively approach the problems before the Geneva conference and moderate our violent demands for authorized appropriations of hundreds of millions of dollars for new construction of war vessels and for military establishments. We loudly proclaim our desire for world unity, but by example encourage the development of a militaristic spirit and arouse the suspicions, if not the fears, of other nations.

The Post Office Department presents an enormous deficit, which, I believe, is not warranted, and which could be avoided by proper economies, reforms, and administrative methods. It is conceded that between $30,000,000 and $40,000,000 could be saved in abolishing the present rural carrier system and adopting a just and fair contract system. Millions of dollars could be saved by abolishing useless boards, bureaus, and agencies. The Shipping Board and the Merchant Fleet Corporation should be abolished; the so-called Efficiency Bureau is a wholly unnecessary organization.

There are bureaus in the Agricultural Department which should be abolished and a number consolidated. The number of employees in the department is entirely too large and the overhead expenses can not be justified. The expenses of the Agricultural Department should be cut between $25,000,000 and $40,000,000.

The Department of Commerce has expanded beyond all reason. It has become top-heavy and thoroughly bureaucratic. The compensation paid to many employees is excessive and the number of employees should be reduced by at least 25 per cent.

The Bureau of Standards is engaged in activities that are not justified and its administrative force is greatly in excess of any legitimate requirements.

The Department of the Interior has exhibited an ambition for power that should be curbed and its demands for appropriations should be materially reduced.

A wise and economical administration of the Department of Labor would result in saving several million dollars.

The Treasury Department—particularly the internal revenue branch of the same—needs important changes and administrative reforms and a reduction in the number of employees. The cost of the Treasury Department is entirely too great. Proper economies and improved business methods would, in my opinion, result in a saving of many millions of dollars. There are other branches of the Government, Mr. President, where reforms are necessary and where material reductions in administration expenses should be compelled. It would be no difficult task to reduce the President's recommendations $500,000,000.

THE INDIAN BUREAU APPROPRIATIONS

I come now, Mr. President, to a consideration of the various items in the pending bill relating to the Indian Bureau. May I say to the Senator from Tennessee, whose efforts to reduce the expenses of the Government should receive the commendation of all, that while I congratulate the committee upon the reductions made in the pending bill I am convinced that they did not reach bedrock. Certainly in dealing with the salaries of the Indian Bureau employees the committee failed to make reductions that justice requires. For instance—and I shall refer to the matter later—more than 50 per cent of the total appropriations is to pay the salaries of more than 8,000 employees in the Indian Bureau.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. KING. I yield.

Mr. McKELLAR. When the Senator said a moment ago that he approved my action, as far as I went, but that I did not go far enough, he reminded me of one of my constituents from my home city of Memphis writing me a few days ago, and speaking of the 10 per cent reduction. He said, "That is immaterial; it is insignificant; it ought not to be thought of. You ought to go a great deal farther than that."

I do not know whether he realized, and I do not know whether the Senator realizes, that if this plan of reduction of 10 per cent is carried out throughout the appropriation bills—as I have no doubt now that it will be carried out—there will be realized a saving—not a paper saving, but an actual saving—of something like $250,000,000. So I wrote to my friend that that might be a small matter with him, but even with the United States Government, as rich as it is supposed to be, $250,000,000 is really an important item of saving.

Mr. KING. Mr. President, the question arises as to what is meant by "saving" when the term is used in connection with Federal Budgets and executive departmental demands. The Senator knows that it has been the habit of all executive departments, bureaus, Federal commissions, and so forth, in preparing their data to submit to Congress to demand appropriations greatly in excess of what they believed the Budget would approve or for which Congress would appropriate. It was common knowledge before the Budget law was passed that all executive organizations submitted to the various Appropriations Committees demands which in the aggregate were several hundred million dollars in excess of what Congress appropriated. In the true sense of the word, there was no saving to the Government, because Congress refused to appropriate to meet executive demands. It is also true that the executive agencies in preparing their demands to be presented to the Bureau of the Budget since its organization have uniformly asked for larger sums than the Budget recommended. Certainly it can not be said that there was a "saving" because the Budget failed to recommend as much as departments demanded.

Mr. McKELLAR. Mr. President, if the Senator will yield right there——

Mr. KING. I yield.

Mr. McKELLAR. I want to say to the Senator that the record shows that since the Budget law was passed, now a good many years ago, Congress has uniformly appropriated much less than the Budget has recommended, and just to show the Senator what the figures are, last year Congress appropriated $28,000,000 less than the Budget and the President recommended.

Mr. KING. My recollection is that since the passage of the Budget law the appropriations made by Congress, extravagant and unnecessary as many of them have been, aggregated some $440,000,000 less than the recommendations of Presidents Harding, Coolidge, and Hoover. I am making no criticism of these distinguished Executives; they relied, as they had a right to, upon the representations made to them by their cabinets and by the various executive agencies; but Congress, wasteful and extravagant as it has been and is, and yielding, as it does, too much to the importunities of constituents throughout the United States, has been unwilling, during the period to which I have just referred, to appropriate by more than $400,000,000 the amounts recommended in executive Budgets transmitted for the consideration and the guidance of the legislative branch of the Government.

Mr. SMOOT. Mr. President, if the Senator will yield, I think it is only fair to say that hundreds and thousands and millions of dollars have been added, either in the House or in the Senate, which never were estimated for by the Budget Bureau. Particularly that was the case when we were collecting so much money that the people thought we did not know what to do with it, and I admit that appropriations were not scanned as they might have been. That goes a long way to prove just exactly what my colleague has said as to the amount of appropriations over and above what the Budget has estimated for.

Mr. KING. Mr. President, I compliment my colleague when I say that he has uniformly stood for economy, but I regret that Congress has been too ready to accept appropriation bills as reported without carefully considering the items therein contained. Not infrequently appropriation bills carrying hundreds of millions of dollars have been passed through the Senate within a few hours and oftentimes without discussion. Not infrequently I have protested against the celerity with which appropriation bills were considered and the unnecessarily large amounts which they carried. I have voted for but few of the general appropriation bills because I felt that most of them carried appropriations that were not justified. It was my opinion that the condition of the Treasury and the tremendous increase in Federal appropriations justified the charge that executive departments have been wasteful and extravagant and that Congress, though uniformly reducing the demands of executive agencies, nevertheless gave its support to appropriation bills that carried in the aggregate amounts in excess of what a wise and economical administration required.

When I have criticized Congress because of its support of policies that I deemed unsound or unwise and appropriations not required, I included, of course, Members of my own party as well as those upon the other side of the aisle. I have often criticized my colleagues because of their support of what I believed to be excessive appropriations. I have insisted that the Democratic Party was a party of economy; that it demanded that not a dollar should be taken from the pockets of the people under the guise of taxation except it was imperatively needed in the administration of the Government.

I think Democrats have yielded, as have Republicans, to the demands of the people for improper and unwarranted appropriations. This has contributed to the building up of a powerful bureaucracy which to-day exercises a dominating influence in the affairs of our country and dictates policies and appropriations, the extension of Federal authority, the creation of additional commissions and bureaus, and the enlargement of the Federal personnel. It is time that executive agencies be restrained and compelled to limit their activities exclusively to the duties imposed upon them by law; it is time that representatives of bureaus and departments should be required to attend to the duties of their respective offices instead of spending a portion of their time in propaganda, in traveling throughout the country addressing civic clubs and chambers of commerce and urging them to exert their influence to promote Federal activities, to increase the jurisdiction and authority of the Federal Government, and to demand larger Federal appropriations for executive agencies. Whenever any item of appropriation is under consideration which touches some bureau or some employee of the Government, immediately contacts are formed with other bureaus and with Federal employees, as well as with local and civic organizations throughout the country, and a flood of telegrams and letters follows for the purpose of influencing Congress and defeating measures not approved by executive agencies and their personnel. Too much of the legislation of Congress is inspired by executive agencies, by employees of the Government, and by those who would be beneficiaries of Federal appropriations.

Unfortunately both political parties have responded to this propaganda and to pressure from the sources mentioned, and the result has been that efforts to enforce economies have been nullified and plans and policies to effectuate reforms have been brought to naught. An army of a million employees is a powerful force and influence which is bound to have its effect. Senators have experienced the obstacles which have been interposed by Federal organizations and Federal bureaus when demands have been made to abolish boards and bureaus or to separate from the service any considerable number of Federal employees.

I repeat, Mr. President, that the time has come for a reorganization of the Federal departments and bureaus of the

Government and for the introduction of business methods and imperatively needed economies that will tend to lighten the intolerable burdens that now weigh down the taxpayers of the United States. There should be a demand from every part of the country for reforms in all branches of our Government, State and National. When it is brought to our attention that the appropriations of the Federal and State Governments, together with the political subdivisions of the latter, for the present fiscal year will aggregate over $14,000,000,000, it should be not only an admonition but an imperative command that the Federal Government must mend its ways, reduce its expenditures, and confine its activities to functions that are exclusively within its jurisdiction.

The entire earnings of all the people of the United States for the last calendar year will be less than $60,000,000,000. With at least 20 per cent of the earnings of all the people eaten up in the administration of Federal and State Governments, it is obvious that the return of prosperity will be indefinitely postponed. If the burdens of taxation are reduced to proper levels, if opportunities are afforded to develop our foreign trade and commerce, and if our credit structure is wisely devised and properly administered and adjusted to meet the needs of the people, then we may look with confidence to a revival of business and to a renaissance in our industrial development.

THE INDIAN SITUATION

Mr. President, I apologize to the Senate for further discussing the Indian question. Before the present bill was recommitted I discussed at some length various phases of this important subject and pointed out what I conceived to be the unjust treatment to which the Indians had been subjected not only by the Government and the Indian Bureau but by many of the American people. I am not a member of the Committee on Indian Affairs, though I was for a short time soon after coming to the Senate; but I have for years been deeply interested in the welfare of the Indians and have done what little I could to protect them from the effects of policies which I believed were unjust and calculated to despoil them of their property rights and to retard, if not prevent, their advancement along the highway of education and moral and spiritual development.

In my opinion all fair-minded men who will acquaint themselves with the history of the Indians and the conduct of our Government toward them, will reach the conclusion that the Government has been an unfaithful guardian; that many of the Indian tribes have been robbed of lands and possessions, and not a few have been blotted out. They have been driven by the Government and by invading white forces from their homes; and where attempts have been made to provide lands upon which they might reside, their reservations, as a rule, consisted of waste and desert and mountainous lands which in the main were regarded as of but little value, and which white settlers at the time did not covet. Solemn treaties were entered into between Indian tribes and the Government, only to be broken by the latter, and sacred promises upon which the Indians relied were ignored, not only by Congress but by the executive department of the Government. I shall not take the time of the Senate to further discuss the cruel, if not brutal, treatment to which the Indians have been subjected; the broken treaties and violated agreements and the miseries and sorrows that have overwhelmed the Indians.

Mr. President, the laws which have been enacted by Congress relating to the Indians are almost without number and are so intricate and complicated, and, indeed, so contradictory that it is difficult to determine just what their effects are and what existing statutes are in force. Moreover, the situation is rendered still more uncertain by reason of various treaties with their indefinite provisions and conflicting statutes and changed conditions. The laws and treaties relating to and dealing with the Indians need overhauling. Many of them should be repealed, many modified, and a comprehensive measure in the nature of an Indian code should be enacted.

The policies of the Indian Bureau should be changed. They are archaic, reactionary, and saturated with that smug complacency that is satisfied with the status quo. There is too much concern about the machinery of the bureau and the perpetuation of an expensive bureaucratic organization with augmented autocratic powers. The number of employees should be materially reduced, the bureau reorganized, and vital and drastic changes made in every branch and agency of the bureau and in all of its administrative methods. Being archaic and reactionary, it fails to respond to the needs of the Indians and to the responsibilities placed upon it by treaties, statutes, and by Congress. There must be a change in the mental attitude of the Indian Bureau toward the Indians and toward the Indian problem and the responsibilities resting upon the bureau. The psychology of the bureau is wrong. Some of its employees are more concerned in holding their positions than they are in promoting the social and moral advancement of the Indians and preparing them for citizenship. There seems to be a lack of proper appreciation of the Indian problem and a predetermined view not to depart from old methods and from the paths that have led into the wilderness of inaction. The Indian Bureau should be shaken from top to bottom; some employees should be separated from the service; new policies and new methods should be adopted.

Upon a former occasion I called attention to the methods adopted in Canada in dealing with the Indians in that country. It is too much to expect the Indian Bureau to adopt any of the sound and progressive policies there prevailing, or some of the recent policies adopted by the Mexican Government in its efforts to educate and improve many of the Indian tribes in that country. For years, when I have appealed to the Indian Bureau for reforms and for policies that would improve the condition of the Indians and prepare them for citizenship, the only response made was that there must be more employees—more bureaucratic authority and higher salaries.

A few days ago I placed in the RECORD a statement signed by representatives of several score of Indian tribes and by a number of white persons more or less in the public eye—persons of character and ability—who are deeply concerned in the welfare and civilization of the Indians. The statement was a challenge to the bureau and a condemnation of its policies and of the treatment accorded by it to the Indians. The Secretary of the Interior attempted to reply to the statement but in my opinion utterly failed to traverse the material allegations contained therein or to meet the criticisms submitted. One would suppose that in the face of such an indictment the officials of the bureau would be glad to reexamine their policies and undertake reforms that would remove all ground for criticism; but from all that I can learn, the result has been a stronger determination by the bureau to persist in condemned policies and to ignore the complaints made by the Indians.

THE BUREAU'S INCORRIGIBLE POSITION

As evidence of the incorrigible attitude of the bureau toward reforms and proposed economies, I call attention to the fact that a few days ago, when the pending bill was under consideration by the Senate committee, I appeared before it and submitted incontrovertible facts showing that the bureau was adhering to unjust and unsound policies and was increasing the number of bureau employees and absorbing for their salaries more than 50 per cent of the very large appropriation carried in the bill to be expended by the bureau for the coming fiscal year. I pointed out the waste and extravagance of the bureau upon irrigation projects; the wrongs which were being done to the Indians by absorbing tribal funds (which were designed for per capita payments) in the construction of projects of no benefit to the Indians but largely for the benefit of the whites and in meeting the increased salary and administration expenses. I showed that competent engineers appointed by Secretary Work had condemned various irrigation projects superimposed upon the Indians against their will, and had recommended their abandonment. I showed that the expenses for the operation and maintenance of other irrigation projects were inordinately large and constituted an unjust drain and burden upon the Indians. I showed

that the Indian appropriation bill could be reduced several million dollars and that such reduction would not be injurious to the Indians but, upon the contrary, would be beneficial. The committee adopted some of the recommendations which I made but rejected some of the more important ones. The committee did report, however, a total reduction of $1,452,000 in the appropriation for the Indian Bureau.

Instead of the bureau cooperating with the committee or accepting the recommendations of the committee, it submitted a lengthy, labored, and unfair statement which demonstrated its reactionary policies and its determination not to effect economies or promote needed reforms. I think the statement referred to is one of the most defiant and unrepentant documents that has been brought to the attention of the Senate within my recollection.

A most extraordinary situation, however, developed in connection with this statement. The Secretary of the Interior had submitted a statement to the committee—which appears on page 122 of the Senate hearings—containing a number of recommendations. This statement was submitted in response to a request by the committee for suggestions as to reductions in the appropriation bill pursuant to the order of the Senate directing a cut of 10 per cent in the total of the bill. One of the recommendations was that six boarding schools should be closed. The total reductions in the Indian appropriation bill, as suggested by the Secretary, amounted to about $1,750,000. However, after this statement had been made by the Secretary, the Indian Bureau prepared the reactionary and rather defiant statement to which I have referred in which they refused to assent to any reduction and declared in effect that calamitous results would follow if Congress failed to appropriate the amounts which the bureau had demanded. It is remarkable that the Secretary of the Interior, in the face of his statement to the committee, should now join, as he has done, in promulgating this pugnacious and rather peremptory statement.

Mr. President, in my opinion $3,750,000 could be eliminated from the Indian appropriation bill without any injury whatever to the Indians; indeed, the result would be beneficial in some respects, because it would reduce their burdens and leave more of their tribal funds for per capita distribution or for use for new capital investment instead of for bureau salaries; it would mean perhaps that a number of the 1,000 additional regular employees recently added to the bureau would be separated from the service; it would mean that the recommendation closing a number of boarding schools could be carried into effect and day schools established in their stead; it would mean that several hundred thousand dollars wasted upon so-called irrigation projects would be saved. But the Indian Bureau is deaf to these suggestions and resistant toward the economies which should be carried into effect; and I regret to say that the committee failed to make the reductions which the situation calls for and which would best serve the interest of the Indians. In the appropriations for Indian schools there can be made a cumulative cut for the fiscal years 1933 and 1934 between three and five millions with benefit to the Indians.

I submit, however, there are other and more convincing justifications for attention by the Senate to the Indian appropriation bill at this time.

The Indian Bureau is not only extravagant in its use of appropriations but its methods are predicated upon a policy toward the use of Indian money which, unless changed, will result in the total bankruptcy of all Indian tribes. Perhaps it is futile to make this appeal in behalf of the Indians—a plea for the protection of their tribal funds and for a proper utilization of the same—for a policy that will put hooks into jaws of the Indian Bureau and prevent it from squandering Indian funds as well as moneys taken from the Treasury of the United States upon condemned irrigation projects and upon policies and programs wholly lacking in merit and of no advantage to the Indians. Many appeals have been made to Congress by Senators, as well as by able Representatives at the other end of the Capitol, in behalf of policies that would preserve the tribal funds of the Indians, protect their lands from being alienated and acquired by whites, and contribute to their material and moral advancement. But, in the face of these appeals, Congress has denied appropriate legislation and the Indian Bureau has pursued unhampered its archaic and unprogressive policies.

I think, Mr. President, that the bill before us is based on a policy which tolerates a defiance by the Executive of congressional enactments as expressed in the appropriation acts of preceding years. The future of the Indians is inextricably involved with the financial operations of the Government through the Indian Bureau, and the measure before us has an important bearing greater than the total amount of the money appropriated or the saving of the $1,400,000 or even $3,750,000.

It is my purpose to submit a few facts relevant to this matter, and which will incidentally throw into perspective some of the provisions of this bill. For more than a hundred years the United States has had the Indians under its tutelage. I should add, however, that while this is true in theory, there have been many Indians who have been deprived of their lands and have been cast out as vagabonds and wanderers, without supervision or aid or guardianship at the hands of the Federal Government. But, generally speaking, the majority of the Indians have been under the authority, supervision, and control of the Federal Government. It has expended more than $750,000,000 in carrying out its obligations and in attempting to discharge its duties as guardian of the Indians. The presumption through this long period has been that the Government was protecting the Indians against private exploitation and against their own lack of industry and lack of worldly wisdom until such time as the Indians would no longer require the guardianship of the Government. Such to-day is the presumption.

The fact, however, of which many are not aware, is that the Government has not been a faithful and benignant guardian of the Indians, but, as I stated in discussing the Indian question a year ago, it has often been a cruel and pitiless master. The results, when viewed in an historical perspective, are startling and, to many, shocking. Perhaps to those who will not accept this view they appear humiliating. Certainly it is demonstrated that unless fundamental changes are instituted at once, the Indians are a doomed race—doomed by their powerful guardian and by the policies enforced by the Indian Bureau.

FORTY-FIVE YEARS AGO AND NOW

I have examined reports of Commissioners of Indian Affairs covering many years and they bring convincing evidence that the policies of the Government and the Indian Bureau have been injurious rather than beneficial to the Indians under the control of the Government. I have taken at random the reports of J. G. C. Atkins, who was Commissioner of Indian Affairs in 1887. I wish Senators could find the time to read one of his reports—the one which I now hold in my hand. They would perceive that the Indians were better off in that year than they are to-day, notwithstanding the hundreds of millions of dollars expended allegedly in their behalf since then. This report could well serve as a model as well as a reproach to the present Commissioner of Indian Affairs and to the present Secretary of the Interior, as well as to Congress.

It is a careful, blunt, honest statement, and its narrative sections are supported by a mass of interesting statistics, tabulations, and comparative statements. The commissioner states that the total Indian lands in 1887 were 133,694,965 acres. I mention this because we are regaled by statements emanating from the Indian Bureau of the wonderful agricultural development of Indian lands and the excellent irrigation systems provided the Indians and the success achieved in teaching the Indians agricultural pursuits. The facts will show that their condition as agriculturists is worse than it was in 1887, before the Government had expended tens of millions of dollars for alleged agricultural development—expenditures which are to be continued in the present appropriation bill.

My information is that in 1931 the total area owned by the Indians was 72,000,000 acres. In other words, within a limited period their holdings have been reduced 47 per cent. Can it be contended that their interests were properly guarded when they suffered a loss so stupendous?

SHRINKAGE OF LANDS FROM 1887 TO 1932

However, the reduction in land values had been much greater in fact. The Indian landholdings outside the southwestern semidesert area in 1887 were approximately 116,000,000 acres; now, exclusive of the southwestern semidesert lands, their holdings have been reduced 64 per cent, or to a total of approximately 42,000,000 acres.

Since 1887 the landholding of the Indians in the fertile or arable regions have been enormously reduced, while new reservations totaling nearly 15,000,000 acres have been created within the semidesert areas. One who is familiar with Indian reservations will learn of the barren, arid, and desert quality of the greater part of the Indian lands, and of the limited area susceptible of reclamation. As I have heretofore stated, the total area irrigated by the Indians to-day is approximately 124,000 acres, and this notwithstanding the enormous sums expended by the Indian Bureau ostensibly to aid the Indians in reclaiming and cultivating lands owned and occupied by them. As shown by the Preston-Engle report, the Indian Bureau has wasted tribal funds aggregating millions of dollars and reimbursables paid from the Federal Treasury aggregating scores of millions in feeble and futile efforts to aid the Indians in improving and reclaiming portions of their reservations.

Senators may be interested in knowing why there has been so large a reduction in Indian landholdings. It has been supposed by some that this has solely resulted from the Indians having been given patents in fee from the Government, and that by reason of their thriftlessness title to the same has been lost. I think that view has been sedulously disseminated by the Bureau of Indian Affairs. The facts, however, as they are known to the bureau, are quite different.

The reduction of Indian landholdings has been due in part to acts of depredation, violations of treaties by the Government, and in part to the sales of Indian-allotted lands carried on by the Government itself as trustee without the consent of the Indians, and in part to the sale of fee-patented lands by Indians whose patents were forced upon them with the official knowledge that they would be unable because of their poverty, inexperience, lack of agricultural training and organization, and tools and capital to maintain themselves against the aggressive forces by which they were surrounded. Senators are familiar with the vicissitudes through which white settlers passed in their efforts to reclaim public lands of the West. The reclamation projects projected by the Government, and upon which white settlers were invited, show a record of failures and tragedies. Thousands of settlers seeking homes went upon these Government projects, and, notwithstanding the generous treatment accorded them by the Government, thousands of families passed through years of suffering and privation and were finally by a combination of circumstances forced from the lands which they had attempted to reclaim. It is known that upon many reclamation projects, in the language commonly employed, "several crops" of settlers came and went before the lands were reclaimed and the "final crop" was able to surmount the difficulties encountered; and yet it was expected that the Indians with their lack of training and without capital or credit could achieve success where white settlers had failed. Obviously, without proper training, without capital and tools and humane treatment, the efforts of many Indians to redeem the desert wastes and to convert rebellious soil into producing farms, were foredoomed to failure.

THE YUMA RESERVATION—AN EXAMPLE

I have referred to the loss of Indian lands by reason of the predatory course of the Government. One example is recorded in volume 21 of the hearings of the Frazier investigating committee at page 11459; it relates to the Yuma Reservation in California. I mention this case because it is a type of others, not identical in details but possessing the same general character so far as governmental action and consequences to the Indians are concerned. The Yuma Indians were ignorant of their rights under the allotment laws, and the Indian Bureau in 1893 informed them that if they would surrender to the Government approximately 50 per cent of their reservation the privilege would be granted them of having their lands allotted. They were entitled, as a matter of right, under the allotment act of 1887, to have their lands allotted, so that the statement of the bureau to the Indians to induce them to consent to the bureau's plan was deceptive and in a sense fraudulent. The Indians were also informed that they would receive in exchange for a surrender of their lands free water in perpetuity for all allotments. The Indians parted with their lands without compensation and because of their ignorance of their rights under the law. The Government, however, having secured the portion of their lands referred to, has failed to furnish them the promised free water for their remaining lands. This plan initiated by the bureau was later confirmed by Congress. The situation of the Yumas is at present a tragic situation, but I mention their case simply as an example.

DISINHERITANCE OF ALLOTTED INDIANS

Far more extensive in its effects has been the sale of Indian-allotted lands by the Government during the trust period and after the death of the trust-allotted Indians. Complete figures are not available; for the years 1925, 1929, and 1930 no published data exist; but it is known that between the years 1911 and 1926 the Government sold to the whites 2,000,000 acres of Indian-inherited land and 3,000,000 acres of trust-patented land for an average sales price of $16.66 an acre. This fact is shown by the Preston-Engle Report at page 2236. It is also known that between 1903 and 1911 the Government sold 1,166,245 acres of trust-patented land for an average of $14.50 an acre. (Report of Indian Commissioner for the fiscal year 1913.) On the Rosebud Reservation in South Dakota, during the years 1921, 1926, and 1931, the Government sold 52,040 acres in 288 allotments. In these three years 133,302 acres were sold on the Fort Peck, Kiowa, Rosebud, and Cheyenne Reservations—four of the approximately 100 allotted reservations. The Fort Peck Indians received for their allotted land so disposed of $11.44 an acre in 1921, $8.89 an acre in 1926, and $7.14 an acre in 1931. These facts are given on page 26 of the hearings before the Senate Appropriations Committee on the 4th of this month.

From the examination which I have been permitted to make, I believe that the landholdings of the Indians are being dissipated at an increasingly rapid rate. They certainly are passing at an increasing rate into the heirship class, where they await disposal by sale to whites. Perhaps the reason is found in the general allotment act and in the amendments to that law enacted in 1910 (title 25, p. 10, secs. 371–379, U. S. C., 1926). These statutes, I submit, automatically will result in the holders of allotted lands being disinherited through the sale of the same held under trust, at auction by the Government, as the allotted Indian dies.

It is contended by the bureau that the land of a deceased allottee must be sold unless it is found practical to partition it equally among all the heirs. Moreover, it must be sold if there is a competent heir, under the construction and operation and application of the law. This is the position of the bureau and the construction given to the acts and amendments referred to.

So important, in my judgment, is the subject of the paralysis of Indian energies through the allotment system, and their disinheritance under the system, that at the expense of repetition I give some exact details of the operation of the system. Amendatory legislation is clearly called for.

ALLOTMENT DOES NOT HAVE TO BE DESTRUCTIVE

First, a word as to the peculiarity of the allotment system under our own laws affecting Indians. Allotment of lands is a measure of common sense and can be entirely beneficent. The pueblo tribal governments in New Mexico allot the communal lands to individuals and families as a matter of routine. Tenure is secure, and allotments may be sold

back and forth within the tribe or passed along through inheritance to offspring. When the allottee ceases to use his land it reverts to the common tribal estate for redistribution by the governor and his council.

The Canadian system in substance is identical with that of the pueblos of New Mexico, and it has resulted in a perfect balance between individual motivation and ambition on the one hand and a conservation of Indian landed areas on the other.

The Mexican system, through which lands are distributed by the Government to the communes of Indians, is again a system of allotment, with full emphasis on individual tenure but with an entailing of the land and with a reserve power vested in the Government, or in the communes which are its instrumentalities, to redistribute the land as changed circumstances may dictate.

The Indian allotment system in the United States, aside from the purely Indian-controlled allotment arrangements in the pueblos of New Mexico, is a different and opposite proposition.

The allotment system in the United States contemplates and requires, as a beginning, an equal distribution of land to every man, woman, and child, regardless of capacity or disposition to make use of the land.

It creates in the allottee a vested interest which is, in effect, inalienable, thus petrifying, so to say, the allotments which are made in the wholesale and blindfold fashion requisite under the law.

The Indian himself is given no option. If he does not consent to be allotted, the allotment act authorizes and directs the Secretary of the Interior to proceed with compulsory allotment.

The allotment system was made a wholesale system in 1887, although the process of alloting some areas not yet allotted is still going forward.

When the original allottee dies, his allotment passes into the heirship land class, and is governed by provisions of sections 371–379 of title 25 of the United States General Code.

The impracticable situation created by the general allotment act is made indefinitely worse by the heirship amendments, which I have just referred to, and particularly by sections 372 and 373. Section 373 permits the Indian to make a will disposing of his estate, but declares that wills by Indians shall have no force or effect unless specifically approved by the Secretary of the Interior. Furthermore, this section empowers the Secretary of the Interior to set aside and nullify, entirely in his discretion, the Indian's will either before or after his death, and either with or without stated cause. The status of the Indians, as a race held in practical serfdom, is illustrated by this feature of the heirship laws.

THE HEIRSHIP AMENDMENT OF THE ALLOTMENT LAW

Section 372 insures the disinheritance of the allotted Indians. This section was adopted in 1910 and bore the name of Mr. Burke, who was subsequently to become the Commissioner of Indian Affairs. Its language is so flexibly and resourcefully calculated to insure the alienation of Indian allotted lands to the whites, that I quote in full its relevant portions, as an example of the Indian property laws which would appear to have been deliberately framed with a view to the transfer of Indian land holdings to white ownership.

Title 25, section 372:

> When any Indian to whom an allotment of land has been made, dies before the expiration of the trust period and before the issuance of a fee simple patent, without having made a will disposing of said allotment as hereinafter provided, the Secretary of the Interior, upon notice and hearing, under such rules as he may prescribe, shall ascertain the legal heirs of such decedent, and his decision thereon shall be final and conclusive. If the Secretary of the Interior decides the heir or heirs of such decedent competent to manage their own affairs, he shall issue to such heir or heirs a patent in fee for the allotment of such decedent; if he shall decide one or more of the heirs to be incompetent he may, in his discretion, cause such lands to be sold: *Provided*, That if the Secretary of the Interior shall find that the lands of the decedent are capable of partition to the advantage of the heirs, he may cause the shares of such as are competent, upon their petition, to be set aside and patents in fee to be issued to them therefor. * * * *Provided*, That the proceeds of the sale of inherited lands shall be paid to such heir or heirs as may be competent and held in trust subject to use and expenditure during the trust period for such heir or heirs as may be incompetent, as their respective interests shall appear. * * *

Under this section 372, title 25, of the Code, the Secretary of the Interior, in dealing with heirship lands (and of necessity all allotted lands are, or will become, heirship lands) has the discretion to sell them under rules and regulations of his own making or to hold them in trust. He is free to sell the lands if even a single one of the Indian heirs is deemed by him to be noncompetent. If he finds that an allotment can be partitioned among the heirs to their advantage, he may—but he is not required to—permit those heirs who are competent to inherit their fragment of the allotment.

The act is so worded that it can be, as practically it has been, construed into a mandatory requirement that substantially all of Indian heirship land shall be sold. The situation was bluntly stated in 1929 by the superintendent of the Blackfeet Reservation of Montana, as follows:

> We must sell from 35,000 to 50,000 acres a year (of Indian heirship land) for the next 10 years if we expect to absorb the acreage we now have on hand and keep up with the new lands that are constantly running into estates. The situation is further complicated by the fact that all of the heirs do not inherit equally. We have instances where one Indian will inherit units of one five-hundredth of an allotment (including one five-hundredth of the rental or sales proceeds of the allotment). We are getting nowhere. I do not know how we can ever expect to continue as we have in the past.

The system, as will be apparent from the reading of the act which I have quoted, and still more apparent from a reading of the Indian Bureau's regulations, has the net effect that after an allottee dies his own children can not even continue to inhabit or to cultivate the parental allotment except as tenants paying rent to the Government, whereas if they desire to enter into possession of the parental homestead they must buy it at auction in competition with white purchasers. I shall later in these remarks explain the helplessness of the Indians in this particular, due to their status as wards which shuts them out from the ordinary sources of credit while the Government extends them no credit.

In 1929 the Blackfeet superintendent, whom I have quoted, stated:

> We are getting nowhere. I do not know how we can ever expect to continue as we have in the past.

Nevertheless, the laws stand unchanged, and Superintendent Stone's superior officers have made no proposals to Congress looking to the amendment of the allotment or heirship laws, and the stripping of the Indians of their property goes forward at a speed necessarily increasing with each year as increasing numbers of Indian allottees die.

In my opinion, the Government has failed to properly guard the rights of the Indians and to protect their property for the benefit of individual Indians and of members of the tribe. Under the policy of our Government and the Indian Bureau a hundred thousand Indians have been completely disinherited, and they are now landless and propertyless. The rest, in all the allotted areas, are doomed to the same end if the present policy is not changed. If it had been planned to dispossess them of their lands it would seem that no more effective scheme could have been devised than that which obtains in the United States. Instead of legislation to protect the land owned by the Indians, the Government has adopted a policy which inevitably results in the Indian lands soon falling into the hands of the whites.

The future of the Indians, Mr. President, under this policy, as well as other unwise policies, carried into effect by the Indian Bureau, is that of a race disinherited of its lands and of all its other property while left untrained for the struggles of the present day. It is not difficult to visualize the pitiful condition in which they find themselves. We know that many thousands of Indians who formerly possessed valuable lands in Oklahoma and in other States, by reason of the unwise, not to say cruel, policy pursued by the Government are now without property and without means of

support. Legislation and bureau policies and court decrees have resulted in their being disinherited and in bringing them to a condition of poverty and want.

I wish Congress could be convinced of the justice of immediately modifying and repealing many existing laws dealing with the Indians and their property, and of enacting just and humane legislation that would protect the Indians and save to them the remnants of the properties not yet passed beyond their control and the control of the Government. Reports have been made from time to time by congressional committees and by officials of the Government, challenging attention to the calamitous results to the Indians that inevitably will follow if no changes are made in the policies of the Government and the Indian Bureau in dealing with these helpless wards of the United States; but apparently these admonitions and warnings have been ignored and Congress and the bureau follow along in the old ruts and continue the injurious and destructive policies against which the Indians and those interested in their welfare are protesting.

REMEDIES FOR ALLOTMENT EVILS

Mr. President, I repeat that there is justification for the claim that no system could be more cynically devised to strip the helpless wards of the Government of their property under the shadowy form of law than the allotment system which Congress and the executive agencies have continued to maintain and enforce through successive decades. Earlier in the discussion of the pending measures I referred to the desire of many of the Indians to form tribal corporations.

There is a pending bill—S. 3558—offered by the senior Senator from Oregon, to accomplish that result. It has been pending for more than two years. As I am advised, the present Secretary of the Interior indorsed the tribal corporation plan at the beginning of his term of office, and the commissioner and his assistant also indorsed the same, as shown by letters to Congress in December, 1929. Notwithstanding these indorsements, neither the Interior Department nor the Indian Bureau has submitted to Congress any definite approval of the bill. In my opinion, Congress should no longer delay acting upon this bill, regardless of the equivocal position of the Indian Bureau and the Secretary of the Interior. I might say that this measure applies to one tribe only, namely the Klamath Tribe of Oregon. However, a coordinate bill applying to all Indian tribes has been introduced by the chairman of the Indian Affairs Committee [Mr. FRAZIER]. It authorizes the creation of Indian tribal councils and grants to the Indian tribes rights similar to but considerably less than those which have been long enjoyed by the Indian tribes of Canada and which are possessed by the freed Indian peons in Mexico with the aid of the Government of Mexico, who have organized themselves into ejidas. These tribal incorporation measures give expression to the policies necessary if we intend the Indians to have any future as Indians or as citizens of the United States. The Indians, as well as white citizens, can not effectively function except there be placed in their hands the instrumentalities of our industrial and economic life as well as the right to cooperate, to organize, to associate, and to make and enforce contracts.

It is obvious that the Indians, to succeed and to meet modern industrial and economic conditions, must have opportunity for self-development and to take upon themselves responsibilities which are involved in the evolutionary development of society. The bills referred to are preliminary steps toward establishing for the Indian an American policy, and yet they are conservative and maintain intact the guardianship authority and the obligation resting upon the United States.

APPROPRIATIONS IN 1887

Mr. President, I now return to the report for 1887 submitted by Indian Commissioner Atkins. He states that the estimates of appropriations required for the Indian Service had been made on a descending scale for the preceding years, and adds that the total reduction in the estimates from 1886 to 1889 had been $1,839,250, and the estimated expenditures for 1889 were $5,448,899. He then adds (p. 16):

> It is gratifying to note that the cost of the Indian Service is diminishing, notwithstanding the fact that a larger number of children are being cared for than ever before and the expenses of the allotment act (passed in 1887) are necessarily heavy.

It is refreshing to read a report so much at variance with the reports recently submitted by the present Indian Commissioner and his predecessor. Although the number of Indians under the protection of the Government when Commissioner Atkins was in charge exceeded by more than 25 per cent those in charge of the Federal Government at this time, nevertheless the Indians were making progress, and satisfactory conditions, generally speaking, existed. With an appropriation of something over $5,000,000, it is apparent that greater progress was being made among the Indians toward the goal of civilization and the standard of American citizenship than has been achieved under present and more recent bureau administrations. The Indian Bureau last year expended more than $30,000,000, though the number of Indians under the control of the Government was less than 194,000.

Commissioner Atkins in his report referred to the fact that the Government boarding schools were very much more expensive than the day schools, his facts indicating that the latter should be increased and the former diminished. Notwithstanding the superiority of the day-school system over the boarding-school system, the present administration has refused to change its policy, and maintains a large number of costly and highly expensive boarding schools. I have invited attention to the fact that Secretary Wilbur recommended that a number of the boarding schools should be closed, but Commissioner Rhoads and Mr. Scattergood refused to carry out the recommendation, and apparently the Secretary is accepting their view and abandoning his recommendation.

BOARDING SCHOOLS COSTLY AND UNSATISFACTORY

I presented to the Appropriations Committee a few days ago a statement showing that the costs of boarding schools had risen from $170 per child, as reported by Commissioner Atkins in his time, to more than $429 under the present commissioner. Commissioner Atkins reported that the day-school costs were but $53 for each child in attendance. Under the present Indian Commissioner the bureau salary cost in the case of boarding schools amounts to $194 for every child in attendance, and there is one full-time employee for every 8.2 children. The bureau is most prodigal in salaries for its employees and it reaches extravagant heights in the operation of boarding schools. In the non-reservation boarding schools, where 11,100 children are in attendance, there are employed 552 teachers, 48 doctors and nurses, and 980 full-time functionaries, not teachers or doctors or nurses.

POPULATION THEN AND NOW

Commissioner Atkins reports that the Indian population under Federal jurisdiction in 1887 was 243,229. To-day the Indian population under Federal jurisdiction is but 193,213. I emphasize what I have heretofore stated, that the Indian Bureau under Commissioner Atkins expended but a little more than $5,000,000 annually in caring for 243,229 Indians, while the present administration will expend approximately $34,000,000 for the fiscal year ending June 30, 1932, and for the next fiscal year the bureau will expend approximately $25,000,000, the sum carried in the present bill, together with tribal funds which will doubtless exceed $3,000,000. Moreover, the bureau will undoubtedly create a deficit, as it has done for a number of years last past which Congress will be called upon to meet.

As shown by Commissioner Atkins, the acreage actually cultivated by the Indians in 1887 was 237,265 acres, but as I have indicated, notwithstanding the millions expended by the bureau allegedly for irrigation projects and in behalf of the Indians, they are now cultivating but approximately 124,000 acres under all the projects. The irrigation projects





initiated and carried forward by the bureau have cost more than $52,000,000 gross, and will require more than $30,000,000 for their completion. Later I shall discuss somewhat in detail the costs of these irrigation projects and the unsound and extravagant methods employed by the bureau in initiating, constructing, and maintaining the same.

Again referring to Commissioner Atkins's report, the excess of Indian births over deaths in 1887, as reported by the agency physicians, was 1.116 per cent. In the year 1926 the Indian deaths in the total registration area exceeded births by 200, an excess of deaths over births in the amount of six-tenths of 1 per cent. The Indian death rate is higher than the death rate of the general population at the present time in the amount of 10 to 20 per thousand of population, varying by reservations, which means that it is twice as large as the general death rate. The continuing death and disability rates among the Indians are fully discussed in the printed hearings held on Senate Resolution 341 on February 25, 1927, and in the chapter on health found in the report on Indian administration by the Institute for Government Research. This report, as Senators know, was made at the request of Secretary Work, by Mr. Meriam, Doctor Ryan, Doctor Edwards, and other persons of ability chosen because of their special qualifications. It was intended that the survey should deal particularly with the general conditions of the Indians, especially the conditions of their health, schools, and so forth. This report, which I have before me, consists of a large volume containing hundreds of printed pages and is a mine of information concerning the conditions of the Indians.

THE TRIBAL FUNDS CONSUMED SINCE 1887

Commissioner Atkins reports that in 1887 the tribal funds and Government cash liabilities to the Indians totaled $28,778,931. At that time the Indians were entirely free from debt to the Government or to any organization or individual.

Now, though the tribal funds in the intervening years have been replenished in the amount of at least $400,000,000, pursuant to treaties with the Government and through the lease and sale of tribal assets, the total amount of tribal funds to their credit is less than it was in 1887 and the Indians are owing, as claimed by the Indian Bureau, more than $35,000,000 to the Government. As I have just stated, during the intervening years there have been large accretions to the tribal funds which have gone into the general reservoir from which the bureau has annually drawn varying amounts, from five to ten million dollars, and, as I have stated, millions of dollars in addition have been appropriated each year from the Treasury of the United States, which the taxpayers were compelled to meet. The appropriations from the Treasury, together with tribal funds belonging to the Indians, have been expended by the Indian Bureau to an amount of more than $600,000,000 during the past 45 years. How little there is to show for this stupendous appropriation is manifest to those who have given even a superficial study to the condition of the Indians, over whom the Government is presumed to exercise a benign guardianship. I can only say that no inconsiderable part has been wasted and profligately expended. The results, to those who are interested in the Indians and in the good name of the Government and who desire to see it discharge its moral and legal obligations, must be exceedingly disappointing.

How different are the courses pursued by our Government and the Canadian Government in dealing with their respective wards. This difference I pointed out several weeks ago and showed that in Canada, where the Indians are permitted practically to incorporate and to develop their initiative, they are adjusting themselves to their environment and are making satisfactory progress along the lines of industrial development. There the tribes control their funds and income; their funds are not absorbed in the maintenance of thousands of white employees and an expensive and bureaucratic system. They are thrifty with their property; their capital and their cash assets increase with each year, as shown by the annual reports of the Canadian Indian bureau. Here, the tribal funds are controlled by Congress and by the Secretary of the Interior through the Bureau of Indian Affairs. In no case do the Indians control their own funds or their own incomes. Some part of the funds, such as per capita payments, are distributed to the Indians, but, as I have indicated, Indians under Federal jurisdiction are not permitted to enter into contracts or to employ proper or modern instrumentalities of business. They are so circumscribed by bureaucratic control that no matter how competent they may be to advance industrially or otherwise, they find it difficult, if not impossible. Where they have been released from governmental control they have been cast out unprepared to meet the economic and industrial conditions surrounding them. I challenged attention to the fact that, particularly during the past 20 years, the Government has diverted no inconsiderable part of the Indian tribal income and capital to meet increasing bureau costs, including salaries and the compensation of additional employees.

The accounting and bookkeeping system of the bureau is such as to make difficult of ascertainment the total amount of Indian tribal funds expended during the past 20 years for salaries and the expenses of the bureau. Only by a most searching investigation through the records of the bureau and the comptroller and the reports of the Budget can approximately correct results be ascertained. The total of the Indian tribal funds so diverted and expended, so far as I can discover, is nowhere available in print.

The total of tribal funds used for administration support in the fiscal year 1929 (exclusive of per capita payments to the Indians) was, so far as I can ascertain, $5,110,263, and that was a typical year. The policy of the bureau for 1933 is no different except in its demands for more employees and additional amounts for salaries; but because many of the tribal funds have become exhausted, the bureau will be restricted in the amount which it can divert from tribal funds to meet bureau expenses. The total of tribal funds used by the Indian Bureau for purposes other than per capita payments in the three fiscal years 1930–1932 was more than $12,750,000 according to the Budget and the tabulations of expenditures in the yearly appropriation hearings. Since Commissioner Atkins wrote the report to which I referred, not less than $400,000,000 of Indian tribal funds have passed through the Government's hands. It is my view that much of the capital of the Indians has been wasted and millions have been improperly employed in meeting improvident expenditures made by an inefficient bureau. As indicated, these tribal funds constitute Indian capital, but, as stated, they have been diverted to meet administrative expenditures. This is proven by the report of the Budget under the heading "Indefinite provisions to pay principal of moneys belonging to various tribes of Indians."

I may comment upon this matter later, but for the moment I continue the historical comparison with which I have been dealing. The total of Indian appropriations for 1900 were $8,413,641. In 1909 the total expenditures in connection with the Indian Service was $13,581,332. Of this amount $5,388,832 were expended for schools; $5,244,210 for agencies; $1,997,871 for irrigation, and for miscellaneous expenditures $1,618,000 were reported. The total of Indian Service expenditures in 1931 (which is the last year showing a completed record) was $25,123,946—exclusive of per capita payments. The total of Indian Service appropriations for 1932 (not including per capita payments) was, as stated in the 1933 Budget, $29,127,496. There is no certainty as to what the bureau will expend for the fiscal year 1933. Undoubtedly it will follow its former practice and expend more than appropriated and then ask Congress to meet deficiencies created. In addition it will expend a portion of the tribal funds derived from treaties, royalties, and other sources, to meet the increasing and unnecessarily large expenses of administration. The appropriations carried in the bill now before us will not cover the total expenditures of the bureau for the coming fiscal year, and there is no way of determining, under the budget system of the bureau and the general practice which it has fol-

lowed, the total amount which it will expend for salaries, administration costs, and other purposes.

HOW MANY INDIANS IN INDIAN BUREAU EMPLOY?

In the light of these increasing expenditures the question may properly be propounded, What benefits have the Indians derived therefrom? An excellent yardstick for determining at least some of the benefits is the number of Indian employees in the Indian Service. The present administration has loudly proclaimed that it has given employment to a large number of Indians and has increased the number of permanent Indian employees. The facts, all of which are of record, show that this propaganda is utterly without foundation.

During the hearings before the Appropriations Committee a few days ago, while I was submitting a statement as to the number of whole-time Indian employees, Mr. Scattergood, the Assistant Commissioner of Indian Affairs, insisted that 40 per cent of the employees of the bureau were Indians. I dissented from his statement. Since then I have made a further examination in order to determine whether I had been mistaken in the position which I then took.

As stated, the present bureau officials are boasting of a new policy in increasing the number of Indian employees; but, as stated, back in 1900 Indians regularly employed in the service numbered 2,094, practically one-half of the entire personnel of the bureau. In addition to the regular Indian employees there were a large number of Indians employed in irregular and part-time service. The number of regular, whole-time employees in the bureau in 1912 was 2,516. In 1919 the number had dropped to 2,263. (The facts just stated are set forth in the House investigation hearings, 1919, vol. 1, at p. 764.)

The number of regular employees in the Indian Bureau number at the present time 6,582. Forty per cent of that number is 2,773. On the same day that Mr. Scattergood made his claim before the Senate committee that 40 per cent of the regular employees of the bureau were Indians, a list of all its regular Indian employees was submitted to the committee. This can be found in the hearings just now printed. I have examined these hearings as well as the Budget for the purpose of ascertaining the facts. On page 33 of the printed hearings of the committee are found the names of all Indians presently employed, and they number but 2,084. Mr. Scattergood's claim of 40 per cent appears to be 32 per cent wrong. In this list submitted by the Indian Bureau I discover that 37 of the Indians are listed as receiving $140 a year or less; 225 of the Indians named in the statement receive $600 a year or less. I assume that common labor would be paid more than $600 a year. The number of Indians employed by the bureau receiving $600 or upward is only 1,759. Of course, now as in the past there are both Indians and whites irregularly and for but brief periods employed on roads or for other purposes.

Disregarding the question of rates of payment to Indians, and accepting the bureau's list, including its statement of employees receiving less than $140 a year and 434 listed employed as "laborers," it remains of record that the number of Indians employed in the Indian Service to-day is 25 per cent lower than the number of regular Indian employees in the Indian Service in 1912.

THE CONTRAST WITH THE PHILIPPINES

Being somewhat familiar with the conditions in the Philippine Islands, I could not refrain from contrasting our record in dealing with the Filipinos and our treatment, so far as unemployment is concerned, of Indians who are the wards of the Government. The Indian Bureau's list for the Klamath Reservation shows three Indians employed on that reservation with its large timber holdings, and two of these are assistant clerks and one performs the duties of a police private with a salary of $540 per year. On the Menominee Reservation the bureau conducts important timber operations, but the bureau's list shows only three Indians employed in the reservation mills—two scalers and one cost keeper. In the Philippines, with a forestry service larger than that of the Indian Bureau forestry service, and with technical operations dealing with tropical lumber equally or more difficult, the number of white Americans employed is less than 1 per cent of the total employed force. These facts are not stated as any reflection on the Indians. Col. George P. Ahern, who organized the Philippine Forestry Service and who also spent many years of his life among the American Indians, testified before Senator FRAZIER's committee that the American Indian is by mentality and experience better qualified for forestry work, including its technical aspects, than is the Filipino. The difference in results is wholly due to a difference in policy.

In the Philippines we encouraged what was our duty to do—the employment of Filipinos for the development of their own country and its resources. There the Filipinos were afforded an opportunity to become technically familiar with forestry, but upon the Indian reservations and in dealing with their property, policy has been to control the Indians and their property by bureaucratic methods and to employ white persons to the exclusion of the Indians. The Philippine Forestry Service was organized for the Filipinos. The Indian Forestry Service was organized for and is maintained by whites, and the Indian is considered to be an undesirable factor in such service.

If time permitted I should be glad to present to the Senate facts showing how the timber properties of the Indians have been wasted and contracts entered into with the whites, which do not guard and protect the Indians. The fact is that the bureau has been more interested in white contractors and in furnishing employment to an army of white employees than in conserving the interests of the Indians in their timberlands.

Mr. President, in my opinion, the Indian Bureau has been unfaithful to the Indians in protecting their timber and grazing lands. The interests of the Indians would be better protected if their forests and forestry service were placed under the control of the Forestry Service of the Department of Agriculture. One of the most autocratic and inefficient agencies in the Indian Bureau is that which controls the Indian timberlands and has charge of the timber operations thereon.

I have stated that since 1887 the lands owned by the Indians have diminished in the amount of 47 per cent, while the area of their lands outside the semiarid region has shrunken 64 per cent. I have also pointed out the dissipation by Government action of tribal capital in the aggregate of more than $400,000,000 between 1887 and 1932. The whole story of the impoverishment of the Indians under the control and by the action of the Government as guardian has not yet been told.

INDIAN DEBTS FAITHLESSLY IMPOSED

In 1887 the Indians held their lands free from lien or encumbrance; there was not a dollar of indebtedness upon their property. In 1932 the reimbursable debt on Indian lands exceeds $37,000,000, while on June 30, 1928, totaled $34,310,037. These figures are based upon tabulations submitted by Mr. Rhoads in 1930, as shown in part 6 of the hearings before the Frazier committee. As to the amounts to which the Indians have been forced to repay, the records are somewhat conflicting, and silent where they should speak. Commissioner Rhoads reported to the Frazier committee on January 21, 1930, that the total repayments made by the Indians were only $1,445,214, but the total repayment prior to 1919 had been $8,234,000, according to the testimony of Mr. Frank Govern, assistant chief of the finance division of the Indian Bureau, given before the House Indian Investigation Committee in 1919 (p. 819).

Thus we have, under the Indian Bureau's management, a steady and progressive shrinkage of the Indian landed area, a disappearance of a half billion dollars of tribal capital, and the piling up of debt against the Indians in the amount of approximately $37,000,000. And it must not be overlooked that according to the testimony of Mr. Govern they

had already, before 1920, been required to pay back more than $8,000,000.

There has been a destruction of intangible assets no less striking. Most important among these has been the discouraging, indeed, the systematic repression and destruction, of tribal organization and tribal ambition. Individual initiative has been discouraging if not prohibited. The bureau has proceeded on the principle that the Indian should do nothing for himself which a paid employee of the Government conceivably might do for him. The Indian, though struggling to farm under irrigation projects, has been denied access to credit under conditions which would make success in agriculture impossible to any white man. This fact was recognized and clearly stated by Secretary Work in his annual report for 1927, but to the present date nothing has been done to remedy the situation. Neither the present Secretary of the Interior nor the Commissioner of Indian Affairs has suggested any plan to meet this situation. The Indian has been trained to expect to fail; a sense of inferiority has been forced on him by the multiform tutelage in which he has been held, by the failures due to artificial restrictions and handicaps to which he has been foredoomed. A sense of hopelessness has been created by the spectacle of the steady melting away of all his material wealth through actions by a guardian from whom he, an Indian ward, could not even take refuge in the courts.

THE INDIAN TRIBAL PROTEST JUSTIFIED

I referred in this discussion to the recent statement or declaration submitted signed by a number of Indian tribes. This declaration recited that the Secretary of the Interior and the commissioner had entered office with many promises of reforms and with declarations which showed that they appreciated what the defects were in the Indian Service and the changes imperatively required.

The declaration further asserted that notwithstanding the promises of reforms no effort had been made to carry them into effect. One of the statements submitted by the tribes related to the appropriation bill now before us and called attention to the bill introduced by Senator FRAZIER, which provided a simplified accounting system dealing with Indian funds in which would be shown the sources and uses of moneys expended by the Indian Bureau, including expenditures for the various activities and functions of the tribes, as well as the amount expended in connection with each reservation. It was asserted in the statement that the Interior Department and the Indian Bureau had opposed this bill, and in my opinion the statement is supported by the departmental report dealing with this bill which is in the files of the Committee on Indian Affairs of the Senate.

A BILL PROVIDING FOR AN ACCOUNTING SYSTEM

Mr. President, appreciating the importance of legislation dealing with the question of accounting, I offered a bill on the 7th instant which provides for specific annual appropriations for expenditures under the Indian Service, and requiring Budget estimates of sources of funds, and a uniform system of accounts, and deals with other pertinent and cognate purposes. If this bill is enacted into law it will, I believe, cure some of the evils of which I have spoken. Without reading, I ask that the bill which I offered may be inserted in the RECORD as a part of my remarks.

There being no objection, the bill was ordered to be printed, as follows:

S. 4338

A bill providing for specific annual appropriations for expenditures under the Indian Service requiring Budget estimates of sources of funds, providing for a uniform system of accounts, and for other purposes

Be it enacted, etc., That beginning with the fiscal year 1934 all expenditures under the Indian Service, including expenditures of tribal funds of all classes and payments under treaties and continuing authorizations, shall be specifically appropriated in the appropriation acts for the fiscal year during which said expenditures shall be made.

SEC. 2. That beginning with the fiscal year 1934, the Budget when presented to Congress shall exhibit, in addition to all estimates for expenditures under authority of acts of Congress and treaties, the sources of all funds estimated to be expended and the distribution of estimated expenditures stated by functions and by Indian reservations and jurisdictions. The estimate of expenditures by functions and by Indian reservations and jurisdictions shall clearly exhibit the estimated expenditures for the ensuing fiscal year in the District of Columbia and in each reservation or jurisdiction for Indian education, health, agricultural service, industrial advancement, irrigation and reclamation, care and sale of timber, and other reservation properties, reimbursable loans, relief of distress, and care of the aged and infirm, preservation of law and order, and other activities; and construction and maintenance of buildings, roads, bridges, and other structures; and shall exhibit payments for personal services at each reservation and jurisdiction.

SEC. 3. That the General Accounting Office is authorized and directed, by regulations, to prescribe a uniform system of accounts for all matters pertaining to Indian affairs and to prescribe the manner in which such accounts shall be kept, and the forms of accounts, records, and memoranda to be kept by the Bureau of Indian Affairs and by all officers and employees of the United States concerned in any manner with the administration of Indian affairs. The uniform system of accounts so prescribed shall be designed to show, among other things, the amounts received from every source from time to time by the United States for the benefit of Indian tribes or individual Indians, all sums due from the United States to each Indian tribe and to each individual Indian, the amounts expended for the benefit of Indian tribes or individual Indians from tribal or individual funds, respectively, and from appropriations made by Congress, the purpose and amount of each such expenditure and the time it was made, and the per capita cost of expenses for the administration of Indian affairs in each Indian reservation, itemized in such detail as the General Accounting Office may deem necessary.

SEC. 4. It shall be the duty of the Bureau of Indian Affairs and all officers and employees of the United States concerned in any manner with the administration of Indian affairs to comply with the regulations of the General Accounting Office made pursuant to this act.

SEC. 5. That the Secretary of the Interior, on or before October 1 of each year beginning with the calendar year 1932, shall report to the President of the Senate and to the Speaker of the House of Representatives the receipts of Indian tribal funds of all classes for the preceding fiscal year, along with the total of Indian tribal funds of all classes on deposit in the Treasury of the United States on June 30 of the preceding fiscal year, together with the expenditures made from all classes of Indian tribal funds during the preceding fiscal year, said expenditures to be exhibited by functions and reservations as prescribed with respect to the Budget estimates in section 2 of this act.

Mr. KING. Mr. President, repeating, this measure is designed to force an annual accounting of tribal funds, to bring all Indian Service expenditures under the direct control of Congress, and to compel the Interior Department to make its estimates in a form to indicate the actual uses to which appropriations are to be applied.

INDISCRIMINATE USE OF TRUST FUNDS

First, with respect to tribal funds, especially those amounting to millions of dollars annually, called "Indian moneys, proceeds of labor," and which are derived from leases and sales of tribal lands, sales of timber, and other sources. The Comptroller General has referred to these matters in a report dated February 25, 1929, in the following language:

> The absolute control and almost indiscriminate use of the tribal funds through authority delegated to the several Indian agents by the Commissioner of Indian Affairs is causing complaint on the part of the Indians.

The comptroller in substance states that Indian agents have been constituted by the Commissioner of Indian Affairs to be "appropriating agents" and that the Commissioner of Indian Affairs has likewise constituted himself an appropriating agent. Congress has authorized, or at least tolerated, the practice, and the sums of money involved amount to more than $1,000,000 annually. Until 1928 the Interior Department was required by law to report—

> * * * estimates of the amounts of the receipts to tribal funds and expenditures which the Secretary of the Interior recognized to be made for the benefit of the Indians from all tribal funds of Indians for the ensuing year.

This requirement appears in title 25, section 142, of the United States Code, adopted in 1918. On May 29, 1928, an omnibus act was passed by Congress repealing various statutes which required reports of such matters as the exchange of typewriters and adding machines in the District of Columbia, publications received and distributed, names of consular officers, cost price of certain surplus war machine tools, and so forth. Among the acts so repealed, numbering 130, was included the above act requiring reports of Indian tribal funds. So far as I can ascertain, since 1928

the Interior Department has not submitted reports of Indian tribal funds in any publication, except the inadequate report incorporated in the hearing of the Senate Committee on Appropriations April 4 of this year. Whether intentional or otherwise, I submit that if there has not been a concealment there has been at least an evasion by the Indian Bureau of that publicity as to uses of the moneys to which the Indian tribes were entitled.

THE YEAR 1929 AS AN EXAMPLE

As a concrete example I refer to the fiscal year 1929.

The Budget estimates as submitted each year contain at the end of what is called the Indian Bureau section a covering total which is the entire amount of all Treasury appropriations and tribal funds, estimated to be spent in the ensuing fiscal year, including per capita payments to Indians. This total in the Budget estimates of 1929 was $35,614,009.

The Budget submits estimated expenditures from the Treasury as distinct from expenditures from tribal funds of all classes. The total estimated expenditures from the Treasury in the form of gratuities, reimbursables, and payment of treaty obligations, was stated in the Budget for the year just mentioned as $13,754,009.

In addition the bureau estimated an expenditure of tribal funds to be transferred to specific appropriation items, total amounting to $2,384,900. This transferred expenditure taken from tribal funds appeared in the appropriation bill for 1929 along with an increased transferred amount of $58,000, or a total of $2,442,900.

Each annual Budget contains information relating to tribal-fund expenditures under the head of "Indefinite appropriations." These so-called indefinite appropriations are considered to be authorized under continuing acts of Congress and are not contained in or referred to by any appropriation bill, with the exception, as I have stated above, that the amount transferred from the "indefinite appropriations" to the special appropriation items is contained in the appropriation bills. For the year 1929 the Budget estimated an expenditure of $1,654,100 under the head of "Indefinite appropriations," for purposes other than per capita payments to Indians.

Thus the total Budget estimate for 1929, for objects other than per capita payments authorized under indefinite appropriations, was $17,851,009.

In the regular appropriation bill for that year there were carried additional gratuities in the sum of $270,000, thus bringing the total specific and indefinite appropriations, always exclusive of per capita payments, to $18,121,009.

But that does not tell the whole story, as Congress was asked to and did pass two deficiency bills carrying a total increase for the Indian Bureau of $1,781,122, of which $1,476,684 was a Treasury appropriation and $304,438 was from tribal funds. This brought the total appropriation, including all gratuity reimbursable, and treaty appropriations, and all tribal funds for uses other than per capita payments, to a grand total of $19,901,231.

As I have stated, this amount of $19,901,231 did not appear in the appropriation bills, even when the deficiency appropriations were added to the regular bill. Of the total which I have given, an amount of $1,654,100 was shown in no appropriation bill but was estimated by the Budget to be drawn from tribal funds under continuing authorizations.

I now invite Senators' attention to the actual expenditures made by the bureau for the fiscal year 1929. They are subdivided into States and jurisdictions and their totals appear in the hearings of the House subcommittee on the Interior Appropriations for 1931, at pages 134 to 142, inclusive. The totals, however, appear at page 136. The bureau in that year expended $21,635,475, which was $1,734,247 in excess of the entire appropriation, regular and deficiency, for that year, including these indefinite appropriations for objects other than per capita payments, which are listed in the Budget for 1929, but which are not contained in the appropriation acts for that year. A summary of these items in tabular form is as follows:

	Fiscal year 1929	
Total appropriation in regular bill for 1929:		
From Treasury	$14,024,009	
From tribal funds	2,442,900	
Total		$16,466,009
Total deficiency appropriation for 1929:		
From Treasury	1,476,684	
From tribal funds	304,438	
Total		1,781,122
Total "indefinite appropriations," for purposes other than per capita payments, appropriated under continuing authorizations		1,654,100
Grand total of appropriations for other than per capita payments		19,901,231
Actual expenditure (other than per capita payments) in 1929, as reported by the Indian Bureau in the House hearings for 1931		21,635,478
Expenditure in excess of total of special and indefinite appropriations		1,734,247
Total tribal funds appropriated (special and indefinite) for other than per capita payments		4,401,438
Total actual expenditure of tribal funds (other than per capita)		5,110,263
Tribal funds expenditure (other than per capita payments) in excess of all appropriations		708,825
Per capita payments estimated for 1929, in the Budget for 1929		17,661,000
Per capita payments actually made in 1929, as stated in the Budget for 1931		10,952,626
Per capita payments were less than estimated per capita payments in amount of		6,728,374

Summary: For purposes other than per capita payments the bureau spent $1,734,247 more than the total of all appropriations.

It spent from tribal funds $708,823 more than all tribal-fund appropriations.

It paid in per capitas to the Indians $6,728,374 less than the Budget estimates of such payments.

Tribal revenue fell below estimates during the year. Hence per capitas were sharply reduced. But the amount spent for other than per capita payments was increased.

RECENT INCREASE IN BUREAU SALARIES

Mr. President, I now invite attention to the large increase in Indian Bureau salaries during the past few years. After the advent of the present administration there was an increase of 17.87 per cent in the salaries of the Indian Bureau for the fiscal year following 1930. There was an increase of 24.8 per cent from the fiscal year 1930 to the Budget estimates for the fiscal year 1933, and I have already shown that the Budget estimates are substantially less than the actual expenditures year by year. In 1930 the total of all salaries paid was $9,944,812; in 1931, $11,664,057. The Budget estimates for personal services transmitted by the President for the fiscal year 1933 total $12,417,317. This is a corrected total, $78,843 larger than the total given in a tabulation which I later shall offer for the RECORD. When I appeared before the Senate Appropriations Committee a few days ago I challenged attention to this enormous increase to meet Indian Bureau salaries and insisted that an expenditure of more than 50 per cent of all appropriations for the Indians, to pay the salaries of bureau employees, could not be justified and was manifestly unfair to the Indians; and I also referred to the fact that the personnel had been materially increased under the present administration, as well as the salaries of employees. As I have stated, notwithstanding the professions of economy and reform made by responsible officials of the Government under the present administration, salaries were increased 17.87 per cent in the first fiscal year and 24.8 per cent in the Budget estimates for 1933, with a certainty that the estimates will be exceeded and appeals will be made for deficiency appropriations and resort had to tribal funds to aid in meeting deficits.

The expenses and transportation costs for Indian Bureau employees increased 33.7 per cent in one year—that is, from 1930 to 1931—and 46.9 per cent of the total expenditures for that year was consumed in the payment of salaries and wages of bureau employees. Of the total appropriations asked for the year 1933, based upon the Budget estimates and the data available, 52.4 per cent of all expenditures will be required to meet the salaries and wages and personal expenses

of Indian Bureau employees. The increase from 1930 to the estimates for 1933 represents an increase in bureau salaries and wages, exclusive of personal expenses, of $2,472,505. This amount, in large part, is transferred from other uses, principally from per capita payments. While the salaries of the employees of the Indian Bureau are being augmented and the list of employees increased, many of the Indians are starving and thousands are suffering for lack of food and shelter. The tragic condition of some of the Indian tribes has been dramatically brought to the attention of the Senate during the past few weeks by Senators from a number of States in which Indian tribes are located. The senior Senator from Arizona [Mr. ASHURST] upon several occasions has, in striking language, portrayed the serious situation of the Indians and established beyond dispute that unless immediate relief is granted thousands will die of starvation and a considerable percentage of their cattle and sheep will be entirely lost. Congress appears to be willing to increase the salaries of bureau employees, many of whom are wholly unnecessary, 25 per cent above the inflated salary total of 1930, and for that purpose under the pending bill appears to be willing to absorb more than one-half of all appropriations for the Indians to meet the demands of its large army of bureau employees. The Indians may starve; their cattle and sheep may be destroyed by the cruel blasts of winter and for want of food, but the number of Indian employees must be increased and their salaries materially augmented.

Mr. President, I protest against this course and denounce a policy that is deaf to the piteous appeals of the Indians but quickly responsive to the demands of bureau chiefs for larger sums and more white employees. It seems to me a shocking proposition to appropriate millions of tribal funds belonging to the Indians, capital held in trust, and millions from the Treasury of the United States, to create a large fund of nearly $25,000,000 in order that more than 50 per cent of the same may be eaten up by an increasing army of bureau employees. No wonder the Indians feel aggrieved when they perceive their diminishing tribal funds and their increased indebtedness to the Government, resulting from the enormous sums taken from the Treasury and from their tribal funds in order that thousands of employees of an inefficient bureau may have increased salaries and the total number of employees may be increased.

BUREAU SALARIES RISE WHILE TRUST FUNDS SHRINK

I emphasize the fact that the income from tribal funds and property has been shrinking while salaries and bureau expenses have been increasing. For the fiscal year 1930 the per capita payments to the Indians from income or principal of their estate amounted to $8,801,332. I should add, however, that a considerable part of that amount was due to the sale of oil found upon the Osage Reservation. In 1931 the amount of per capita payments to the Indians from the sources just indicated was $6,834,335, and the estimated amount that will be paid in 1933 is $5,828,466. In other words, in three years the per capita payments to the Indians have diminished more than one-third, but the salaries of the Indian Bureau have increased 24.8 per cent.

FACTS AS TO THE 1933 ESTIMATES

Mr. President, tribal funds will be used and deficiences created by the bureau unless specific provisions are inserted in the bill, limiting the number of employees and the amount to be paid for salaries and the purposes for which appropriations may be used. The Indian Bureau, with its more than 8,200 employees, consuming more than 50 per cent of the total Indian appropriation, will, without positive restrictions in the bill, pursue unchallenged and unafraid the course which in the past has been adopted by it.

Mr. President, I ask to have inserted in the RECORD without reading a tabulation showing the actual proposed reductions in salary totals made by the House and by the Senate Committee.

The VICE PRESIDENT. Without objection, it is so ordered.

BUDGET ESTIMATE FOR 1933. TOTAL ESTIMATES FOR INDIAN SERVICE USE, OTHER THAN PER CAPITA PAYMENTS TO INDIANS. TOTAL ESTIMATES FOR PERSONAL SERVICES AND RATIO BETWEEN PERSONAL SERVICES TOTAL AND GRAND TOTAL

Treasury appropriations (Budget for 1933, p. 336, column 1)	$22,162,839
Less Alaskan appropriation	1,008,200
Treasury appropriations, Indian service, in the United States	21,171,039
Transferred to specific appropriations from interest on Indian trust funds	380,000
Transferred to specific appropriations from miscellaneous trust funds (p. 336, column 2)	825,500
Transferred to specific appropriations from Indian moneys, proceeds of labor (p. 337, column 1)	1,154,280
Budgeted under interest on Indian trust funds, for personal services and miscellaneous, other than per capita payments	9,000
Budgeted under miscellaneous trust funds, for personal services and miscellaneous, other than per capita payments	825,800
Budgeted under Indian moneys, proceeds of labor, for personal services and miscellaneous, other than per capita payments	145,720
Grand total, Treasury and tribal appropriations, special and indefinite, for purposes other than per capita payments to Indians	24,504,439
The total for personal services estimated in the Budget for 1933 (after deducting repayments to the Government on the irrigation projects) is	$12,472,317
Personal services are the following percentage of total appropriation	50.9
Personal expenses, estimated in the 1933 Budget	$273,094
Total, personal services plus personal expenses	$12,745,094
Personal services plus expenses are the following percentage of total appropriations	52.4
Number of Indians under jurisdiction of the United States	193,213
Number of regular employees of the Indian Bureau	6,586
Number of irregular employees if calculated on a whole-time basis	1,630
Total employees of Indian Bureau on whole-time estimate	8,216

2. TOTAL REDUCTIONS AND SALARY REDUCTIONS FOR 1933 WHICH HAVE BEEN MADE TO DATE BY THE HOUSE AND BY THE SENATE COMMITTEE

The House cut out (Reference: Cong. Rec., p. 8167.)	$389,500
The Senate Appropriations Committee has cut out (Reference: Cong Rec., p. 8167.)	$1,452,400
Total reduction to date	$1,841,900
The balance left for all Indian Service uses, including per capita payments but exclusive of Alaskan Services, is	$27,382,739
The balance left (for uses other than per capita payments to Indians) for the Indian Service in the United States is	$22,662,535
The total salary cut made by the House, assuming that the cut be applied to personal services in the same ratio as that between personal services and all other expenditures (except per capitas) in the Budget estimates, is	$198,255
The number of employees who must be dropped, according to the Indian Bureau's statement (Cong. Rec., pp. 8167–8176), is	260
If the above 260 employees receive on the average $1,800 a year pay, the salary saving will be	$468,000
The total of salary cuts to date (House and Senate) therefore is	$666,255
The balance remaining for personal services therefore is	$11,806,062
The total paid for personal services in the fiscal year 1930 was	$9,944,812
The amount remaining for personal services for 1933 therefore exceeds the total actual expenditure for personal services in 1930 by	$1,861,250

PROPOSED REDUCTIONS IN THE PENDING BILL

Mr. KING. The Indian Bureau has indulged in bitter criticism of the suggested modest cuts in the Budget made by the House and Senate Appropriations Committee and has loudly declared that if approved, disaster will overtake the bureau and prevent it from efficiently operating. In my opinion, the claim of the bureau is untrue and highly improper; that instead of clamoring for larger appropriations, it ought to support Congress in its efforts to balance the Budget. The employed forces in the bureau, as I have shown, as esti-

mated in the 1933 Budget, number 6,322 whole-time regular employees, while a large force of irregular employees are paid from an appropriation of $1,956,000.46. This sum for irregular employees would hire on a whole-time basis 1,630 employees at $1,200 per year. Accordingly the total number of employees for 1933, as estimated in the Budget, would be 8,216, or 1 employee for every 23.5 Indians under the jurisdiction of the United States. But as I have already illustrated by the analysis of the appropriation for the fiscal year 1929, all Budget estimates are uniformly materially below actual expenditures. Large sums are taken from tribal funds in excess of the Budget estimates, and deficiency appropriations totaling millions are obtained from Congress to meet expenditures in excess of regular appropriations. Such is the practice of the Indian Bureau and of Congress. The pay roll for the bureau in the fiscal year 1931 exceeded the budget estimate for that year in an amount of nearly $270,000.

After all the reductions made by the House and proposed by the Senate committee are subtracted from the appropriation bill as introduced, the balance remaining designated for personal services, in accordance with Budget estimates, is $11,806,062, or $142,005 in excess of the actual expenditures for bureau salaries for the fiscal year 1931, and $1,861,250 in excess of the bureau's actual expenditures for salaries in the fiscal year 1930.

Mr. President, I assert that the experience in successive years in the Budget estimates as submitted by the Director of the Budget, and as incorporated in the regular appropriation bills, as formulated, are invariably below the sum actually expended and are necessarily framed with the knowledge upon the part of the executive departments that the expenditures in fact will largely exceed the estimates as well as the amounts carried in the regular appropriation bills.

NEEDED PROVISO FOR SALARY REDUCTION

The bureau, as I understand, is now asserting that it will be required to discharge 260 employees by reason of the proposed reductions made by the Senate committee. The bureau has during the past two years without reason added many hundreds of employees to its already unnecessary large roster. However, the evidence of past years controverts the announcement made by the bureau. One may wish that it were true or that so modest a reduction as 3 per cent in the army of bureau employees was to be secured through cuts recommended by the committee. But all the facts and experience declare that such a wish would be in vain. Congress will be able to reduce the more than 50 per cent of the enormous sum carried in the appropriation bill for salaries in the Indian Bureau only by expressly declaring in the appropriation bill that a specified percentage of reduction be made in the total of moneys to be paid to employees, a specified reduction below the actual total expenditures for salaries in the last completed fiscal year, namely, 1931. In other words, following the practice of securing deficiency appropriations and using tribal funds for administration expenses, including the payment of bureau employees, it is reasonably certain that the army of bureau employees, which as I have indicated has been increased by more than a thousand during the past two years, will not be reduced by any action taken by the House or the Senate in dealing with the pending bill. A proviso in the bill such as suggested, if the percentage of reduction was fixed at 7 per cent, would provide a total salary of $10,847,574, or $902,762 above the actual salary total for the fiscal year 1930. Without further limitations in the bill, I think I can safely predict that there will be no salary reductions and no diminution in the number of employees, other perhaps than Mr. Hagerman, whose position is abolished by provisions in the bill over the violent protest and long-continued fight upon the part of the Indian Bureau.

SUMMARY OF ECONOMIES IMMEDIATELY PRACTICABLE

I have pointed out that between 1930 and 1931 the total of Indian Bureau salaries and wages increased 17.8 per cent an dthat from 1930 to the present Budget they have increased 24.8 per cent, or $2,525,505. The travel expenses of employees increased from $273,094 in 1930 to $364,844 in 1931. The President's Budget for 1933 calls for an appropriation of $12,472,317 for personal services alone. It provides for a minimum of 8,216 employees on a whole-time basis though there are but 193,213 Indians under Federal jurisdiction and many of them obtain but little service from the bureau and its employees. The Indians have cause for complaint when more than 52 per cent of appropriations are eaten up by an army of Federal employees.

The facts which I have submitted show that between two and three million dollars could be saved through a change from boarding schools to day schools; and even if a 7 per cent deduction in the salary total of more than the 1931 total were made, or an equivalent saving by reducing the unnecessary large army of employees, the pay roll would still be higher than it was in 1930 in an amount of $902,762, or 9.3 per cent. The total of savings just indicated, together with others which I have suggested, with respect to boarding schools, irrigation and reclamation and tribal funds, would amount to several million dollars.

There is no reason why the interest of the Indians should be subordinated to the demands of the bureau and that tribal funds should be wasted and the taxpayers of the United States be further burdened in order that the follies of the Indian Bureau should be continued and its unwise and injurious policies should be indefinitely perpetuated.

THE HUGE COSTS OF BOARDING SCHOOLS

The school system maintained by the Indian Bureau has proven unsatisfactory and unnecessarily expensive. I presented facts to the Appropriations Committee, which have not been disputed, showing that the ratio of employees in the Indian schools to the number of children in the schools is 1 to 8.2; that is, for every eight children there is one Government employee on whole-time salary and a large number of persons not continuously in service. The per capita cost of the Government boarding school, as estimated by the bureau for 1933, is $429, and the per capita cost of salaries alone amounts to $194. The increase in salaries of those employed in the bureau schools has been 27.2 per cent since 1930, although the number of Indian children in the schools has continued substantially the same. The Indian Bureau boarding-school costs, on a per capita basis, are five times the public-school costs of the State of Utah, and I may add in passing that there are no better public schools anywhere than those in that State. The Indian Bureau costs on a per capita basis are nine times the public school costs in the State of Oklahoma and three times those in the State of California. I should add that these figures for the States include the capital investment for the schools in these States. Figured on a per capita basis of children in attendance, the bureau's expenditures for salaries alone in those schools is four times the per capita cost in the elementary and high schools of Oklahoma, including salary, current expenses, transportation of children, building maintenance, and capital outlay, and 2.3 times greater than the expenditures in Utah, including salaries, building maintenance, current expenses, transportation of pupils, and capital outlay.

On the 17th of last month, when addressing the Senate, I referred to the indefensibly enormous educational costs of the bureau and pointed to the fact that they were largely due to the boarding-school system and the inefficiency and the wasteful and extravagant administration of the same. I repeat that Commissioner Atkins pointed out the excessive costs of the boarding-school system, while Doctor Ryan, in the Meriam report, condemned the educational results of that system. Secretary Wilbur himself has stated that the Indian boarding-school system was unsatisfactory. Commissioner Rhoads has failed to approve of this system, as indicated in his annual report for 1931. The educational results of the Indian boarding schools are far inferior to the results obtained where Indian children are placed in day schools.

Mr. President, in my opinion, economies of from $3,000,000 to $5,000,000 are easily to be obtained if the boarding-school system be changed to the day-school system. Of course that can not be accomplished in a day or in a year, but the superior results that flow from the day-school system ought to compel the adoption of that policy at the earliest practicable date.

The Senate has amended the present bill by providing that $500,000 carried in the bill for schools be transferred from the boarding-school category for use in Indian day schools. This amendment did not change the total amount provided in the bill for schools. I shall suggest an amendment reducing the total amount for schools $500,000.

If this amendment be adopted it would not mean that fewer children would be afforded school facilities, but it contemplates that a number of the boarding schools, with their waste, extravagance, and unsatisfactory results, be closed, and the Indian pupils transferred to day schools. This proposal, I am advised, was not objectionable to Doctor Ryan and the educational staff of the Indian Bureau, when they were considering the estimates for the bureau for the coming fiscal year. Indeed, I am advised that they were prepared to recommend it. For some reason, however, the proposal was not transmitted to Congress.

THE BOARDING SCHOOLS CONDEMNED AS EDUCATIONAL INSTITUTIONS

I referred a few minutes ago to the report known as the Meriam report, prepared by Doctor Meriam, Doctor Ryan, and other eminent specialists at the request of Doctor Work when Secretary of the Interior. Doctor Ryan, as I understand, wrote the section of the book dealing with education. I might add that there were eight members of the survey staff and all concurred in the report. In the report Doctor Ryan discusses the undesirable effects of "routinization," and states that—

the whole machinery of the boarding school and agency life works against the kind of initiative and independence the development of which should be the chief concern of Indian education in and out of school.

The report, I submit, is a criticism of the boarding-school system.

Mr. President, I shall not take the time to read from the report, but ask that a number of excerpts from pages 351, 403, and 407 be inserted in the RECORD without reading.

The VICE PRESIDENT. Without objection, it is so ordered.

Undesirable effects of routinization: The whole machinery of routinized boarding-school and agency life works against the kind of initiative and independence the development of which should be the chief concern of Indian education in and out of school. What all wish for is Indians who can take their place as independent citizens. The routinization characteristic of the boarding schools, with everything scheduled, no time left to be used at one's own initiative, every movement determined by a signal or an order, leads just the other way. It symbolizes a manner of treating Indians which will have to be abandoned if Indians, children and adults alike, are ever to become self-reliant members of the American community. (Page 351.)

Place of the non-reservation school: Whatever the necessity may once have been, the philosophy underlying the establishment of Indian boarding schools, that the way to "civilize" the Indian is to take Indian children, even very young children, as completely as possible away from their home and family life, is at variance with modern views of education and social work, which regard home and family as essential social institutions from which it is generally undesirable to uproot children. "One who has observed the devasting effect of the large congregate institution or of the crowded classroom upon the personality of children," says a leading authority on social case work, "begins to understand somewhat better the relation of natural ties, of affection and undivided attention to the normal development of the human being." This is particularly true of the nonreservation boarding school. (Page 403.)

Reservation boarding schools: Many of the statements just made with regard to the nonreservation boarding schools apply to the boarding schools on the reservation, except that not quite such large numbers are involved, and the schools are somewhat nearer to the homes of the Indians. Both of these advantages are offset, however, by the fact that recently the reservation boarding schools have become in some cases as large and unwieldy as many of the nonreservation schools, with even greater lacks in trained teachers and other workers, especially because of their isolation, and the children are often so far away from their homes that there is almost as little opportunity for maintaining family life as in the nonreservation school. A Navajo pupil at Keams Canyon or Tuba City, for example, is, for all practical purposes if not actually, farther away from his home than if he were a Chippewa or a Sioux Indian at Pipestone, Flandreau, or any one of the smaller nonreservation schools in Minnesota or the Dakotas. (P. 407.)

Mr. KING. Mr. President, I desire to read a few lines from Commissioner Rhoads's annual report for the last fiscal year:

The basic Indian Service educational problem is to work over from a more or less conventional institutional conception of education to one that is local and individual. It means abandoning boarding schools wherever possible, eliminating small children from the larger boarding schools, setting up day schools, or making arrangements with local public schools to receive these children, providing the necessary family follow-up for such children.

Mr. President, the views expressed by Commissioner Rhoads are critical of the boarding-school system and support Doctor Ryan's position. The Indian boarding-school system has largely failed in its object. It has not educated the Indians or prepared them for the responsibilities of life or equipped them for citizenship. It has atrophied rather than developed initiative, and has left the Indian children undeveloped, unschooled, unprepared for life, and filled with apprehensions and uncertainties. The day schools have proven more satisfactory, and in many places where Indian children have attended public schools controlled by the whites my information is that they made excellent progress and demonstrated capacity to adapt themselves to their environment and also showed qualities for development and for the assumption of the duties and responsibilities of our industrial life. Commissioner Rhoads further states that:

The same sum of money that is required for 100 children of elementary-school age in a boarding school will provide an adequate educational program, including necessary food, clothing, and follow-up service, for at least half as many more if expended in the local community, and with better ultimate results. * * * It is both better economy and better education to leave the children in their own homes.

Mr. President, in the light of these statements by Doctor Ryan and Commissioner Rhoads, I insist that the Indian Bureau is not discharging its duty to the Indians when it demands the continuation of all boarding schools and refuses to adopt a policy which it is conceded will secure the best results to the Indians.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. NORRIS. Can the Senator give us any information about the number of boarding schools, the number of attendants, where the schools are located, and what they cost?

Mr. KING. The bill carries appropriations in excess of $10,000,000 for boarding schools, 75 per cent of which are Government boarding schools and the remainder private boarding schools subsidized by the bureau. There are 6,268 Indian children in boarding schools operated by missionary societies and 21,258 in the Indian boarding schools operated by the bureau. Accepting the statement of Commissioner Rhoads, if the boarding schools were abolished, all Indian children could be cared for and better results obtained, and there would be a saving of at least $3,000,000 a year. Secretary Wilbur suggested to the Senate committee, as I have before stated, that six boarding schools be eliminated and the 1,355 children placed in day schools. This would result in a gross saving of at least $551,730 per annum, and a net saving of $348,480 would be effected, allowing $150 per capita to meet the costs in the day schools. On examining the Budget for 1933 I find that in the 29 nonreservation boarding schools as distinct from more than 40 boarding schools on reservations, there is an attendance of 11,100 children. These 29 nonreservation boarding schools have, or will have in 1933, according to the bureau's plans as revealed in the Budget, 552 teachers, 43 doctors and nurses, and 887 other full-time employees who are not teachers, doctors, or nurses. The Budget also indicates that $115,732 is required for temporary employees, which would represent the whole-time employment of 100 noneducational

employees. This means that the total of noneducational employees in the 29 boarding schools would be 987.

COMPARISON WITH PUBLIC-SCHOOL COSTS

I presented to the Appropriations Committee a statement of the educational costs in three States—Oklahoma, Utah, and California—the data being supplied by the United States Bureau of Education. I ask consent to insert in the RECORD a portion of the statement which I made before the committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

PER CAPITA COSTS OF PUBLIC SCHOOLS IN CERTAIN STATES

The next is per capita costs of public schools in certain States as furnished by the United States Bureau of Education. The expenditures include all public, elementary, and high schools, current investment and capital outlay for the fiscal year 1929–30.

OKLAHOMA

Total expenditure	$32,802,115
Number of children	582,650
Per capita expenditure	$48.05

UTAH

Total expenditure	$11,606,332
Number of children	138,046
Per capita expenditure	$84.08

CALIFORNIA

Total expenditure	$146,942,836
Number of children	1,068,583
Per capita expenditure	$137.49

The Indian Bureau boarding-school costs are nine times the public-school cost of Oklahoma, five times the public-school costs of Utah, and three times the public-school costs of California.

The Indian Bureau salary costs in the Government schools apart from food, clothing, heat, light, transportation of children, maintenance of structures, and capital outlay, are, on a per capita basis, four times the total costs in Oklahoma for salaries, transportation, current expenses, and capital outlay of all elementary and high schools, and are 2.3 times greater than the expenditures of Utah, including building maintenance, transportation, and capital outlay; and are 9 per cent greater than the expenditures of California for salaries, capital outlay, etc.

Mr. KING. I ask permission to insert in the RECORD at this point a tabulation of costs and personnel in the Indian Bureau schools.

The VICE PRESIDENT. Without objection, that order is made.

The table referred to is as follows:

Indian Bureau schools—Statistics of costs and of employed forces—Comparison of Indian Bureau school costs with public-school costs in Oklahoma, Utah, and California

I

Total Indian Bureau school costs on a per capita basis of Indian children in the schools (exclusive of tuition paid to public schools and mission schools); salary costs on per capita basis of school attendance; ratio of Government employees to children in schools:	
Average per capita cost of boarding schools as per the 1933 Budget estimates	$429
Total salaries, fiscal year 1930	$3,983,688
Total salaries, fiscal year 1931	$4,328,852
Salary estimates, fiscal year 1933	$4,838,178
School employees in 1930	2,600
School employees provided for in estimate for 1933	3,033
Number of children in Government boarding and day schools (1931 report of commissioner)	24,981
Salary costs, 1933 estimates, on per capita basis of school attendance	$194
Ratio of Government employees to children in schools	1 to 8.2
(1 Government employee for every 8.2 children.)	
Percentage of salary increase, fiscal year 1930 to the estimates for fiscal year 1933	21.23
Percentage increase in the number of school employees, fiscal year 1931, to the estimates for fiscal year 1933	16.6

Mr. KING. Mr. President, as shown by the foregoing, the total average per capita cost of the boarding schools for 1933, according to the Budget estimates, is $429; and the total salaries in 1930 for the bureau's school employees was $3,983,688. With substantially the same number of pupils, the salaries for the year 1933 are raised to $4,838,178, or nearly $1,000,000. The number of school employees in the same schools in 1930 was 2,600, but for the coming fiscal year there will be 3,033, an increase of more than 400. Further replying to the Senator from Nebraska, for I have not fully answered his question, the number of Indian children in the Government boarding schools and day schools, according to the Indian Commissioner's report for 1931, was 24,981. According to the estimates for 1933, the salary cost will amount to $194 for each Indian pupil. As heretofore stated, the ratio of Government employees to the children in these schools is 1 to 8.2; that is, 1 employee to every 8 children. The percentage of salary increase in connection with the boarding schools, from 1930 to 1931, is 21.23 per cent and the percentage of increase in the number of school employees during the same period is 16.6 per cent.

It now becomes apparent what disposition is made of the greater part of the appropriations made ostensibly for the benefit of the Indians. I want to emphasize the fact—at the expense of being charged with repetition—that the bureau seems to be more concerned in finding jobs for its army of employees and increasing their salaries than in wisely and economically expending the huge sums appropriated by Congress in the interest of and for the advancement of the wards of the Government.

KIDNAPING FOR BOARDING SCHOOLS CONTINUES

While on the subject of Indian boarding schools I invite attention to the continued coercive methods, including the kidnaping of children, employed to fill the boarding schools. In discussing the Indian appropriation bill a year ago I denounced the cruel, not to say wicked, course pursued by bureau officials in seizing and carrying away by force Indian children pupils in boarding schools hundreds of miles distant from the homes of their parents. The kidnaping of Indian children in order to place them in boarding schools, and the use of other illegal and inhuman methods of coercion to crowd these schools beyond their physical capacity, was established by incontrovertible evidence and detailed by Dane Coolidge, the author, and placed in the record of the Senate Indian investigating committee on January 30, 1931, during the investigation of Herbert J. Hagerman. I also placed some of these facts and the statement of Mr. Coolidge in the RECORD during the course of my remarks on the Indian appropriation bill a year ago.

Accompanying Mr. Coolidge's affidavit was a memorandum by Chauncey S. Goodrich, of San Francisco, an authority on Indian law, citing the act of Congress and the opinion of the United States court construing it, the act and the court's decision constituting a direct and sweeping prohibition against the use of coercion in order to place Indian children in boarding schools away from their reservations. So far as I can learn, there has been no denial of the statement of Mr. Coolidge or the statement which I made in the Senate by Mr. Hagerman or Commissioner Rhoads or any other person. After the exposures before the Frazier committee Commissioner Rhoads notified the Indian Bureau officials that they were to refrain from kidnaping Indian children. His communication was dated February 7, 1931. The general public and those interested in the Indians were reassured by this very proper position taken by the commissioner. I regret to state, however, that the commissioner's direction has not been followed. Mr. Roy Nash, field representative of the Commissioner of Indian Affairs, submitted a report dated February 27 of this year which states that at a meeting at the Leupp School in Arizona on February 20 last a Navajo woman appeared and declared that she had been two weeks or more on the trail coming from her home. I might add that this was in the midst of the series of blizzards which visited the Navajo Reservation during the past winter. She stated to Mr. Nash that she had sought her daughter—7 years of age—who had been kidnaped and taken to some boarding school. In the report made by Mr. Nash he states:

* * * she had been struck on the head by a gun or a revolver of a stockman of Tuba City * * *

I have a copy of the report of Mr. Nash but do not ask to have it inserted in the RECORD. The report, however, in substance states that Mr. Nash found through investigation that this Indian woman is the mother of four children and

the owner of 2,000 sheep and goats; that she resisted the taking of her children to Government boarding schools, whereupon Superintendent Chester L. Walker, of the Western Navajo Agency, sent an Indian assistant farmer, a delegate to the Navajo Tribal Council, to secure two of the children. The mother refused to surrender them, and thereupon Superintendent Walker directed a white stockman named Church, employed on the reservation, to go with Begay, an Indian, to secure the children and take them to the place ordered. These Government officials went to the home of the mother and found the children hiding out. However, an aged aunt was caught and placed in an automobile by force. The children's grandmother was then forcibly placed in the automobile and the mother of the children secured by force and also taken to the automobile. The mother struggled and cried out, asking why they did not shoot her at once. These women were then taken to the headquarters of Superintendent Walker at Tuba City and locked up. The following day Mr. Church returned to the mother's home, where the children were then found. He seized one of the children, aged 7, and carried her to Tuba City. Superintendent Walker then shipped the child to the Fort Apache Boarding School, 250 miles away—a school, using the language of Mr. Nash—

* * * which seems to be cordially hated by most Navajos.

The mother and grandmother were kept in jail a week, then released and driven part way home by the stockman, and dumped out into the snow. Quoting from Mr. Nash's report, I read as follows:

Having successfully captured the baby, Superintendent Walker renewed his efforts to bring in the (older) boy. Somewhere about February 1, the boy being in hiding and the mother having gone south to find her (younger) child, the stockman ordered the grandmother and the mother's brother to report at the agency. They came in and were arrested as hostages until such time as the boy should be delivered up. The old woman was confined in the hospital and the man put at compulsory labor. They were under arrest when I arrived at Tuba City.

Mr. Nash summarizes:

There never was a clearer issue. The 7-year-old kidnaped and sent to the Fort Apache school against her mother's consent and while her mother was in jail.

In order to compel the surrender of her son, an uncle and grandmother were placed under arrest. Do not forget that these old people were taken from their hogan in the middle of the worst winter in the history of the Navajo country, leaving their 2,000 head of sheep and goats to be cared for by two girls and a decrepit aunt, aged 67.

The actions of his stockman and policeman are defended, justified, and were ordered by Superintendent Walker.

Such was Inspector Nash's report forwarded to Commissioner Rhoads February 27.

THE ACTION BY COMMISSIONER RHOADS

On March 1 Commissioner Rhoads took action. What action did he take?

I submit a copy of the commissioner's telegram in order that Senators may be apprised of the course which he pursued. Instead of reprimanding and then discharging Mr. Walker for his cruel and inhuman course, the commissioner, it would seem, condoned the same. His telegram is as follows:

WASHINGTON, D. C., *March 1, 1932.*

WALKER,
Superintendent, Tuba City, Ariz.:

Re Nash report and your letter 23d, you know our wish to leave responsibility in hands local superintendent wherever possible. In this instance, however, you have apparently overlooked present policy as represented letter of February 7, 1931, and page 11, commissioner's 1931 report, which is specifically opposed to dragging-in method of enrollment. Recent interest of Navajos themselves in education of their children seems to indicate best results can be obtained without undue compulsion. We wish Navajos to think of schooling as opportunity rather than punishment. You are, therefore, instructed to free adults held as hostages in this case, return them safely to their homes, and to return the girl Guy from Fort Apache to her mother. If you wish to announce this as your own decision following new instructions on policy from the office rather than as Washington's decision, you are at liberty to do so. Take action immediately.

RHOADS.

Senators will observe that there is no reprimand, no condemnation, no disciplinary action. The commissioner used this gentle language:

* * * In this instance, however, you have apparently overlooked present policy. * * *

And the superintendent was given full authority to conceal the commissioner's telegram and to declare to the world that he, the superintendent, in the plenitude of his own mercy, released from jail two helpless women and returned the girl who had been kidnaped from Fort Apache Boarding School, 250 miles away, to her mother's home.

OTHER FORMS OF COERCION USED

The record discloses that there are other methods aside from kidnaping employed to force Indian children into boarding schools—methods which have been forbidden by Congress and condemned by courts. An affidavit by one of the Paiute Indians of Oregon, made on October 20 last, refers to the withholding of rations due sick and crippled parents as a means of forcing their children into boarding schools. This affidavit was transmitted by Rev. Peter Hemel, of Burns, Oreg., to the Frazier Committee. It states that the superintendent of a certain reservation, as well as the local teacher, promised rations to an Indian and his family if their children were sent to the Warm Springs School, 200 miles away. The affidavit further states that rations were refused to a certain Indian and his family, and he was told that they might starve unless his children were sent to a boarding school. The affidavit further states that " we are forced to send our children away from home," and then the affiant asks, "Are we treated like free citizens of this country? "

PROPOSED CUTS IN TRIBAL FUND APPROPRIATIONS

Mr. President, I call attention to the proposed cuts in the tribal fund appropriations. By way of introduction in this matter I refer to the report submitted by the Frazier investigating committee dated December 21, 1931, which deals with the Mescalero-Apache Reservation, and particularly to the tabulation on page 5 showing per capita costs at reservations where tribal funds were used for agency maintenance, which includes, of course, the payment of salaries of bureau employees. This report refers to reservations where the per capita expenditure is more than $300 a year as at the Mescalero-Apache Reservation and also shows what gratuities were expended in addition to tribal funds. It proves that on those reservations where tribal funds were paid, the per capita cost was greatly in excess of the per capita costs upon reservations where the Indian agency received no tribal funds but obtained gratuities alone.

As stated, the tribal appropriations might be eliminated from the bill or greatly reduced and still the reservations in question would receive gratuitous service on a per capita basis in excess of the average for the reservations as a whole. This report, as well as other available facts, demonstrates that tribal funds are absorbed by the bureau in meeting its expenses, and, in addition, it obtains gratuities from the Treasury of the United States, and the record thus shows that where there are large tribal funds the expenses of the bureau, with respect to some reservations, are many times greater than the expenses at reservations having no tribal funds and depending entirely upon gratuities. An analysis of the expenditures of the bureau for the fiscal year 1931, which is one year later than the analysis published by the Frazier investigating committee in the report just mentioned, shows large and, indeed, extravagant expenditures upon those reservations where not only tribal funds but gratuity appropriations are utilized. These data are found in a tabulation appearing in the House hearings on the Interior Department appropriation bill for 1933, showing the total expenditures of the bureau for the fiscal year 1931.

In making a comparison between bureau costs at various reservations it is necessary to deduct the overhead cost

which is service in behalf of all reservations. Allowing for this deduction, the total expenditures, gratuities plus reimbursables but exclusive of tribal funds, for 1931, amounted to $18,385,675, which on a basis of 193,213 Indians under Federal jurisdiction gives a per capita expenditure of $95.

In determining the per capita expenditures of the reservations whose names I shall give, and where tribal funds are used in addition to gratuities, I have taken the financial figures from the department's tabulation for the fiscal year ending June 30, 1931. The population totals are those given in the annual report of the Commissioner of Indian Affairs. It states the total number of Indians residing upon the various reservations in 1931.

BUREAU EXTRAVAGANCES WITH TRIBAL FUNDS

Fort Apache, Ariz., total expenditure was $375,875, of which $141,636 were from the tribal funds; the per capita total therefore was $141.

The total expenditure for the San Carlos, Ariz., reservation was $276,701, of which $111,787 were obtained from tribal funds. The total per capita was $113.

On the Mescalero Apache Reservation the total expenditure was $206,596, of which $63,813 was taken from the tribal funds. Here the per capita expenditure was $304.

Jicarilla Apache, N. Mex.: Total expenditure, $212,040; taken from tribal fund, $113,895; total per capita, $329.

Fort Hall, Idaho: Total expenditure, $246,106; taken from tribal fund, $62,688; total per capita, $154.

Flathead, Mont.: Total expenditure, $521,741; taken from tribal fund, $103,362; total per capita, $145.

Osage, Okla.: Total expenditure, $342,970; taken from tribal fund, $342,723; total per capita, $192.

Klamath, Oreg.: Total expenditure, $268,337; taken from tribal fund, $261,750; total per capita, $254.

Cheyenne River, S. Dak.: Total expenditure, $295,202; taken from tribal fund, $188,792, and expended under treaty, $52,702; total per capita, $111.

Yakima, Wash.: Total expenditure, $500,682; taken from tribal fund, $291,738; total per capita, $214.

To show the contrast where tribal funds are used, I call attention to the per capita expenditures at some reservations where only gratuities are available. The figures relate to the fiscal year 1930 and are taken from the Frazier report on the Mescalero Reservation and on tribal funds. The New Mexico pueblo per capita total is $37.40, and the total for California Indians, outside of Yuma, amounts to $24.55. Upon the Pima Reservation, Ariz. (exclusive of the costs of the San Carlos irrigation system), the per capita expenditures amount to $42.50. The per capita expenditures for the Papagoes of Arizona are but $16.21. These and other figures which might be submitted conclusively establish the inequalities and the extravagances resulting from the use of tribal funds for agency support at various reservations; they show that upon those reservations where there are large tribal funds the per capita expenditures in connection with bureau administration are very much greater than the expenditures upon those reservations where the bureau costs are met out of the Treasury of the United States. It appears that the per capita expenditures at reservations where large tribal funds are used are in every case much higher than the average expenditures for the service as a whole, and in some cases more than three times as high. As a matter of fact, comparing the expenditures upon the Jicarilla Reservation with those upon the Papago Reservation, the expenditures are twenty times as great. On certain of the reservations where large timber sales were being conducted a per capita somewhat higher than the average was justified in 1931; but this factor did not even contribute to the excessive cost at the San Carlos, Fort Hall, and Osage Reservations, or, indeed, in any substantial measure except at Klamath, although even at the latter reservation timber sales have now practically ceased.

From these facts it is clear that large reductions are not only possible but should be made at these reservations. Unless the Budget estimates and the bill before us are to be reconstructed in their entirety, it will be impossible to provide in the bill before us the specific economies in gratuity items, owing to the fact that the gratuities are not segregated by reservations. Hence, I suggest that economies would be achieved by amending the bill in the following particulars: Reduce the appropriations of tribal funds to agencies 25 per cent; the amendments to be made beginning at page 55, line 12, through page 57, line 23; likewise 25 per cent of the $75,000 item appearing on page 58, line 3, with a coordinate reduction of the $45,000 reduction on page 58, line 9, thus reducing the item to $33,000. Also deduct $25,000 from the item of $150,000 appropriated for the Osage Agency, page 59, line 18.

IRRIGATION AND RECLAMATION

Mr. President, it would consume too much time of the Senate to properly present the facts relating to the irrigation and reclamation projects controlled by the Indian Bureau. Perhaps the most glaring and inexcusable wastes in the Indian Bureau are those in its irrigation and reclamation divisions, and the Indians are compelled to bear the burden resulting from the bureau's maladministration and inefficiency. I presented to the Appropriation Committee a few days ago some facts relating to this subject, and I am glad to know that the committee accepted in part at least some amendments suggested by me and reduced the total appropriations carried for irrigation and reclamation approximately $425,000. My recommended reductions totaled $926,323. A year ago when the Indian appropriation bill was under consideration I discussed at some length this question and quoted from the Preston-Engle report in support of the criticisms which I made of the inexcusable waste and the unsound policies of the bureau.

Senators will recall that when Doctor Work was Secretary of the Interior he appointed a commission, consisting of Porter J. Preston, engineer of the Bureau of Reclamation; C. A. Engle, supervising engineer of the Bureau of Indian Affairs; and Mr. Ray P. Teele, economist of the Department of Agriculture, to make a survey of the irrigation projects on Indian reservations. The commission was deprived of the services of Mr. Teele on account of his death. The commission was required to study and report upon construction costs, operation and maintenance cost, and returns, failure to make repayments to the Government of invested capital, the utilization being made of lands by the Indians and purchases of Indian allotments, and receipts of money from the sale of Indian allotments, the water supply, soil fertility, and all other questions involving the feasibility of reclaiming lands on Indian projects. The instructions given the commission will be found in part 6 of the hearings of the Frazier committee, beginning at page 2241.

The two engineers made an exhaustive study of all the matters referred to them by Doctor Work and submitted a voluminous report, consisting of more than 500 pages of closely printed matter. No one has questioned the fairness or accuracy of the report; and, so far as I can learn, the engineers were temperate in their criticisms of the bureau's activities in connection with these projects. They made many recommendations which should have been promptly followed, condemning various projects as wholly unfeasible and urging their abandonment, and recommending with respect to a number of the projects that they should be transferred to the control of the Reclamation Bureau of the Interior Department.

It is not creditable to the Department of the Interior and the Indian Bureau that this report was locked up and was not brought to the light of day until the Frazier committee secured possession of the same. It was then published as a part of the hearings of the Indian investigating committee, volume 6. This report, of course, should have been promptly submitted to Congress to aid it in dealing with the matters to which it referred, but as stated, it was withheld from Congress until the Frazier committee published it; but in the meantime the Indian Bureau continued to request and obtain large appropriations which it expended upon projects which should have been abandoned, and upon other irrigation and reclamation schemes that were unsound and that should have been reorganized and brought

within proper limits. The Indian Bureau ignored the report and continued its wasteful and unsound policy which resulted in the expenditure of millions of dollars upon irrigation schemes many of which were of no value to the Indians, and others which, if they possessed any merit, were of but little or no value to the Indians but were rather for the benefit of white settlers.

It is unfortunate that the Preston-Engle report has received so little attention at the hands of Congress; and the conduct of the Indian Bureau in withholding the report and practically ignoring its recommendations can not be approved. If time permitted I should be glad to examine in some detail this report and the recommendations made and the criticisms offered concerning the irrigation projects to which it is directed. I shall, however, submit some facts as shown by the report, and also elaborated and brought up to date as a result of the hearings before the Appropriations Committees of Congress and the Annual Reports of the Commissioner of Indian Affairs, as well as the printed hearings of the Frazier investigation committee. I shall not attempt to deal with all of the projects for which appropriations are carried in this bill, but with a limited number of those which are typical of other projects and reveal the policies and operations of the Indian Bureau, and for that purpose.

I shall trespass upon the time of the Senate to present some facts appearing in the report as well as in the hearings before the House and Senate committees. The House hearings on the entire bill for 1933 (pp. 321–333) contain tables of costs and other data relating to this matter. I have summarized these tabulations and prefaced the summary with a statement that the Indian Bureau, by omitting costs of leveling and preparing the land, greatly understates the total of the gross and of the net cost of the irrigation projects; further, that the bureau, in its statement of the values of land not irrigated, has continued to inflate its figures regardless of the errors and exaggerations pointed out by the Preston-Engle Commission. These tables also show that the bureau claims credit for anciently built irrigation systems of the Pueblos which the Indians themselves not only constructed but continue to operate and maintain, and which are shown to be the most successful of the Indian irrigation systems. I submit the following tabulation:

Total result of Indian Bureau reclamation

1. Total cost of the bureau's irrigation projects, exclusive of overhead, to June 30, 1931		$49,793,954.00
2. Administrative overhead, computed at 5.3 per cent of the total of costs other than overhead, in accordance with the actual percentage in the fiscal year 1931, as stated on page 22 of the commissioner's report for 1931		$2,639,079.00
Grand total, irrigation costs		$52,434,033.00
3. Total repayments on construction and on operation and maintenance		$5,774,282.00
4. Net cost to the United States		$46,689,751.00
5. Total of above net cost charged against the land under the projects	$44,944,753.00	
Less the remission of debt on the Gila River lands in Arizona, under act of Mar. 4, 1931	1,370,000.00	
Total outstanding charge		$43,574,753.00
6. Total repayment on construction	$1,556,524.00	
Total repayment on operation and maintenance	4,187,558.00	
Total of all repayments to the Government		$5,744,282.00
7. Net Government investment remaining above all repayments		$46,687,751.00
8. Percentage of construction cost which has been repaid		4
9. Percentage of operation and maintenance cost which has been repaid		86
10. Percentage total investment which has been repaid		11.5
11. Gross increase in investment, 1931	$2,577,419.00	
Collections (from construction and O. & M.) in 1931	574,000	
Net increase of investment in 1931		$2,003,419.00
12. Total acreage irrigated in 1931		421,523
Net cost to the Government for each irrigated acre	$110.70	
Private cost for clearing, leveling, etc., for each irrigated acre	30.00	
Total cost for each irrigated acre		$140.70
13. Average value of each acre when irrigated		$75.00
(This value is speculative. The bureau claims a value for the Flathead irrigated land, $30; for Crow irrigated land, $50; for Uintah irrigated land, $55; for Shoshone irrigated land, $50. Higher values are claimed for the irrigated land in the southwestern projects. For example, Pueblo irrigated land is stated to be worth $114 on the average, a figure much higher than the appraised value as found by the board of appraisers of the Pueblo Lands Board. The estimate of $75 as the average value of irrigated acres in all projects is generous.)		
14. Value created by the Government's investment (as distinct from private investment in leveling, clearing, etc.)		$18,968,760.00
15. Cost to the Government above the value created by the Government investment		$27,720,991.00

THE BLACKFEET PROJECT, MONTANA

I call the Senate's attention to the Blackfeet project not because it is the worst example among the bureau's projects but because it exemplifies, from the year 1907, when it was fully launched, to the present year, the determination of the bureau to ignore the wishes of the Indians and to persuade Congress to support the bureau's schemes. This project has already cost the Government more than one and one-half million dollars. The net construction costs to June 30, 1931, aggregated $1,131,661. Construction was commenced in 1908, but to date only $28,103 of the construction cost has been repaid to the Government. Net operation and maintenance costs on the date just mentioned totaled $305,422, which represented delinquent operation and maintenance charges. In 20 years only $94,698 were repaid the Government on account of operation and maintenance. The net cost therefore of the project was $1,437,083, which was increased during the fiscal year 1932 by more than $78,000, making the net cost to June 30, 1932, $1,515,083. On June 30, 1931, the estimated cost for the completion of the project was $1,566,226, and the bureau proposed to expend that huge sum for the completion of the project. The total irrigated acreage for the fiscal year 1931 was but 6,694 acres, and of this total the Indians irrigated but 35 acres. The net cost to the Government for each irrigated acre amounted to $215 in 1931, and the value of each acre, when irrigated, as stated by the Indian Bureau, was $60. In other words, each irrigated acre represented an irrigation cost three and six-tenths times greater than the total value of such acre. The bureau reported for the fiscal year 1925 an irrigated acreage upon this project of 6,019 acres, which was 89 per cent of the entire acreage irrigated in 1931. (House appropriation hearings, Interior Department, 1927, p. 138.)

The net cost to the Government in 1925 stood at $1,294,912 as shown on page 133 of the hearings just mentioned. The bureau had increased the irrigated acreage by a total of 229 acres by spending an additional sum of $142,173, at a cost of $621 for each new acre brought under irrigation. The acreage cultivated by the Indians was reduced from 226 acres in 1925 to 35 acres in 1931, as stated.

I should add that dry farming under the project increased upon this as well as other Indian projects. Mr. Dodd, the Budget officer of the bureau, stated to the House Committee on Appropriations, December 21, 1931 (p. 386):

> • • • Considerable difficulty has been encountered in getting the landowners to operate their farms, as cumulative charges made the financing an impossible burden in many cases. • • •

As I have pointed out, the total collections for construction amounted to but $94,698 during the entire life of the project down to 1931, and the entire collections for operation and maintenance were only $28,103. In other words, collections on account of construction plus operation and maintenance for 23 years totaled but 7.9 per cent of the investment. This indicates that the $122,801, being the amount

actually paid by the water users and landowners, was so great a burden as to materially reduce the area irrigated. Such is the statement of the bureau through Mr. Dodds.

Notwithstanding these incontestible facts as to the failure of this project, and the burdens placed upon the Indians and the taxpayers of the United States, the bureau still stubbornly persists in its injurious and foolish course. The bureau officials now ask Congress for $86,000 to be expended upon this project for the year 1933. Unfortunately the House has acceded to the bureau's demands. I am glad to note that the Senate committee has reduced this amount to $41,000, but the bureau has protested violently against the reduction, claiming "that it will not only postpone the final completion and use of the project but will result in voiding some of the work already done."

Mr. President, I protest against the course of the bureau in dealing with this project. It is unfair to the Indians and unjust to the taxpayers of the United States. Congress is, in my opinion, being imposed upon by the bureau. Yet in the face of the Preston-Engle report and the obvious facts showing the project to have been unsound, the bureau still persists in squandering money which the Indians, the taxpayers, or both, will be compelled to meet.

The facts which I have presented have assumed more important significance in the light of the history of this project. The main Blackfeet project, as stated, was launched by the bureau in 1907, and it secured in the act of March 1 of that year an appropriation of $300,000, $100,000 of which was made immediately available for the beginning of the construction work.

The bureau had urged this project for a number of years prior to 1907, but Congress declined to yield to its importunities until it spoke in the act of March 1, 1907. The record in regard to this project is shown in the Preston-Engle report at page 2323. The bureau through its chief engineer informed the Indians that the irrigation system could be constructed and completed "at the modest expenditure of approximately $4 per irrigated acre." By 1931 the irrigation structures had cost $170 per irrigated acre (omitting operation and maintenance costs), or forty-two times the amount which the bureau told the Indians would be the actual cost. The Indians, however, were not convinced by the bureau's representatives. They insisted that their territory, including that which was within the proposed irrigation project, was a cattle country and not a farming country.

Mr. Cody, the bureau engineer, admitted that the physical conditions were "unfavorable," and he reported that the "sentiment was strongly against the proposed canal system." He further stated in his report that—

> There were some 17 speeches made (at the tribal gatherings), out of which there were only 4 favoring the project, the great majority being adverse to having tribal funds so invested. In this council the Indians contended that the Blackfeet Reservation was simply a grass country and sufficient wild hay could be put up each year for winter feeding.

In order to abate the opposition of the Indians to the project, representatives of the bureau stated that if the project were built, they could obtain work in its construction for which they would be paid. These inducements secured the assent of some of the Indians, but the record does not show that the tribe, as an organization, ever withdrew its protest, and from that time up to the present the tribe has continued its protest and is now protesting against the further squandering of money upon this project.

The protest made by the Indians, and the manifest unsoundness of the project resulted in an investigation by a commission appointed by the Commissioner of Indian Affairs in 1914. Mr. W. S. Hanna, who was then and is now a supervising engineer of the bureau, was a member of the commission, but it was a bureau commission investigating the bureau. The zenith of enthusiasm which the commission was able to work up to secure an indorsement of a scheme to continue the enlargement of the project was stated in the following words:

> It is our opinion that in any ordinary season a fairly good crop of hay may be grown on the irrigated land covered by the constructed and projected irrigation work.

Nevertheless the bureau plunged on in the Blackfeet adventure. In 1927, owing to the protests of the Indians as well as others against the irrigation policy of the Indian Bureau, Secretary Work appointed, as I have stated, the Preston-Engle Commission to make a searching investigation of the Indian irrigation projects and of the bureau's general system of reclamation. As above stated, the report was not only critical of the bureau but was a general condemnation of its policy and a specific condemnation of a number of projects upon which it had expended millions of dollars and upon which it was determined to expend tens of millions of dollars more. This report has not only been ignored but treated with contempt by the bureau.

With respect to the Blackfeet project, this commission, as shown on page 2317 of their report, stated:

> In view of the conditions described in our report on this project, particularly in sections 2 and 18 thereof, wherein it is shown, in the judgment of the advisers, that this project presents a hopeless situation for which there is no feasible remedy, and since the continuance of the project can serve only to increase the large loss that eventually will have to be met, it is recommended:
>
> 1. That this project be abandoned at the close of this irrigation season (1926), making such arrangements with lessees and white landowners now on the project as may be equitable.
>
> 2. That in view of the above recommendation none of the money available, or made available for the coming fiscal year, be expended in making permanent improvements until this project shall have received further study by Congress.

Notwithstanding that the project was condemned as hopeless, the present commissioner and his assistant, so far as the record shows, refused to follow the findings. In addition to the Preston-Engle report, the commissioner and his assistant when they took office had before them a report of Mr. John R. Reeves, solicitor of the Indian Bureau, as well as a report by Mr. M. D. Reed, supervising engineer at large of the bureau. These reports are quoted in the House appropriation hearings for 1931 at page 362, and are also given in full in the House appropriation hearings for 1930, pages 1910 to 1916. Mr. Reeves recommended that existing conditions be laid frankly before Congress with a statement to the effect that under present conditions further appropriations for these projects could not be fully justified from an economic standpoint. Mr. Reed, the supervising engineer, stated:

> I believe there is a possibility of rescuing this project from the list of complete failures.

Senators will keep in mind the fact that both Mr. Reed and Mr. Reeves were members of the bureau staff, as well as Mr. Engle, who at the time of making the investigation and in preparing the Preston-Engle report was supervising engineer of the Bureau of Indian Affairs. The report of Mr. Reed in substance stated this "possibility" had nothing to do with engineering, but with the ownership of land. He stated further:

> If the land is to remain in its present ownership, I can see nothing but failure—the loss of the money already expended and the loss of more that would be appropriated to settle claims.

In other words, his position was that the Indians and whites then owning the land must be removed from the land and a new population placed therein, or otherwise the project must continue to be a failure.

Thus the judgments submitted by the bureau and Interior Department officials who investigated the project are practically unanimous in condemning it and urging its abandonment. It seems incredible in the face of these reports that the present commissioner and his assistant could have demanded of Congress appropriations for additional construction at a cost of approximately $225,000,000. Yet such a proposal was submitted, and Congress, relying upon their statements, adopted it. The only technical support, if any, of this unsound, unfair proposition was supplied by the same Mr. W. H. Hanna, a bureau official who examined the project in 1914 and stated that in his opinion "wild hay in favorable seasons might be successfully raised on the Blackfeet project." But Mr. Hanna made no recommendations that additional money be appropriated or spent. His position is stated on page 364 of the House hearings

for 1931, and in order that there may be no misunderstanding as to his position I quote:

Mr. CRAMTON. As I understand it * * * Mr. Hanna was not passing on the question as to the wisdom of continuing the projetc but was making a recommendation as to the best course to follow if we were to continue it.

Mr. HANNA. That was my object.

The Indian Commissioner has continued to ask for appropriations for this project, and, as stated, the Senate Appropriations Committee has now recommended that the $45,000 item for new construction be eliminated from the bill. This action of the committee has incurred the disapproval of the Indian Bureau and apparently is condemned by the Interior Department. Secretary Wilbur had recommended that no cut be made in the Blackfeet appropriation. On the 8th instant he transmitted to Congress the bureau statement to which I have referred, predicting dire results if the new construction at the Blackfeet Reservation should be interrupted. The bureau statement of that date is found at page 7919 of the CONGRESSIONAL RECORD of the 11th instant, and in it these words appear:

Based upon definite recommendations of engineers who made a thorough study of the project * * * a 3-year construction program was initiated on the Blackfeet Reservation in the fiscal year 1931.

Mr. President, this statement, I submit, is not supported by the facts, which show that the bureau is reactionary and is not protecting the Indians and conserving their rights. This seems to indicate that the bureau is chiefly concerned in strengthening and extending its authority and in increasing the number of its employees and adding to their salaries. The so-called new construction program was adopted in 1929, five months after Commissioner Rhoads took office, not on the basis of "definite" recommendations of engineers who made a thorough study of the project but against the recommendations of the engineers. Thus the bureau, which began this project in 1907 by making misleading promises to the Indians and to Congress as to what the Blackfeet project would cost—that is, $4 per acre—now shows a $170 per acre fulfillment; it also continues the improper course in 1932 by making unwarranted statements as to the nature of the engineer's reports, on the basis of which the latest plunge into extravagance and waste on the Blackfeet project was undertaken by the present commissioner.

THE FORT PECK PROJECT, MONTANA

I have given the record and present facts with regard to the Blackfeet project. I now direct attention to the Fort Peck project, which was condemned by the Preston-Engle committee, by the solicitor of the Indian Office and its chief engineer, and by former Assistant Commissioner Merritt, and which was ordered abandoned by Secretary Work and Commissioner Burke in their last year of office.

Commissioner Rhoads and his assistant disregarded these unanimous verdicts of the engineers, reversed the decision of Commissioner Burke and Assistant Commissioner Merritt, and launched into a new construction program on the Fort Peck Reservation during their first year of office.

By way of introduction to this project I quote from the Preston-Engle report, page 2528:

It would be difficult to conceive a more hopeless situation than that presented by the Fort Peck Reservation project. It is the opinion of the advisers that the only possible function this project can serve is that of a monument to the futility of attempting to build an irrigation project without a water supply, and in a country where the necessity for irrigation at all is questionable. The inconsequential results attained as compared with the large expenditures, nearly $1,000,000, present a spectacle that is really appalling and humiliating. The most that can be said in palliation of the mistake of those responsible for this scheme is that this project had its inception in the boom days of western land reclamation, when every tract of desert land was considered a potential Garden of Eden by the land-hungering tide of immigration, and when sound, sober sense and business judgment were temporarily swept aside by unreasoning optimism and enthusiasm.

Notwithstanding the expenditure of nearly $1,000,000 ($941,029.17 to June 30, 1927), there was utilized during the last irrigation season (1927) only 2,730 acres of land, and it is complained that the water supply was insufficient for even this small area, although 1927 is rated as a wet year.

This project, like the Blackfeet project, was bitterly resisted by the Indians, and, as in the case of the Blackfeet Reservation, the Indian Bureau ignored the tribe and treated it with contumely.

The first appropriation for irrigation at Fort Peck was made May 30, 1908. In 1914 the evidence of failure had become so impressive that the Indian Bureau appointed a commission of its own subordinates to investigate. This commission consisted of three reservation superintendents and three Indian Bureau irrigation engineers. It met with 30 Fort Peck Indians, whom it thus characterized:

They can hardly be considered fair representatives of the tribe.

Why the commission did not meet with the whole tribe, which has long been accustomed to gather in regular assemblies, the report does not explain.

The commission proceeds—page 2519:

Some of these Indians objected to initiating construction on new units until it has been demonstrated that those constructed or in course of construction are successful.

Their principal objection to the present policy was that it hypothecated the proceeds from the sale of surplus lands in the construction of irrigation units and leaves no funds with which to meet the necessary expenses incidental to beginning farm operations on a self-supporting basis.

This commission evidently had the same general point of view as that which was voiced by Mr. Code, chief engineer of the Indian Bureau, on October 30, 1909. Mr. Code stated—page 2729:

Justification for expending so large a sum in reclaiming their (Fort Peck Indians) lands could only be on the grounds that it was much better for the Indians and the country at large that their (the Indians') money should be spent in reclaiming the deserts of the West * * * rather than that it should be subsequently doled out to them in cash payment. This, in my opinion, is a strong argument. * * *

At this point I pause to dispose of a favorite Indian Bureau alibi with respect to the Fort Peck and some other projects. This alibi, often quoted in reports and hearings, is to the effect that the Reclamation Service of the Interior Department, not the Indian Office, has been to blame for indefensible extravagances on these Indian projects.

The alibi is destroyed by the report of the Preston-Engle committee, which recites the exact history of the Fort Peck project. In a few words I summarize the facts of record as there exhibited:

(1) The Indian Office, not the Reclamation Service, conceived the project, sponsored it, and got Congress to authorize it.

(2) The Reclamation Service, in this as in a number of projects, acted (until 1924) as construction agent for the Indian Office. Commissioner Burke stated as follows to the House Appropriations Committee (appropriations hearings for 1923, p. 167): "We have our own irrigation service headed by a chief engineer on irrigation, and the only instance in which the Reclamation Service is doing any work on Indian reservations is in the nature of contractors."

Even the presentation to Congress of the Budget requests and Budget justifications was a task of the Indian Bureau, not of the Reclamation Service.

I now pass to the conclusions and recommendations of the Preston-Engle committee, transmitted to the Secretary of the Interior June 8, 1928 (p. 2511):

It is the conclusion of the advisers that the Fort Peck Reservation project presents a hopeless situation because of the inadequacy of the water supply. The streams supplying the various units of the project are small and occasionally are dry at times during the irrigation season. There are no feasible storage sites. The storage already provided is inadequate, unsafe, and excessive in cost.

Although this project represents an expenditure to June 30, 1927, of $941,029.17, there was irrigated during the season of 1927 only 2,730 acres, and it is complained that the water supply was inadequate even for this small acreage, and the Government is confronted by a claim alleging damage to crops as the result of insufficient water.

For the period 1921 to 1927, inclusive, it cost the Government $91,711.71 to operate and maintain this project, and of this amount only $6,775.85, or about 7 per cent, was repaid by water users.

We are firmly convinced that there is no hope for the recovery of any part of the Government's investment in this project, and that any further expenditures will simply be adding to the loss that eventually must be sustained.

It is recommended—

1. That the project be abandoned at the earliest opportunity, and that no further Government funds be expended either in construction or operation and maintenance.

2. That whatever adjustments are equitably required by the terms of existing contracts with lessees and purchasers of Indian lands, and with homesteaders, be made.

3. That all construction repayments heretofore collected from individuals be credited to accrued operation and maintenance charges due from such individuals, or in the event no such operation and maintenance charges are due, that amounts collected on construction assessments be refunded.

4. That, if they desire to do so, the farmers on each of the various units be allowed to operate and maintain the units for their own use and at their own expense.

5. That all equipment and material now carried on the irrigation project inventory, including building and telephone line, be turned over to the superintendent of the reservation for such use as he may have for it.

Following the Preston-Engle findings came two reports in 1928, one by Mr. John R. T. Reeves, solicitor of the Indian Office, and the other by Mr. W. M. Reed, supervising engineer at large of the Indian Office. They are found in the House hearings on the Interior appropriation bill for 1930 (pp. 910-916). Both reports condemn the Fort Peck project without measure and call for its abandonment. The psychology of the whites in the local community is thus characterized by Mr. Reeves:

Apparently they proceed on the theory that the more money spent by the Government the better it will be for the merchants, traders, etc.

Mr. Reeves states in his report that the rainfall at Fort Peck is ample to mature grain under dry-farming methods. Mr. Reeves found that less than 2,000 acres of the project were being irrigated, 1,220 by white owners and 630 by Indian owners. The project to that date had cost the Government and the Indians $954,132.

Mr. Reeves expressly condemned any future construction expenditure. "A million-dollar plant, operated at less than 10 per cent capacity," he stated, "is practically idle."

Chief Engineer Reed was equally decisive in his recommendations. He stated, after a detailed description of the situation at Fort Peck:

My conclusions are that the money already spent by the Government can not be reimbursed and that any more that is spent will also not be reimbursed. * * * The land ownership (at Fort Peck) is 95 per cent against (hostile to) the irrigation project. * * * Congress ought to be informed of the true condition of affairs, that it may take such action as it sees fit.

Thereafter Assistant Commissioner Meritt appeared before the House Subcommittee on Interior Appropriations to make a "definite recommendation." He stated, November 19, 1928:

It has been my view for some years that the Fort Peck irrigation project was not a success and that it never would be a success. * * * I believe that project should be abandoned by the Government, and I have so recommended * * * after that the landowners under the project could * * * form a water-users' association and operate the project as best they can under the circumstances. (House hearings, appropriation bill for 1930, p. 917.)

As I have stated, the new commissioner, taking office in 1929, ignored all of the technical advisers and reversed the policy which his predecessors in office had tardily adopted. He did not even wait to get an appropriation for renewed construction into the regular appropriation bill for the fiscal year 1931 but rushed it into the deficiency bill of March 26, 1930. The appropriation which was secured was $63,000, which included $55,000 for new construction.

Nothing which I might add could have any strengthening effect upon the statements which I have quoted, from the technical committees and from Assistant Commissioner Meritt. I need only add that on June 30, 1931, the net cost of the Fort Peck project stood at $1,006,065. The total repayments on construction, plus operation and maintenance, in 21 years since the project was commenced, had been $34,834. The total irrigated acreage was 3,434, and the net cost to the Government for each irrigated acre amounted to $296.

There is much evidence before the Frazier committee, as well as before other committees of the House and Senate, that appropriations have often been recommended by the bureau and made by Congress, at the request of white communities, when it was clear that the appropriations were not in the interest of the Indians but were in part designed to furnish employment to white communities. A number of schools have been maintained because of the pressure of commercial and other organizations, based upon the view that spending large sums of money by the Government for boarding schools and for Indian activities would be beneficial to white communities upon or near Indian reservations or Indian boarding schools. The statement concerning the Fort Peck irrigation project made by Mr. Reeves, solicitor of the Indian Office, conclusively supports this view. Let me repeat his statement, because it throws light upon the propaganda and pressure in behalf of appropriations for the alleged benefit of the Indians:

Apparently they (the white local communities) proceed on the theory that the more money spent by the Government the better it will be for the merchants.

THE CROW PROJECT, MONTANA

Mr. President, I shall briefly refer to the Crow irrigation project. I have selected this project because it is one of the projects where the costs have been chiefly met from Indian tribal funds, not from the Treasury of the United States. There are other examples such as the Uintah Reservation, the Klamath, the Shoshone, and the San Carlos Apache projects. The net cost of the Crow project down to and including the year 1931 amounted to $2,826,218. At that date the irrigated acreage had been reduced from 35,298 acres in 1928 to 20,602 acres, though the net cost in these three years had increased $62,221. The cost of each irrigated acre owned by an Indian, whether farmed by the Indian himself or leased to white persons, amounted to $220. These figures are exclusive of private investment in clearing and leveling lands. All moneys expended for this project, both for construction and for operation and maintenance, prior to June 30, 1923, were taken from the Crow tribal fund. This project has been described as one which was tantamount to a raid upon the tribal funds of the Crow Indians. The Preston-Engle committee, at page 2381 of their report, states that the greater part of the money taken from the tribal fund is not even theoretically collectible. In other words, the Crow Tribe has been deprived of considerably more than one and one-half million dollars.

It is conceded by all that white landowners upon the Crow project, as well as other Indian irrigation projects, have been beneficiaries of tribal-fund expenditures as well as gratuities paid from the Treasury of the United States. As evidence of the indifference if not carelessness of Congress, as well as of the Indian Bureau, in dealing with tribal funds and protecting the rights of the Indians, I call attention to the act of Congress of May 26, 1926, which canceled the indebtedness of land owners under this project, to the Crow tribe, amounting to $1,978,934. As I have indicated, the Crow irrigation system was built from moneys taken from the Crow tribal fund. There was waste and extravagance in connection with this project. As a basis for action by the Indian Bureau a form of consent had been obtained from the tribe, through an agreement between it and the Government, which received congressional approval by law enacted March 3, 1891. (26 Stat. 104.) This agreement, dealing with the cession of the Crow lands to the United States, provided that $200,000 of the purchase price paid to the Government was to be used for irrigation. Thereafter, Crow tribal funds were taken in connection with this project until nearly $2,000,000 had been expended on construction and more than $600,000 for operation and maintenance. Congress in appropriating Crow funds prior to 1918 made no provision for reimbursement to the tribe, but the appropriations subsequent to May 28, 1918, were made reimbursable to it.

Mr. President, in my opinion the Crow Indians were not fairly dealt with in this transaction, and I do not understand the representations made by the Government or the consequences of the agreement to which I have referred. In 1926 a delegation from the Crow tribe visited Washington, and through some influence it was persuaded to accept and

support a bill the language of which was obscure and peculiar, but whose effects, as subsequently construed by the Interior Department, resulted in the cancellation of the debt to the tribe in the amount stated by $1,978,934. However the Government did not make provision for reimbursement and assumed no liability to repay the tribe for money which had been taken from their funds.

My information is that recently a measure has been prepared by the Interior Department and is now being considered, calling for an indorsement by the Crow tribe of the transactions referred to, which, if enacted into law, would cancel all operation and maintenance charges which have been paid from tribal funds, amounting to more than $600,000. This proposition, Mr. President, I consider unjust to the Indians. These cancellations would be justifiable only if the Indians were to receive reimbursements from the United States or from other sources, on account of the large sums of which they have been deprived. It is claimed, however, that the act of May 26, 1926, was an unconditional cancellation, and that the proposed bill affecting operation and maintenance is an unconditional cancellation. As a result, the Crow Indians, believing that they have been unjustly treated, are seeking redress from the United States and, as I am informed, are preparing to enter suit in the Court of Claims to recover approximately $2,000,000, the amount taken from their tribal fund for irrigation construction. It is to be expected that these Indians whose lands are thus oppressed with debt, which they allege was without their consent and in violation of trust patents, should desire relief from the burden imposed upon them. In my opinion the United States should not insist upon a course which has proven so injurious and has deprived them of more than $2,000,000 of their tribal funds.

I should add that the total reimbursements on account of construction, from the beginning of the project through 1931, is only $10,026. The Preston-Engle report states that the crop yield when irrigation is employed does not average in excess of $2 an acre more than when the lands are not irrigated. This fact shows the unsoundness of this project and the unjustifiable burden placed upon the Indian tribe. This same report describes the waste and extravagance of the Indian Bureau in the construction, operation, and maintenance of Indian projects, and the use of padded statistics by the bureau to bolster up its claims and fortify its demands for continued expenditures. Without reading I ask permission to insert in the RECORD as part of my remarks a few paragraphs from the Preston-Engle report.

The VICE PRESIDENT. Without objection, it is so ordered.

Wasteful construction: Money for the construction and for the operation and maintenance of the irrigation works on the Crow Indian Reservation has been taken almost entirely from the Crow tribal fund, the appropriation from the fund being authorized by Congress. It seems apparent that whoever is responsible for the construction and maintenance of this project must have considered that the Crow tribal fund is inexhaustible, as money has been spent with a lavish hand, and seemingly with no thought as to whether the investment in irrigation works can ever be repaid by the lands included in the project. The most noticeable and regrettable feature of this project is the large number and great variety of unnecessarily complicated and excessively expensive concrete structures, many of which in our judgment are unnecessary and only add to the difficulties and expense of operating and maintaining the project. The cost of some of these structures, as given by the project engineer, is so appalling and amazing as to be almost unbelievable. In certain instances it is inconceivable, even after making every possible allowance for complicated designs involving intricate and difficult form work, long haul of materials, high-priced labor, and unsatisfactory weather conditions, how so much money could have been spent on some of these canal structures. As indicating the excessive cost of some of these structures, attention might be called to those on the Lodge Grass Canals. The cost of several concrete drops that were examined on this canal, as given us by the project engineer, much to our surprise, is slightly over $1,100 each. Ordinarily such structures are built for $150 to $300 each.

In many instances, in our judgment, as on the Lodge Grass and other small canals, many massive concrete structures have been built where there is no need for them, particularly if the canals and laterals had been properly located and the work adapted to local topographic and geologic conditions.

In many instances, the design of concrete structures is unnecessarily complicated, involving much difficult and expensive form work. Simple and approved styles and types have, in many cases, been discarded for the complicated and unusual, regardless of cost. As an example, the ordinary foot plank has in some cases been displaced by the more artistic and much more expensive reinforced concrete archtype footbridge.

* * * Several water users charge there has been criminally wasteful expenditure of funds in building many useless and unnecessary structures. * * *

FORT BELKNAP PROJECT, MONTANA

Mr. KING. Mr. President, I shall briefly refer to another Indian irrigation project, known as the Fort Belknap project. The Preston-Engle committee condemned in vigorous language the extravagant operation and maintenance costs of this project; yet the bureau demands further appropriations for operation and maintenance. The Preston-Engle committee charged on page 37 of its report that in order to justify appropriations, the statistics for the project had been grossly padded by the Indian Bureau. On page 2315 of the report the committee states:

The value of the principal crop (at Fort Belknap)—wild hay—is but little more than the actual cost of harvesting and stacking. Not only on this reservation but on most of the reservations considered in this study, it was noted that there was an almost universal tendency on the part of employees, in the compilation and preparation of reports and justifications, to be extremely optimistic.

* * * The Fort Belknap project is burdened with an overhead charge for regular employees out of all proportions to the results attained. Four regular employees—a chief foreman, foreman, and two ditch riders—are all on the pay roll for the entire year. Their salaries aggregate over $6,500 and, added to this, the value of perquisites, house rents, fuel, lights, etc., supplied by the Government.

The committee then adds:

The Indians complain that in the winter these ditch riders "loaf" and draw their pay.

The committee then submits its opinion, that such employment of useless employees, if not an oversight, amounts to "criminal negligence on the part of whoever is responsible."

Notwithstanding this report and other facts brought to the attention of the Indian Bureau, condemning the policy of the bureau with respect to the project, the bureau now demands appropriations and submits budget estimates for additional employees for the coming year. The conditions on the Fort Belknap project are similar to conditions existing on many other Indian Bureau reclamation projects. A reading of the Preston-Engle report in parallel column with the Budget estimates for 1933 will, I believe, convince fair-minded persons that economies demanded by common sense and by a proper regard for the rights of the Indians have been entirely ignored by the bureau and that its demands for appropriations are unfair and unjust to the Indians.

THE MODOC POINT PROJECT, OREGON

Mr. President, this project at the Klamath Reservation is one of the crowning absurdities of the Indian Bureau's reclamation service. The facts relating to this project are found on page 2730, part 6, of the Senate Indian investigation hearings and are more fully presented in the Preston-Engle report, beginning at page 2497. The Preston-Engle committee recommended that all appropriations for operation and maintenance of this project should cease, beginning with the calendar year 1929. The Klamath Tribe have consistently opposed the continued use of their tribal funds for the operation and maintenance of this defunct project. The committee, at page 2293, stated:

On the Klamath Reservation the area reported as being farmed by Indians is many times the area they are actually farming.

The fact is that the Indian Bureau has adopted policies with respect to the Klamath Reservation injurious to the Indians. In dealing with the timber upon this reservation I submit that the rights of the Indians have not always been guarded and that the demands of white contractors have been too readily acceded to. Indeed, grazing lands on the reservation have been the prize of the white sheep and cattle men to the great disadvantage of the Indians, and with respect to the irrigation project the interests of the Indians have been ignored.

SHOSHONE OR WIND RIVER PROJECT, WYOMING

The Preston-Engle Committee severely condemned what it considered to be the continued waste of money upon the Shoshone project. At page 2552 the committee said: "Only one-third of the land said to be irrigable on this project is being utilized."

Notwithstanding the limited area irrigated and the large unused area already available for irrigation, the Indian Bureau has demanded continued appropriations for construction. On page 2553, the Preston-Engle committee strongly condemned the determination of the Indian Bureau to enlarge the construction, a determination, I might add, which is now being translated into action. The committee said:

> The advisers [meaning the Preston-Engle committee] are unable to understand why—when with less than one-third of the land now under the irrigation system being utilized there is an occasional water shortage, and when it seems certain that when greater areas are put in cultivation it will become necessary to construct storage in reservoirs at numerous points, and when apparently it is not known whether suitable sites can be found—this project has been extended to its present limits, and why it is proposed to extend it still further to take in an additional area of over 22,000 acres.
>
> In view of the conditions it would seem to be an inexcusable blunder to make any further extensions to this project until there has been made the most searching study and investigation of the water supply.

Mr. President, here is an illustration of the folly, extravagance, and gross incompetency of the Indian Bureau. It takes enormous sums taken from the Indian Tribes, or in part from the Treasury of the United States, and enters upon the construction of irrigation projects which in many instances are not feasible and are not desired by the Indians and which are doomed to failure. The record in this project, as well as others, conclusively shows waste and extravagance, unwise expenditures, incompetent employees, and a most inefficient bureaucratic system. And the Indians are the victims. The policies of the bureau have made heavy inroads upon tribal funds and have imposed upon the Indians enormous burdens, too heavy for them to bear.

Continuing, the Preston-Engle committee after denouncing inefficient and wasteful methods of operation and maintenance state:

> As on other projects in the Northwest, where the growing seasons are short and the winters correspondingly long and severe, it is the judgment of the advisers that the employment of ditch riders during the entire year is not justified and should be discontinued.

In spite of these findings by these competent engineers, the bureau has continued its wasteful and foolish policy, and the construction and maintenance costs have increased and new construction has been launched under the present administration. The Indians, as stated in the Preston-Engle report (p. 2554) have accumulative grievance against this irrigation system. They not only complain that $800,000 of their tribal funds were poured into it; but they point out that before the bureau started the project, the Indians already were irrigating their land "in a manner perfectly satisfactory to them," and that their own irrigation system was in part destroyed and in part incorporated into the bureau project for which they were compelled to pay. They were forced to pay first out of tribal funds and now out of their individual moneys. Their statement concerning this matter is found on page 2554 of part 6 of the Senate subcommittee's hearings. It is evident from the hearings and from the known facts that the bureau descended upon the Shoshone Indians as a sort of a plague, consumed their tribal funds, destroyed their irrigation system, loaded them with individual debt, and still continues an extravagant operation and maintenance expenditure, and prosecutes new construction wholly unnecessary and condemned by the officials assigned to investigate the matter. I might add that the area of constructed canals in 1931, was 57,442 acres, or two and one-half times the irrigated area farmed by the white owners, white lessees and by the Indians themselves.

THE FLATHEAD IRRIGATION PROJECT

Mr. President, I regret that the unsound and injurious policy of the Indian Bureau in projecting Indian irrigation projects and squandering money upon the same is not more fully understood by the Senate as well as by the public. I have consumed perhaps too much time in discussing a number of these projects (but all deserve consideration), and I shall further trespass upon the time of the Senate in presenting some facts connected with the Flathead irrigation project.

This project represented a net cost to the Government of $6,426,819 in 1931. The net cost to the Government had increased between 1925 and 1931 in the amount of $1,422,623, though the acreage under the project susceptible of irrigation had remained stationary. The acreage susceptible of irrigation in 1925 was 113,000 acres, but in 1931 only 112,000 acres. The area of lands irrigated under the project has been practically stationary during these and many preceding years, and only upon about one-third of the irrigable lands was water for irrigation purposes applied. During these same years, however, dry farming within the project steadily increased, the area in 1925 being nearly double the irrigated acreage. The Indian Bureau, for reasons best known to its officials, has not in recent years furnished statistics of the acreage dry farmed, but witnesses who testified before the Frazier investigating committee in 1930 were in agreement that the acreage devoted to dry farming had steadily increased, whereas the irrigated area was practically stationary.

In spite of these facts the bureau in 1931 estimated a further expenditure of $2,619,000 for new construction, and now, notwithstanding the facts stated, it insists upon an expenditure of $422,000 for new construction in the fiscal year 1933. I regret to state that the House of Representatives yielded to this demand.

When this bill was before the Senate Appropriations Committee, I presented to the committee facts showing that no part of the money for new construction was needed or should be appropriated. I regret that the committee did not accept my views, although it did reduce the item $155,000, leaving $262,000 for new construction in the pending measure.

Mr. President, I think that the entire amount should be stricken from the bill. To impose upon the Indians this additional burden seems to me unjust, and in view of the established facts new construction should be halted. Much of the land under existing ditches is not farmed, and it is manifest that for an indefinite period the surplus and unused water in canals and laterals already built will suffice to meet all irrigation requirements. The amount of $155,000, stricken from the bill by the Senate committee, included an item of $100,000 for a pumping system for irrigation, and another item of $55,000 for continuing the construction of a power-distribution system. The insistence by the Indian Bureau for an appropriation covering these two items is illustrative of its stubborn determination to continue the wasting of Government money, reimbursably charged to the Indians and to the whites, under the several irrigation projects, for useless and wholly impracticable enlargements of irrigation projects already overexpanded and more or less, and in some instances entirely, bankrupt. The absurdity of constructing a pumping system for irrigation when lands already under gravity ditches lie fallow must be apparent to all. The junior Senator from Montana stated when the Frazier investigating committee was conducting hearings at the Flathead Reservation on July 29, 1930, that—

> * * * The records show that but 33,000 acres are irrigated. They (the Indian Bureau officials) admit that they have a gravity supply for 80,000 acres, or twice the acreage now in irrigation, yet for the past 15 years they have advocated a large addition to the system * * *. They propose to pump water to an elevation of 325 feet for irrigation * * *.
>
> (See pt. 10, committee hearings, p. 3268.)

The Preston-Engle committee reported unreservedly against the expenditure of money for this pumping scheme,



not only when the report was submitted, but at any probable future date. (See page 2401, part 6, of the Frazier committee hearings.) The Montana State Public Service Commission joined in the protest against expenditures for the bureau's foolish and impracticable pumping project. The commission wired to the President of the United States, and to the Secretary of the Interior on April 7, 1927—

the pumping project would entail a load on the tribe and the white owners beyond hope of discharge in a reasonable time.

Apparently these protests from Indians and from others had no effect upon the Indian Bureau officials. They have stubbornly persisted in their purpose to carry into effect a plan unsound and impracticable. The furnishing of jobs to a swollen bureaucratic organization apparently was of higher importance. May I add that the facts show that the irrigable area of this project is 112,000 acres, according to bureau statistics, and the acreage now capable of being served by gravity flow is in excess of 80,000 acres, though the total irrigated acreage does not exceed 40,000 acres, and the increase of irrigated acreage has been inconsequential during the past 10 years. At the present rate of increase an irrigated acreage of 80,000 acres would not be reached for at least 50 years.

As stated, $55,000 is demanded by the bureau for a "power-distribution system." The sole argument in favor of this system, to be built by the Government on the Flathead Reservation, rests on a contract between the United States and the Rocky Mountain Power Co. which provides that when the Flathead power site is constructed and put into service, 15,000 horsepower will be sold to the Government at a low rate representing approximately the cost of production at the switchboard. But the Flathead power site has not been constructed and the power company is now petitioning the Federal Power Commission for authority to postpone construction, which means that in any event the cheap power which was to be furnished will not be available for many years to come. In the meantime the electric energy which the company has contracted to furnish the Government is 500 horsepower—a negligible supply not justifying an expenditure of $55,000, or even $10,000, for a power-distribution system.

At this time, when there is a conceded deficit for this fiscal year of two and one-half billion dollars and a certain deficit for the next fiscal year of a stupendous sum, unless important economies are effected and increased taxes are imposed upon the people, the Indian Bureau demands enormous appropriations to pay increased salaries to thousands of employees, many of whom have been added to the pay roll under the present administration and within two years. Many of its demands show lack of appreciation of the needs of the Government and of the responsibilities resting upon executive agencies. They are sheer, unmitigated extravagances, and if granted will only add to the waste which has characterized too often the administrative activities of the Indian Bureau. It is my deliberate judgment that the expenditure of $262,000 for new construction which is carried in this bill is scarcely more defensible than the two items for a pumping plant and power-distribution system—items which the committee has stricken from the bill.

Mr. President, if time permitted I should be glad to read from the hearings, a copy of which I have before me, conducted by the Frazier committee at Polson, Mont., on the Flathead Reservation, Tuesday, July 30, 1929. These hearings appear in part 10 of the printed testimony, beginning at page 3267, and confirm all that I have stated; indeed they reveal a shocking situation of waste, extravagance, and incompetency upon the part of the Indian Bureau and its officials. They furnish incontestable evidence that the Indians have been unjustly treated, and that the white settlers also have been unfairly dealt with, and that if this project is to attain any possible measure of success it must be taken out of the hands of the Indian Bureau and placed in the hands of competent engineers who would materially modify existing plans and reduce the limits of the project to reasonable proportions.

Representatives of the tribe testified at the hearings referred to and asserted that they possessed a satisfactory irrigation system before the Indian Bureau launched this unwise scheme, which has cost to date more than $6,000,000. The representatives of the bureau did not controvert, but indeed corroborated, the testimony showing the unsatisfactory condition of the project. The assistant commissioner was present but did not controvert the facts presented. Notwithstanding the conclusive evidence of the failure of this project, or at least of the extravagant and inefficient methods which have obtained, the bureau officials are demanding larger appropriations for construction work, and offer no suggestions whatever, so far as the records show, of changes or modifications or reforms. Of course I can not expect Senators to read this testimony and the volumes of hearings submitted by the Frazier committee, but I commend the same to their attention as well as to the attention of those who desire the welfare of the Indians.

DENIAL OF CREDIT TO INDIANS ON IRRIGATION PROJECTS

Mr. President, it is recognized that agriculturists must have financial credit. This has been particularly true during the past decade. It becomes imperative where farming operations are conducted under irrigation projects. This fact is evident to all who are familiar with the arid and semiarid regions of the United States. Often dams and canals are built, after which the lands must be cleared and leveled at no small cost; and to bring the raw rebellious soil to a productive stage several years of work are necessary. One of the causes contributing to the failure of many Indians as agriculturists is the denial to them of financial credit. This fact has been officially known through all the years since the allotted Indians have been undergoing disinheritance. In 1914 Frederick H. Abbott was the Acting Commissioner of Indian Affairs. He had previously investigated the Canadian system of dealing with the Indians. In the discussion, since this bill has been before the Senate, I have referred to Mr. Abbott's findings, and I now quote from his testimony given before the Senate Appropriations Committee on May 8, 1913 (hearings on the Indian appropriation bill for 1913, p. 136):

You can appropriate money enough to build in one year all of the ditches that are needed, and you can hire all of the efficient farmers we need, and still if the individual Indian has not got to his credit enough funds to buy equipment and to level his land and get it ready for cultivation we do not get anywhere so far as the Indian is concerned. So I want to impress upon this committee the very great importance, from the standpoint of the Indian, of providing a reimbursable sum in connection with every one of these items for irrigation that is to go to the Indian himself.

Beginning in 1914 the Government made small loans to the Indians, but failed to develop an adequate credit system. It should be said to the credit of the Indians that the loans made were promptly paid. The record was phenomenal. From 1909 to 1931, as shown at page 295 of the House hearings on the Interior Department appropriation bill for 1933, reimbursable loans totaling $6,068,804 were made. This represented a per capita loan of substantially $1.50 per year, or about five or six dollars per family. By June 30, 1931, the Indians had repaid $4,437,265, a record which I submit will favorably compare with the record of repayments made by white agriculturists to whom credits have been extended by the Government. The delinquencies totaled $442,471, and the balance of loans not yet due on June 30, 1931, was $1,278,974. The Indian delinquencies totaled only 9 per cent of the loans made. I should add, however, that the loans made to the Indians for 1909 to 1931 were not of the character urged by Commissioner Abbott. These loans were for various purposes, including the support of the aged and infirm, and generally they were advanced to the Indians not in cash but in goods, although the Indians made their repayments in cash. Commissioner Abbott's statement made in 1914, to which I have referred, was not heeded, and Secretary Work's statement of 1927, to which

I shall later refer, was ignored, with the result that in the fiscal year 1931 the total of all reimbursable credit for all the Indians of the United States, excluding the Pimas of Arizona, was only $458,388, and of this amount only $142,670 was applied to the reservations having irrigation systems. In the case of the Pimas, as the result of the vigorous efforts of the two able Senators from Arizona, the necessity of credit for allotted Indians farming under irrigation projects was recognized, and in 1931 these Indians were loaned $175,000.

But the advances to other tribes struggling to make good as irrigation farmers were pitifully meager. For example, the total loaned to the Fort Peck Indians was $2,002, entirely from their own tribal funds. The total loaned to the Indians of my own State was $2,170, but the entire amount was likewise taken from their tribal funds. The Yakimas were loaned $3,500, which was a reimbursable loan from the Treasury. The Yumas received a total loan of $8,000, and the Flatheads $5,000. The totals just presented represent the entire credit extended to the large tribes during the fiscal year 1931, including loans for the building of homes, for the care of the aged and infirm, and for the schooling of boys and girls in professional schools. The amount actually loaned for the development of irrigation allotments in the fiscal year 1931 was $5,950 and $22,448 of reimbursable money from the Treasury, or a total of $28,398. The number of Indian irrigationists benefiting was only 57.

The figures just given appear in the hearings of the House Appropriations Committee on the Interior Department appropriation bill for 1932, pages 824–846, and in the Senate hearings on the Interior Department appropriation bill on pages 291–301.

The official statistics demonstrate that the credit system for the Indians under the present régime is more niggardly than it was when Secretary Work called attention to this important subject in 1927. In 1926, according to Secretary Work, 6,000 Indians who were living on irrigated lands received an average assistance of $30, but in 1931, as shown in the hearings of the Interior Department appropriation bill for 1933, to which I have just referred, the Indian farmers, numbering 5,930, who used water for irrigation, received a total credit of approximately $142,670, or $24.40 for each farmer.

Mr. President, this subject of financial credit is important because it will be recognized that the failure to provide an adequate system is equivalent to a continued policy which dooms the Indians to failure as agriculturists, and, certainly in the case of Indians under irrigation projects, it is an insuperable obstacle to success. So far as I can learn from the records, the responsible officials in charge of the Indian Bureau have paid but little attention to the subject of Indian credits, except in the case of the Pima Indians, and it is believed that in this instance the Senators from Arizona should receive the credit for the loans extended.

The bill before us provides a total of $475,000 of credit to all the Indians. When the bill was recommitted to the appropriations committee it carried $500,000, but the committee has reduced it by $25,000.

ILLEGAL AND UNCOLLECTIBLE REIMBURSABLE DEBTS ON INDIAN IRRIGATION LANDS

Mr. President, I shall briefly discuss one phase of the irrigation system which I regard as not creditable to the Indian Bureau or to Congress. A general allotment act was passed in 1887, and thereafter numerous special allotment acts were passed, all of them containing the guarantee that the lands allotted should be, at the end of the trust period, discharged to the allottee free from lien or incumbrance. The same language transposed from the acts was written into the trust patents of all Indians allotted lands. In 1867 money was first appropriated for the irrigation of Indian lands. Thereafter until 1914 irrigation appropriations were made as gratuities. Congress recognized the covenants in the act referred to, that the Indians were to receive their allotments free from liens or incumbrances at the end of the trust period. These moneys, I repeat, were appropriated as gratuities; that is, they were drafts upon the Treasury of the United States and not upon tribal funds, and were not obligations to be met in the future by the Indians. By indirection, however, in some instances, Congress circumvented the guarantees of these allotment acts by paying for the irrigation projects from the proceeds of the sales of Indian tribal lands.

In 1909 Congress reaffirmed its policy in definite language. The construction work on various Indian Service projects was in that year transferred to the Bureau of Reclamation, the transfer being continued for a term of years. The act of March 3, 1909, authorizing these transfers carried a proviso "that no lien or charge for construction, operation, or maintenance shall thereby be created against any such (Indian) lands."

In 1914 the total of gratuities for irrigation (in excess of tribal funds used by or repaid to the Government for irrigation) was $3,048,855 (House Indian Investigating Committee, 1919, Vol. I, p. 800).

On February 9, 1914, the Board of Indian Commissioners transmitted to Congress a proposal that in those cases where tribal funds had been used for irrigation, and the land had been subsequently allotted, the allotted land should be charged with the pro rata share of the expense and the allottee would thus become a debtor to the tribe (Preston-Engle report, p. 2264).

On March 12, 1914, the Indian Bureau proposed an amendment to the appropriation bill, making all moneys, "heretofore or hereafter expended for Indian irrigation, reimbursable." (Senate appropriation hearings, Interior Department bill for 1915.)

This language was adopted by Congress (act of August 1, 1914, 38 Stat. 583), and thus, through a retrospective act, the $3,048,855 of expenditure on allotted lands to that date was transformed into a liability on the Indians. Not only was the act retrospective, but, as I have explained, it was in violation of the allotment act and of the guarantees of the trust patents.

From 1914 until now all irrigation expenditures have been made reimbursable except in those cases where they were taken immediately from tribal funds.

It is worthy of note that the liability for these reimbursable loans, in the case of allotted lands, is a personal liability of the Indian allottee in addition to being a lien on his land. Senator WHEELER, during the hearings at the Yuma Reservation, April 16, 1931, when reference was made to evidence that the trust funds of Indian orphans were being used to pay irrigation charges which rested on the allotted land of the Indians, protested against the course of the bureau upon the ground that it was a violation of the guarantees and covenants made by the Government as to the character of the title which the Indians received to their allotted lands. It appears, however, that the Attorney General, in an opinion given September 2, 1921, had taken the position that—

> The proviso in question (the reimbursable debt, August 1, 1914) is to be construed as substantive and effective legislation imposing an individual liability on Indians for irrigable allotments.

Thus the Government loan is not only secured by the land but is secured by any funds in the possession of the Indians. Per capita shares of tribal funds are subject to seizure for payments of a reimbursable debt on allotted land. Income from allotments leased for grazing purposes is subject to seizure to pay the reimbursable debt on any allotted land which the Indian may at the same time possess.

WHAT IS THE DEBT TOTAL?

I am unable to state the exact amount of the present reimbursable debt, but Commissioner Rhoads stated to the Senate Indian Investigating Committee on June 30, 1928, that it was $34,310,037. Since then, several millions have been added to this amount. There are conflicts in statements emanating from the bureau as to the amount which has been repaid, which of course would affect the amount yet outstanding. As I have pointed out earlier in my remarks, Commissioner Rhoads in his tabulation to the Frazier investigating committee on January 21, 1930, gave the total of the repayments as $1,445,214. The earliest of these re-

payments, as shown in his tabulation, was dated 1911; however, in 1919 the financial officer of the bureau, Mr. Frank McGovern, testified that $8,234,000 had prior to 1919 been collected from the Indians on their debts. (Hearings House Indian Investigating Committee, vol. 1, p. 819.)

Mr. Homer P. Snyder, chairman of the House Indian Investigating Committee in 1919, stated that the books of the bureau "have never been in shape so that any correct information could be obtained from them." From my investigations I am inclined to believe that the situation then described by him has undergone no material improvement. Although more than $8,000,000 had been repaid by the Indians before 1919, the present commissioner in 1930 reported that the payment to 1928 had been but $1,445,214.

The reimbursable loans, as I have indicated, are collected under the claim that the reimbursable lien on allotted lands is in addition a personal liability against the Indian, so that the bureau attempts collection either under the lien or by requiring the Indian to pay the same from his per capita allotments of money or other sources of income. Congressman Snyder contended that a remission should be made of these obligations, much of which he considered illegal, and in 1920 he insisted that the debt was being paid and would be paid by the Indians through deductions made by the Government from the purchase price of their lands when sold to the whites.

FORCIBLE COLLECTIONS FROM THE INDIANS

Mr. W. S. Hanna, who testified before the House Appropriations Committee on the 1933 bill, stated:

> The (white) purchaser (of Indian allottee land) must either pay the department the delinquent water charges or it (the indebtedness) must be held out of the price received for the land before we are free to give water.

And on page 391 of the same hearings the assistant commissioner states that—

> The chances are that all these accumulated charges will be taken out of the Indian money, and he (the Indian) gets nothing.

Earlier in this discussion I stated that millions of acres of Indian allotted land had been sold by the bureau during the trust period, and that the sales are proceeding automatically and with increasing speed under the allotment act, the only check being due to the absence of purchasers. It is claimed that a part of the land is sold during the lifetime of the allottees in order that the aged and infirm allottees may be cared for. But after the death of the allottees, pursuant to the harsh features of the law, disposition is made of the Indian lands. The bureau at various times has stated the amount of money received from white purchasers of allotted lands. It has not, in any publication that I have been able to find, stated what part of this money received from the purchaser of the land was retained by the Government and applied to the reimbursable lien on the land, what part was retained by the Indian Bureau and administered for the supposed benefit of the allotted Indian, and what part actually found its way to the Indian. Information so elementary and so important ought to be given by the Indian Bureau in its annual reports and in its testimony before the Appropriations Committee; but so far as I can discover, it has failed to do so.

There is now considerable discussion with regard to the reimbursable debts arising by reason of the irrigation projects. It is admitted that these debts are in a large part uncollectible, and, as I believe, no successful attempt has been made to prove that in the case of allotted lands these debts are a legal charge against the Indians. The bureau, I think, confesses this to be true because it has, as I am advised, asked authority by legislation "to adjust reimbursable charges of the Government existing as debts against Indians * * * in such a way as to him (the Secretary of the Interior) seem equitable and just in consideration of all the circumstances under which such charges were made."

Undoubtedly this question should be settled once and for all; but with my present views I am unwilling to confer upon the Secretary such unrestricted power. It is urged that if the Indians are not legally or morally responsible for these obligations they should promptly, by appropriate legislation if necessary, be relieved. It would seem that retrospective effort to impose debts upon allotted lands is unconstitutional, and therefore the Indians should be free from any obligation to meet these charges. As I have stated, a part of this indebtedness has already been paid by the allotted Indians; and if the debts were illegally imposed, it is manifest these Indians are entitled to restitution by the Government. Some part of the construction indebtedness on allotted land has been passed, as a lien on the land, to white purchasers, and there are portions of the total reimbursable obligation to the Government which have from the beginning been liens on land owned by whites at the time when the irrigation construction was carried out or when the unpaid operation and maintenance charges accumulated.

Mr. President, this situation is pregnant with difficulties, and results in distrust and fears so far as the Indians are concerned and is provocative of controversies and prolonged litigation. It is a disturbing factor in the relations between the Government and the Indians and also between the Indians and the whites. It seems to me, Mr. President, that a full and complete report dealing with the reimbursable debts of Indian tribes and allotted Indians should be made by the proper committee charged to investigate Indian matters.

HOW THE PRESENT SITUATION CAME ABOUT

Mr. President, the contention is made that some of the irrigation projects originated as enterprises for the whites, including land speculators. When the Government entered upon these irrigation projects, it had before it the example of many Indian tribes in New Mexico who had employed irrigation for hundreds of years in their farming operations. They were self-supporting through their irrigation farming and were meeting the cost of new construction as well as the operation and maintenance costs. Many Indian tribes had been moved from their original habitats to regions in the West where farming on any considerable scale required irrigation. Various tribes had also been concentrated on reservations limited in extent, whereas previously they had, upon lands in their undisputed possession, lived by hunting, fruit, roots, and so forth, and profited by the sale of hides and furs. When the Government moved them to different lands or limited the lands which they were permitted to occupy, the changed condition called for new policies.

The allotment act, it would seem, rested upon erroneous assumptions and a disregard of practical considerations. There was an assumption that all Indians would promptly become agriculturists and successful farmers merely by virtue of having individual titles thrust upon them. The exact reverse proved to be the fact.

Prior to and immediately following 1900 there was great enthusiasm for the construction of large irrigation and reclamation projects in the public-lands States. The Government under the so-called Newlands Act gave support to some of these projects. Without due consideration, as I have heretofore stated, and without appreciating the condition of the Indians, their needs, their capacity, plans were devised to spend millions of dollars in the construction of irrigation works, ostensibly for their benefit.

Information was lacking as to the sources of water supply; data were not available to determine the feasibility of projects which were initiated and upon which work was commenced. It was inevitable that failure would attend some of these ventures and that the Indians would be the sufferers. It was unfortunate and indeed unjust to impose many of these irrigation projects upon the Indians and to take from their tribal funds millions of dollars for that purpose. At that early period there were large tribal funds in the Treasury, and it is quite likely they constituted a temptation to the Indian Office to embark upon unwise and unnecessary irrigation experiments. It was also known that the workings of the allotment law tended to a transfer of Indian lands to whites at low prices. This was understood by many speculators prior to 1900. There was

evidence at that time to show that the allotment act, whatever it was intended to achieve, actually was an instrument for dispossessing the Indians of valuable lands.

Conceding the highest motives and purposes in the projection of these schemes and in the adoption of the land allotment policy, it must have been evident, to those who were deeply concerned in the welfare of the Indians and who sought their protection, that the Indians would be the victims of these policies, and that sooner or later they would be disinherited and without means of support or training to meet the conditions of our industrial life.

After these projects were devised, demands were made for their completion at as early a date as possible. It is a just criticism against the Indian Bureau, not that as a result of these influences and factors it found itself after a stock-taking investigation in 1914 far advanced in scores of irrigation projects which had cost approximately $10,000,000 and most of which were demonstrated failures, but that after 1914 it pushed forward with blind zeal the completion of projects entered upon, and inaugurated others. Instead of correcting manifest evils and modifying plans which were proven to be defective, the bureau closed its eyes to the ruinous course which it was pursuing and pushed violently forward new projects as well as work upon existing ones. The records present incontestable evidence that the facts were known to the Indian Bureau through the years from 1914 forward.

I have referred to the House Indian Investigating Committee hearings for 1919, printed in two large volumes, and whose results were summarized in a powerful speech in the House by Congressman Snyder, chairman of the House Indian Affairs Committee in 1921. That committee had before it the results of an earlier investigation, by the so-called Lane Investigating Committee of the Senate in 1912. Congressman Snyder gave voice to the unanimous opinions of the committee and expressed the general knowledge of the committee when he declared in his speech of January 6, 1920, that the Indian irrigation projects represented a gigantic waste and had entailed an unfair and in part a demonstrably illegal charge and overcharge of debt against the Indians. He also condemned the Indian Bureau's system of bookkeeping and its statistical record in language of of unmeasured emphasis.

An examination of the appropriation acts through the years established that there hardly has been a year since 1914 when members of congressional committees were not endeavoring to check the flood of reclamation extravagance and endeavoring to force the Indian Office to an intelligible accounting of costs and of results. Though the Indian Office knew of the unwise schemes upon which it had entered, instead of advising Congress and rectifying its own course it went forward in the execution of plans which have resulted in injuries and indeed in calamities to the Indians. The bureau continued to take from tribes and from the Government an ever-increasing sum for the expenses of projects known to be defective or having exceeded all reasonable limits. To fortify its attempts against the Federal Treasury, the bureau proposed and Congress affirmatively enacted the provisions in the act of August, 1914, making all expenditures reimbursable against the allotted lands of the Indians, even though the expenditures had been originally regarded as gratuities and even though in practically all cases the imposition of the liens violated the guaranties of the trust patents and of the allotment acts and invaded a vested right of the allotted Indians.

Mr. President, Congress should compel the Indian Bureau to change its policies with respect to these irrigation projects. The irrigation-project reductions reported in the pending bill are inadequate, and it seems to me that a failure to make further reductions will be regarded by the bureau as a condonation of its unjust and unsound policies.

SUGGESTIONS CONCERNING IRRIGATION REORGANIZATION

Mr. President, it is manifest to those who are acquainted with the Indian Bureau's irrigation projects and policies, that radical and immediate changes must be made if further squandering of money is to be avoided and further injuries to the Indians as well as to the whites are to be prevented.

I have pointed out in this discussion through repeated examples that the Indian Bureau between 1900 and 1915 initiated several score of irrigation projects and planned them in many instances without proper investigation as to water supply, without soil surveys, without reference to the economic practicability of the same, and without consulting the wishes of the Indians and often against their protests. Projects were hastily determined upon without considering the needs of or benefits to the Indians. Projects were mapped out on a gigantic and grandiose scale, and extensive maps and department plans became the Government's announcement and undertaking with respect to the ultimate development of the projects.

On the basis of these official plans thus recklessly promulgated, white settlers in large numbers were notified by the Government and by the promoters who based their promises on the bureau's official plans and representations to come and settle within the outside boundaries of these projects. Settlers purchased land from the Indians and from other whites and from the Government. The bureau's plans which rested upon unsound and unjust foundations required the Indians and the white settlers alike to pay for construction costs and for the costs of operation and maintenance not on a basis of benefits, and without regard to the superior and primary rights of the Indians. The plan called for charges by an arithmetical division; that is, each acre within a given irrigation unit was charged with its mathematical proportion of the total construction, operation, and maintenance indebtedness.

The principle of taxation in accordance with the benefits was wholly ignored. Some of these projects called for the construction of costly irrigation works, many miles of laterals and canals when a study of the situation and an adequate survey of all the factors involved would have demonstrated that the water supply in many cases was insufficient, that climatic conditions were adverse to the success of the project; and that the costs of the projects would be so excessive as to bring bankruptcy to the Indians as well as to the settlers who sought to acquire lands and water rights thereunder. In some instances white settlers were induced to enter upon the lands under the promise that within a limited period canals and laterals would be constructed and water for irrigation would be available.

As I have indicated the record shows that in some cases an adequate water supply was not possible, and in other instances years went by while the settlers waited in vain for the promised construction of canals and laterals, and for water for the lands for which they had contracted. Many of these projects present most serious problems and the attempts to develop them are replete with tragedies. The bureau insists that to fulfill contracts with white settlers $30,000,000 or more must still be expended, notwithstanding that less than one-half of the acreage within existing irrigable areas is using water for irrigation. To carry out the bureau's program will result in further squandering of money and increasing the burdens and debts of the Indians as well as of many white settlers. It likewise means the waste of tens of millions of dollars taken from the Government or from tribal funds or both. The recommendations of the Preston-Engle report which have been ignored should be given consideration, as well as the data which have accumulated since such report was made. Some of the projects should be abandoned, others modified, and in every case plans should be made to conform to economic needs. Due consideration should be given as to the water supply, soil conditions, climatological conditions, and present economic factors.

The settlers who have been misled by the bureau may not be ignored, and they should receive such compensation as equitably may be due them, or they should be enabled and assisted to transfer their holdings from outlying areas of the project to lands within the reduced limits of the projects.

Indian Bureau statistics and available records show that a large part of the acreage within the completed portions of

these projects is now being "dry farmed" or grazed, or is uncultivated or not used, so that there would be but little, if any difficulty, except the financial one, in relocating settlers who have not received the lands and waters promised them by the Government on equally suitable lands within the reduced project limitations. The scaling down of the irrigation debts to collectible amounts and the charging off of illegal indebtedness, which I have already discussed, would materially aid in accomplishing what I have suggested and in easing the situation. It would seem that there can be no advantage to anyone in holding over the heads of white settlers a debt larger than the total value of their lands, and obviously uncollectible. Certainly there is no ultimate advantage to the Government in forcing payment of confiscatory liens against the allotted Indians, thus depriving the Government wards of their lands and of the cash derived from the sale of the same.

It would seem that the situation demands the application of a differential in the matter of payments. The question of benefits should be considered in fixing payments. My information is that the bureau does not approve of such a measurement of indebtedness, contending that this plan is impracticable. I think that it is generally recognized that the rule of benefits applies in private irrigation districts, and also in municipalities and taxing agencies of the Government, in levying taxes on real property.

I regret that the present administration, with its three years of experience, and with the record left by its predecessors, has inaugurated no changes nor proposed any remedial measures but seems determined to plunge forward along the same path that can only end in further calamities.

THE PENDING BILL DOES NOT MEET THE SITUATION

Mr. President, the importance of the Indian problem is my apology for having devoted so much time to the discussion of this bill. As Senators know, for years I had before the Senate resolutions calling for a thorough study of the Indian situation and an examination of existing treaties and laws affecting the Indians. I believed that such investigation was necessary in order that legislation might be enacted that would bring about reforms in the Indian service and afford greater protection to the Indians. The Indian Bureau opposed such an investigation, but finally a resolution which I offered was passed and the Frazier committee for several years has been engaged in a study of the Indian problem with a view to making recommendations for legislation and changes in the plans and policies of the Indian Bureau. I hope that the committee will submit in due season its final report with such recommendations for legislation and for administrative reforms as will contribute to the advancement and protection of the Indians.

The bill before us in my opinion does not meet the situation. It carries appropriations unwise and in my opinion unjust—appropriations which will be an additional burden upon the Indians and contribute to the further depletion of their funds. It does not sufficiently strike at the evils existing in the Indian Bureau. It condones its maladministration by making appropriations to enable it to continue activities injurious to the Indians and condemned by the Preston-Engle committee as well as by testimony taken at the various hearings before committees as well as before the Frazier committee. I appreciate, however, that the appropriation committees are subject to limitations; they may not originate legislation or incorporate within bills which they submit provisions repealing existing laws or changing policies based upon existing statutes. The bill, however, should be further amended and a number of appropriations carried in the bill should be materially reduced along the lines hereinbefore indicated.

I sincerely hope that appropriate committees will report legislation so imperatively required to preserve and protect the Indians and to abrogate policies now being carried into execution by the Indian Bureau—policies injurious to the Indians and which if persisted in will culminate in the destruction of their tribal funds, the alienation of their property, and their reduction to a condition of penury and want.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee on page 3, line 5.

The amendment was agreed to.

The next amendment was, under the heading "Contingent expenses, Department of the Interior," on page 4, line 2, after the word "of," to strike out "one" and insert "two"; in line 3, before the word "and," where it occurs the first time, to strike out "vehicle" and insert "vehicles"; in line 16, after the word "for," to strike out "$94,500" and insert "$90,000"; and on page 5, line 2, before the word "the," to strike out "$94,500" and insert "$90,000," so as to make the paragraph read:

For contingent expenses of the office of the Secretary and the bureaus and offices of the department; furniture, carpets, ice, lumber, hardware, dry goods, advertising, telegraphing, telephone service, including personal services of temporary or emergency telephone operators; street-car fares for use of messengers not exceeding $150; expressage, diagrams, awnings, filing devices, typewriters, adding and addressing machines and other labor-saving devices, including the repair, exchange, and maintenance thereof; constructing model and other cases and furniture; postage stamps to prepay postage on foreign mail and for special delivery and air mail stamps for use in the United States; traveling expenses, including necessary expenses of inspectors; fuel and light; examination of estimates for appropriations in the field for any bureau, office, or service of the department; not exceeding $500 shall be available for the payment of damages caused to private property by department motor vehicles; purchase and exchange of motor trucks, motor cycles, and bicycles, maintenance, repair, and operation of two motor-propelled passenger-carrying vehicles and motor trucks, motor cycles, and bicycles to be used only for official purposes; rent of department garage; expense of taking testimony and preparing the same in connection with disbarment proceedings instituted against persons charged with improper practices before the department, its bureaus and offices; expense of translations, and not exceeding $1,000 for contract stenographic reporting services; not exceeding $700 for newspapers; stationery, including tags, labels, index cards, cloth-lined wrappers, and specimen bags, printed in the course of manufacture, and such printed envelopes as are not supplied under contracts made by the Postmaster General, for the department and its several bureaus and offices, and other absolutely necessary expenses not hereinbefore provided for, $90,000; and, in addition thereto, sums amounting to $34,800 for stationery supplies shall be deducted from other appropriations made for the fiscal year 1933, as follows: General Land Office, $5,500; Geological Survey, $6,000; Freedmen's Hospital, $1,000; St. Elizabeths Hospital, $2,800; National Park Service, $7,500; Bureau of Reclamation, $12,000, any unexpended portion of which shall revert and be credited to the reclamation fund; and said sums so deducted shall be credited to and constitute, together with the first-named sum of $90,000, the total appropriation for contingent expenses for the department and its several bureaus and offices for the fiscal year 1933.

The amendment was agreed to.

The next amendment was, on page 5, line 12, after the designation "Office of Education," to strike out "$2,000" and insert "$1,800," and in line 13, after the name "Bureau of Reclamation," to strike out "$2,000" and insert "$1,800," so as to read:

For the purchase or exchange of professional and scientific books, law and medical books, and books to complete broken sets, periodicals, directories, and other books of reference relating to the business of the department, $500, and in addition there is hereby made available from any appropriations made for any bureau or office of the department not to exceed the following respective sums: Indian Service, $500; Office of Education, $1,800; Bureau of Reclamation, $1,800; Geological Survey, $3,000; National Park Service, $1,000; General Land Office, $500.

The amendment was agreed to.

The next amendment was under the subhead "Printing and binding," on page 5, line 20, after the designation "Bureau of Reclamation," to strike out "$172,000" and insert "$125,000," in the same line, after the word "which," to strike out "$50,000" and insert "$35,000," and in line 21, after the word "and," to strike out "$62,000" and insert "$40,000," so as to read:

For printing and binding for the Department of the Interior, including all of its bureaus, offices, institutions, and services in the District of Columbia and elsewhere, except the Alaska Railroad, the Geological Survey, and the Bureau of Reclamation, $125,000, of which $85,000 shall be for the National Park Service and $40,000 for the Office of Education, no part of which shall be available for correspondence instruction.

The amendment was agreed to.

The next amendment was under the heading "General Land Office, salaries," on page 6, line 8, after the designation

"District of Columbia," to strike out "$725,000" and insert "$700,000," so as to read:

For Commissioner of the General Land Office and other personal services in the District of Columbia, $700,000, including one clerk of grade 1, clerical, administrative, and fiscal service, who shall be designated by the President, to sign land patents.

The amendment was agreed to.

The next amendment was, on page 9, line 8, after the word "hereunder," to strike out "$450,000" and insert "$400,000," so as to read:

Depredations on public timber, protecting public lands, and settlement of claims for swamp land and swamp-land indemnity: For protecting timber on the public lands, and for the more efficient execution of the law and rules relating to the cutting thereof; protecting public lands from illegal and fraudulent entry or appropriation, adjusting claims for swamp lands and indemnity for swamp lands; and traveling expenses of agents and others employed hereunder, $400,000, including not exceeding $35,000 for the purchase, exchange, operation, and maintenance of motor-propelled, passenger-carrying vehicles and motor boats for the use of agents and others employed in the field service, and including $60,000 for prevention and fighting of forest and other fires on the public lands, to be available for this and no other purpose, and to be expended under the direction of the commissioner.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs, salaries," on page 10, line 4, after the name "District of Columbia," to strike out "$472,900" and insert $400,000," so as to read:

For the Commissioner of Indian Affairs and other personal services in the District of Columbia, $400,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Indian Affairs, general expenses," on page 11, line 3, to strike out "$23,000" and insert "$20,000," so as to read:

For salaries, traveling, and incidental expenses of field representatives of the Commissioner of Indian Affairs, $20,000.

The amendment was agreed to.

Mr. KING. Mr. President, does the Senator intend to try to conclude the bill to-night?

Mr. SMOOT. I should like to conclude the consideration of the bill, Mr. President. To-morrow I shall be at the hearing before the Finance Committee. In fact, I ought to be there this afternoon.

Mr. KING. I know that both of us should be in the Finance Committee.

Mr. SMOOT. These amendments are all reductions, and conform to the directions of the Senate.

Mr. KING. May I say to my colleague that I desire to offer several amendments—one to the Fort Hall appropriation item?

Mr. SMOOT. Will the Senator allow us to proceed with the items? If there is any objection to any one of them, I will ask that it go over.

Mr. KING. Very well.

The VICE PRESIDENT. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment was, on page 11, line 6, after the designation "Commissioner of Indian Affairs," to strike out "$18,000" and insert "$15,000," so as to read:

For pay of judges of Indian courts where tribal relations now exist, at rates to be fixed by the Commissioner of Indian Affairs, $15,000.

The amendment was agreed to.

The next amendment was, on page 11, line 11, to strike out "$163,000" and insert "$150,000," so as to read:

For pay of Indian police, including chiefs of police at not to exceed $70 per month each and privates at not to exceed $50 per month each, to be employed in maintaining order, and for purchase of equipments and supplies, $150,000.

The amendment was agreed to.

The next amendment was, on page 11, line 19, after the word "therewith," to strike out "$225,000" and insert "$165,000," and in line 21, after the word "hospitals," to strike out "$50,000; in all $275,000," and insert "$30,000; in all, $195,000," so as to read:

For lease, purchase, repair, and improvement of agency buildings, exclusive of hospital buildings, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $165,000; for construction of physical improvements, exclusive of hospitals, $30,000; in all, $195,000.

Mr. COPELAND. Mr. President, later in the bill comes the appropriation for education. I have always opposed the creation of a department of education, but the activities that have been carried on under the item involved here are regarded by many of my constituents as of very vital importance.

I was not aware in the committee of just exactly what cut had been made in these figures, but I find it is a very considerable amount, found on page 100. The expense account was cut $20,000, which, of course, was very much in excess of the required 10 per cent cut. Then there is a study going on in the Interior Department relative to school finance which was entirely omitted. An effort is being made to find out how the schools of the country might reduce costs of operation.

I have no disposition to follow this matter, because, as a member of the committee, I recognize how necessary it is to make radical reductions; but I do want to call attention to a letter I have from the director of the Teachers College in New York, Doctor Mort. It refers to the item on page 101 of the bill. Beginning with line 4, it will be observed that all that paragraph has been cut out.

Doctor Mort came to see me the other day. He was very much distressed over what has happened in this appropriation. Likewise the professor of education at Cornell University, Dr. R. H. Jordan, has written me, and I have telegrams from the superintendent of schools at Ithaca, Mr. Kulp, and an educator, John Robert Gregg, of New York City. I ask that these letters and telegrams be printed in connection with my remarks.

The VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

TEACHERS COLLEGE, COLUMBIA UNIVERSITY,
New York, April 9, 1932.

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D. C.

MY DEAR SENATOR COPELAND: I am writing in response to your suggestion in our conversation last evening that I indicate some of the points which might be dealt with in an appeal to restore the budget of the Office of Education when the Interior Department bill comes to the floor of the Senate.

According to our present understanding, the responsibility for the control of a large degree of the financing of education is left with the individual States. It is, however, a matter of grave national concern. It is becoming more so as distances are eliminated by rapid communication and interchange of population and as the necessity for harmoniously working together is forced upon us by the disappearance of the frontier and by the domination of the industrial revolution. Those who have been denied education are unhappily not kept to the areas which denied it. They become a part of the cultural pattern of communities which are utilizing the best educational efforts and which can not protect themselves against the influx of the products of inferior communities. Regardless of their place of living, they affect the growth and development of the country as a whole, both economically and spiritually. The present depression has shown already most serious reductions in educational offerings, and these more often than not are in the communities and States which had failed to attain a satisfactory level under the best of conditions.

Through some strange chance the time when wise guidance and expert assistance is most needed by the communities and States in facing a serious financial problem, we have in the United States Office of Education a commissioner to whose leadership the educational forces of the country have responded. Universities, State departments of education, and State and county school systems have responded with complete cooperation in the carrying out of major surveys designed to provide guidance for the communities and States in the adaptation of their educational programs to present-day demands. He has been able to obtain part-time directors for these surveys in return for remunerations which are considerably lower than these men are accustomed to receive for expert service. The secondary survey is being completed this year. The survey of the education of our million of teachers is to be completed next year, but in the recent cut $20,000 was eliminated from the $70,000 which they were to have for the completion of this study and the publication of results.

The National Finance Survey, an investigation of the economical ways of expending funds in operating the schools, of the reorganization of rural area into more economical and effective units of control, the highly technical work involved in the study of sources and distribution of revenues for schools, can be of incalculable service to the communities and States at this time. This survey got under way on July 1, 1931, on a program planned for four years and with a budget of $350,000. The necessary basic work has been done in this period. Detailed plans for the 4-year period have been laid out and problems are being attacked at this time which will be of great help to the legislatures and communities next year. In the laying out of the program for this study, the finest cooperation has been received from an incomparable board of consultants, from the State departments of education, and from communities. To keep the survey staff in direct contact with the problems of the individual States, a committee of educators and laymen has been appointed for each State.

In spite of the fact that we have the most promising set-up for a fundamental survey into what education should cost, what we can afford to spend, how we should spend it, that we have ever had, this survey was first cut from the original $100,000 to $50,000, and then entirely eliminated from the work of the Office of Education. In addition to these major projects, more than 10 per cent is cut from the all too meager regular budget of the office.

The results of this series of cuts from the original budget of the Office of Education was first a 10 per cent cut and then a 25 per cent cut. It means the crippling of the Office of Education at a time when the services it can perform are of the utmost value. It means tying the hands of the Office of Education at a time when it has at its head a man with ideas and with the confidence and respect of the educational profession. It means untold harm to public education, for it sets a pace for less-favored bodies than the Senate of the United States to likewise blindly cut at a vital spot in the life of our Government.

In addition to the positive harm that can be measured only in terms of many times the $105,000 which this cut for the Office of Education will mean, the fact of having the most highly selected body of public officials in the United States—the United States Senate—fail to recognize the place of education in American democracy in times like these is one which will set the pace for less-favored bodies and will seriously affect the morale of the educational group.

In the State of Pennsylvania in 1833 Thaddeus Stevens, in a speech before the hostile legislature, changed the whole tenor of that legislature in favor of free public education. In spite of the positions which he took later in life that made him detested by a large percentage of our population, Thaddeus Stevens is remembered to-day in the State of Pennsylvania for the incalculable good which he brought about by his brave stand for the fundamental place which education should take in our democracy. In that period a century ago we experienced the leadership of Horace Mann in Massachusetts, Caleb Mills in Indiana, Thaddeus Stevens in Pennsylvania, Samuel Lewis in Ohio, David Pierce in Michigan, and Gideon Hawley in New York. The advantages of the work of these men were reaped by the gentlemen sitting in the Senate of the United States to-day. The educational systems developed in New York, Massachusetts, Connecticut, Pennsylvania, Michigan, Indiana, and Ohio became the patterns for the newer States. Many of the men sitting in the Senate to-day would never have emerged from their own communities had it not been for the stand taken by these men in a critical time a century ago.

We are to-day faced with no less a serious time. Where it stretched the imagination to see the problems of education as State or even community problems a century ago, a man who took the position of the State's place in aiding and assisting the communities was going against the tradition, but was determining the course of the time. These men set the pace. To-day, with all our erudition, with all our wisdom, must we admit that in the United States Senate there is not a David Pierce or a Horace Mann or a Gideon Hawley or a Caleb Mills? Must we say that the task has become so complex that we have lost track of the fact that education in a democracy must be classed along with food, clothing, and shelter?

Since the beginning of this century education has been moving away from a traditional, somewhat ineffective position toward one that promises more and more to approximate what the founders of our Government expected. Many of the present-day older generation do not understand this coming of age of education. But if democracy is to prevail, this new education must not be hindered. I am persuaded that statesmen must even take a hand. I can not describe this new education better than it is truly described by the writings of our post-Revolutionary thinkers. The quotations I left with you last night sound its very keynote.

This is the appeal which I am making to you, Senator COPELAND, the appeal for a champion of education in this critical time. The restoration of the budgeted amount for the Office of Education is far more important than I am able to say in words. But the need of a champion of education at this time is absolutely vital to the health and safety of American democracy.

Sincerely yours,

PAUL R. MORT, *Director.*

(Memorandum)

NATIONAL SCHOOL FINANCE SURVEY

(A 4-year study authorized by the 71st Cong. to cost not to exceed $350,000.)

Reasons for restoring the $50,000 appropriation for the study of school finances. (H. R. 8397, p. 100, lines 4–16.)

1. This investigation will point the way to the introduction of economies and to the increase of returns for money spent in State and local school administration.

Next year the subjects for special study and recommendation are:

(a) Places where, and where not, to reduce costs.

(b) How to obtain better equalization of costs among various districts in the States so as to reduce taxes on unfairly burdened taxpayers.

(c) How to modify school districts as to size, type, and organization so as to improve schools and reduce costs.

(d) Accounting and budgeting methods to promote better financial administration.

2. School boards and school officers are looking to this study for needed guidance in the present emergency.

It was urged by their national organizations (including the organization of State superintendents). A number of State school financial surveys were not ordered by the State legislatures last year, largely because Congress had approved this 4-year study, to which they are now looking for help in the highly technical job of improving the State-aid systems.

3. An exceptional group of men have made an excellent beginning. Members of State tax commissions, specialists in taxation and government, and business men of national prominence are on the advisory board. School men are in the minority. This is not a paid board.

4. Provision has been made for continuous cooperation with key people in each State. A State advisory committee of from 20 to 40 members has been appointed for each State. These committees consist of State financial officers, members of the legislature, educators, and other prominent citizens. Members are not paid and are not reimbursed for expenses.

5. If the work is abandoned now it will make valueless much of the work which has been done to date. If at all possible, the amount allowed for the next fiscal year should be restored to the $100,000 originally provided in the Budget. On no account should it be reduced below the $50,000 originally approved by the House and Senate Appropriation Committees. Abandonment of this investigation would destroy the value of the greater part of the work that has been done to date.

CORNELL UNIVERSITY,
Ithaca, N. Y., April 9, 1932.

Hon. ROYAL S. COPELAND,
Senate Office Building, Washington, D. C.

DEAR SIR: With no personal interest at stake but in the interest of the Nation at large, I wish to protest most vehemently against the proposed cuts in the budget of the United States office of education. In a time of national crisis there is one field of public effort which should have added support, and that is the work of public education. In times of depression it is the rule that enrollment in schools is tremendously increased and that the most difficult and perplexing problems are met. The Nation is now facing just such a condition. Added support is imperative rather than decreased support. The poorest economy is that which starves the educational forces at the very time when the demands for instruction are most urgent.

The office of education has, with the generous support of Congress, inaugurated in the last two years the most important series of educational studies undertaken in its history. School and college administrators and instructors all over the United States are anxiously awaiting especially the reports on the study of finance, particularly important just at this time, and if this important work be interrupted it is fair to say that our whole school program will be set back at least a decade. It is the belief of many of us that the President and the legislators will not fail to recognize this critical situation and will exempt the office of education from the Budget cuts, which seem so imperative in all directions. The proposed cut of some one hundred and eighty thousands is a mere trifle in the light of the amounts which should be properly cut from many relatively nonproductive budgets, and yet this cut amounts to about one-third of the already inadequate budget of the office and will have the most far-reaching and disastrous consequences. May we look for your support in exempting this office from the general decrease?

Yours very cordially,

R. H. JORDAN,
Director of Summer Session and Professor of Education.

ITHACA, N. Y., *April 9, 1932.*

The Hon. ROYAL S. COPELAND,
United States Senate, Washington:

Greatly disturbed over threatened cut in office of education appropriation. If indicated reduction is made, present program of public-school education will be seriously handicapped. To insure adequate educational leadership original amount provided should be appropriated. Anything you can do to maintain appropriation will be appreciated.

C. L. KULP,
Superintendent of Schools.

NEW YORK, N. Y., *April 11, 1932.*

Hon. ROYAL S. COPELAND,
United States Senate, Washington:

May I respectfully call your attention to the extraordinary discrimination against education proposed in the House bill. In the schedule of suggested reductions the appropriations for Bureau

of Education have been reduced in extremely drastic manner as compared with other departments. This is discouraging to all interested in the continuance of the great work done by the bureau on behalf of national education. I earnestly hope you will use your influence to limit reductions for education to an amount equal to reductions in other departments. By so doing you will earn the gratitude of countless thousands of those engaged in educational work and at the same time render a great service to the youth of the Nation.

JOHN ROBERT GREGG.

Mr. COPELAND. I am impressed with the thought that undoubtedly, before we finish our activities in this session, there will be passed a general joint resolution permitting the head of each one of the executive departments to take the total amount of money appropriated for his department and distribute it in the way to make the best possible use of it. I have expressed the hope that that probably will be done. It would seem a reasonable thing to do, and I observe that the committee which met the President the other day apparently adopted some such plan. So it is my hope that ultimately, whatever the total sum is that is appropriated for the Interior Department, it may be used in such a manner as to preserve activities which are really useful.

On that account, therefore, I shall not press the matter at this moment.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I yield.

Mr. KING. When the bill was before the Senate I moved to strike out, on page 101 of the original bill, this provision:

To make a study of the sources and apportionment of school revenues and their expenditure.

They had obtained an authorization of $350,000, and this was a $50,000 appropriation pursuant to that authorization. It seemed to me, I will say very frankly and with all due respect to my friend, most absurd; and I stated on the floor of the Senate, as I have stated to a number of educators who have been to see me, that if they would give me a stenographer, so that I could write to the superintendents of education of all the States of the Union, I could furnish them all of the information called for by this $350,000 appropriation in a month at virtually no cost.

They were to find out the sources and apportionment of school revenues and their expenditure. Everybody knows the sources of school revenues. The Senator and I are members of the District Committee. We know the sources of revenues, not only for the schools but for the District. In every State there is a superintendent of education. He collates the information. He knows exactly what is collected in every precinct, every school district, and every city in the entire State; and in 20 minutes every superintendent of education in the United States could wire to the Government or to the Senator the amount received last year by the schools, and the sources from which that money came.

This was merely a scheme to furnish employment to a number of alleged experts in the Bureau of Education. I am very much opposed to it, and the Senate, I am gratified to know, struck out the provision, and I am very glad that my dear friend from New York is not going to challenge the action of the Senate in that course.

Mr. COPELAND. Mr. President, I agree with everything else in the world the Senator from Utah believes, except this. I served 25 years as a college teacher. I taught in a district school. I was president of a board of education. With this experience I realize, as everyone else who is interested in the subject of education does, that in cost of operation our educational systems are becoming very top-heavy. There is no question at all but that in every institution of learning, whether it is a university, a college, a high school, or a secondary school, there must be a revision of the curriculum.

In our country we have chosen to make education the very corner stone of our public institutions. But the system has grown and developed until now it has become tremendously expensive. Every school system in America is suffering from need of funds to carry on the old-time activities.

I approve thoroughly of any activity which will point out to educational authorities, whoever they may be, the necessity of coordination, adaptation, abbreviation, perhaps, and improvement of the teaching methods.

As to this particular matter referred to by my friend from Utah, of course, we know where the money comes from—the taxpayer furnishes the money. But the activity involves more than that, more than simply trying to find out where the money comes from. It was intended that the places where and where not to reduce costs should be considered; how to obtain better equalization of costs among various districts in a State so as to reduce taxes on unfairly burdened taxpayers. It was proposed to find out how to modify school districts, study the size and type of organization so as to reduce costs. It was proposed to study the accounting methods and the budget to promote better financial administration. Somebody must do that, otherwise the educational system of America will break down. That would be a dire calamity because no one can doubt that from the very organization of our country to the present moment the public school has been the corner stone of the Republic. It is necessary that these activities should go on and that these surveys should be made and the school systems preserved. So it is my thought that we ought, in every way possible, to encourage it.

Now, however, we are at a time when the Federal Government must consider its costs. So I shall not press the matter, because I know what a difficult task was faced by the committee. I know how the chairman of the committee sweat blood over the problems presented, and, therefore, I am not going to urge this matter. Nevertheless, I want the RECORD to show that the educational forces of the country are aroused to the importance of these activities, and perhaps when they find that we can not give the money under these conditions there will be found other ways to make the studies. But I do wish the RECORD to show exactly how these thinking men are feeling regarding this necessary economy.

Mr. KING. Mr. President, I call the Senator's attention to the fact that on page 100 of the bill there is an item of $200,000 which I did not attack, and that money would be available for some of the purposes which the Senator stated. The language of the bill which was stricken out did not permit the investigations which the Senator is arguing now are so important.

Mr. COPELAND. Mr. President, my only thought about it—and this thought was presented by these correspondents of mine—is the fact that a greater proportion than 10 per cent was stricken from these particular items. But, as I said, sometimes we have to cut our coats according to our cloth, and that is the occasion now. So it is necessary that we should exercise these economies, dreadful as they may be.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 11, lines 19 and 21.

The amendment was agreed to.

The next amendment was, on page 11, line 24, after the word "exceed," to strike out "$225,000" and insert "$200,000," so as to read:

Not to exceed $200,000 of applicable appropriations made herein for the Bureau of Indian Affairs shall be available for the maintenance, repair, and operation of motor-propelled and horse-drawn passenger-carrying vehicles for the use of superintendents, farmers, physicians, field matrons, allotting, irrigation, and other employees in the Indian field service:

The amendment was agreed to.

The next amendment was, on page 12, line 7, after the word "exceed," to strike out "$125,000" and insert "$100,000," so as to make the proviso read:

Provided, That not to exceed $1,000 may be used in the purchase of horse-drawn passenger-carrying vehicles, and not exceed $100,000 for the purchase and exchange of motor-propelled passenger-carrying vehicles, and that such vehicles shall be used only for official service.

The amendment was agreed to.

The next amendment was, on page 12, line 12, after the word "exceeding," to strike out "$100,000" and insert "$75,000," so as to read:

That to meet possible emergencies not exceeding $75,000 of the appropriations made by this act for support of reservation and nonreservation schools, for school and agency buildings, and for conservation of health among Indians shall be available, upon approval of the Secretary of the Interior, for replacing any buildings, equipment, supplies, livestock, or other property of those activities of the Indian Service above referred to which may be destroyed or rendered unserviceable by fire, flood, or storm: *Provided*, That the limitations for new construction contained in the appropriations for Indian school, agency, and hospital buildings shall not apply to such emergency expenditures: *Provided further*, That any diversions of appropriations made hereunder shall be reported to Congress in the annual Budget.

The amendment was agreed to.

The next amendment was, on page 13, line 1, after the word "exceed," to strike out "$12,000" and insert "$10,000," so as to read:

Not to exceed $10,000 shall be available from applicable funds for expenses (not membership fees) of employees of the Indian Service when authorized by the Secretary of the Interior to attend meetings of medical, health, educational, agricultural, forestry, engineering, and industrial associations in the interest of work among the Indians.

The amendment was agreed to.

The next amendment was, under the subhead "Expenses in probate matters," on page 13, line 12, after the designation "Secretary of the Interior," to strike out "$73,000" and insert "$60,000," and in line 13, before the word "shall," to strike out "$16,000" and insert "$13,250," so as to read:

For the purpose of determining the heirs of deceased Indian allottees having right, title, or interest in any trust or restricted property, under regulations prescribed by the Secretary of the Interior, $60,000, reimbursable as provided by existing law, of which $13,250 shall be available for personal services in the District of Columbia: *Provided*, That the provisions of this paragraph shall not apply to the Osage Indians nor to the Five Civilized Tribes of Oklahoma.

The amendment was agreed to.

The next amendment was, on page 13, line 24, after the word "attorneys," to strike out "$35,000" and insert "$30,000," so as to read:

For salaries and expenses of such attorneys and other employees as the Secretary of the Interior may, in his discretion, deem necessary in probate matters affecting restricted allottees or their heirs in the Five Civilized Tribes and in the several tribes of the Quapaw Agency, and for the costs and other necessary expenses incident to suits instituted or conducted by such attorneys, $30,000.

The amendment was agreed to.

The next amendment was, under the subhead "Indian lands," on page 15, after line 7, to strike out:

For the purchase of lands, including improvements thereon, not exceeding 80 acres for any one family, for the use and occupancy of the full-blood Choctaw Indians of Mississippi, to be expended under conditions to be prescribed by the Secretary of the Interior for its repayment to the United States under such rules and regulations as he may direct, $6,500.

The amendment was agreed to.

The next amendment was, under the subhead "Industrial assistance and advancement," on page 18, line 5, after the words "lands," to strike out "$225,000" and insert "$200,000," so as to read:

For the preservation of timber on Indian reservations and allotments other than the Menominee Indian Reservation in Wisconsin, the education of Indians in the proper care of forests, and the general administration of forestry and grazing work, including fire prevention and payment of reasonable rewards for information leading to arrest and conviction of a person or persons setting forest fires in contravention of law on Indian lands, $200,000.

The amendment was agreed to.

The next amendment was, on page 18, line 14, after the word "purpose," to strike out "$140,000" and insert "$125,000," so as to read:

For expenses incidental to the sale of timber, and for the expenses of administration, including fire prevention, of Indian forest lands from which such timber is sold to the extent that the proceeds of such sales are sufficient for that purpose, $125,000, reimbursable to the United States as provided in the act of February 14, 1920 (U. S. C., title 25, sec. 413).

The amendment was agreed to.

The next amendment was, on page 19, line 20, after the word "purposes," to strike out "$75,000" and insert "$60,000," so as to read:

For transfer to the Geological Survey for expenditures to be made in inspecting mines and examining mineral deposits on Indian lands and in supervising mining operations on restricted, tribal, and allotted Indian lands leased under the provisions of the acts of Feb. 28, 1891 (26 Stat. 795), May 27, 1908 (35 Stat. 312), March 3, 1909 (U. S. C., title 25, sec. 396), and other acts authorizing the leasing of such lands for mining purposes, $60,000.

The amendment was agreed to.

The next amendment was, on page 20, line 10, after the word "crops," to strike out "$500,000" and insert "$475,000," so as to read:

For the purpose of encouraging industry and self-support among the Indians and to aid them in the culture of fruits, grains, and other crops, $475,000, which sum may be used for the purchase of seeds, animals, machinery, tools, implements, and other equipment necessary, and for advances to Indians having irrigable allotments to assist them in the development and cultivation thereof, in the discretion of the Secretary of the Interior, to enable Indians to become self-supporting.

The amendment was agreed to.

The next amendment was, on page 25, line 9, after the word "expenses," to strike out "$102,000" and insert "$75,000," so as to read:

For necessary miscellaneous expenses incident to the general administration of Indian irrigation projects, including pay of employees and their traveling and incidental expenses, $75,000.

The amendment was agreed to.

The next amendment was, on page 25, line 11, after the word "exceed," to strike out "$190,000" and insert "$163,000," so as to read:

In all, for irrigation on Indian reservations, not to exceed $163,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1932, which is hereby continued available until June 30, 1933, reimbursable as provided in the act of August 1, 1914 (U. S. C., title 25, sec. 385).

The amendment was agreed to.

The next amendment was, on page 26, line 19, after the word "way," to strike out "$100,000" and insert "$75,000," so as to read:

For all purposes necessary to provide an adequate distributing, pumping, and drainage system for the San Carlos project, authorized by the act of June 7, 1924 (43 Stat. 475), and to continue construction of and to maintain and operate works of that project and of the Florence-Casa Grande project; and to maintain, operate, and extend works to deliver water to lands in the Gila River Indian Reservation which may be included in the San Carlos project, including not more than $5,000 for crop and improvement damages and not more than $5,000 for purchases of rights of way, $75,000, together with the unexpended balance of the appropriation for this purpose for the fiscal year 1932, which is hereby continued available until June 30, 1933, reimbursable as required by said act of June 7, 1924, as amended, and subject to the conditions and provisions imposed by said act as amended.

The amendment was agreed to.

The next amendment was, on page 27, line 4, before the word "reimbursable," to strike out "$28,000" and insert "$20,000," so as to read:

For improvement, operation, and maintenance of the pumping plants and irrigation system on the Colorado River Indian Reservation, Ariz., as provided in the act of April 4, 1910 (36 Stat. 273), $20,000, reimbursable as provided in the foresaid act.

The amendment was agreed to.

The next amendment was, on page 27, line 18, after the name "Idaho," to strike out "$42,000" and insert "$35,000," so as to read:

For improvements, maintenance, and operation of the Fort Hall irrigation system, Idaho, $35,000.

The amendment was agreed to.

The next amendment was, on page 27, line 23, before the word "reimbursable," to strike out "$332,500" and insert "$250,000," so as to read:

For improvements to the Fort Hall irrigation project, Idaho, including payment of damage claims and purchase of rights of way, as authorized by and in accordance with the provisions of the act of February 4, 1931 (46 Stat. 1061), $250,000, reimbursable as provided in said act.

The amendment was agreed to.

The next amendment was, on page 28, line 3, after the word "Act" to insert a colon and the following additional proviso:

Provided further, That no part of this appropriation shall be available for the extension of canals or ditches in connection with the Michaud Division.

Mr. KING. Mr. President, I want to offer an amendment to this item.

Mr. SMOOT. That was an amendment offered by the Senator from North Dakota [Mr. FRAZIER], my colleague will remember.

Mr. KING. I want to propose an amendment to the amendment. I want to oppose the appropriation made for the Fort Hall item.

Mr. SMOOT. This is the Fort Hall irrigation project we are on now.

Mr. KING. I want to move to amend that and reduce it to a very small amount.

Mr. SMOOT. Does the Senator desire that this amendment be passed over?

Mr. KING. If my colleague will permit, I would like to have it passed over.

Mr. SMOOT. Then it may be passed over.

The VICE PRESIDENT. The amendment will be passed over.

The next amendment was, on page 28, line 17, before the word "reimbursable," to strike out "$20,000" and insert "$17,000"; so as to read:

For maintenance and operation, repairs, purchase of stored waters, and continuation of construction of the irrigation systems on the Fort Belknap Reservation, in Montana, $17,500, reimbursable in accordance with the provisions of the act of April 4, 1910 (36 Stat., p. 270).

The amendment was agreed to.

The next amendment was, on page 28, line 23, before the word "reimbursable," to strike out "$8,000" and insert "$5,000"; so as to read:

For maintenance and operation of the Little Porcupine Division, the Big Porcupine Division, and not exceeding 4,000 acres under the West Side Canal of the Poplar River Division, Fort Peck project, Montana, $5,000, reimbursable.

The amendment was agreed to.

The next amendment was, on page 29, line 7, after the word "enlargement," to strike out "$85,000" and insert "$80,000"; in line 9, after the figures "$5,000," to strike out "for continuing the construction of a power-distributing system, $55,000; enlargement of Tabor Feed Canal, $22,000; beginning construction of pumping plant, $100,000; in all, $436,000" and insert "in all, $254,000," so as to read:

For operation and maintenance of the irrigation systems on the Flathead Indian Reservation, Mont., $12,000; for continuation of construction Camas A betterment, $2,000; completing construction of Lower Crow Reservoir, $135,000, together with the unexpended balance of the appropriations for continuing construction of the Flathead irrigation system contained in the Interior Department appropriation act for the fiscal year 1932; continuing Pablo Reservoir enlargement, $80,000; lateral systems betterment, $20,000; miscellaneous engineering, surveys, and examinations, $5,000; in all, $254,000.

The amendment was agreed to.

The next amendment was, on page 29, line 22, after the figures "$41,000," to strike out the semicolon and "and for completion of the 3-year construction program of the Two Medicine and Badger Fisher divisions of the irrigation systems on the Blackfeet Indian Reservation in Montana, including the purchase of any necessary rights or property, $45,000; in all, $86,000," so as to read:

For improvement, maintenance, and operation, $41,000 (reimbursable).

The amendment was agreed to.

The next amendment was, on page 30, line 8, after the word "thereunder," to strike out "$20,000" and insert "$18,000," so as to read:

For improvement, maintenance, and operation of the irrigation systems on the Crow Reservation, Mont., including maintenance assessments payable to the Two Leggins Water Users' Association and Bozeman Trail Ditch Co., Montana, property assessable against lands allotted to the Indians irrigable thereunder, $18,000, to be reimbursed under such rules and regulations as may be prescribed by the Secretary of the Interior in accordance with the act of May 26, 1926 (44 Stat. 658-680).

The amendment was agreed to.

The next amendment was, on page 31, line 6, before the word "to," to strike out "$15,000" and insert "$10,000," so as to read:

For surveys and investigations for the construction of a dam or dams across the Owyhee River, or other streams within or adjacent to the Duck Valley Indian Reservation, Idaho and Nev., as authorized by and in accordance with the act of February 28, 1931 (46 Stat., p. 1458), $10,000, to be made immediately available.

The amendment was agreed to.

The next amendment was, on page 34, line 18, after the word "canals," to strike out "$55,000" and insert "$45,000," so as to read:

For the extension of canals and laterals on the ceded portion of the Wind River Reservation, Wyo., to provide for the irrigation of additional Indian lands, and for the Indians' pro rata share of the cost of the operation and maintenance of canals and laterals and for the Indians' pro rata share of the cost of the Big Bend drainage project on the ceded portion of that reservation, and for continuing the work of constructing an irrigation system within the diminished reservation, including the Big Wind River and Dry Creek Canals, and including the maintenance and operation of completed canals, $45,000, reimbursable as provided by existing law.

The amendment was agreed to.

The next amendment was, under the subhead "Education," on page 37, line 9, before the word "for," to strike out "$290,000" and insert "$275,000," and in line 10, after the word "improvements," to strike out "$207,000; in all, $497,000" and insert "$167,000; in all, $442,000," so as to read:

For lease, purchase, repair, and improvement of buildings at Indian schools not otherwise provided for, including the purchase of necessary lands and the installation, repair, and improvement of heating, lighting, power, and sewerage and water systems in connection therewith, $275,000; for construction of physical improvements, $167,000; in all, $442,000.

The amendment was agreed to.

The next amendment was, on page 37, line 23, after the name "Montana," to strike out "new school buildings, auditorium, and gymnasium, including equipment, $50,000" and insert "for remodeling and repairing school building, $10,000," so as to make the proviso read:

Provided, That not more than $7,500 out of this appropriation shall be expended for new construction at any one school or institution except for new construction authorized as follows: Cheyenne and Arapahoe, Okla., repairs and extension of heating system, $20,000; Hopi, Ariz., employee's cottage, $3,000; improvement of water system, $10,000; new day school plant, $7,500; in all $20,500; Northern Navajo, N. Mex., water development, $35,000; Santa Fe, N. Mex., Nambe day school plant, $10,000; Shoshone, Wyo., employee's cottage, $4,500; dining room, kitchen, and bakery, including equipment, $22,000; in all, $26,500; Tongue River, Mont., for remodeling and repairing school building, $10,000; Western Navajo, Ariz., improvements at Moencopi day school plant, $10,000.

The amendment was agreed to.

The next amendment was, on page 38, line 1, after the figures "$10,000," to insert a colon and the following additional proviso:

Provided further, That the unexpended balance of the appropriation for employees' building, San Carlos, Ariz., fiscal year 1932, is hereby continued available until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 38, line 7, after the name "Arizona," to strike out "$40,000" and insert "$10,000," so as to read:

For flood protection and drainage, Leupp Indian School and Agency, Ariz., $10,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 38, line 8, after the word "available," to insert a colon and the following proviso:

Provided, That in the discretion of the Secretary so much of this amount as may be necessary may be used for preliminary investigations of sites for relocation or replacement of present facilities, including tests for the purpose of determining adequacy of water supplies.

Mr. KING. Mr. President, I want to ask my colleague, in view of the fact that a site for the Leupp School was selected some time ago, and the school building erected, that we spent a million dollars in building structures right on the banks of the river which were largely washed away, and

in view of the fact that the Government has had to abandon the school, is it the purpose to build another school there?

Mr. HAYDEN. Mr. President, that is not the object of this provision. The proviso refers to an investigation to determine where a school can be located to take care of these children, inasmuch as the Leupp School must be abandoned.

Mr. KING. Where do the Indians reside who are to furnish children for the Leupp school?

Mr. HAYDEN. On the Navajo Reservation.

Mr. KING. If we build a schoolhouse near where the one was that has been destroyed, the children would have to be taken a considerable distance away from their homes, would they not?

Mr. HAYDEN. It is possible to find locations even nearer their homes. I have no idea where they intend to locate the school. I do not think that is as important as to find a suitable place for a school, where they can obtain water and other conveniences necessary to maintain the school. So long as it is in the neighborhood, one place is as good as another. They had to bring the children a considerable distance even to the Leupp School.

Mr. KING. Is it the purpose to build another boarding school? If so, I shall oppose this $10,000 appropriation. If it is for the purpose of providing school facilities for them outside of a boarding school, I have no objection.

Mr. HAYDEN. It is utterly impossible to provide school facilities for the Navajo Indians except in Indian boarding schools. The Navajos, as the Senator knows, are a nomadic people; they have to follow their sheep about to places where they can get grass. The schools must be established somewhere in the neighborhood where adequate water supplies can be found, and that is what we are trying to do.

Mr. KING. I am not sure that I am in agreement with the Senator. However, I shall not object to the appropriation.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. HAYDEN. Mr. President, a number of these amendments which are being read and adopted have heretofore been adopted by the Senate. Is it necessary for the Senate to vote again on them?

The VICE PRESIDENT. The action of the Senate in adopting those amendments was nullified by recommitting the bill. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, in the item for the Haskell Institute, Lawrence, Kans., on page 40, line 4, after the figures "1933," to insert a colon and the following additional proviso:

Provided further, That the unexpended balance of the appropriation for employees' building, including equipment, fiscal year 1932, is hereby made available until June 30, 1933, for the construction of cottages for employees.

The amendment was agreed to.

The next amendment was, on page 41, line 7, before the word "boilers," to strike out the word "two," so as to read:

Albuquerque, N. Mex.: For 850 pupils, $386,500; for pay of superintendent, drayage, and general repairs and improvements, $25,000; for repairs to heating system, replacement of boilers, rehabilitation and extension of steam mains, $12,000; for deep well and equipment, $5,000; for hog and poultry houses, $3,000; in all, $381,500.

The amendment was agreed to.

The next amendment was, on page 46, at the end of line 17, to strike out "$406,500" and insert "$350,000," so as to read:

For support and maintenance of day and industrial schools among the Sioux Indians, including the erection and repairs of school buildings, in accordance with the provisions of article 5 of the agreement made and entered into September 26, 1876, and ratified February 28, 1877 (19 Stat., p. 254), $350,000.

The amendment was agreed to.

The next amendment was, on page 46, after line 17, to insert:

Not to exceed $500,000 of the appropriations herein specified for Indian educational purposes shall be expended, in the discretion of the Secretary of the Interior, for the construction of new day schools, the enlargement of existing day schools, the provision of transportation facilities between Indian homes and day schools, and for other purposes necessary to a substitution of day school for boarding school facilities, wherever in the discretion of the Secretary of the Interior it is practicable.

The amendment was agreed to.

The next amendment was, on page 47, line 13, after the words "operation of," to strike out "new vessel to take the place of the U. S. S. *Boxer*" and insert "vessels"; in line 16, before the word "for," to strike out "$366,900" and insert "$341,900"; in line 17, before the word "for," to strike out "$24,000" and insert "$22,000"; in line 18, before the word "for," to strike out "$192,600" and insert "$182,600"; in line 19, before the word "for," to strike out "$25,000" and insert "$23,000"; in line 21, after the word "of," where it occurs the first time, to strike out "new vessel to take the place of the U. S. S. *Boxer*" and insert "vessels"; and in line 23, after the word "total," to strike out "$690,000" and insert "$650,000," so as to read:

Natives in Alaska: To enable the Secretary of the Interior, in his discretion and under his direction, to provide for support and education of the Eskimos, Aleuts, Indians, and other natives of Alaska, including necessary traveling expenses of pupils to and from industrial boarding schools in Alaska; erection, purchase, repair, and rental of school buildings, including purchase of necessary lands; textbooks and industrial apparatus; pay and necessary traveling expenses of superintendents, teachers, physicians, and other employees; repair, equipment, maintenance, and operation of vessels; and all other necessary miscellaneous expenses which are not included under the above special heads, including $341,900 for salaries in the District of Columbia and elsewhere, $22,000 for traveling expenses, $182,600 for equipment, supplies, fuel, and light, $23,000 for repairs of buildings, $13,000 for purchase or erection of buildings, $30,000 for freight, $35,000 for operation of vessels, $1,500 for rentals, and $2,000 for telephone and telegraph; total, $650,000, to be immediately available.

Mr. SMOOT. Mr. President, in lieu of the committee amendment just stated, on page 47, line 19, I move to strike out "$25,000" and insert in lieu thereof "$22,000," so as to read, "$22,000 for repairs of buildings."

The VICE PRESIDENT. Without objection, the amendment offered by the Senator from Utah is agreed to, and, without objection, the other amendments, as stated, are agreed to.

The next amendment was, under the subhead "Conservation of Health," on page 51, line 23, before the word "the," to insert "or continued available by," and on page 52, line 2, after the word "hospitals," to strike out "and sanatoria" and insert "sanatoria, and other physical improvements under this heading," so as to make the further proviso read:

Provided further, That appropriations contained in or continued available by the Interior Department appropriation act, fiscal year 1932, and the second deficiency act, fiscal year 1931, for construction and equipment of hospitals, sanatoria, and other physical improvements under this heading are continued available until June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 52, line 21, after the word "exceeding," to strike out "$225,000" and insert "$200,000," so as to read:

There shall be available for health work among the several tribes of Indians not exceeding $200,000 of the tribal trust funds authorized elsewhere in this act for support of Indians and administration of Indian property.

The amendment was agreed to.

The next amendment was, on page 53, line 8, after the word "asylum," to strike out "$50,000" and insert "$40,000," so as to read:

For the equipment and maintenance of the asylum for insane Indians at Canton, S. Dak., for incidental and all other expenses necessary for its proper conduct and management, including pay of employees, repairs, improvements, and for necessary expense of transporting insane Indians to and from said asylum, $40,000.

The amendment was agreed to.

The next amendment was, under the subhead "General support and administration," on page 53, line 22, after the word "employees," to strike out "$1,596,000, including not exceeding $175,000 for relief; and including not exceeding $88,520 for the purpose of discharging obligations of the United States under treaties and agreements with various tribes and bands of Indians as follows: Coeur d'Alenes,

Idaho (art. 11, agreement of March 3, 1891), $3,960; Bannocks, Idaho (art. 10, treaty of July 3, 1868), $7,700; Crows, Montana (arts. 8 and 10, treaty of May 7, 1868), $7,660; Quapaws, Oklahoma (art. 2, treaty of May 13, 1833), $2,280; Confederated Bands of Utes (arts. 9, 12, and 15, treaty of March 2, 1868), $57,480; Spokanes, Washington (art. 6, agreement of March 18, 1887), $1,320; Shoshones, Wyoming (arts. 8 and 10, treaty of July 3, 1868), $8,120" and insert "$1,400,000," so as to read:

For general support of Indians and administration of Indian property, including pay of employees, $1,400,000.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I note that in the reprint of the bill there has been omitted an emergency appropriation of $135,000 for support of Indians and administration of Indian property which appeared at this point. The Chairman of the Senate Committee on Indian Affairs [Mr. FRAZIER] advised me that he intends offering the amendment to the bill at this point to restore that item. Would it be in order now?

Mr. SMOOT. Committee amendments are to be disposed of first.

Mr. HAYDEN. In any event I should like to offer the amendment and have it printed and pending.

The VICE PRESIDENT. Without objection the amendment will be received and printed. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 54, after line 11, to insert a colon and the following proviso:

Provided, That no part of the money appropriated in this act shall be used for the payment of the salary or expenses of a special commissioner to negotiate with Indians.

The amendment was agreed to.

The next amendment was, on page 55, line 13, after the name "Fort Apache," to strike out "$25,000" and insert "$20,000"; in line 14, after the name "San Carlos," to strike out "$120,000" and insert "$100,000"; and in line 15, after the name "Truxton Canyon," to strike out "$20,000; in all, $170,000" and insert "$16,000; in all, $150,000," so as to read:

Arizona: Colorado River, $3,500; Fort Apache, $20,000; Leupp, $2,000; Paiute, $7,500; Pima, $1,000; San Carlos, $100,000; Truxton Canyon, $16,000; in all, $150,000.

The amendment was agreed to.

The next amendment was, on page 55, line 18, after the name "Southern Ute," to strike out "$20,000" and insert "$15,000"; in line 19, after the name "Ute Mountain," to strike out "$20,000" and insert "$15,000"; and in the same line, after the words "in all," to strike out "$40,000" and insert "$30,000," so as to read:

Colorado: Consolidated Ute (Southern Ute, $15,000; Ute Mountain, $15,000); in all, $30,000.

The amendment was agreed to.

The next amendment was, on page 55, line 21, after the name "Fort Hall," to strike out "$20,000" and insert "$15,000: *Provided*, That the unexpended balance of the appropriation for eradication of noxious weeds, fiscal year 1932, is hereby continued available for the same purposes until June 30, 1933"; on page 56, line 1, after the name "Fort Lapwai," to strike out "$10,000" and insert "$7,500"; and in line 2, after the words "in all," to strike out "$31,980" and insert "$24,480," so as to read:

Idaho: Fort Hall, $15,000: *Provided*, That the unexpended balance of the appropriation for eradication of noxious weeds, fiscal year 1932, is hereby continued available for the same purposes until June 30, 1933; Fort Lapwai, $7,500; Coeur d'Alene (Kalispel), $1,980; in all, $24,480.

The amendment was agreed to.

The next amendment was, on page 56, line 3, after the names "Sac and Fox," to strike out "$2,000" and insert "$1,000," so as to read:

Iowa: Sac and Fox, $1,000.

The amendment was agreed to.

The next amendment was, on page 56, line 4, after the name "Pottawatomie," to strike out "$2,000" and insert "$1,000," so as to read:

Kansas: Pottawatomie, $1,000.

The amendment was agreed to.

The next amendment was, on page 56, line 6, after the name "Red Lake," to strike out "$53,000" and insert "$45,000," so as to read:

Minnesota: Red Lake, $45,000.

The amendment was agreed to.

The next amendment was, on page 56, line 7, after the name "Blackfeet," to strike out "$7,500" and insert "$5,000"; in the same line, after the name "Flathead," to strike out "$40,000" and insert "$30,000"; in line 8, after the name "Fort Peck," to strike out "$10,000" and insert "$5,000"; in line 9, after the name "Tongue River," to strike out "$15,100" and insert "$10,000"; in the same line, after the name "Rocky Boy," to strike out "$2,000" and insert "$1,000"; and in line 10, to strike out "$74,600" and insert "$51,000," so as to read:

Montana: Blackfeet, $5,000; Flathead, $30,000; Fort Peck, $5,000; Tongue River, $10,000; Rocky Boy, $1,000; in all, $51,000.

The amendment was agreed to.

The next amendment was, on page 56, line 11, after the name "Omaha," to strike out "$2,000" and insert "$1,000," so as to read:

Nebraska: Omaha, $1,000;

The amendment was agreed to.

The next amendment was, on page 56, line 13, after the name "Pyramid Lake," to strike out "$5,000" and insert "$2,500"; in line 14, after the name "Western Shoshone," to strike out "$10,000" and insert "$5,000"; and in the same line, after the words "in all," to strike out "$16,400" and insert "$8,900," so as to read:

Nevada: Carson (Summit Lake), $1,000; Pyramid Lake, $2,500; Walker River, $400; Western Shoshone, $5,000; in all, $8,900.

The amendment was agreed to.

The next amendment was, on page 56, line 15, after the name "Jicarilla," to strike out "$30,000" and insert "$25,000"; in line 16, after the name "Mescalero," to strike out "$40,000" and insert "$25,000"; and in the same line, after the words "in all," to strike out "$70,000" and insert "$50,000," so as to read:

New Mexico: Jicarilla, $25,000; Mescalero, $25,000; in all, $50,000.

The amendment was agreed to.

The next amendment was, on page 56, line 18, after the name "Otoe," to strike out "$1,500" and insert "$1,000"; in line 19, after the name "Ponca," to strike out "$3,000" and insert "$2,000"; in the same line, before the name "Sac," to strike out "$4,500" and insert "$3,000"; in the same line, after the name "Fox," to strike out "$3,100" and insert "$2,000"; in line 20, after the name "Arapahoes," to strike out "$3,000" and insert "$2,000"; and in line 22, after the words "in all," to strike out "$10,600" and insert "$7,000," so as to read:

Oklahoma: Pawnee (Otoe, $1,000; Ponca, $2,000), $3,000; Sac and Fox, $2,000; Cheyennes and Arapahoes, $2,000, which shall be available for expenses of the tribal business committee; in all, $7,000.

The amendment was agreed to.

The next amendment was, on page 56, line 23, after the name "Klamath," to strike out "$75,000" and insert "$50,000"; in the same line, after the name "Umatilla," to strike out "$9,100" and insert "$5,000"; and in line 24, after the words "in all," to strike out "$84,100" and insert "$55,000," so as to read:

Oregon: Klamath, $50,000; Umatilla, $5,000; in all, $55,000.

The amendment was agreed to.

The next amendment was, on page 57, line 1, after the name "Cheyenne River," to strike out "$90,300" and insert "$75,000"; in line 2, after the name "Pine Ridge," to strike out "$7,000" and insert "$4,000"; and in the same line,

after the words "in all," to strike out "$97,300" and insert "$79,000," so as to read:

South Dakota: Cheyenne River, $75,000; Pine Ridge, $4,000; in all, $79,000.

The amendment was agreed to.

The next amendment was, on page 57, line 3, after the name "Ouray," to strike out "$15,000" and insert "$10,000," so as to read:

Utah: Uintah and Ouray, $10,000: *Provided*, That not to exceed $500 of this amount may be used to pay part of the expenses of the State experimental farm, located near Fort Duchesne, Utah, within the Uintah and Ouray Indian Reservation.

The amendment was agreed to.

The next amendment was, on page 57, line 8, after the name "Colville," to strike out "$40,500" and insert "$30,000"; in line 9, after the name "Neah Bay," to strike out "$7,500" and insert "$5,000"; in the same line, after the name "Puyallup," to strike out "$4,000" and insert "$2,000"; in line 11, after the name "Spokane," to strike out "$10,000" and insert "$7,500"; in line 12, before the word "of," to strike out "$36,000" and insert "$30,000"; and in line 14, after the name "Yakima," to strike out "$30,000; in all, $128,000" and insert "$20,000; in all, $94,500," so as to read:

Washington: Colville, $30,000; Neah Bay, $5,000; Puyallup, $2,000, of which $1,000 shall be available for the upkeep of the Puyallup Indian cemetery; Spokane, $7,500; Taholah (Quinaielt), $30,000, of which not to exceed $25,000 shall be available only for a sewer and water system for the Indian village; Yakima, $20,000; in all, $94,500.

The amendment was agreed to.

The next amendment was, on page 57, line 17, after the name "Keshena," to strike out "$75,000" and insert "$50,000," and in line 22, after the words "in all," to strike out "$77,000" and insert "$52,000," so as to read:

Wisconsin: Lac du Flambeau, $2,000; Keshena, $50,000, including $5,000 for monthly allowances, under such rules and regulations as the Secretary of the Interior may prescribe, to such old ad indigent members of the Menominee Tribe as it is impracticable to place in the home for old and indigent Menominee Indians, and who reside with relatives or friends; in all, $52,000;

The amendment was agreed to.

The next amendment was, on page 57, line 23, after the name "Shoshone," to strike out "$50,000" and insert "$40,000," so as to read:

Wyoming: Shoshone, $40,000.

The amendment was agreed to.

The next amendment was, on page 57, line 24, after the word "exceed," to strike out "$945,480" and insert "$712,380," so as to read:

In all, not to exceed $712,380.

The amendment was agreed to.

The next amendment was, on page 58, line 3, after the name "Minnesota," to strike out "$100,000" and insert "$75,000"; in line 3, after the word "exceeding," to strike out "$60,000" and insert "$45,000," and in line 11, after the word "exceeding," to strike out "$40,000" and insert "$30,000," so as to read:

For general support, administration of property and promotion of self-support among the Chippewa Indians in the State of Minnesota, $75,000, to be paid from the principal sum on deposit to the credit of said Indians, arising under section 7 of the act entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," approved January 14, 1889 (25 Stat., p. 645), to be used exclusively for the purposes following: Not exceeding $45,000 of this amount may be expended for general agency purposes; not exceeding $30,000 may be expended in the discretion of the Secretary of the Interior in aiding indigent Chippewa Indians upon the condition that any funds used in support of a member of the tribe shall be reimbursed out of and become a lien against any individual property of which such member may now or hereafter become seized or possessed, the two preceding requirements not to apply to any old, infirm, or indigent Indian, in the discretion of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 59, line 18, after the word "automobiles," to strike out "$175,000" and insert "$150,000," so as to read:

For the support of the Osage Agency, and for necessary expenses in connection with oil and gas production on the Osage Reservation, Okla., including pay of necessary employees, the tribal attorney and his stenographer, one special attorney in tax and other matters, and pay of tribal officers; repairs to buildings, rent of quarters for employees, traveling expenses, printing, telegraphing and telephoning, and purchase, repair, and operation of automobiles, $150,000, payable from funds held by the United States in trust for the Osage Tribe of Indians in Oklahoma.

The amendment was agreed to.

The next amendment was, on page 60, line 1, after the word "of," to strike out "$68,000" and insert "$60,000"; in line 3, after the words "sum of," to strike out "$48,000" and insert "$42,500"; and in line 6, after the words "sum of," to strike out "$20,000" and insert "$17,500," so as to read:

The sum of $60,000 is hereby appropriated out of the principal funds to the credit of the Confederated Bands of Ute Indians, the sum of $42,500 of said amount for the benefit of the Ute Mountain (formerly Navajo Springs) Band of said Indians in Colorado, and the sum of $17,500 of said amount for the Uintah, White River and Uncompahgre Bands of Ute Indians in Utah, which sums shall be charged to said bands, and the Secretary of the Interior is also authorized to withdraw from the Treasury the accrued interest to and including June 30, 1932, on the funds of the said Confederated Bands of Ute Indians appropriated under the act of March 4, 1913 (37 Stat. 934), and to expend or distribute the same for the purpose of administering the property of and promoting self-support among the said Indians, under such regulations as the Secretary of the Interior may prescribe.

The amendment was agreed to.

The next amendment was, under the subhead "Roads and bridges," on page 61, line 13, after the word "construction," to strike out the colon and the following additional proviso:

Provided further, That not more than 20 per cent of the amount expended on any project under this appropriation shall be expended for any purposes other than Indian labor.

The amendment was agreed to.

ECONOMIC CONDITIONS IN THE UNITED STATES

Mr. SHEPPARD. Mr. President, I present for publication in the CONGRESSIONAL RECORD a letter from Mr. Gibbons Poteet, of Roxton, Tex., to Mr. John A. Simpson, president of the Farmers' Educational and Cooperative Union of America.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROXTON, TEX., *March 30, 1932.*

Mr. JOHN A. SIMPSON,
President Farmers' Educational
and Cooperative Union of America,
Washington, D. C.

DEAR MR. SIMPSON: I have your recent letter. Thanks. I know you are too busy to write much so do not pay any attention to me at all if you can do more good somewhere else.

Yes; I noticed McAdoo's talk. That was fine. I believe your work will eventually win—if the people have not lost all hope. I was at Dallas this week and found several men who favor the price fixing; even two bankers. You know bankers as a rule read nothing but the propagandized press and believe the stuff is so. "As a man thinketh in his heart so is he." And a man's reading determines his thinking. That old guy that said years ago "The pen is mightier than the sword" told a great truth. Now that the Gutenberg boys and Mergenthaler's have multiplied the pens by the billion the press is a power indeed. In fact most of our woes are attributable to the press. The Constitution guarantees freedom of the press but, like everything else that has to eat, it is not free. The fact is that the press is a slave. No man can run an independent newspaper unless he has plenty of money; and if he has money, he will not work himself to death running a paper for an unappreciative public. He would simply become disgusted and quit. Our people can not buy anything. We are still trying to grubstake our people here who are trying to make a crop. The best we can do is to promise a family of eight—most all working like thunder—$60 to $75 to run them till "cotton-picking time." That gets just a little grub—nothing to buy even work clothes with. No wonder business is dead. We had an energetic and intelligent man with a family of eight last year who could not pay back $100—well, he did pay the $100, but could not pay the interest. He had good land—made 17 or 18 bales and paid it all in (he was on the halves and could pay about $5 or $6 a bale). He bought $7.25 worth of drygoods for his gang last year. Here was his bill: 5 duckings for 5 boys, $5; socks for the gang, $1; canton flannel, $1; and 2 yards of domestic, 25 cents. His case is typical. We have men who own good farms and used to be prosperous that could not buy a pair of shoes and pay for them, could not even pay their tax, though we had a bumper crop.

Since the "change of trumps" back 12 years ago most all purchasing and consuming power has gone into increased debts and increased taxes. No wonder prices have dropped and business is dead—and that stocks and bonds are dying. No wonder the boys can not "balance the Budget." They never will be able to balance it and keep it balanced till they fix a way for the new wealth (the crops) produced each year to have a money value that will stack up enough to meet all the budgets. If they keep up their present racket, the whole shooting match is going busted. They are sure to bust or get "bolsheviked," or both. Our so-called leaders do not know what risk they are running. The people are quiescent now but they are "hurting inside." They are not complaining or yelling like they used to do because they have been hammered senseless by the press—most of them have been made to believe this thing had to be, but they do not like it. Some of them know they have been wronged but do not know how nor by whom. When a radical leader comes along and they break loose they are just as apt to jump on the wrong man or the wrong class—really will be sure to do so because they will have no way of discovering or getting at the guilty.

The people know that nothing has been done so far except to apply a little first aid to the injured—just a temporary palliative, like giving a man a hypodermic who has had his legs broken and three cogs knocked out of his spine and his diaphragm busted, and putting him on a stretcher and sending him to the hospital. And they know that the "hospital" has not set his limbs nor fixed his spine nor sewed his diaphragm. They know the patient will die just as hundreds of thousands of other good men have done if something is not done to give him real relief—if his parts are not mended. You have suggested the correct remedies. Either the dollar must be cut down or we must have prices of the agricultural staples fixed at about three times the present scale. As long as the mountain of debt remains on the world we can not have a revival of business, for business can not move without consumption and, as it is, the debts and the taxes are absorbing all consuming power. It is so plain that it is a wonder all do not see it. But they do not—even our "wise guys" who put on the squeeze and who are now losing millions do not see it. If the present policy is persisted in the worst has not even started—everything on earth will be reduced to monetary zero.

Yours with just a little hope,

GIBBONS POTEET.

NOMINATION OF MAGGIE THOMAS

Mr. SHEPPARD. Mr. President, as in executive session, I enter a motion that the vote by which Mrs. Maggie Thomas was confirmed as postmaster at Petersburg, Tex., on the 4th instant, be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads. I desire to make some inquiries of the department regarding this nomination.

The VICE PRESIDENT. As in executive session, the motion to reconsider will be entered.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 10 minutes p. m.) took a recess until to-morrow, Tuesday, April 12, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 11, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, in the name of Him who knew poverty, who knew want, who knew isolation, and who knew the agony of death we pray. May His disinterested love and His unfailing obedience to the everlasting Father inspire our devotion to our fellow men. They were so deep, so real, that He gave no thought of self. O God, in whose hand is the destiny of our Nation, come to us. Put a check to all forms of greed, put a mighty restraint on all lawlessness, and give discouragement to social excess. May all these channels be cleansed, that henceforth there may spring the fairest things of our national life. Amid all questions, O give us power to adjust ourselves according to our ability and to Thy holy will, and unto Thy name be eternal praises. Amen.

The Journal of the proceedings of Saturday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. PARKER of Georgia. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

CALL OF THE HOUSE

Mr. COLLINS. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER. Evidently, there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 48]

Abernethy	Disney	Karch	Rogers, Mass.
Adkins	Doughton	Kelly, Ill.	Rudd
Aldrich	Douglas, Ariz.	Kelly, Pa.	Sabath
Andresen	Doutrich	Kennedy	Sanders, N. Y.
Barton	Drewry	Knutson	Schuetz
Beam	Dyer	Kunz	Selvig
Beedy	Elsey	Kurtz	Shott
Beers	Erk	Lambertson	Shreve
Black	Estep	Lambeth	Simmons
Boylan	Foss	Larrabee	Somers, N. Y.
Britten	Freeman	Lewis	Spence
Brumm	Fuller	Lichtenwalner	Stewart
Brunner	Gavagan	Loofbourow	Stokes
Burtness	Gifford	Lovette	Strong, Pa.
Carden	Gilbert	Lozier	Sullivan, N. Y.
Carley	Golder	McFadden	Sullivan, Pa.
Cary	Goldsborough	Magrady	Sumners, Tex.
Chapman	Greenwood	Montague	Sweeney
Chase	Gregory	Montet	Timberlake
Chindblom	Griffin	Moore, Ky.	Treadway
Clague	Griswold	Moore, Ohio	Tucker
Clark, N. C.	Hall, Miss.	Murphy	Turpin
Cochran, Pa.	Hall, N. Dak.	Nelson, Wis.	Underwood
Collier	Hancock, N. C.	Nolan	Vinson, Ky.
Condon	Hare	O'Connor	Watson
Connery	Hart	Oliver, N. Y.	Weaver
Cooper, Ohio	Holmes	Overton	Welsh, Pa.
Corning	Hornor	Parker, N. Y.	West
Crowther	Houston, Del.	Patman	White
Cullen	Hull, William E.	Patterson	Wigglesworth
Curry	Igoe	Peavey	Williamson
Dallinger	Jeffers	Pettengill	Wolfenden
Davenport	Jenkins	Purnell	Wood, Ind.
Davis	Johnson, Ill.	Ragon	Woodrum
De Priest	Johnson, S. Dak.	Ramspeck	Yates
Dieterich	Johnson, Wash.	Reid, Ill.	

The SPEAKER. Two hundred and eighty-eight Members have answered to their names. A quorum is present.

Mr. EVANS of Montana. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

PAYMENT OF SOLDIERS' ADJUSTED-SERVICE CERTIFICATES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an address made by myself over the radio last Saturday night.

Mr. MICHENER. Mr. Speaker, reserving the right to object, I ask that there be included the other part of the program, the address made by the gentleman from South Dakota [Mr. JOHNSON].

Mr. RANKIN. Yes. I will be glad to have everybody in America read the two speeches.

Mr. STEVENSON. Mr. Speaker, reserving the right to object, I am not going to object to this request, but, considering the strenuous motions for economy, some of them directed at the printing of this Congress, I serve notice now that I am going to ask that the gentlemen deliver their speeches that go into the RECORD here, and I am going to do some objecting to this everlasting radio propaganda.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, so many requests are coming to me from every section of the country for copies of my address delivered over the radio on last Saturday night on the subject of Paying Off the Soldiers' Adjusted-Compensation Certificates that I am taking this advantage of the privilege given to extend my remarks in the RECORD to insert that speech in full.

I am glad to do this for the reason that there is so much misrepresentation being spread through the press and over the radio with reference to this proposition, and especially with reference to my attitude on it.

If the bill now before the Ways and Means Committee is passed, it will not add one dollar to the taxes of the American people nor will it flood the country with fiat money as the enemies of this legislation contend. On the other hand, it will start prices of commodities upward and will really bring more relief to the rest of the American people than the small amount paid to the ex-service men.

The gentleman from Michigan [Mr. MICHENER] asked unanimous consent that I also insert the address of Hon. ROYAL C. JOHNSON, who followed me last Saturday night. I take pleasure in doing so. I hope every Member of Congress will read both of these speeches and get an idea of how flagrantly my attitude and my statements on the subject are misrepresented.

ADDRESS OF HON. JOHN E. RANKIN

Representative RANKIN. Ladies and gentlemen of the radio audience, it is a pleasure to have this opportunity of coming before you to-night to discuss the all-important subject of inflating the currency and paying off the veterans' adjusted-service certificates.

Permit me to say at the outset that this is not a partisan issue. It is one that rises high above the scramble for party vantage or the noisy clamor of men for place and power, upon a proper solution of which may depend the peace, the happiness, and the prosperity of the American people for generations yet to come.

It is by far the most important question now before Congress. If it involved only the veterans of the World War, if it really meant wringing from the overburdened taxpayers of these United States $2,000,000,000 with which to pay off these adjusted-service certificates, I would certainly oppose its passage. But that is not the case. It is by far the most effective piece of relief legislation that has been proposed at this session of Congress—relief for the entire people of our country from the grip of the most terrible panic America has ever known.

Let no man deceive himself. This country is at war!

We are at war with depression, we are at war with poverty, we are at war with unemployment, we are at war with hunger, we are at war with privation, with human misery, and with all the kindred evils this unprecedented panic has produced.

Our farmers are destitute, their crops are selling far below the cost of production and their homes are being swept away for debts or sold to pay their taxes. Our transportation system is paralized, our factories are closed, and their once happy and contented workmen are crowded into the lengthening bread lines that stream down the streets of our cities. Failures, foreclosures, and bankruptcies continue to multiply, while the crimson wave of suicide sweeps over the land.

What is the cause of all this? Why this condition in a land teeming with abundance, where we have more food than we know what to do with and where our factories and their warehouses are filled to overflowing?

I'll tell you why. We are in a money panic. The lifeblood of the Nation has dried up. The currency has been deflated to where there is not a sufficient amount of the circulating medium to properly transact the business of the country. The buying power of the people is gone, and the value of their property has shrunk to the vanishing point. And, until we expand the currency, put more money into circulation, and raise the price levels of commodities, there can be no hope for relief.

Up to the present moment the legislation that has been passed by Congress has proved futile. Money was provided for the Federal land banks to enable them to renew the notes on the farmers' lands, but as soon as they were thus made secure from failure themselves they proceeded to foreclose the very farmers Congress was trying to assist.

Five hundred millions of dollars has been supplied by Congress to organize a $2,000,000,000 finance corporation supposedly for the relief of our struggling business enterprises in order to enable them to resume operations and put their laborers back to work. We now find that this fund is being dissipated in the payment of unreasonably high salaries to political appointees or paid into the coffers of Wall Street bankers in settlement of prepanic obligations that were based on the inflated values of watered stocks.

We attempted to bring about a reasonable inflation of the currency through the Federal reserve system by the passage of the Glass-Steagall bill, setting aside a sufficient amount of free gold to constitute a 40 per cent reserve against every extra dollar they put into circulation. We are now told that this law has been ineffective for various and sundry reasons, one of which is the difficulty of getting the money into circulation, owing to the lack of security on the part of those who apply. Instead of an inflation, we are told that there has been further deflation, with the result that conditions have grown worse.

It is contended that one of the great problems connected with an inflation is that of getting the money into circulation. Well, we at least have that problem solved so far as the proceeds of this bill are concerned. When we pay this money out to our ex-service men in exchange for their adjusted-service certificates, they will put it into circulation at once, not by wasting it, as some of the opponents of this measure contend, but by paying their debts and purchasing for themselves and their families the necessities of life.

My primary object in supporting this legislation is to inflate or expand the currency, end this terrible panic, and bring back prosperity to the American people. Paying our ex-soldiers what the Government owes them is merely incidental to the main issue. I would be willing to support a bill to pay off any other indebtedness of the Government through a reasonable, controlled inflation of the currency such as this bill provides. But this is the easiest and quickest way to put this money into circulation and to make it reach every section of the country.

Besides, let me say in defense of the veterans who are asking for this payment, that our Government owes them this money, as evidenced by the certificates they now hold. They are asking us to pay them what we owe them. A majority of the veterans, a majority of the legionnaires favor this measure, and the Disabled American Veterans and the Veterans of Foreign Wars are on record for it. We are going to have to pay these certificates off sooner or later.

The enemies of this legislation tell you that these certificates are not due until 1945. If we had paid these boys the same interest rate on what the Government owed them for their services during the war that we paid to the war contractors who profiteered on the Government while these boys were in the service, these certificates would have matured more than a year ago and the entire face value of them would have been due. Then, too, it is generally conceded that Congress will sooner or later relieve these veterans of the payment of the interest they are being charged on the money borrowed on these certificates. That being the case, we had as well pay them what the Government owes them now. By doing so under the provisions of this bill we will not only render them a great service but we will be rendering equally as great a service to all the American people.

This terrible panic had a parallel in the centuries past and gone. What is usually referred to in history as the Dark Ages was a money panic also, an economic depression such as we are in now. It lasted over a lapse of centuries—as this one may do if we continue to supinely fold our hands and permit this country to be dominated by those Wall Street influences that are now profiting at the expense of human misery.

For hundreds of years after the fall of the Roman Empire gold was the money of Europe. The amount in existence was insufficient to meet the requirements of the world at that time and the supply was gradually diminishing. As a result values fell, trade became stagnant, commerce was paralyzed, and the world lapsed into an economic coma that lasted for a thousand years. With the discovery of the New World there was also discovered new, and what appeared to be unlimited, supplies of gold. Immediately values began to rise, trade was revived, commerce increased, the world awoke from its lethargy of centuries, and stepped forward into a new era of prosperity. Then came the dawning of what we call the Golden Age, the most glorious period in all the history of mankind.

We have to-day again reached the point when our gold supply is insufficient to meet the monetary demands of this complex age, and the amount is again diminishing. I wonder if we are entering upon another period of economic stagnation equal to that of the Dark Ages of the past. That depends upon the action of those charged with the responsibility of government in this dark hour of trial. There is no hope for the discovery of any appreciable additional supply of gold for the reason that all the territories of the world have been prospected and all the known fields have been exploited. We must find some other method of increasing our circulating medium if we expect to recover from this panic and bring back prosperity.

Statements in the public press have quoted me as saying that I was in favor of abandoning the gold standard. That statement is incorrect. It is not necessary to abandon the gold standard. I am in favor, however, of increasing our circulating medium so as to bring back commodity prices and restore normal conditions throughout the country.

This can be done without suspending the gold standard, by inflating or expanding, or as some economists prefer to call it, "reflating," the currency as provided in this bill, setting aside a sufficient amount of the free gold now in the Treasury to constitute a 40 per cent reserve and issuing United States notes against it. We can set aside the $800,000,000 of free gold held by the Treasury and issue $2,000,000,000 without impairing the gold reserve or levying additional taxes.

I know that some people who are suffering from a gold complex will throw up their hands in horror and scream "Fiat money." This is not fiat money, nor is this a new procedure. Abraham Lincoln did the same thing during the Civil War.

Under the Federal reserve law we only require 40 cents in gold reserve against every dollar issued. It is true the other 60 cents reserve is supposed to be composed of other securities. But I submit that no security in this country is more valuable than the credit of the United States Government which would be behind every dollar of this money in addition to the 40 per cent gold reserve.

France, the only other gold-standard country on earth, does not require 100 per cent of gold reserve behind her currency, and even before England expanded to the point of suspending the gold standard, that country did not require as much as 40 per cent reserve.

The enemies of this legislation point to the unlimited inflation of South American and European countries in order to try to frighten us into suffering uncomplainingly the ills we now have. The difference is that we are proposing a limited, controlled inflation—controlled by the United States Government and not by a few Wall Street bankers. This will guarantee us against the dangers of flooding the country with what they call "fiat" money. We expanded our currency more than this through the Federal reserve system during the World War and restored the people's purchasing power. No one called it fiat money then.

The main opposition to this measure is coming from those people who made or increased their fortunes during the war and during the inflation subsequent to the war. They, as a rule, have placed their earnings in tax-exempt securities, which, when measured in commodity values now, have four or five times the purchasing power they had when the war closed. They prefer to wring the lifeblood from the American people, to exact the last pound of flesh, and that at the expense of perpetuating this horrible depression, with all its human misery and all its provoking dangers to American institutions. If their policy is carried out, in my humble opinion it will bring to this Nation consequences infinitely more direful than even an unlimited inflation would produce. We are trying to save the American people from the very calamities which the policies of the opposition to this measure would bring.

Let us pass this bill; provide for a reasonable, limited, controlled inflation of our currency; pay these adjusted-service certificates off; and put this money in circulation at once. If that is done, you will see the prices of farm commodities rise; you will see industrial values increase; our transportation systems will renew their normal activities; our bread lines will melt away; our people will be inspired with a new hope; our institutions will take on new life; and from the Lakes to the Gulf and from ocean to ocean there will break over this distressed land of ours the dawning of a new day of happiness and prosperity.

ADDRESS OF HON. ROYAL C. JOHNSON

Representative JOHNSON of South Dakota. Ladies and gentlemen of the radio audience, of course I have listened with great interest to the argument advanced by the gentleman from Mississippi, Mr. RANKIN, who has very plausibly stated the case for the full payment of the bonus. He neither dented the microphone, pounded the table, nor waved the American flag as much as I had expected. He realizes, as we all do, that this is an economic question affecting the welfare of all people of the United States rather than an occasion for oratorical effort.

Personally he could not desire to see the bonus paid as much as I do, because I have a substantial bonus certificate, on which, at a time of economic pressure, I have borrowed to the limit. The law provided that I could borrow on it, which I did after a tough campaign, when I needed the money. Most of the infantry soldiers I served with, as a private, sergeant, and second lieutenant, have borrowed on their certificates, and they needed the money. There is not a Member of Congress who would not be happy to give it to them now not only to help them out but to stop the agitation, because it certainly does not popularize a Member of Congress to keep anyone from securing what he wants.

The easy way would be to surrender to the popular clamor and vote for it. It is a case of history repeating itself, because in 1917, when I voted against the war, there was the same popular clamor from people who became so temporarily patriotic, but many of whom did not intend to enlist.

It is equally true to-day that those who would receive the money but would not pay the bill must advocate the legislation.

I would support the bill to-morrow if I did not think it would mean more financial disaster for the United States, and I do not know where the money can be raised unless currency is issued and the printing presses commence to run. I watched the printing presses run in Germany and saw what happened there.

The full payment now would take $2,423,000,000. If this currency is issued to help one group, this Government must immediately issue currency to help other groups in distress. It must issue $9,000,000,000 of currency to the farmer and an equal amount for the wage earner, and within two weeks after that is done the American dollar would dive as did the German mark.

Mr. RANKIN has argued that a country can issue currency without a gold basis. If his theory is sound, that the Government can issue two and a quarter billions in United States currency to immediately pay the adjusted-compensation certificates, and if it has any economic basis whatever, then we should stop governmental taxation now and issue $4,000,000,000 of currency now to pay the running expenses of the Government this year and two billions additional to take up the deficit. In other words, if his theory is sound, we should not levy these taxes on radios, land deals, postage, stock-exchange and grain-exchange transactions, automobiles, and all the other drastic taxes contained in the bill passed by the House of Representatives. If his theory is sound, the Government should stop taxation and start the printing presses. If his theory is sound, there should be no more failures of banks belonging to the Federal reserve system. Simply allow the banks to issue Federal reserve notes. In other words, if the Government can do business on hot air, so can every State, every county, every city, and every bank.

The greatest economists in the United States testified before a congressional committee, on March 25, last.

One of them, Dr. Edwin W. Kemmerer, professor of international finance of Princeton University, is the financial adviser to nearly every country. He said if this inflation program is passed by Congress:

"It would be a case of inflation of the worst kind. It would give a blow to the confidence of the people. Your currency would be inflated, and you would pump more gold out of the country. If you want to break up all the confidence on the part of the people on whose initiative the return of confidence is based, that would do it."

Even the talk of paying this bonus has commenced to take the gold out of the United States held here by foreign countries. There are nearly $2,000,000,000 of that gold.

Another great expert, Jacob A. Hollander, of Johns Hopkins University, said:

"I think it would drive us off the gold standard."

I do not trust every expert, but when I have a lawsuit, I go to a lawyer, and when I am ill I go to a doctor, and I trust honest economists when they have no personal interest and know the history of economic transactions throughout all history. In other words, no one can convince me that these two gentlemen, together with every other man in the United States who knows finance, are wrong, and Mr. RANKIN, of Mississippi, is right. I do not concede that he knows more than every economist in the United States, and right down deep in your hearts, I do not believe there is a person listening to me who believes it.

Of course, many people who have these certificates want and need that money, but I do not believe they want and need it enough to force the greatest panic in the history of the world on top of the one we have.

Especially is this true when every soldier knows that the Government never promised him payment until 20 years after the certificates were issued, and just to make certain that everyone knows that I am going to give you the law.

"The amount of adjusted-service credit shall be computed by allowing the following sums for each day of active service in excess of 60 days in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, as shown by the service or other record of the veteran: $1.25 for each day of oversea service and $1 for each day of home service, but the amount of the credit of a veteran who performed no oversea service shall not exceed $500 and the amount of the credit of a veteran who performed any oversea service shall not exceed $625."

That law—and I voted for it as a Member of Congress—said and promised only that every man should secure a dollar a day for service on this side of the water and $1.25 a day for every day overseas; that the soldier who served on this side could not secure more than $500 and the one who served overseas could not secure over $625. That was the only promise ever made by Congress. Moreover, that was what was requested by service men.

That being the case, anyone who asks more than that is doing so simply because he happened to have been in the service and is hard up to-day and feels that he should be given a gratuity or gift or bonus of whatever amount of money he can secure in addition to the promise originally made. I think every one of you, whether service men or not, will agree with me on that.

Every service man who borrowed on his certificate 50 per cent of its face value, as provided by the law of February 27, 1931, has already been paid his one dollar a day in full for every day he served on this side of the water and his one dollar and a quarter a day for every day he served on the other side of the water. If he never secures another cent from the Government, he has been paid every cent the Government promised him. Most service men never thought of that because they have been listening to people who have not stated facts with reference to the law.

If any of you service men have a pencil and paper with you, you might use it while I give you some figures.

Take the average case of the average man who served 178 days in the United States and 176 days overseas, serving 354 days in all, in excess of the 60 days for which a cash bonus of $60 was paid at discharge. Had the Government paid him a dollar a day for home service and a dollar and a quarter a day overseas service, he had due $398. That is all that the man who died in 1923, before the certificates were issued, received. Because the Government did not have the money at the time, however, and wanted to defer payment, it took the $398 due this man and arbitrarily added 25 per cent to that amount. It then took the total amount and added to it 4 per cent interest, compounded annually, for 20 years, which made the face of the policy. In other words, if this soldier who had $398 due under the law had been paid in cash right then and had deposited that money in a bank at 4 per cent interest from the date his certificate was issued until the day he secured the 50 per cent loan, his certificate of deposit in the bank would be approximately $524. That is all the Government ever promised him.

If he borrowed to the full amount, however, he secured $519. This apparently leaves this soldier with $5 coming to him under the promise made in the bonus act. That is more than offset by the fact that he had the insurance for seven years, which, if bought from a private company, would have cost at least $20. Remember my figures are based on an average case, and the amount received by a borrowing veteran on an interest basis would depend on the date of his certificate. To save interest computations the law simply provided that the veteran could borrow 50 per cent of the face of the policy.

Again let me make it clear. Every soldier who borrowed on his certificate has secured his dollar a day for home service and his dollar and a quarter a day for overseas service, and $15.



What Congress is asked to do now, however, is to pay a balance of interest not now due on an amount of money which the Government has already paid, plus 25 per cent additional for deferred payment. That interest is not earned and not due for 20 years from the date of the face of the policy.

My own judgment is that the law of 1924 was an adjusted-service certificate statute. But this proposed plan properly deserves to be called a bonus.

Some of my listeners may not realize what it would cost to pay this bonus. To do so would cost every family about $100.

If it were due, I would say that every family ought to pay the $100, but it is not due, and the payment was not promised at this time.

When the country becomes in financial condition to pay it, without causing a panic, I will be one of the first advocates of payment, because I know there are so many honest men who feel that it ought to be paid. There are many, however, who are simply blinding their eyes to the fact that the promise to pay it now was not made, and that it will throw us off the gold standard and cause a panic if Congress should pass the bill.

Some of these men who are going to vote against its payment now may possibly be defeated for the House or Senate, but do not think they do not know it, because Congressmen are neither smarter nor dumber than soldiers. The best soldiers I ever served with in the Infantry knew how to duck into a shell hole when a barrage cut loose, but sometimes they walked through it because they thought they should. Congressmen and Senators who are opposing this bill at the present time, and who are candidates for reelection, are just as smart as soldiers, and when they are walking through the bonus barrage they know what they are doing.

These are the same Senators and Congressmen who have passed the laws that gave the service men of this country the most liberal benefits ever given in the history of the world; gave them hospitals where 30,000 of them are receiving treatment; who are spending 25 cents out of every dollar the Government collects in taxes to take care of service men, and who do not begrudge them a cent of it.

Now I do not believe in bunking service men. They listened to enough of that when they were in the Army.

The promise not having been made, and the country not having the money, the bill is not going to be a law, and I think it is unfair to "hot-air" men who are broke and discouraged, by promising them something they can not possibly get.

No one can be called a friend who tells us what is not true—particularly when it is something that is vital to ourselves, our families, or our pocketbooks.

STATE AND FEDERAL TAXES

Mr. EVANS of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter written by myself to one of my constituents on the cost of Federal and State Government.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. EVANS of Montana. Mr. Speaker, in pursuance with permission heretofore granted me I submit for the RECORD a copy of a letter written to a constituent in Montana on the question of State and Federal taxes. For obvious reasons the name of the person to whom the letter was written is deleted. The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 11, 1932.

MY DEAR SIR: This will acknowledge receipt of your favor of April 5 commenting on our former correspondence.

It seems we are not so far apart in our views on the tax and economy question. We are, perhaps, looking at it from different angles, and yours may be the broader and better view. Mine may even be a provincial view, but we are all by nature inherently selfish, and I have felt it my first duty to protect and save the people of my State and county just as I believe we should save the people of the United States before we attempt to save the people of Europe.

I am by no means opposed to economy, and when this Congress adjourns it will be found we have reduced appropriations four or five hundred million below the Budget estimate and the recommendation of the President.

I am perfectly willing to vote to cut my salary or the salary of anyone else drawing more than two or three thousand dollars but I am not willing to cut the salaries of people drawing a thousand to fifteen hundred a year.

Congress and the Government have been extravagant, of course, and I make no excuses for their wastefulness; however, if any substantial relief comes to the people of Montana from the tax burden it must come from a reduction in local taxes and not Federal taxes.

In 1929 the people of Montana paid for the support of the Federal Government $4.78 per capita, but they paid toward the support of their local government, State, county, city, and school, $45 per capita which you'll observe is almost ten times as much.

In 1930 the people of Montana paid toward the support of the Federal Government a little less than $3.80 per capita, but they paid toward the support of their local government $45 per capita. You'll therefore observe that for every $1 paid toward the support of the Federal Government they paid $13 to the support of their local government.

In the year 1930 the people of the State of Montana paid for the support of the Federal Government in round figures, $1,750,000 but they paid for the support of their local government $25,330,000. The county of Silver Bow alone paid almost 50 per cent more in local taxes than the whole State of Montana paid in Federal taxes. In the same year 866 individuals, corporations, and partnerships paid Federal taxes in Missoula County while 6,500 taxpayers were on the local tax rolls.

The expenses of running the Federal Government last year amounted to approximately $4,500,000,000. I am confident we will reduce that expenditure during this session at least 10 per cent and I commend such a reduction to the people of Montana. If they can reduce their tax bill 10 per cent they will save approximately $2,500,000.

Last year the people of Missoula County paid toward the support of the Federal Government less than $75,000, but they were called upon to pay toward the support of their local government, including special improvement taxes, more than $1,100,000. I devoted all my time last summer making speeches on this tax question, and spent several hundred dollars in printing, hiring halls, postage, etc., trying to arouse the people on the subject. To my chagrin, not a banker, business man, newspaper, lawyer, doctor, or educator would openly join with us in our efforts to save the people of Missoula County from utter financial destruction; while with some minor exceptions the officers from school trustee to district judge, yes; even the State board of equalization, stood in solid phalanx against us.

The local daily papers print long editorials about the burden of Federal taxes (which is $75,000), but never a word of protest or condemnation about the $1,100,000 local tax burden. They seem to have entered into a conspiracy of silence and deception on this important matter. If the people could get the facts they would remedy the situation, and there is a growing resentment against news being suppressed or colored by the press.

In one mass meeting last summer the people there passed a resolution asking for a 10 per cent reduction in their taxes, which was denied by the board of county commissioners with the arrogant boast that "the rabble asked for a reduction and we gave them a raise."

At another mass meeting the following resolution was unanimously passed:

"*Be it resolved by the taxpayers of Missoula County, in mass meeting assembled at the Liberty Theater, August 17, 1931, to the number of 500:*

"First: That we view with utter disapproval the action of the high-school board and others in increasing the levy 2½ mills, adding approximately $50,000 to the burden of this tax-ridden people.

"Second: We earnestly but firmly request that the proper officers rescind such actions.

"Third: We gravely remind the officers and any others interested that to pursue the course now outlined by the school and other authorities can have but one result, to wit, disaster for the taxpayers and destruction for the high schools of this county."

This resolution received no more consideration than the one above mentioned, and another year will complete the havoc.

The law provides that property shall be assessed at its cash value—that means what the property would sell for in the open market—but it is notorious that in your county real estate is assessed from two to ten times what it would sell for in the open market, and often one year's taxes is more than the property will bring at the time of assessment. When appeal is made to the assessor or the board of equalization the taxpayer is told, "We have got to have the money to run this county." If the officers will not heed the law and listen to the protests of the taxpayers, then you must get new officers.

Property in Montana is now being confiscated for local taxes, and if the people save themselves from utter bankruptcy they must reduce the cost of their local government.

Very respectfully,

JOHN M. EVANS.

PAY BONUS BY INCREASING MONEY IN CIRCULATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the adjusted-compensation proposition.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, the question of paying the balance of the adjusted-service bonds to the World War soldiers of this country is upon us and must be decided somehow. We all know that the Government has not the money in the Treasury to pay it. We also know that the balance of this debt, which has been formally acknowledged by the Congress, will not be due, according to the letter of the law, until 1945. We also know that it is not advisable

at this time to try to borrow more than $2,000,000,000 of money for the Government. We are already having to borrow money to meet current expenses. Therefore, shall we sit down and do nothing about it?

Mr. Speaker, I merely repeat what everybody in this country knows, that we are in the midst of a crisis. It is more than a mere depression; it is a testing time for the courage and the wisdom of the leaders of American thought and the responsible officers of the Government, and especially for the Congress and the President. Our people have been caught in the blasts of a terrible economic storm. Our people, as a whole, are not to blame for this condition in which they find themselves. The masses of our people were working happily, spending freely, and innocently enjoying life, confident in the belief that their jobs would continue and that their wages would be sufficient to meet their needs.

Suddenly, as from out of a clear sky, a blighting frost falls upon our prosperity. The speculators and gamblers of Wall Street had concentrated nearly $7,000,000,000 into New York City for the purpose of gambling on margin contracts in stocks. The international investment bankers, who had been regarded for generations as very wise men, loaded down our credulous and trusting public with three and a half billion dollars of practically worthless foreign bonds. These same Wall Street bankers continued to encourage the wild and delirious speculation in stocks up to the fatal day of October 29, 1929. Money had been drawn out of the communities to which it belonged. Speculators in New York on margin could pay 12, 15, 20 per cent for money on call so long as stocks continued to rise. Bankers in all of our cities and towns throughout the country refused to make loans on a good security because limited by State laws to 6, 7, and 8 per cent, and sent the money belonging to the entire people of the whole country to New York to feed that great gambling game.

When finally the bubble burst and the stock market collapsed, paralysis seemed to have set in upon the business of the whole country. Commodity prices began to drop and have continued to drop until this very day. The farmer's dollar to-day is worth only about 63 cents, whereas farm machinery and other things which he must buy are worth, in terms of his commodity, 127 cents. It is evident that the farmer can not survive this unequal struggle. No wonder that one-fourth of all the farm lands in the State of Mississippi have been sold for taxes. No wonder that this same state of affairs prevails in all the agricultural sections of the country, and especially in the cotton-growing States of the South.

So again, Mr. Speaker and my colleagues, I ask the question, what are we going to do about it? Shall we continue to sit with folded hands and let our people suffer and some of them starve and lose their homes and become tenants and peasants?

Now, Mr. Speaker, what one class of our people loses by this critical depression another class gains. The rise in the value of a dollar makes the man who has the dollar richer, and makes the man who has the crop and the manufactured product to sell, poorer. The bond clippers, the investment bankers, the trust companies, and all that group of people who have got a mortgage on America are the beneficiaries of this rise in the value of a dollar and of this shrinkage in commodity prices. Their dollar will buy nearly three times as much as it would buy 10 years ago. Therefore, they are nearly three times as rich as they were, though their books may show the same number of dollars. If they have been trebled in riches, the producing classes of the people such as the farmers and the manufacturers and the miners, have been cut to one-third of their producing power. What one class loses, the other class gains.

Again I ask, what shall we do about it? From my study of economics generally, and of this particular crisis, I have come to the firm conclusion that the only way to stop this downward trend in commodity prices and this shrinking in the value of a man's labor and this increase in the buying power of the bond-clipper's dollar is to increase quickly and by a substantial volume the currency, the volume of money, the circulating medium of this Nation. If we do this, we can use the money to pay off the bonds which we owe to the World War soldiers, and it will result in a nation-wide and equal distribution of this $2,200,000,000. If we did not owe the soldiers these bonus bonds, if conditions were as they are, it would still be our duty to increase the volume of currency. In such case we would have the choice of increasing it in one of two ways. We could either pay the salaries and other Government expenses for a year, amounting to about $2,000,000,000, less fixed charges and other obligations calling for payment in gold, and thus put the money in circulation. Or we could select the holders of about $2,000,000,000 worth of our bonds or our short-term obligations and pay them off with currency.

Of these two, the better would be to pay Government employees, including the Army and the Navy, because it would result in a more widespread distribution of the money.

But in the present case the best way to distribute the money and to put it at the very bottom of the economic structure is to put it in the hands of these World War soldiers whom we owe. We owe them just as certainly as we owe the holder of any bond. The bondholder furnished money, but these boys furnished their services and offered their lives. Let no man mistake the fact that this obligation to the World War soldiers is just as solemn and just as high as that to the holder of any bond of this Government. We will repudiate neither, and we can pay either class in advance if it suits our convenience.

It happens to suit our economic needs now to pay the World War soldiers. It will be distributed among over 4,000,000 men. It will be paid out by them almost immediately in discharge of debts, in payment of taxes, in payment of rents, to the grocer, to the druggist, and finally, in a few weeks and certainly in a few months, this money will be in the vaults of the banks of the country representing the deposits of their customers. Every dollar paid out to these boys will in a few months pay more than $10 in debts. It will be circulated through the entire community, and the merchant will feel the first impulse of returning prosperity. Then the banker will find his assets more liquid and his bills more promptly paid. It means that from one ocean to the other, and from Canada to Mexico, distributed according to population, this new money will be like new blood in the veins of an anæmic person. It means that farm prices will rise, and that the merchant's goods will move from his shelves, and that the manufacturer's wheels will begin to turn, and that the railroads will have more abundant freight to haul, and people will ride on the trains, and they will be able to pay their insurance premiums, and the interest on the mortgages on their homes, and thus every institution of the land will receive new life from this additional volume of circulating currency, which is the lifeblood of our civilization.

Mr. Speaker, we all know that the Washington Post is editorially one of the most conservative papers in the whole Nation. It is acknowledged to be the voice of the vested interests, and yet the leading editorial in to-day's paper, April 11, 1932, is really an argument in favor of the very proposition I advance. I quote these four brief paragraphs from that editorial:

> Value in the United States is being slowly concentrated into money. The dollar increases in value every day, while everything else loses some of its relative worth. In spite of the antihoarding campaign and the liberalizing of credit, this situation encourages the liquidation of all other forms of wealth. The value of the dollar has reached such a high point that the people are tempted to convert all their holdings into dollars to avert further shrinkage.
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> Unless this vicious movement is checked, it will result in panic. The extension of credit will not be sufficient. Heroic emergency measures that will arrest the fall of prices seem to be in order. How that can be done without unwarranted inflation of the currency is not clear, but every fresh wave of deflation makes more urgent the necessity of restoring some measure of balance between money and commodity prices.
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> The best brains of the country ought to be concentrated on this problem. This economic malady has reached a point where it can not be expected to cure itself without leaving horrible scars. Palliatives will not yield the desired effect. Business can not turn

toward stability unless the whole tendency toward lower price levels is reversed. Some powerful agency must be thrown into the breach to restore the value of goods and services against the exaggerated value of money.

The people would not countenance the manufacture of fiat money to make prices rise. But some method of currency expansion on a sound gold basis might be necessary. Emergencies of this kind call for drastic action which goes to the heart of the problem. All the benefits which have accrued through bank stabilization will be lost unless the forces of deflation are arrested. It is time for the leaders in Government and financial circles to focus their minds upon a realignment of values.

The writer of this editorial is eminently correct. We are not only in a terrible emergency, but we are at the crossroads. Our condition is worse than any war since our Government was established. The writer of this editorial says that the people will not countenance the manufacture of fiat money to make the prices rise. Nobody is suggesting the manufacture of fiat money. We have nearly half the gold of the world. We have enough gold to support a paper currency two or even three times as much as we have.

The English Government never expects to have more than a 10 per cent gold reserve. The French Government has less than a 20 per cent gold reserve. We have at present nearly a 60 per cent gold reserve. We are only asking to increase the volume of currency about 50 per cent. That will still leave us a gold reserve of nearly 40 per cent. I remember that W. P. G. Harding, our former chairman of the Federal Reserve Board, told me on the train in 1922 that under normal conditions it would never be necessary to have more than a 20 per cent gold reserve, and if in an emergency or a crisis we should put an embargo upon the export of gold, 20 per cent reserve ought to pull us through any crisis. Now, with nearly 40 per cent as it would be if we issued $2,200,000,000, of Federal Reserve notes or Treasury notes, as either plan may be selected by the Ways and Means Committee, we would still be far within the limits of safety. We are safe, if we prevent the selfish speculator from shipping our gold out of the country.

Now, Mr. Speaker, let us have a little lesson in simple, common-sense economics. My grandfather, a farmer who never read a book on political economy, taught me, when I was a boy in my teens, truths that every sound economist acknowledges, that the prices of commodities such as crops and goods and services depend upon, first, supply and demand of money; second, supply and demand of credit; and third, supply and demand of the commodities themselves.

Now, everybody knows that there has been a terrific shrinkage in the volume of money per capita in this Nation. It has shrunk in the last 12 years from $55 per capita to $44 per capita. Furthermore, what money is left is out of sight by the hoarding of individuals and the hoarding of banks. Nobody blames either the banks or the individuals for hoarding. Any normal person will hoard money unless he has absolute confidence in the banks, and any normal bank officer will hoard his cash unless he has absolute confidence in the economic structure surrounding him.

Our banks that are still in existence are in a very liquid condition. They do not let their money out under present circumstances. Furthermore, credit which the bank represents is paralyzed. Ordinarily we have about $30,000,000,000 of credit in this Nation. This credit flows back and forth in the banks in the form of checks, and under normal conditions each year pays about $900,000,000,000 of debts. But at present the banks will not lend money, and nobody can blame them. They are afraid that their depositors will call for the cash. So the second item in prescribing the price of commodities is frozen stiff.

The third factor is the supply and demand for commodities. We all know of the enormous surplus of crops bursting the barns and warehouses of the Nation, while hungry men and women and children crowd the sidewalks for blocks formed in bread lines begging for charity. We all know that the factories are overstocked. On the other hand the demand for goods has been practically destroyed, due to the lack of buying power in the masses of the people. If the people could not find work and if they could not collect wages and if they could not borrow money from the banks and if the farmers could not sell their commidities for a price above the cost of production, then how can they buy? Of course they can not buy, and therefore demand is dead.

No wonder, Mr. Speaker, that the writer of the editorial in the Washington Post of to-day is forced to concede that the dollar is daily increasing in value, while the farmer's crop and manufacturer's commodity are shrinking in value. No wonder that this editorial writer says that this vicious downward movement in commodity prices, and this wicked upward movement in the value of the dollar must be checked, or it will result in panic. I remind him that it has already caused a panic; and unless it is stopped, it will cause disaster. Something more is necessary than bank credit. The editorial is correct in saying that heroic measures must be resorted to to meet this emergency in falling prices. This deflation must stop. The only way to stop a deflation is to produce an inflation. The only way to produce an inflation now is by governmental power. Pay off these bonus bonds by distributing $2,200,000,000 among the former soldiers and sailors, and let them distribute it among their neighbors and friends, and it will finally touch the pocket of every man, woman, and child in the Nation, and life will return, strength will come back, and that oft-repeated coming of prosperity "around the corner" will be realized.

The editor of the Washington Post says that the best brains of the country must be concentrated on this problem. This economic sickness will not cure itself. Little palliative plasters will not heal the soul. Even the $2,000,000,000 plaster put upon the top of the economic structure in the form of loans by the Reconstruction Finance Corporation to railroads, banks, and insurance companies has produced little, if any, noticeable result. Perhaps it has saved greater disaster, but it certainly has not turned the tide toward prosperity. The editorial writer referred to says that some method of currency expansion on a sound gold basis may be necessary. His ultraconservative state of mind prevents him from declaring the truth. He knows that such expansion is necessary, and he knows that this emergency, this crisis can be safely passed only by means of such currency expansion. He knows that that expansion must first touch the bottom of the social structure and not the top. If he will face this problem honestly, free from prejudice, like a patriot who thinks more of all the people than he does of a few bond clippers, then he will see and will declare that the increase in currency volume must be made now, before it is everlastingly too late.

Every factor in fixing the prices of commodities is driving with full force toward the minimum price. The whole momentum of a hoarded currency, of a paralyzed bank credit, and of an absence of demand for enormous supplies of goods, is daily driving the prices of cotton and wheat and corn and meat and manufactured goods downward and downward.

The only way to offset this downward drive is to use artificial man-created methods. We can not by legislative act diminish the volume of goods, nor increase the buying power for those who need goods. We can not by legislative act compel the banks to give credit when they are afraid of their securities. But we can increase the volume of currency, pay a debt that we owe, distribute this currency through more than 4,000,000 families, and in a few weeks it will be distributed through every family in the Nation. Undoubtedly confidence will be restored, commodity prices will begin to rise, confidence will return to the banks, they will begin to extend credit to business, business will revive in the city, and the factory laborer will return to his job; the business of the merchant will multiply, his money will be deposited in the bank, and in a few weeks the forces will be pulling and driving toward rising prices. When money increases, and credits increase, and the demand for commodities increases, then these three forces will be pushing prices upward, and all economists acknowledge that prosperity returns with a revival of rising prices.

So, Mr. Speaker, in this emergency, an unusual thing must be done. Something must be done that was not done since

the Civil War. But the crisis is the greatest that there has been since the Civil War. Fortunately, we have the Federal reserve system which we did not have during the Civil War. We can use the Federal reserve system as the agency through which to issue this new currency. We have got the gold to guarantee it.

Nobody but an international banker ever takes his money to the Treasury and asks for gold. And the international banker never wants the gold for his money unless he wants to ship the gold abroad. The 120,000,000 people all over the Nation never read the words on the paper money they handle. They do not know the difference between national bank notes, Federal reserve notes, gold certificates, silver certificates, Treasury notes, or any other kind of paper money. They never think of taking their money to the Treasury and asking for gold. They are only too glad to get any kind of money, and I repeat that the international banker never wants to exchange his paper money for gold except for the purpose of embarrassing his Government to his own profit.

When he thinks that he can make a few millions, as they did in 1894, by cornering the gold of the country and by compelling his Government to stand and deliver, then he will do it. But we can put a crimp in the horn of this selfish international banker. Along with this legislation we can tell him that he shall not export gold. The only gold that may be exported shall be by the direct order of the Federal Reserve Board, in order to maintain our credit balances in the clearing houses of the world. The international banker shall not speculate upon the lifeblood of the American people. The international banker shall not corner the gold of this country again. If he should attempt it, then we can say, as Woodrow Wilson said in 1912, that if this international banker thinks more of his own profits than he does of his fellow countryman and if he seeks to get rich at his country's expense, then we will build a gibbet for him as high as Haman's, and hang him there, as the righteous revenge of the struggling and suffering people of this Nation.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The SPEAKER. By order of the House made this morning before the roll call, the gentleman from Georgia [Mr. PARKER] is recognized to address the House for 10 minutes.

Mr. PARKER of Georgia. Mr. Speaker, very soon an effort will be made to pass the bill, H. R. 1, which has for its purpose the payment to former service men the remaining 50 per cent due them on their adjusted-service certificates (the bonus).

In the very beginning I wish to say that I served in the Army continuously from May, 1917, to December, 1922. I had 5 years and 7 months continuous service. I spent 14 months with the American Expeditionary Forces overseas, and I have three stars on my victory medal. If I did not courageously serve my country in this, its financial crisis, I would not consider myself worthy of wearing this medal. [Applause.] In addition to the service just referred to, I held a commission in the Officers' Reserve Corps for 5 years, and I was a member of the Georgia National Guard for 4 years. In all I have had more than 13 years' service in the various components of the Army of the United States. No other Member of Congress has had anything like the service that I have had, with the exception of Representative MARTIN of Oregon, who is a retired major general of the Regular Army. I have an adjusted-service certificate myself in the sum of $1,548.

I had pneumonia and "flu" while in the service. I lay in a hospital at Houston, Tex., from January 17 to March 19, 1918. I was delirious for 11 consecutive days, and no one expected me to recover. I had phlebitis following the pneumonia, and, besides losing my hearing, I was barely able to walk for many months. I have never recovered entirely from that illness, and I am told that I never will. I have never drawn a pension or compensation in any other form. [Applause.]

In explaining my position with reference to the bonus legislation that is pending before Congress at this time I shall state what my feelings are now and what they have been all along. I believe the bonus should have been paid to the ex-service men in 1919 in cash. At that time the men needed the money and the country could have paid it to them by adding the extra amount necessary to pay them to the war chest. In 1924, when the bonus legislation was enacted into law, I did not favor it. I expressly stated then that since the ex-service men of the country had reestablished themselves and since they had been rehabilitated, I did not believe it to be necessary at that late date to give them additional pay for having served their country in time of war. However, the act was passed, and it became the law of the land. Now the Government owes this money to the ex-soldiers, and it must be paid. The question that confronts us to-day is, When should this debt be paid? I do not believe our Treasury, which is already depleted, can stand this additional strain upon it during this or the next fiscal year.

Since one-half of the value of the adjusted-service certificates has already been made available to the ex-service men throughout the country, although the money was not due and payable until 1945, I think all the patriotic ex-soldiers should be satisfied to wait a while longer for the balance that will be due them in 1945.

I believe the interest charges on the loans that have been made to holders of adjusted-service certificates should be written off and I shall offer such a proposal to the Congress. If my suggestion is adopted, the 50 per cent of the face value of the certificates that has already been loaned to veterans will then be considered as a partial payment rather than a loan.

When the certificates were issued it was the intention of Congress to give to each ex-service man $1 for each day that he served in this country and a dollar and a quarter for each day that he served overseas, with the distinct understanding that he was not to be paid for more than 500 days. The largest amount due any one ex-soldier was $625. When it was decided to defer payment for 20 years the amount due each ex-service man was invested in endowment insurance, and the amount due him 20 years from January 1, 1925, was to be approximately two and one-half times the amount of his adjusted-service pay. The man who was to be given $400 received a certificate in the sum of $1,000. When he received $500 on this certificate last year he got his $400 and $100 in interest for the six years he had waited for it. Those who have borrowed 50 per cent of the face value of their certificates have already received the amount of their adjusted-service pay with 4 per cent interest added. When additional amounts are paid on these certificates, the Government will at that time, whether it be in 1945 or earlier, have paid twice the amount believed to be just and equitable in 1924, together with a small rate of interest, to each ex-service man.

Mr. RANKIN. Will the gentleman yield?

Mr. PARKER of Georgia. For a question only.

Mr. RANKIN. The gentleman said this was due the veteran in 1919.

Mr. PARKER of Georgia. I did not say that. I said in 1924.

Mr. RANKIN. I understood the gentleman to say that it should have been paid in 1919 when the war closed.

Mr. PARKER of Georgia. Yes.

Mr. RANKIN. If it were due then and there had been paid the same rate of interest that was paid to everybody else that the Government owed, all of it would have matured in 1931.

Mr. PARKER of Georgia. In taking this position and in making this public declaration of my intentions in the premises, I am not unmindful of the fact that I have promised a number of ex-service men that I would vote for this legislation. While I regret my inability to carry out these promises, I hope my final decision is the correct one. When I told certain ex-service men that I would support the bill, I did not dream that our National Treasury was so sorely depleted and that it would require the raising of everybody's taxes to pay off the bonus.

It is estimated that it will take $2,400,000,000 to pay this debt. This means it would cost every man, woman, and child in America approximately $20 in additional taxes. Assuming that the average family in America consists of five persons, to pay the bonus in cash at this time would cost each family in America approximately $100.

Since I came to Washington last December I have tried to be consistent. I have vigorously opposed every effort to increase the tax burdens of the people and I can not consistently do an "about face" on this particular piece of legislation, even though I am a veteran myself and would profit by its enactment into law. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia be given five additional minutes.

The SPEAKER. Is there objection to the gentleman from Georgia?

There was no objection.

Mr. PARKER of Georgia. It is needless for me to say that I am in sympathy with my former comrades and that nothing would give me more pleasure than to see them obtain the balance due them on their adjusted-service certificates. However, since the Congress has been struggling for several months to raise sufficient revenue to balance the Federal Budget and since I have recently been forced to vote for a special tax bill by which it is hoped to raise more than a billion dollars to balance the Budget, I can not at this time vote for an appropriation of $2,400,000,000 from our Treasury for any purpose whatsoever. It seems to me it would be a great mistake for the Congress to spend so much of its time in an effort at balancing the Budget and then immediately make an appropriation larger in amount than any nation has ever appropriated for a single purpose in times of peace. To make an appropriation of this kind from the Federal Treasury now would be foolhardy. If the plans of ex-service men are to appropriate this huge amount from the Federal Treasury in cash, I can not lend my support to them.

There is a movement on foot to find some way whereby these certificates can be retired without a direct appropriation. If some plan can be worked out whereby the certificates can be paid in some other way and if it will not wreck the financial structure of the Government to pay them, I, of course, would be glad to vote for such a measure.

I sincerely hope the ex-service men of the country will not demand more of the Federal Government at this time than it can reasonably do for them. No man has a higher regard for his comrades in arms than I have. I love every one of them. I am especially interested in those who were unfortunate and are now disabled on account of their war service. I am deeply concerned about the widows and orphans of the veterans of all our wars. I have an abiding faith in the patriotism of those who served their country in 1917 and 1918, and I believe they will be as loyal in 1932 as they were 15 years ago. It would be suicidal for us to demand more from our Government now than it can pay without wrecking the Treasury. If we are not to be reasonable ourselves at this time, we can not expect the taxpayers of the country to be reasonable with us when, in the future, we call upon them to remember and to care for our disabled and the loved ones left behind by our dead.

The Federal Government is now spending approximately $4,000,000,000 annually. Of this amount approximately one-fourth is paid on the national debt. Another one-fourth is spent for national defense. The veterans at this time are drawing approximately $1,000,000,000 from the Federal Treasury, which amounts to another 25 per cent of our expenditures. Only the remaining 25 per cent is left for administrative purposes. The people of the country are demanding a reduction in Federal expenditures. When we take into consideration that only one-fourth of the expenditures are for administration, you can readily see that even though it costs nothing to administer the various departments of the Federal Government and to pay the salaries of its officials and employees, we would still be called upon to raise $3,000,000,000 for other purposes.

I am inclined to believe that a quarter of a billion dollars could be saved by a policy of retrenchment and economy, but this amount of money, in my opinion, is about all that we can hope to save if the Government is to continue to function efficiently. I wish, also, to point out to you that the amount paid to ex-service men increases as the years go by. The law authorizing the payment of disability allowance to ex-service men makes it possible for those who become disabled from time to time to have their names placed on the pension rolls, and, naturally, as time goes by, the number of pensioners becomes greater and the amount required to pay them increases accordingly.

As I have previously stated, it would take from the Federal Treasury $2,400,000,000 to pay the balance due on the bonus at this time. If such legislation should be enacted into law and if it should become necessary to raise this amount of money from the taxpayers of the country in these critical times, I am of the opinion that the people who would be required to make this additional sacrifice would not be able to restrain themselves and that a rebellion would be the inevitable result. [Applause.]

HEARINGS ON STABILIZATION OF COMMODITY PRICES

Mr. STEVENSON. Mr. Speaker, from the Committee on Printing I report the following privileged resolution and ask unanimous consent for its immediate consideration.

The Clerk read as follows:

House Resolution 188

Resolved, That, in accordance with paragraph 3 of section 2 of the printing act approved March 1, 1907, the Committee on Banking and Currency of the House of Representatives, be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before said committee during the current session on the bill (H. R. 10517) entitled: "For increasing and stabilizing the price level of commodities, and for other purposes."

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. BACON. I object.

APPOINTMENT OF PUBLIC-SCHOOL EMPLOYEES

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 9974) to authorize appointment of public-school employees between meetings of the Board of Education.

The Clerk read the bill, as follows:

Be it enacted, etc., That the superintendent of schools of the District of Columbia be, and he is hereby, authorized to accept the resignation or the application for retirement of any employee, to grant leave of absence to any employee, to extend or terminate any temporary appointment, and to make all changes in personnel and appointments growing out of such resignation, retirement, leave of absence, termination of temporary appointment, or caused by the decease or suspension of any employee, or the organization of a new class or classes, and to perform such other duties necessary for the operation of the public-school system as may be authorized by the Board of Education, provisionally and until the next regular meeting of the Board of Education.

SEC. 2. That the authority conferred on the superintendent of schools by this act shall, during his authorized absence, devolve on the person designated as acting superintendent of schools.

SEC. 3. All laws or parts of laws inconsistent with the provisions of this act be, and the same are hereby, repealed.

Mrs. NORTON. Mr. Speaker, the purpose of this bill is to delegate to the superintendent of schools the power to make provisional appointment between meetings of the Board of Education. As it is now they must be appointed from a list of eligibles of civil-service employees. This bill is merely to provide against any interruption of the school system by unfilled vacancies. If there is no opposition to the bill, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote whereby the bill was passed, was laid on the table.

TO AMEND DISTRICT OF COLUMBIA CODE

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 3634) to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122).

The Clerk read the bill as follows:

Be it enacted, etc., That section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122), be, and the same is hereby, amended by striking out the words "clear annual income from which shall not exceed in value $25,000," and inserting in lieu thereof the following: "income from which shall be applied to the purposes of such society."

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

NAMING OF MONTGOMERY BLAIR PORTAL

Mrs. NORTON. Mr. Speaker, I call up joint resolution (S. J. Res. 4) to provide for the naming of Montgomery Blair Portal.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the portion of Sixteenth Street and the adjacent park reservation lying within the District of Columbia at the intersection of Sixteenth Street, North Portal Drive, Eastern Avenue, and the District line, shall be known as Montgomery Blair Portal, in commemoration of the public service of the late Montgomery Blair, Postmaster General in the Cabinet of President Lincoln.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote whereby the joint resolution was passed was laid on the table.

OFFICERS OF INSURANCE CORPORATIONS

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8991) to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Laws of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes, which I send to the desk and ask to have read.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that the committee amendment be read in place of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That Chapter XVIII of the Code of Laws for the District of Columbia be, and the same is hereby, amended by adding thereto a new section, which shall provide—

"That any corporation now or hereafter formed or organized under any provision of law in force and effect in the District of Columbia to engage in an insurance business shall maintain its principal office within said District and shall keep its books, records, and files therein, and shall not remove from said District either its principal office or its books, records, or files without the permission of the Commissioners of the District of Columbia first had and obtained: *Provided, however*, That nothing herein contained shall be construed to apply to the books, records, and files of any such corporation which books, records, and files relate solely to the business transacted by the said branch-office agency.

"Any corporation violating any of the provisions hereof shall forthwith forfeit its charter, which forfeiture shall operate as a revocation of its license to do business within said District.

"Any officer, agent, or employee of any such corporation who shall violate any of the provisions hereof shall be guilty of a misdemeanor and upon conviction shall pay a fine of not less than $300 or be imprisoned for not more than 90 days, or by both such fine and imprisonment. All prosecutions hereunder shall be upon information filed in the police court of the District of Columbia in the name of the District of Columbia by the corporation counsel thereof or any of his assistants."

The SPEAKER. A similar Senate bill, S. 3584, is on the Speaker's table.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Senate bill be substituted for the House bill.

The SPEAKER. Is there objection to the Senate bill being considered with the House amendment pending?

There was no objection.

The Senate bill is as follows:

Be it enacted, etc., That Chapter XVIII of the Code of Law for the District of Columbia be, and the same hereby is, amended by adding thereto a new section, which shall provide—

"That hereafter any corporation formed or organized under the provisions of Chapter XVIII of the Code of Law for the District of Columbia to engage in an insurance business, either under the provisions of Subchapter V or Subchapter XII thereof, shall maintain its principal office and place of business within said District and shall keep its books, records, and files therein and shall not remove from said District either its principal office and place of business or its books, records, or files without the permission of the Commissioners of the District of Columbia first had and obtained: *Provided, however*, That nothing herein contained shall be construed to apply to the books, records, and files of any such corporation kept in a branch-office agency of such corporation which books, records, and files relate solely to the business transacted by said branch-office agency.

"Any corporation violating any of the provisions hereof shall forthwith forfeit its charter, which forfeiture shall operate as a revocation of its license to do business within said District.

"Any officer, agent, or employee of any such corporation who shall violate any of the provisions hereof shall be guilty of a misdemeanor and, upon conviction, shall pay a fine of not less than $300 or be imprisoned for not more than 90 days, or both such fine and imprisonment. All prosecutions hereunder shall be upon information filed in the police court of the District of Columbia in the name of the District of Columbia by the corporation counsel thereof or any of his assistants."

The SPEAKER. The question is on agreeing to the amendment on the Senate bill.

The amendment was agreed to; and the Senate bill as amended was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H. R. 8991) was laid on the table.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the Senate bill was passed was laid on the table.

FALSE SWEARING BEFORE TRIAL BOARDS, METROPOLITAN POLICE FORCE, ETC.

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 5321) to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892," which I send to the desk and ask to have read.

The SPEAKER. An identical Senate bill, S. 2078, is on the Speaker's table. Does the gentlewoman from New Jersey desire to consider the Senate bill?

Mr. STAFFORD. Mr. Speaker, before that is taken up, will the gentlewoman from New Jersey yield?

Mrs. NORTON. Yes.

Mr. STAFFORD. I direct the attention of the House to the fact, and inquire of the gentlewoman from New Jersey, or of the gentleman who reported the bill, as to the change of law in not requiring witness fees to be tendered in advance. The existing law provides that the witness fee shall be tendered in advance. The last clause of section 1 of the bill excepts that requirement. What is the reason for excepting the present provision of law requiring payment of witness fees in advance?

Mr. PALMISANO. The gentleman will note that this is in reference to witnesses testifying before a board of the police department and a board of the fire department.

Mr. STAFFORD. I am very well acquainted with the purpose of the bill. I studied it before it was presented for consideration on the floor of the House. The bill changes existing law in not requiring witness fees to be paid in advance, and I would like to know the reason for making that change.

Mr. PALMISANO. No question ever arose as to fees.

Mr. STAFFORD. Here you are compelling a witness to leave his business, possibly, upon the subpœna of the Supreme Court of the District, without payment of fees in advance. What is the reason for changing that law?

Mr. PALMISANO. As I understand it, the bill gives the right to the police board and to the fire board to summon witnesses and to produce papers. If they testify falsely or refuse, they are subject to punishment.

Mr. STAFFORD. Mr. Speaker, with the illuminating information that does not answer my question, I shall not pursue gaining information further.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2078) be substituted for the House bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before the trial board of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892," is hereby amended to read as follows:

"SECTION 1. That hereafter any trial board of the Metropolitan Police Force or the Fire Department of the District of Columbia shall have the power to issue subpœnas in the name of the chief justice of the Supreme Court of the District of Columbia to compel witnesses to appear and testify and/or to produce all books, records, papers, or documents before said trial board: *Provided*, That witnesses other than those employed by the District of Columbia subpœnaed to appear before said trial board shall be entitled to the same fees as are paid witnesses for attendance before the Supreme Court of the District of Columbia, but said fees need not be tendered said witnesses in advance of their appearing and testifying and/or producing books, records, papers, or documents before said trial board.

"SEC. 2. That if any witness having been personally summoned shall neglect or refuse to obey the subpœna issued as herein provided, then and in that event the chairman of the trial board may report that fact to the Supreme Court of the District of Columbia or one of the justices thereof, and said court, or any justice thereof, hereby is empowered to compel obedience to said subpœna to the same extent as witnesses may be compelled to obey the subpœnas of that court.

"SEC. 3. That any willful false swearing on the part of any witness before any trial board mentioned in the preceding sections as to any material fact shall be deemed perjury and shall be punished in the manner prescribed by law for such offense.

"SEC. 4. On and after the passage of this act each member of existing trial boards, and members hereafter appointed shall take an oath to be administered by the chief clerk of the police department for the faithful and impartial performance of the duties of the office."

The bill was ordered to be read a third time, was read the third time, and passed; and a motion to reconsider laid on the table.

STANDARD WEIGHTS AND MEASURES IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 461) to amend section 18 of the act entitled "An act to establish weights and measures in the District of Columbia; to define the duties of the superintendent of weights, measures, and markets for the District of Columbia; and for other purposes, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921, be, and the same hereby is, amended by changing the period at the end of said section 18 to a colon, and adding thereto the following:

"*Provided, however*, That ice cream, sherberts, water ices, and similar frozen foods may be sold in 2½-gallon measures of 577.5 cubic inches."

With the following committee amendment:

Page 2, line 4, strike out "seventy-five" and insert "seventy-seven."

Mr. BUSBY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. Evidently there is not.

Mrs. NORTON. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 49]

Abernethy	Carden	Corning	Eaton, N. J.
Bachmann	Carley	Crowe	Ellzey
Barton	Cary	Dallinger	Erk
Beam	Chapman	Davenport	Estep
Beck	Chase	Davis	Evans, Mont.
Beedy	Chindblom	De Priest	Fiesinger
Beers	Christopherson	Dickstein	Fish
Black	Clark, N. C.	Dieterich	Free
Bland	Cochran, Pa.	Disney	Freeman
Boylan	Cole, Iowa	Doughton	French
Britten	Collier	Douglas, Ariz.	Fuller
Brumm	Connery	Douglass, Mass.	Fulmer
Brunner	Connolly	Doutrich	Gavagan
Burtness	Cooke	Drewry	Gilbert
Canfield	Cooper, Ohio	Dyer	Golder
Goldsborough	Kelly, Ill.	Peavey	Sullivan, Pa.
Gregory	Kennedy	Purnell	Sweeney
Griffin	Knutson	Ramspeck	Taylor, Colo.
Griswold	Kunz	Reid, Ill.	Tierney
Guyer	Kurtz	Reilly	Treadway
Hall, Miss.	Lichtenwalner	Rogers, Mass.	Tucker
Hancock, N. C.	Lovette	Sabath	Turpin
Hare	Lozier	Sanders, N. Y.	Underwood
Hart	McFadden	Schuetz	Vinson, Ky.
Hastings	McLeod	Selvig	Watson
Holaday	Mansfield	Shott	Weaver
Holmes	Mead	Shreve	Welsh, Pa.
Hornor	Montague	Simmons	White
Houston, Del.	Montet	Somers, N. Y.	Whittington
Howard	Moore, Ky.	Sparks	Wigglesworth
Hull, William E.	Moore, Ohio	Spence	Williamson
Igoe	Murphy	Stevenson	Wilson
Jeffers	Nelson, Wis.	Stewart	Wolfenden
Jenkins	Oliver, N. Y.	Stokes	Wood, Ind.
Johnson, Ill.	Overton	Strong, Kans.	Woodrum
Johnson, S. Dak.	Parker, N. Y.	Strong, Pa.	Wyant
Johnson, Wash.	Patterson	Sullivan, N. Y.	Yates

The SPEAKER. Two hundred and eighty-three Members have answered to their names; a quorum is present.

Mr. RAINEY. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON a motion to reconsider the vote by which the bill was passed was laid on the table.

Mrs. NORTON. Mr. Speaker, I would like to make an announcement at this time. There seems to have developed considerable opposition to House bill 9144. It is the so-called amendment of the act regulating employment of minors in the District. I would suggest removing this bill from the calendar to-day and passing it over without prejudice.

Mr. STAFFORD. Will the lady from New Jersey yield for a question?

Mrs. NORTON. I will be glad to yield.

Mr. STAFFORD. I have been told that House bill 10488 is not going to be called up to-day.

Mrs. NORTON. And I would be very glad to pass that over to-day. I understand there are several gentlemen here who are in opposition to both of these bills and who would like to have them passed over for the day.

Mr. BANKHEAD. As I understand, Mr. Speaker, it is not necessary to have a formal order. The lady from New Jersey has the privilege of calling up any bill reported by her committee that she desires.

The SPEAKER. The gentlewoman from New Jersey has the privilege of calling up any bill she desires that has been reported by her committee.

Mrs. NORTON. I simply wanted to make the announcement for the benefit of those Members who would like to leave this afternoon and possibly go to the ball game.

SALE OF WATER TO SUBURBAN COMMUNITIES BY THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 3222) to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918.

The SPEAKER. The gentlewoman from New Jersey calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3222).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3222, Mr. PARKS in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 3222, which the Clerk will report.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the lady from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Chairman, this measure simply seeks to amend the provision of the appropriation act above referred to and authorize the Commissioners of the District of Columbia to supply water to the Washington Suburban Sanitary Commission to a maximum of 3,000,000 gallons daily at four designated points.

I do not anticipate any opposition to the bill. It has the indorsement of the Commissioners of the District; and the bill, I think, explains itself.

Mr. STAFFORD. Mr. Chairman, will the lady yield?

Mrs. NORTON. Gladly.

Mr. STAFFORD. While this bill is an amendment of the act we passed 15 years ago, I wonder whether the rates that are prescribed in the organic act of cost plus 4 per cent with an allowance for depreciation really is compensatory to the District?

Mrs. NORTON. I will say to the gentleman that it has been approved by the Commissioners of the District.

Mr. STAFFORD. I am quite well aware that the report shows that the commissioners approved it, but I am seeking information additional to the bare approval by the Commissioners as shown in the report.

May I inquire if the lady knows whether the suburban communities adjoining the District have any water systems of their own, or are they dependent entirely upon the water system of the District for their supply?

Mrs. NORTON. Yes; they have water systems of their own but not sufficient to at all times take care of their needs. They are perfectly satisfied with this rate.

Mr. STAFFORD. There is no question of their satisfaction, because the charge is cost plus 4 per cent on the investment. There is no question but they would be satisfied; they are more than satisfied.

They are not only satisfied with the water rates that we charge but they are satisfied with the free instruction in the schools of the District. Naturally they are satisfied with receiving something for nothing.

Mrs. NORTON. If they are satisfied, if the District Commissioners are satisfied, and if there has been no opposition to the bill, why should we consider that it is not perfectly satisfactory to pass the bill?

Mr. STAFFORD. For the reason that the rates are not compensatory. The residents of the District are complaining all the while at the growing expenditures of the District without any voice to protest against them. You can not borrow money at 4 per cent, and we are charging these people, who live adjoining the District and who have no obligations in support of the District, 4 per cent, and money can not be borrowed by the District of Columbia at that rate to-day.

Mr. GAMBRILL. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GAMBRILL. The rates established are the same to-day as fixed in 1915, but the gentleman from Wisconsin will recognise the fact that the water is supplied at actual cost at the point of connection in the mains, so that the cost is the same to the District of Columbia as it was in 1915. It is the actual cost of furnishing the water, plus 4 per cent interest, together with a certain amount for depreciation. The Washington Suburban Sanitary Commission has a water supply of its own, with a capacity of about 5,000,000 gallons a day, but that is not sufficient at the present time, so that it is necessary to make water connections at these outlying suburban sections where it is desirable to furnish water at the present time.

Mr. STAFFORD. As I understand, the main purpose of this bill is to supply water to little communities where there are 10 or 12 houses. Under the existing law there is provision to supply water at four designated points, and this is to lift that limitation and to enable the District Commissioners to supply water to these small communities which have not reached the proportions of a community settlement, and to lift the maximum limit that may be supplied in times of need.

Mr. GAMBRILL. That is a correct statement of the case.

Mr. STAFFORD. The thought occurred to me that 4 per cent was not compensatory to the District for the service it is rendering.

Mr. GAMBRILL. That is 4 per cent interest.

Mr. STAFFORD. I realize that. Mr. Chairman, I will not pursue the inquiry any further. However, I did think we ought to receive, in these times when the cost of money is much higher than it was when the law was passed in 1917, a higher rate of interest than the bill provides.

The Clerk read the bill for amendment as follows:

Be it enacted, etc., That the provisions of the District of Columbia appropriation act for the year ending June 30, 1918, relating to the supply of water for the Washington Suburban Sanitary Commission by the Commissioners of the District of Columbia, is hereby repealed and reenacted so as to read as follows:

"For the protection of the health of the residents of the District of Columbia and the employees of the United States Government residing in Maryland near the District of Columbia boundary, the Commissioners of the District of Columbia, upon the request of the Washington Suburban Sanitary Commission, a body corporate, established by chapter 313 of the acts of 1916 of the State of Maryland, or upon the request of its legally appointed successor, are hereby authorized to deliver water from the water-supply system of the District of Columbia to said Washington Suburban Sanitary Commission or its successor for distribution to territory in Maryland within the Washington Suburban Sanitary District as designated in the aforesaid act, or any amendment thereto, and to connect District of Columbia water mains with water mains in the State of Maryland at such points at or near the District of Columbia line as may be agreed upon from time to time by the Commissioners of the District of Columbia and the Washington Suburban Sanitary Commission, under the conditions hereinafter named, namely:

"That before such connections shall be made the said Washington Suburban Sanitary Commission or its legally appointed successor shall secure authority from the Legislature of the State of Maryland to enter into an agreement with the said Commissioners of the District of Columbia outlining the conditions under which the service is to be rendered.

"The agreement between the Commissioners of the District of Columbia and the said Washington Suburban Sanitary Commission or its legally appointed successor shall provide, among other things—

"First. That the meters on each of said connections shall be located within the District of Columbia and shall remain under the jurisdiction of the Commissioners of the District of Columbia.

"Second. The rates at which water will be furnished, said rates to be based on the actual cost to the United States and the District of Columbia of delivering water to the points designated above, including an interest charge at 4 per cent per annum and a suitable allowance for depreciation.

"Third. That payments for water so furnished shall be made through the collector of taxes of the District of Columbia at such times as the Commissioners of the District of Columbia may direct, said payments to be deposited in the Treasury of the United States as other water rents now collected in the District of Columbia are deposited.

"Fourth. That at no time shall the amount of water furnished the said Washington Suburban Sanitary Commission or its successor exceed the amount that can be spared without jeopardizing the interests of the United States or of the District of Columbia.

"Fifth. That the Commissioners of the District of Columbia shall have at all times the right to investigate the distribution system in Maryland, and if, in their opinon, there is a wastage of water they shall have the right to curtail the supply to said sanitary district to the amount of such wastage."

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. When the occupant of the chair, who usually insists on having a quorum present, finds himself proceeding with business without a quorum does he himself have the right to require a quorum to be present?

The CHAIRMAN. I assume the Chair could do it, but as long as nobody raises any objection we will proceed without it.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. PARKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill

(S. 3222) to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918, and had directed him to report the same back to the House with the recommendation that the bill do pass.

Mrs. NORTON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mrs. NORTON a motion to reconsider the vote by which the bill was passed was laid on the table.

USE OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 8754) to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, and to provide penalties, to prescribe rules of evidence, and for other purposes.

The SPEAKER. The lady from New Jersey calls up a bill which the Clerk will report.

The Clerk read the bill as follows:

Be it enacted, etc.

DEFINITIONS

SECTION 1. "Pistol," as used in this act, means any firearm with a barrel less than 12 inches in length.

"Machine gun," as used in this act, means any firearm which shoots automatically or semiautomatically more than 12 shots without reloading.

"Person," as used in this act, includes, individual, firm, association or corporation.

"Sell" and "purchase" and the various derivatives of such words, as used in this act, shall be construed to include letting on hire, giving, lending, borrowing, and otherwise transferring.

"Crime of violence" as used in this act, means any of the following crimes, or an attempt to commit any of the same, namely: Murder, manslaughter, rape, mayhem, maliciously disfiguring another, abduction, kidnaping, burglary, housebreaking, larceny, any assault with intent to kill, commit rape, or robbery, assault with a dangerous weapon, or assault with intent to commit any offense punishable by imprisonment in the penitentiary.

COMMITTING CRIME WHEN ARMED

SEC. 2. If any person shall commit a crime of violence when armed with or having readily available any pistol or other firearm, he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than five years; upon a second conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than 10 years; upon a third conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than 15 years; upon a fourth or subsequent conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime be punished by imprisonment for an additional period of not more than 30 years.

PERSONS FORBIDDEN TO POSSESS CERTAIN FIREARMS

SEC. 3. No person who has been convicted in the District of Columbia or elsewhere of a crime of violence shall own or have in his possession a pistol.

CARRYING PISTOL

SEC. 4. No person shall carry a pistol in any vehicle, or concealed on or about his person, except in his dwelling house or place of business or on other land possessed by him, without a license therefore issued as hereinafter provided.

EXCEPTIONS

SEC. 5. The provisions of the preceding section shall not apply to marshals, sheriffs, prison or jail wardens, or their deputies, policemen or other duly appointed law-enforcement officers, or to members of the Army, Navy, or Marine Corps of the United States or of the National Guard or Organized Reserves when on duty, or to the regularly enrolled members of any organization duly authorized to purchase or receive such weapons from the United States, provided such members are at or are going to or from their places of assembly or target practice, or to officers or employees of the United States duly authorized to carry a concealed pistol, or to any person engaged in the business of manufacturing, repairing, or dealing in firearms, or the agent or representative of any such person having in his possession, using, or carrying a pistol in the usual or ordinary course of such business or to any person while carrying a pistol unloaded and in a secure wrapper from the place of purchase to his home or place of business or to a place of repair or back to his home or place of business or in moving goods from one place of abode or business to another.

ISSUE OF LICENSES TO CARRY

SEC. 6. The superintendent of police of the District of Columbia may, upon the application of any person having a bona fide residence or place of business within the District of Columbia or of any person having a bona fide residence or place of business within the United States and a license to carry a pistol concealed upon his person issued by the lawful authorities of any State or subdivision of the United States, issue a license to such person to carry a pistol within the District of Columbia for not more than one year from date of issue, if it appears that the applicant has good reason to fear injury to his person or property or has any other proper reason for carrying a pistol and that he is a suitable person to be so licensed. The license shall be in duplicate, in form to be prescribed by the Commissioners of the District of Columbia, and shall bear the name, address, description, photograph, and signature of the licensee and the reason given for desiring a license. The original thereof shall be delivered to the licensee, and the duplicate shall be retained by the superintendent of police of the District of Columbia and preserved in his office for six years.

SELLING TO MINORS AND OTHERS

SEC. 7. No person shall sell any pistol to a person who he has reasonable cause to believe is not of sound mind, or is a drug addict, or is a person who has been convicted in the District of Columbia or elsewhere of a crime of violence or, except when the relation of parent and child or guardian and ward exists, is under the age of 18 years.

TRANSFERS REGULATED

SEC. 8. No seller shall deliver a pistol to the purchaser thereof until 48 hours shall have elapsed from the time of the application for the purchase thereof, and, when delivered, said pistol shall be securely wrapped and shall be unloaded. At the time of applying for the purchase of a pistol the purchaser shall sign in duplicate and deliver to the seller a statement containing his full name, address, occupation, color, fingerprints, place of birth, the date and hour of application, the caliber, make, model, and manufacturer's number of the pistol to be purchased, and a statement that he has never been convicted in the District of Columbia or elsewhere of a crime of violence. The seller shall, within six hours after such application, sign and attach his address and deliver one copy to such person or persons as the superintendent of police of the District of Columbia may designate, and shall retain the other copy for six years. This section shall not apply to sales at wholesale to licensed dealers.

DEALERS TO BE LICENSED

SEC. 9. No retail dealer shall sell or expose for sale or have in his possession with intent to sell, any pistol, without being licensed as hereinafter provided.

DEALERS' LICENSES, BY WHOM GRANTED AND CONDITIONS THEREOF

SEC. 10. The Commissioners of the District of Columbia may grant licenses and may prescribe the form thereof, effective for not more than one year from date of issue, permitting the licensee to sell pistols at retail within the District of Columbia subject to the following conditions in addition to those specified in section 9 hereof, for breach of any of which the license shall be subject to forfeiture and the licensee subject to punishment as provided in this act.

1. The business shall be carried on only in the building designated in the license.

2. The license or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can be easily read.

3. No pistol shall be sold (a) if the seller has reasonable cause to believe that the purchaser is not of sound mind or is a drug addict or has been convicted in the District of Columbia or elsewhere of a crime of violence or is under the age of 18 years, and (b) unless the purchaser is personally known to the seller or shall present clear evidence of his identity.

4. A true record in duplicate shall be made of every pistol sold, said record to be made in a book kept for the purpose, the form of which may be prescribed by the Commissioners of the District of Columbia, and shall be personally signed by the purchaser and by the person effecting the sale, each in the presence of the other, and shall contain the date of sale, the caliber, make, model, and manufacturer's number of the weapon, the name, address, occupation, color, and place of birth of the purchaser, and a statement signed by the purchaser that he has never been convicted in the District of Columbia or elsewhere of a crime of violence. One copy of said record shall, within seven days, be forwarded by mail to the superintendent of police of the District of Columbia and the other copy retained by the seller for six years.

5. No pistol or imitation thereof or placard advertising the sale thereof shall be displayed in any part of said premises where it can readily be seen from the outside. No license to sell at retail shall be granted to anyone except as provided in this section.

FALSE INFORMATION FORBIDDEN

SEC. 11. No person shall, in purchasing a pistol or in applying for a license to carry the same, give false information or offer false evidence of his identity.

ALTERATION OF IDENTIFYING MARKS PROHIBITED

SEC. 12. No person shall change, alter, remove, or obliterate the name of the maker, model, manufacturer's number, or other mark or identification on any pistol. Possession of any pistol upon which any such mark shall have been changed, altered, removed, or obliterated shall be prima facie evidence that the possessor has changed, altered, removed, or obliterated the same: *Provided, however,* That nothing contained in this section shall apply to any officer or agent of any of the departments of the United States or the District of Columbia engaged in experimental work.

EXCEPTIONS

SEC. 13. This act shall not apply to toy or antique pistols unsuitable for use as firearms.

POSSESSION OF CERTAIN DANGEROUS WEAPONS

SEC. 14. No person shall within the District of Columbia possess any machine gun, tear-gas gun, or tear-gas bomb, or any instrument or weapon of the kind commonly known as a blackjack, slung shot, billy, sand club, sandbag, or metal knuckles, nor any instrument, attachment, or appliance for causing the firing of any firearm to be silent or intended to lessen or muffle the noise of the firing of any firearms: *Provided, however*, That machine guns, tear-gas guns, tear-gas bombs, blackjacks, and billies may be possessed by any foreign government, the members of the Army, Navy, or Marine Corps of the United States, the National Guard, or Organized Reserves when on duty, the Post Office Department or its employees when on duty, marshals, sheriffs, prison or jail wardens, or other deputies, policemen, or other duly appointed law-enforcement officers, officers or employees of the United States duly authorized to carry such weapons, banking institutions, and public carriers who are engaged in the business of transporting mail, money, securities, or other valuable.

PENALTIES

SEC. 15. Any violation of any provision of this act for which no penalty is specifically provided shall be punished by a fine of not more than $1,000 or imprisonment for not more than one year, or both.

CONSTITUTIONALITY

SEC. 16. If any part of this act is for any reason declared void, such invalidity shall not affect the validity of the remaining portions of this act.

CERTAIN ACTS REPEALED

SEC. 17. The following sections of the Code of Law for the District of Columbia, 1919, namely, sections 855, 856, and 857, and all other acts or parts of acts inconsistent herewith, are hereby repealed.

With the following committee amendment:

Page 2, line 17, after the word "violence," insert the words "in the District of Columbia."

The committee amendment was agreed to.

Page 3, line 10, after the word "pistol," insert the words "within the District of Columbia."

Mr. STAFFORD. Will the lady from New Jersey yield?

Mrs. NORTON. Gladly.

Mr. STAFFORD. I am making a general inquiry about the provisions of the bill. Under existing law, as shown by the report, the penalties for carrying concealed weapons are very minor, a fine of not less than $50 or more than $500, or imprisonment not exceeding one year, or both. In the proposed bill you seek to put in some very drastic penalties for persons who offend in the carrying of concealed weapons, 5 years upon conviction for the first offense, 10 years for the second, 15 years for the third, and 30 years for the fourth. Did the committee, in recommending these drastic penalties, follow any other State law, or was it merely the recommendation of some law-enforcement society that favored these ultrapunitory provisions?

Mrs. NORTON. I may say to the gentleman that this follows the law of several of the States, and the gentleman from Maryland [Mr. PALMISANO] desires to be heard on that point.

Mr. PALMISANO. Mr. Speaker, the object of the law is to punish those who have a weapon and commit a felony. It does not apply to a person carrying a concealed weapon as it does to one who commits a felony with the concealed weapon.

Mr. STAFFORD. Yes; I agree with the gentleman that that is the provision.

Mr. PALMISANO. In Maryland we recently enacted a law and raised the time of imprisonment from 10 years to 20 years, not for the third or fourth offense but the first offense.

Mr. STAFFORD. As I understand, that is the maximum penalty.

Mr. PALMISANO. Yes. Here there is a series of crimes, and I do not think anyone would ever obtain 20 years for a fourth offense, because he would be imprisoned the best part of the time and would have no chance, after he served 5, 10, and 15 years, to commit the fourth offense.

Mr. STAFFORD. The gentleman thinks he will be buried from the penitentiary before he will be given an opportunity to commit the crime of assault with the intent of doing great bodily harm and found to be carrying a concealed weapon also.

Mr. PALMISANO. The gentleman from Wisconsin will realize that in the last 10 years we have had a considerable number of holdups of banks with machine guns, and so forth, and the object of this bill, as I understand, is to have a uniform pistol law throughout the country.

Mr. STAFFORD. The purpose of my inquiry is to find out whether this is to be a model law for other jurisdictions to follow.

Mr. PALMISANO. Yes; that is the case.

Mr. STAFFORD. And may I inquire whether other jurisdictions have enacted similar legislation to the provisions embodied in this bill?

Mr. PALMISANO. I am unable to answer that question, but, as I have stated, Maryland has a much more stringent law than the pending bill.

Mr. BANKHEAD. If the gentleman will permit, I am wondering if a machine gun could be concealed about the person.

Mr. SMITH of Virginia. The bill makes the possession of the machine gun unlawful.

Mr. BANKHEAD. The possession rather than the concealment of the machine gun?

Mr. STAFFORD. Yes; even in the case of a person committing such a crime with the aid of an automobile; in the automobile there might be a machine gun or a sawed-off gun, and the bill would extend to that character of crime.

Mr. GOSS. Wherein would this bill apply to a sawed-off shotgun? I do not see that it applies to that at all.

Mr. PALMISANO. I think it does.

Mr. GOSS. In the first section, on the first page, you define "pistol" and in the next paragraph you define "machine gun," but not a sawed-off shotgun.

Mr. PALMISANO. I think that would be included in the term "pistol."

Mr. GOSS. I think it would be well if the committee offered amendments so as to include the sawed-off shotgun.

Mr. PALMISANO. I think that is included in the definitions in the first section.

Mr. STAFFORD. The gentleman is referring to the fact that "pistol" is defined in that section as meaning any firearm with a barrel less than 12 inches in length.

Mr. GOSS. You might have a sawed-off shotgun 14 inches long, and that would get by under this bill.

Mr. PALMISANO. I may state to the gentleman that I am not familiar with firearms, but the people interested in this bill are supposed to be experts along this line.

Mr. GOSS. I am suggesting to the gentleman that he offer a committee amendment to include sawed-off guns.

Mr. PALMISANO. We have no objection to that.

Mr. GOSS. Now, may I ask another question of the gentleman? Is there anything in the bill to prohibit the sale of ammunition of any kind?

Mr. PALMISANO. I think not.

Mr. GOSS. Will the gentleman offer the suggested amendment as a committee amendment?

Mr. STAFFORD. May we proceed with the reading of the other committee amendments, so that we may have time to prepare the amendment?

Mr. GOSS. Yes.

The committee amendment was agreed to.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, by direction of the Committee on Appropriations, I submit a privileged report on the bill (H. R. 11267, Rept. No. 1036) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes.

Mr. MAPES. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. Referred to the Union Calendar and ordered printed.

VETERANS' LEGISLATION

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a

resolution by the Democratic committee of my State for additional beds in hospitals.

The SPEAKER pro tempore (Mr. PARKS). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, in my opinion it is highly important that additional beds be provided at this session of Congress for United States Veterans' Hospital No. 63, at Lake City, Fla. Ill veterans are now having to wait, in some cases many weeks and even months, in order to obtain admission to this hospital. The facilities are entirely too limited to enable the hospital and bureau officials to provide care for all cases.

I have introduced H. R. 9969, which provides for appropriation to add 200 additional beds to this institution. It is in the hands of the House Committee on World War Veterans' Legislation. I urge all Members who are interested in the welfare of the veterans to cooperate in the report and passage of the bill. My colleagues are all interested in needed legislation for our veterans, and this is a most worthy bill. Veterans from all States will receive benefits from this appropriation, because so many Floridians are natives of other States. Hundreds of veterans, born in other States, now reside in Florida and are urging this legislation. The need is acute. I include herewith resolutions recently adopted by the Democratic committee of my State urging passage of the bill.

Resolution

Whereas it has become a matter of common knowledge that the demands for hospitalization on the part of disabled former service men in the United States Veterans' Bureau Hospital No. 63, located in Lake City, Fla., far exceed the capacity of the splendid institution; and

Whereas the American Legion, Department of Florida, at its last State convention, did go on record unanimously in requesting the Veterans' Bureau to enlarge Hospital No. 63 by at least 200 beds; and

Whereas it has been publicly announced on various occasions that it was the intention of the Veterans' Bureau to enlarge and otherwise improve the physical plant of aforesaid hospital: It is

Resolved, That the Chamber of Commerce of Lake City, Fla., does hereby join with the Columbia County Post, American Legion, the Commission of the City of Lake City, and other civic organizations of this community and of the State in urging the immediate enlargement of the United States Veterans' Bureau Hospital No. 63 in Lake City, Fla.; and it is further

Resolved, That copy of this resolution be furnished the heads of the United States Veterans' Bureau, the Florida delegation in Congress, as well as others interested in providing needed benefits for former service men.

C. L. MORRISON,
Dr. R. B. HARKNESS,
FRED H. YOUNG,
E. A. MCCLOSKEY,
T. P. JORDAN,
WALTER HACKNEY,
C. C. CODRINGTON,
Directors.

Be it resolved by the State Democratic Executive Committee of the State of Florida, That we indorse the above resolution and request our Senators and Representatives in Congress to use their best efforts to secure the improvements to the veterans' hospital at Lake City as sought by above resolution.

CERTIFICATE

We, the chairman and secretary, respectively, of the State Democratic executive committee, do hereby certify that the above is a true and correct copy of a resolution properly introduced and passed at the recent meeting of said committee held in Jacksonville, Fla., on February 19, 1932.

J. B. HODGES, *Chairman.*

Attest:

GEORGE WHITFIELD MCRORY, *Secretary.*

USE OF PISTOLS AND OTHER DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

The Clerk, proceeding with the reading of the committee amendments, read as follows:

Page 3, beginning on line 12, strike out lines 12, 13, 14, 15, and 16 and insert:

"SEC. 4. No person shall within the District of Columbia carry concealed on or about his person, except in his dwelling house or place of business or on other land possessed by him, a pistol, without a license therefor issued as hereinafter provided, or any deadly or dangerous weapon."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 5, line 16, after the word "shall," insert "within the District of Columbia."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 5, line 24, after the word "shall," insert "within the District of Columbia."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 6, line 2, after the word "thereof," insert "except in the case of sales to marshals, sheriffs, prison or jail wardens or their deputies, policemen, or other duly appointed law-enforcement officers."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 6, line 9, after the word "color," strike out the word "fingerprints."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 6, line 18, after the word "years," insert "no machine gun or black-jack shall be sold to any person other than the person designated in section 14 hereof as entitled to possess the same, and then only after permission to make such sale has been obtained from the Superintendent of Police of the District of Columbia."

Mr. STAFFORD. Mr. Speaker, I understand it is agreeable to the committee to broaden the law, so as not only to include pistols but any weapon which is commonly designated as a sawed-off shotgun.

Mrs. NORTON. That is true.

Mr. STAFFORD. If such is the fact, I think it would be advisable, before we proceed with the consideration of the present amendment, to offer an amendment to section 1, first paragraph, describing what is meant by pistol. I believe the gentleman from Virginia [Mr. SMITH] has prepared an amendment inserting the words "or any weapon commonly designated as a sawed-off shotgun regardless of length." Would that amendment be agreeable to the lady from New Jersey?

Mrs. NORTON. It would.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent for the time being to withdraw consideration of the pending amendment and offer the following.

The Clerk read as follows:

Page 1, line 5, after the word "length," insert "or any weapon commonly designated as sawed-off shotgun regardless of length."

The amendment was agreed to.

The pending committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 7, line 2, after the word "shall," insert the words "within the District of Columbia."

The committee amendment was agreed to.

The Clerk read the following committee amendment:

Page 7, line 4, after the word "pistol," insert "machine gun or black-jack."

The committee amendment was agreed to.

The Clerk read as follows:

Page 7, line 12, after the word "may," insert "in their discretion."

The amendment was agreed to.

The Clerk read as follows:

Page 7, line 14, after the word "pistols," insert "machine guns, and black-jacks."

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 7, after the word "identity," insert: "No machine gun or black-jack shall be sold to any person other than the persons designated in section 14 hereof as entitled to possess the same, and then only after permission to make such sale has been obtained from the superintendent of police of the District of Columbia.

"4. A true record shall be made in a book kept for the purpose, the form of which may be prescribed by the commissioners, of all pistols and machine guns in the possession of the licensee, which

said record shall contain the date of purchase, the caliber, make, model, and manufacturer's number of the weapon, to which shall be added, when sold, the date of sale."

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 19, strike out the figure "4" and insert the figure "5."

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 20, after the word "pistol," insert "machine gun, and black-jack."

Mr. GOSS. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. GOSS. In that paragraph would it not be well to include sawed-off shotguns?

Mr. STAFFORD. No; for this reason. As pointed out by the gentleman from Virginia [Mr. SMITH], we describe what a pistol is in the descriptive clause, and say that it shall include any weapon known as a sawed-off shotgun, and it is not necessary to amplify it.

Mrs. NORTON. I think that takes care of it.

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 25, after the word "sale," insert "the name, address, occupation, color, and place of birth of the purchaser, and, so far as applicable."

The amendment was agreed to.

The Clerk read as follows:

Page 9, line 3, after the word "weapon," strike out "the name, address, occupation, color, and place of birth of the purchaser."

The amendment was agreed to.

The Clerk read as follows:

Page 9, line 11, strike out the figure "5" and insert "6."

The amendment was agreed to.

The Clerk read as follows:

Page 9, line 19, after the word "same," insert "or in purchasing a machine gun or black-jack within the District of Columbia."

The amendment was agreed to.

The Clerk read as follows:

Page 9, line 22, after the word "shall," insert "within the District of Columbia."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 1, after the word "pistol," insert "or machine gun."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 2, after the word "pistol," insert "or machine gun."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 5, after the word "same," insert "within the District of Columbia."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 15, after the word "gun," strike out "tear-gas gun or tear-gas bomb."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 17, after the word "shot," strike out the word "billy."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 21, after the word "guns," strike out "tear-gas guns, tear-gas bombs," and insert the word "and," and after the word "black-jacks," in line 22, strike out the words "and billies."

The amendment was agreed to.

The Clerk read as follows:

Page 11, line 2, after the word "other," insert the word "their."

The amendment was agreed to.

The Clerk read as follows:

Page 11, line 5, after the word "banking," strike out "institutions and," and insert "institutions."

The amendment was agreed to.

The Clerk read as follows:

Page 11, line 7, after the word "valuable," insert "wholesale dealers and retail dealers licensed under section 10 of this act."

The amendment was agreed to.

Mr. STAFFORD. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. Yes.

Mr. STAFFORD. I call attention to section 14, which relates to the possession of certain dangerous weapons. I think it might be advisable there to ban the possession of a sawed-off shotgun and I suggest the insertion on page 10, line 15, after the word "gun" of the words "sawed-off shotgun."

Mrs. NORTON. The committee will accept that.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Page 10, line 15, after the word "gun," insert "sawed-off shotgun."

Mr. PALMISANO. Mr. Speaker, may I call attention to the fact that this refers to possession?

Mr. STAFFORD. Yes.

Mr. PALMISANO. A man may have possession of a sawed-off shotgun, he may have one at his home, and he may be indicted.

Mr. STAFFORD. The purpose of the amendment is to forbid any person having a sawed-off shotgun. I can not conceive of any person to-day at his home having a sawed-off shotgun unless it is for an unlawful purpose. I can conceive of their having in their possession shotguns, but not sawed-off shotguns.

Mr. PALMISANO. I am not familiar with the law, but it seems to me we may be going a little too far.

Mr. STAFFORD. In the homes I have visited I have often seen shotguns, but I have never seen sawed-off shotguns. They are the weapons of highwaymen.

Mr. BLANTON. Do they use sawed-off shotguns politically in the city of Milwaukee?

Mr. STAFFORD. No; the people there are peaceful and law-abiding.

Mr. BLANTON. The gentleman has been after them so much this afternoon that I thought possibly they might be used there.

Mr. STAFFORD. Oh, no; our electorate have no trouble at the polls. The conditions in Milwaukee are somewhat different from conditions in other parts of the country, without designating them particularly.

Mr. BLANTON. I doubt if there is one in Texas.

Mr. STAFFORD. I am glad to have the gentleman make that confession and avoidance.

Mr. BLANTON. But there are shotguns used by some boys that are short-barreled guns, and they are used for bird shooting and rabbit shooting.

Mr. STAFFORD. But they are not sawed-off shotguns.

Mr. BLANTON. They are short-barreled guns; and without an explanation of it somebody might say they were sawed-off shotguns; and then, too, there are guns that they cut the ends of the barrels off, used by farmer boys everywhere. Such guns scatter the shot more, and that is the reason they saw them off. In your effort to reach the thugs you are liable to reach innocent and honest boys who hunt in Maryland, Virginia, Pennsylvania, and elsewhere in the United States.

Mr. STAFFORD. Let me say to the gentleman from Texas that this law is limited in its application to the District of Columbia. We have no such farmer boys located here who would use this character of implement. Otherwise I would accept the criticism of the gentleman from Texas as a proper one, but this law does not extend to a farming community.

Mr. PALMISANO. Coming back to my question, I had in mind taking care of people who might innocently have a sawed-off shotgun. That is the reason I raised the point.

The SPEAKER pro tempore. The question is on the amendment of the gentleman from Wisconsin.

The amendment was agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed, was laid on the table.

REGULATION OF BANKS AND BUILDING AND LOAN ASSOCIATIONS IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up H. R. 6402, to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes.

The SPEAKER pro tempore. The gentlewoman from New Jersey calls up a bill which the Clerk will report.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 6402, a bill to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6402, with Mr. BLANTON in the chair.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The lady from New Jersey is recognized for one hour.

Mrs. NORTON. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, this is a bill to provide that savings banks and building associations, hereafter organized, as well as banks, State banks, organized out of the District of Columbia and doing business in the District of Columbia be required to come under more strict control, surveillance, I may say, of the Comptroller of the Currency; also that the savings banks and other banks doing business in the District of Columbia, organized out of the District of Columbia, be required to accept double liability on the part of their stockholders for all indebtedness incurred after the passage of this act.

That is the purpose of the bill. It has been drawn with the advice and counsel of the attorney for the building associations, also with the advice of the local bar association, and a representative of the Office of the Comptroller of the Currency.

There seems to be very great need for this kind of legislation in the District. There are 12 national banks, 22 savings banks, 5 trust companies, and 24 building and loan associations in the District of Columbia at the present time. These savings banks, trust companies, and national banks are still operating under single liability, which is not deemed conservative, safe banking from the depositors' standpoint.

Mr. RAMSPECK. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. RAMSPECK. Did I understand the gentleman to say that the building and loan associations were agreeable to this legislation?

Mr. HARLAN. Yes. Mr. James, representing all the building associations of the District, was in conference with us in connection with this bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. HARLAN. Certainly.

Mr. STAFFORD. Is it the purpose of the committee to provide for an examination of building and loan associations after they receive the official license from the Comptroller of the Currency?

Mr. HARLAN. There is no provision in this bill for the specific examination of building and loan associations except that the Comptroller of the Currency issues a license. However, I understand that the building and loan associations of the District have annual inspections and always have had. However, that is not touched in this bill at all.

Mr. STAFFORD. Under what provision of law?

Mr. HARLAN. It is under the law as it existed before this bill was passed, but that is not touched in this bill.

Mr. STAFFORD. Then the gentleman does not believe that the provision of law to which I have referred requires further strengthening so as to provide for adequate examinations of the investments of building and loan associations in the interest of the stockholders?

Mr. HARLAN. That was the opinion of Mr. Ewald, of the comptroller's office. Of course, the attorney for the building associations agreed to it.

Mr. STAFFORD. I am not concerned with the attitude of the attorney for the building and loan associations, but I am concerned about whether depositors and the owners of stock in the building and loan associations have their investments properly safeguarded by periodic examinations of the books of the building and loan associations.

Mr. HARLAN. All I can say on that subject is that it was deemed by those preparing this bill that there was no need of changing the present law on that subject, and it is not touched in this bill. If that is necessary, it ought to be provided in another bill.

Mr. TAFFORD. Then the only provision which affects the building and loan associations, so far as this bill is concerned, is that you require that they shall receive the official visa of the Comptroller of the Currency before they are permitted to do business.

Mr. HARLAN. That is the provision in this bill.

Mr. ALDRICH. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. ALDRICH. Was there any opposition to this bill?

Mr. HARLAN. There was no opposition to the bill. However, I will say that since the first of the year there have been two additional associations incorporated in the District of Columbia.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARLAN. It was felt by Mr. Ewald that probably there ought to be an amendment added to this bill stating that it should only apply to building associations organized before January 1, 1931, but I was not sufficiently persuaded on that proposition and did not include that amendment. I understand that is to be included in the Senate draft of the bill, and I think further hearings ought to be held on that particular point; that is, if there is to be a classification made between the building associations. I was not sufficiently informed on it to pass on that particular point, and I felt it ought to be taken care of in conference.

Mr. ALDRICH. None of the banks in the District have opposed it?

Mr. HARLAN. They have all been with us, and we have had attorneys for the banks attend our hearings.

Mr. ALDRICH. That was my understanding.

Mr. HARLAN. There has been no opposition to this bill except this suggested amendment to which I have referred. However, I am not convinced about the necessity of it at all.

Mrs. NORTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, in the last Congress, the Seventy-first, upon resolution passed there was appointed a committee known as the Mapes Committee, to investigate carefully and report on the fiscal relations between the Government and the District of Columbia, and upon what would be a proper contribution of money to be paid by the Federal Government to the District expenses.

Our friend from Michigan [Mr. MAPES] was appointed the chairman of that committee. He has done splendid work. He and his committee made the first scientific and careful investigation of that subject that has been made for years.

He and every member of his committee worked hard and faithfully. As a Member of Congress who knows something about the hard work they did and some of the circumstances surrounding it that would ordinarily deter them from doing their duty, I want to commend them for it.

At the beginning of this Congress the distinguished gentleman from Michigan [Mr. MAPES] brought in the report of that committee.

As a result of the work of this committee they offered four different bills here and every one of them was passed by unanimous vote. There was not any opposition raised by anyone, showing that their work had been carefully done and performed in a manner that was not in any way partisan or unsympathetic toward the District.

What has become of these bills? What has stopped them? What has covered them up, as it were, and buried them and kept them from being enacted into law? I would like to know. I do know that from the very day that the gentleman from Michigan passed these bills here last December there has been in the Washington newspapers daily attack after attack upon them. A great deal of space has been devoted to this subject by the great Washington Star, which, in my judgment, is one of the greatest newspapers in the United States. In my judgment, it is ordinarily, outside of this one subject, one of the fairest newspapers in the United States. Outside of this one question it is one of the most reliable newspapers in the United States, and if all the space that has been devoted to the attack on these Mapes bills in the Washington Star since the bills were passed here last December had been paid for at the usual advertising rates, the Star would have taken in an enormous sum of money. They have devoted this space gratis, but it has had some effect somewhere along the line, because we all know that these bills have been held up. These are all good, just bills.

For instance, let us take the gasoline bill. It proposes to raise the gasoline tax in the District from 2 cents to 4 cents. Where is there a just argument against that bill? When the Federal Government is contributing $9,500,000 toward the expenses of the District, and the District needs revenue, where is there any argument against such a bill?

Why, over here in Tennessee—and you can drive from Bristol, Tenn., to Washington in a day—you have to pay 7 cents a gallon tax on gasoline, and also in Florida; and right here in Virginia, within 10 minutes' ride, the tax is 5 cents, and in Maryland it is 4 cents per gallon, and in other States look at what you pay as a gasoline tax. Why should they not pay 4 cents here in Washington as a gasoline tax? There is not a just argument you can make against it, and yet these bills are held up.

I want to say that the time has come for the people of the United States to find out what holds up bills of this kind. The time has come for the people of the United States to find out exactly what kind of influence these Washington newspapers have, together with other influences, upon bills of this character that keep them from passing and becoming laws.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman.

Mr. COLE of Iowa. Speaking of newspapers, as an experienced newspaperman I would like to put in the RECORD the statement that no reputable newspaper such as the Star, published in Washington, ever accepts payment for reading matter without designating it as advertising matter.

Mr. BLANTON. I was sure of that, because even though the Star makes this fight, I am not reflecting upon any person connected with the Star. I believe every person connected with it from the very head of it to the very foot of it is a first-class newspaperman and that they are gentlemen.

Mr. COLE of Iowa. I was sure of that.

Mr. BLANTON. It produces a splendid paper, but it has been making this fight a long time, and it means a whole lot to the paper and its management and its interests to keep the taxes low and to keep the Government paying as it has been in the past a good part of the expense here. It is selfishness on its part, but after all it is a big newspaper, and I do not fall out with it when it jumps on me and I do not fall out with the other newspapers when the boys of the Post, Times, News, and Herald, print one thing about me one day and play it up, and I know every word of it is false, and then they come out the next day and say what they printed was untrue and they change that on their own motion, and then print something else that is equally false. [Laughter.] I do not fall out with them, because they must have news. They have to print something to make news, and if they can commercialize on me, it is all right.

Mr. COLE of Iowa. That ought not to be their business.

Mr. GOSS. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GOSS. The gentleman is not contending that the statement is false when they quote him as the great dry leader of the House?

Mr. BLANTON. I am a dry, and I fight for the things I believe are right. When I vote here on the floor of the House, I do not vote because somebody has offered a certain bill or amendment. I vote because the amendment is either right or wrong or because the bill is either right or wrong. The amendment could be offered by anyone on the floor, no matter who it was, and if it were a good amendment I would vote for it. I do not look to the author of an amendment or of a bill; I look to the bill or the amendment itself, and if it is a good measure I vote for it, and whoever proposes it has nothing in the world to do with controlling my vote on it.

Now, with regard to these four Mapes bills, the country must know something about them, and if these bills are killed I am one of those who is going to help to let the country know something about it. If these bills are killed, the people of the United States ought to know who killed them and just why they were killed, and know exactly what is involved and what influence it is that is stopping the passage of such good legislation. People can not stop good legislation that vitally affects the entire United States and get away with it.

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I yield the gentleman from Texas two minutes more.

Mr. MAPES. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. MAPES. I want to say that for one I have assumed that the merits of the bills are such, as the gentleman has pointed out, that the body in the other end of the Capitol must eventually pass them. It does seem to me that they have now had all the time they needed to investigate and study the bills, and that we may rightly look for action on them in the near future. I think that the opposition to them, according to the articles in the same newspapers to which the gentleman has referred, has pretty much flattened out.

Mr. BLANTON. But the opposition is still here in Washington. It is the opposition that caused the Bureau of Efficiency to pass on the bills. That is the last place I would send good legislation of that kind to.

Mr. MAPES. We have a right to assume that that opposition will not have any undue influence on the Members of the other body.

Mr. BLANTON. I want to say that the work that the gentleman and his committee did was a splendid piece of work, the best piece of work I have seen for a long time. I want to say that if the gentleman from Michigan [Mr. MAPES] never does anything else, it ought to be sufficient to bring him back here as long as he wants to come to Congress. [Applause.]

Mrs. NORTON. Mr. Chairman, I ask that the bill be read for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of April 26, 1922 (42 Stat. L., pt. 1, p. 500; D. C. Code, title 5, sec. 300), be amended to read as follows:

"(a) That after the enactment of this act no banking business shall be done in the District of Columbia except by corporations organized in accordance with the provisions of the act of March 3, 1901, entitled 'An act to establish a code of law for the District

of Columbia,' as amended, or by national-banking associations organized in accordance with the laws of the United States, except that this paragraph shall not apply to corporations engaged in and doing a banking business on the date of the passage of this act.

"(b) That no individual, partnership, association, or corporation shall engage in or do the business of banking or a fiduciary business in the District of Columbia, nor shall any branch be established to carry on any phase of banking or fiduciary business in the District of Columbia until the approval and consent of the Comptroller of the Currency is secured. The term 'branch' as used in this act shall be held to include any branch bank, branch office, branch agency, additional office, or any place of business located in the District of Columbia, at which deposits are received, or checks paid, or money lent, or at which the public is served or any phase of business conducted by the parent institution.

"(c) That after the passage of this act no building association, incorporated or unincorporated, shall do a building-association business or maintain any office in the District of Columbia until it shall have secured the approval and consent of the Comptroller of the Currency; and the Comptroller of the Currency shall not give consent or approval to any building association to maintain any office or place of business in the District of Columbia where such association is not incorporated under the laws of the District of Columbia in accordance with the act of March 4, 1909 (35 Stat. L., pt. 1, p. 1058; D. C. Code, title 5, ch. 3, secs. 41–54).

"(d) Any solvent financial institution in the District of Columbia under the supervision of the Comptroller of the Currency may go into liquidation and be closed by the vote of its shareholders owning two-thirds of its stock. Whenever a vote is taken to go into liquidation it shall be the duty of the board of directors to cause notice of this fact to be certified, under the seal of the institution by its president, secretary, or cashier, to the Comptroller of the Currency, and publication thereof to be made for a period of two weeks in a newspaper published in the District of Columbia, that the institution is closing its affairs, and notifying its creditors to present claims against the institution for payment. The shareholders shall at the time of going into liquidation elect a committee or liquidating agent who shall liquidate the institution. No institution which has gone into voluntary liquidation shall be permitted to resume business but until its liquidation is complete shall remain a legal corporation or association for the purpose of suing or being sued. The liquidating agent shall give satisfactory surety bond to the board of directors of the institution and shall annually, on request of the Comptroller of the Currency, render such reports to the comptroller as he shall require. Any such institution in liquidation may be examined by the Comptroller of the Currency who if he finds such institution insolvent may appoint a receiver and wind up its affairs in the same manner as provided by law for national-banking institutions.

"(e) If any financial institution under the supervision of the Comptroller of the Currency, which has not gone into liquidation and for which a receiver has not already been appointed for other lawful cause, shall discontinue its operations for a period of 60 days, the Comptroller of the Currency may, if he deems it advisable, appoint a receiver for such institution.

"(f) Any financial institution over which the Comptroller of the Currency has or had supervision which prior to the passage of this act has in any manner ceased to do a banking business shall not resume such banking business and shall advise the Comptroller of the Currency when its business has been fully liquidated, whereupon by operation of this act its charter is terminated. Such financial institution may, in the discretion of the Comptroller of the Currency, be subject to all the provisions of paragraph (d) of section 1 of this act.

"(g) Each person, copartnership, any director, liquidating committee or liquidating agent, and each one of the officers and employees of an association or corporation violating any of the provisions of this section shall be punished by a fine not exceeding $1,000 or imprisonment not exceeding one year, or by both fine and imprisonment, in the discretion of the court."

SEC. 2. That section 714 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 299), as amended, be amended to read as follows:

"SEC. 714. (a) The Comptroller of the Currency, in addition to the powers now conferred upon him by law for the examination of national banks, is hereby further authorized, whenever he may deem it advisable, to cause examination to be made into the condition of any bank mentioned in the preceding section. The expense of such examination shall be paid in the manner provided by section 5240 of the Revised Statutes relating to the examination of national banks.

"(b) The Comptroller of the Currency shall by regulation prescribe from time to time the extent to which the laws applicable to national banks shall be applicable to banks and trust companies, other than national banks, in the District of Columbia, or to individuals, partnerships, associations, or corporations carrying on the business of banking in the District of Columbia."

SEC. 3. (a) The shareholders of every savings bank or savings company now or hereafter organized under authority of any act of Congress to do business in the District of Columbia and of every banking institution organized by virtue of the laws of any of the States of the Union to do or doing a banking business in the District of Columbia, who acquire in any manner the shares of any such savings bank or savings company after the enactment of this act, shall be held individually responsible equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank or company, to the extent of the amount of their stock so acquired therein, at the par value thereof, in addition to the amount invested in such shares.

(b) The shareholders, at the date of the enactment of this act, of every savings bank or savings company organized under authority of any act of Congress to do business in the District of Columbia, and of every banking institution organized by virtue of the laws of any of the States of this Union to do or doing a banking business in the District of Columbia, shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank or company entered into or incurred subsequent to the date of the enactment of this act to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares. The words "entered into or incurred" as used in this section shall be held to include any extension or renewal of any contracts, debt, and engagement renewed or extended after the enactment of this act.

(c) The provisions of section 5205 of the Revised Statutes of the United States as amended (U. S. C., title 12, ch. 2, sec. 55); sections 5234, 5235, and 5236 of the Revised Statutes of the United States as amended (U. S. C., title 12, ch. 2, secs. 192, 193, and 194); the act of March 29, 1886 (ch. 28, secs. 1, 2, and 3; 24 Stat. 6; U. S. C., title 12, ch. 2, secs. 198, 199, and 200); the act of February 25, 1930 (ch. 50, 46 Stat. 74; U. S. C., title 12, ch. 2, sec. 67); the act of June 30, 1876 (ch. 156, secs. 1, 2, and 3; 19 Stat. 63; U. S. C., title 12, ch. 2, secs. 191, 65, and 197); and section 5210 of the Revised Statutes of the United States (U. S. C., title 12, ch. 2, sec. 62) are extended to apply to any bank, savings bank, or trust company organized, hereafter organized, or doing a banking business in the District of Columbia and to the shareholders of such institutions, except as limited by the provisions of paragraph (b) of this section: *Provided, however*, That the provisions of section 713 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 298), as amended, shall not be construed to be repealed by this act but shall have application to the banks, savings banks, savings companies, and trust companies embraced within this act.

(d) That portion of section 24 of the Judicial Code, as amended, applying to suits against national-banking associations (U. S. C., title 28, ch. 2, sec. 41, par. 16) shall be extended and shall apply to all actions arising under the provisions of this act.

SEC. 4. Section 747 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 374), as amended, is amended to read as follows:

"SEC. 747. No corporation or company organized by virtue of the laws of any of the States of this Union shall carry on in the District of Columbia any of the kinds of business named in this subchapter without strict compliance in all particulars with the provisions of this subchapter for the government of such corporations formed under it, and each one of the officers of the corporation or company so offending shall be punished by a fine not exceeding $1,000 or imprisonment not exceeding one year, or by both fine and imprisonment, in the discretion of the court."

SEC. 5. No corporation, association, partnership, or individual shall carry on any business in the District of Columbia under any name or title containing the word "bank" or the words "trust company" unless (1) the business is being carried on under the name or title at the time of the approval of this act, or (2) the business is carried on under the supervision of the Comptroller of the Currency and the name or title is approved by the Comptroller of the Currency. Any individual who, or corporation, association, or partnership which, violates any of the provisions of this section, and any officer of any such corporation or association and any officer or member of any such partnership, who assents to any such violation, shall, upon conviction thereof, be fined not more than $5,000.

SEC. 6. Any person who maliciously makes or repeats to, or in the hearing of, or under such circumstances that it becomes known to, any other person any false statement imputing insolvency or unsound financial condition to any bank, trust company, or building and loan association in the District of Columbia, or tending to cause a general withdrawal of deposits from any such institution, shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than five years, or both: *Provided*, That the truth of said statement, established by the maker thereof, shall be a complete defense in any prosecution under the provisions of this act.

SEC. 7. All acts prohibited by the provisions of sections 5208 and 5209 of the Revised Statutes, as amended, and section 22 of the Federal reserve act, as amended, in the case of Federal reserve banks or member banks thereof, or of directors, officers, or employees of such banks, are likewise prohibited, respectively, in the case of banks in the District of Columbia which are not members of a Federal reserve bank, or of directors, officers, or employees of such banks, and shall be punishable by the respective penalties provided in such section.

The Clerk read the following committee amendments:

On page 2, line 2, after the word "to," strike out the rest of the sentence and insert the following:

"(1) Corporations engaged in and doing a banking business on the date of the enactment of this act, (2) individuals, partnerships, associations, or corporations primarily engaged as brokers in buying, selling, exchanging, and/or otherwise dealing in stocks, bonds, and/or securities, for the account of others, and inciden-

tally thereto conducts banking transactions, (3) individuals, partnerships, associations, or corporations not doing a bank of deposit business."

Page 2, paragraph (b), line 4, strike out the words "individual, partnership, association" and the word "or."

Line 5, after the words "business of" strike out the word "banking" and insert in lieu thereof "a bank of deposit."

Line 7, after words "phase of" insert before the word "banking" the word "such."

At the end of line 3 of page 3, strike out the period and insert a comma, with the following words, "except that this paragraph shall not apply to associations, incorporated or unincorporated, engaged in and doing a building association business on the date of the passage of this act."

On line 6 of page 3, strike out the words "be closed" and insert in lieu thereof the words "discontinue business."

On line 14 of page 3, strike out the words "is closing" and insert in lieu thereof "has discontinued business and is winding up."

On line 23 of page 4, strike out "any" and insert "each."

Between lines 4 and 5 on page 5, insert the following paragraph:

"SEC. 2. That the last proviso of section 713 of the act of March 3, 1901, entitled "An act to establish a code of law for the District of Columbia" (D. C. Code, title 5, sec. 298), as amended, be amended to read as follows:

"'*And provided further*, That all publications authorized or required by section 5211, Revised Statutes, and all other publications authorized or required by existing law to be made in the District of Columbia, shall be printed in one or more daily newspapers of general circulation published in the city of Washington.'"

At the beginning of line 5, page 5, strike out the words "Sec. 2" and insert "Sec. 3."

Strike out all of paragraph (b) on page 5, including lines 18 to 24, inclusive, and insert the following:

"(b) The provisions of section 5200 of the Revised Statutes as amended (12 U. S. C. 84) are hereby extended to apply to all banks and trust companies doing business in the District of Columbia.

"(c) Each bank and trust company doing business in the District of Columbia and not a member of the Federal reserve system shall within six months from the enactment of this section establish and maintain reserves on the same basis and subject to the same conditions as may by law now or hereafter be prescribed for national banks located in the District of Columbia, except that such reserves shall be established and maintained at such agency or agencies which shall have the approval of the Comptroller of the Currency: *Provided, however*, (1) That the required reserves carried by such bank or trust company with an agency or agencies may, under the regulations and subject to such penalties as may be prescribed by the Comptroller of the Currency, be checked against and withdrawn by such bank or trust company for the purpose of meeting existing liabilities, and (2) that no such bank or trust company shall at any time make new loans or shall pay any dividends unless and until the total reserves required by law shall be fully restored."

In line 1 of page 6, strike out the words "Sec. 3" and insert "Sec. 4."

On line 2 of page 6, between the words "company" and "now" insert "other than building associations."

In line 8, between the words "company" and "after" insert "or such banking institutions other than building associations."

On line 15, between the words "company" and "organized," insert "other than building associations."

Strike out all of line 22, page 6, and insert in lieu thereof the following: "engagements of such savings bank, savings company, or banking institution, entered into or."

On line 1 of page 8, between the word "companies" and the comma, insert "other than building associations."

On line 8 of page 8, strike out "Sec. 4" and insert "Sec. 5."

On line 17 of page 9, between the words "deposits" and "from," insert the words "or funds."

On line 11 of page 9, strike out "Sec. 6" and insert "Sec. 7."

On line 23, page 9, strike out the words "Sec. 7" and insert the words "Sec. 8."

Following line 7 on page 10 insert the following paragraph:

"SEC. 9. The right to alter, amend, or repeal this act is hereby expressly reserved. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered."

The committee amendments were agreed to.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill with amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to. Accordingly the committee rose, and, Mr. PARKS having assumed the chair as Speaker pro tempore, Mr. BLANTON, chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6402 and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. Is a separate vote demanded upon any amendment? [After a pause.] If not, the chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed, was laid on the table.

ACACIA MUTUAL LIFE INSURANCE CO.

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 7375) to amend an act entitled "An act to incorporate the Masonic Mutual Relief Association of the District of Columbia," approved March 3, 1869, as amended.

The SPEAKER pro tempore. The gentlewoman from New Jersey calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2775, identical with the House bill, substitute it for the House bill, and pass the same.

The SPEAKER pro tempore. The gentlewoman from New Jersey asks unanimous consent to substitute S. 2775 for the House bill 7375. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object in order to get some information. I call the attention of the gentlewoman from New Jersey to the fact that a number of years ago upon objection made by the distinguished gentleman from Illinois, Mr. Mann, also by the distinguished gentleman from Illinois, Mr. Cannon, who was Speaker of this House at one time, and by a number of others, the Congress for a while stopped passing bills incorporating organizations with Federal charters.

Mrs. NORTON. This is not an incorporation.

Mr. BLANTON. But it is a change of incorporation.

Mrs. NORTON. Exactly.

Mr. BLANTON. It is an enlargement of the incorporation.

Mrs. NORTON. No.

Mr. BLANTON. Oh, it is an enlargement of the business scope and privileges. Here is what the bill does. The present corporation has authority to grant insurance to Masons. I am a Mason, and a thirty-second degree Scottish Rite Mason, and have been one for 30 years. I am a Knight Templar Mason in the York Rite and I am sympathetic with Masons and Masonic matters, but this incorporation permitted this company to grant insurance to Masons. It now comes in and ceases to be a fraternal organization and wants the authority to write insurance for everybody, whether Masons or not. Can you not see the change?

Mr. LINTHICUM. Is this the Acacia Insurance Co.?

Mr. BLANTON. Yes. It never would have gotten its Federal charter if it had had that proposition in it at first. It never would have been incorporated by the Congress. The only reason on earth that Congress incorporated it was that it was a fraternal matter dealing only with certain persons in the fraternal order. It now wants to enlarge and become a regular insurance company, with an advantage over every other insurance company in the United States, and I am not in favor of that.

Mr. BOWMAN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. BOWMAN. The gentleman understands that in 1869 when a charter was granted to the Acacia Mutual Relief Association there were no incorporation laws in the District of Columbia. It was necessary for Congress to grant that certificate of incorporation. It was a mutual association and it is still a mutual association.

Mr. BLANTON. Mr. Speaker, I ask the gentlewoman from New Jersey to withdraw this, because this is a very controversial matter. I am sympathetic with every purpose of the organization up to this time, but I am not sympa-



thetic with its having an advantage over other business concerns in the country, even though I am a Mason and have been one probably as long as any man here in the House. I hope the gentlewoman will withdraw this bill, because I shall be forced to resort to parliamentary tactics and make the point of order that there is no quorum present, and I do not want to interfere with other business the gentlewoman desires to pass.

Mr. LINTHICUM. How long did the gentleman say that he had been a Mason—longer than any other man? I have been a Mason for over 32 years.

Mr. BARTON. And I have been one for over 40 years.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SMITH of Virginia. The gentleman made the statement that he was not in favor of giving this company rights over and above the rights of others; in other words, discriminating in its favor. Why?

Mr. BLANTON. Because other companies can not come here and get a Federal charter to write insurance to everyone.

Mr. BOWMAN. This company wants only the same rights that any other company has that is operating in the District.

Mr. BLANTON. Then let it take out its charter as the others have had to do under the general law.

Mr. BOWMAN. This charter was granted in 1869, and they can not go to the incorporation laws of the District of Columbia and amend a charter granted in 1869.

Mr. BLANTON. Then let them take out a new charter the same as any other insurance company must do under the law. I hope the lady will withdraw this bill.

Mrs. NORTON. Mr. Speaker, I withdraw the bill temporarily.

TO REQUIRE CONTRACTORS ON PUBLIC BUILDINGS OR OTHER PUBLIC WORKS TO GIVE BONDS FOR FAITHFUL PERFORMANCE OF CONTRACT

Mrs. NORTON. Mr. Speaker, I call up the bill H. R. 437, a bill to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs of improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 437.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 437, with Mr. BLANTON in the chair.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read the title of the bill.

The CHAIRMAN. If there is no debate on the bill, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That any person or persons entering into a formal contract with the District of Columbia for the construction of any public building, or the prosecution and completion of any public work, or for repairs, upon any public building or public work, shall be required, before commencing such work, to execute the usual penal bond in an amount not less than the contract price, with good and sufficient sureties, with the additional obligation that such contractor or contractors shall promptly make payments to all persons supplying him or them with labor and materials in the prosecution of the work provided for in such contract; and any person, company, or corporation who has furnished labor or materials used in the construction or repair of any public building or public work, and payment for which has not been made, shall have the right to intervene and be made a party to any action instituted by the District of Columbia on the bond of the contractor, and to have their rights and claims adjudicated in such action and judgment rendered thereon, subject, however, to the priority of the claim and judgment of the District of Columbia.

If the full amount of the liability of the surety on said bond is insufficient to pay the full amount of said claims and demands, then, after paying the full amount due the District of Columbia, the remainder shall be distributed pro rata among said interveners. If no suit should be brought by the District of Columbia within six months from the completion and final settlement of said contract, then the person or persons supplying the contractor with labor and materials shall, upon application therefor, and furnishing affidavit to the department under the direction of which said work has been prosecuted that labor or materials for the prosecution of such work has been supplied by him or them, and payment for which has not been made, be furnished with a certified copy of said contract and bond, upon which he or they shall have a right of action, and shall be, and are hereby, authorized to bring suit in the name of the District of Columbia in the Supreme Court in the District of Columbia, irrespective of the amount in controversy in such suit, and not elsewhere for his or their use and benefit, against such contractor and his sureties, and to prosecute the same to final judgment and execution: *Provided*, That where suit is instituted by any of such creditors on the bond of the contractor it shall not be commenced until after the complete performance of said contract and final settlement thereof, and shall be commenced within one year after the performance and final settlement of said contract, and not later: *Provided further*, That where suit is so instituted by a creditor or by creditors, only one action shall be brought, and any creditor may file his claim in such action and be made party thereto within one year from the completion of the work under said contract, and not later. If the recovery on the bond should be inadequate to pay the amounts found due to all of said creditors, judgment shall be given to each creditor pro rata of the amount of the recovery. The surety on said bond may pay into court, for distribution among said claimants and creditors, the full amount of the sureties' liability, to wit, the penalty named in the bond, less any amount which said surety may have had to pay to the District of Columbia by reason of the execution of said bond, and upon so doing the surety will be relieved from further liability: *And provided further*, That in all suits instituted under the provisions of this section such personal notice of the pendency of such suits, informing them of their right to intervene as the court may order, shall be given to all known creditors, and in addition thereto notice of publication in some newspaper of general circulation, published in the District of Columbia, for at least three successive weeks, the last publication to be at least three months before the time limited therefor.

The Clerk read as follows:

With the following committee amendment:

Page 1, line 6, after the word "for," insert the words "alteration and/or"; after the word "repairs," insert the words "including painting and decorating."

The committee amendment was agreed to.

The Clerk reported the next committee amendment as follows:

Page 2, line 4, after the word "contractor," insert the word "subcontractor."

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the amendment.

I wish to inquire of the gentlewoman from New Jersey, or the author of the bill, whether the proposed amendment extending the requirements to subcontractors should be carried also in other provisions of the bill; for instance, on page 2, line 24? Is it the purpose of the enactment to require subcontractors to give bonds as well as the principal contractor?

Mr. PALMISANO. As I understand it, the word "subcontractor" was inserted at the request of the Federation of Labor, because under the bill passed in the last Congress some question arose on a piece of Government work in regard to compelling payment of the prevailing wage. There seemed to have been some question as to whether or not it applied to a subcontractor.

The same statement applies to the amendment consisting of the words "including painting and decorating." I think those amendments were inserted at the request of the Federation of Labor.

Mr. STAFFORD. I am calling the attention of the committee to the fact that the amendment under consideration applies to subcontractors only in this instance. If you are going to adopt this amendment, then I think it should be included in other parts of the bill. On line 24, page 2, and throughout, you have a provision requiring a contractor to give a bond, but in those provisions you do not refer to a subcontractor, as, for example, where he has defaulted after a bond has been given.

The bill without the amendment is consistent; but the committee has introduced an amendment requiring a subcontractor in certain cases to give bond. If this amendment is to be adopted it is my opinion that the bill should be amended to conform to the amendment that is about to be adopted.

Mr. MAPES. I will say to the gentleman from Wisconsin that I have not given that part of it any special thought.

I have hastily glanced at this provision of the bill and I wonder if the one does not apply to the contract which the main contractor has to give to the District of Columbia in getting his contract approved and if the other does not relate to the payment of wages and material which are to be made by the contractor and the subcontractor, in order to cover such a case as was referred to by the gentleman from Maryland, and if that is not the reason for including the subcontractor in one place and not in the other.

Mr. STAFFORD. Has the gentleman from Maryland given any consideration to the thought which I have just advanced?

Mr. PALMISANO. No; I have not.

Mr. STAFFORD. Then I will not press the matter any further, but if the subcontractor is incorporated in this part of the bill, I will leave it to the Senate to make the bill harmonize by including the subcontractor in other parts of the bill, if that is found to be necessary.

Mr. GOSS. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GOSS. I would like to ask the gentleman from Maryland if this in any way affects the so-called Davis-Bacon Act?

Mr. PALMISANO. Not that I know of.

Mr. GOSS. I would like to direct that question to the gentleman from Michigan. Outside of the work "subcontractor" the so-called Davis-Bacon provision is in no way affected in this bill?

Mr. MAPES. Not at all, as I understand it.

[Here the gavel fell.]

The committee amendment was agreed to.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. PARKS having assumed the chair as Speaker pro tempore, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 437) to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a radio speech I made Saturday night.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech made over the National Broadcasting Co.'s radio hook-up Saturday evening, April 9, 1932, at 6.30 to 6.45 p. m. eastern standard time:

There is much misleading and false propaganda being circulated over the country at this time relating to the payment of the adjusted-service certificates. Many of the ones who are circulating these false reports are uninformed; they are not in possession of the facts. The question receiving the most consideration at this time is, "Can the payment to the veterans on a debt that must be paid anyway be used as a vehicle to carry our country back to prosperity?"

House bill No. 1 provides for the full and immediate cash payment of the adjusted-service certificates. The bill is now pending before the Committee on Ways and Means of the House. Hearings on the proposal will commence Monday, April 11.

The adjusted-service certificates issued to veterans of the World War are not "bonus" certificates; they represent the Government's confession of a debt for services rendered.

In order to persuade the Congress of the United States to enact a law providing for the full cash payment of the adjusted-service certificates, the burden is upon us to show:

(1) That each holder of a certificate is entitled to receive an amount from the Government equal to the face or maturity value thereof.

(2) That the Government can pay the debt at this time without detriment to the general welfare.

No bond issue is being advocated. The public welfare must receive first consideration: 3,539,507 veterans of the World war are holders of adjusted-service certificates, amounting to $3,513,692,937; they reside in every community in the United States. About 3 per cent of the population in any community are holders of certificates. They range in value from $126 to $1,590 each, with the average value of $1,000. Two million six hundred and seventy-nine thousand seven hundred and forty-four veterans have borrowed the limit allowed by law—50 per cent—on their certificates. Only 859,763 have not borrowed, and 200,000 of them can not receive loans because their certificates are less than 2 years old. After deducting prior loans, there is a remainder due to all holders of certificates of $2,126,864,316. If this money is paid now, it will be equal to a distribution of $18 per capita over the entire Nation.

After thorough and deliberate consideration, Congress declared that the lowest paid civilian laborer during the war receive between $1 and $1.25 more per day for his services than the veterans received, and decided this amount of extra pay should be given the veterans. A law was enacted in 1924 confessing this debt; but instead of making the payment in cash, an adjusted-service certificate, payable in 20 years, was given to the veteran.

In this bill, H. R. 1, we are merely asking for the payment of the $1 a day for home service and $1.25 a day for service overseas, the amount Congress said was due as of the time the services were rendered. The Government for many years required the veterans to pay 6, 7, and 8 per cent interest compounded annually for their own money. The Government should be willing to pay the veteran the minimum rate of interest that he was charged; that is being asked. We are not asking for the 25 per cent increase for waiting, which Congress said was reasonable; that part is eliminated. If a veteran is given the $1 and $1.25 a day as of the time the services were rendered, with a reasonable rate of interest from that time, he was entitled to an amount equal to the face or maturity value of his adjusted-service certificate, October 1, 1931. Therefore the certificates were really due October 1, 1931, although made payable in 1945.

Many would accuse the veterans of being unpatriotic for seeking full payment at this time. If full payment is not made, what will the average veteran, who has borrowed the limit—50 per cent—receive on his certificate in subsequent years? Sixteen dollars and fifty-five cents in 1944 and $66.25 in 1945. Interest on the 50 per cent already borrowed will have consumed the remainder. A recent ruling compels many veterans to pay 6 per cent interest compounded annually on their loans. In such a case the average veteran will actually owe the Government $112.18 in 1945. The veterans are now 39½ years of age. They need the money worse than the Government or banks need it in compound interest. The veterans who have borrowed on their certificates are paying $166,000 a day interest.

WHERE WILL THE MONEY COME FROM?

One who voted for the $2,000,000,000 Reconstruction Finance Corporation bill is not in a position to ask that question.

We need more money in circulation. This debt should be paid in United States notes, which will circulate as money the same as notes of the Federal reserve banks. They should be good for the payment of all debts, public and private, and should be full legal tender. Such payment of $2,126,000,000 will cause moderate inflation of the currency, which is very much needed at this time, and which is being advocated by the President of the United States, bankers, economists, financiers, and others, and will in no way endanger the gold standard. We are now on the double gold standard, having twice as much gold as the 40 per cent gold standard requires. This plan can become effective at once and the money distributed in payment of the debt to the veterans in every nook and corner of America; purchasing power will be placed into the hands of consumers; commodity prices will rise; wheels of industry will commence to turn to supply demands from consumers; stocks, bonds, and property of all kinds will be more

valuable and the general welfare will be promoted. The payment can be made in this way without a bond issue, without additional taxes, without paying interest, and without unbalancing the Budget.

The people do not have sufficient money to do business. They are reduced to barter. The following advertisement appeared recently in a daily paper:

"Mr. Farmer! You have no money! Neither have we! You have chickens—we have gas and oil—bring your chickens—we will trade you."

It will be said immediately this is a fiat-money proposal. Such a charge is not justified. In 1920 we had $55 per capita of money in circulation. At that time the Treasury and the Federal reserve banks possessed $2,865,000,000 of gold coin and bullion. At this time we have $44 per capita in circulation and the Treasury and the Federal reserve banks hold more than $4,000,000,000 of gold coin and bullion. This information may be substantiated from reports of the Secretary of the Treasury and the Federal Reserve Board. Four billion dollars is enough gold to justify the circulation of $10,000,000,000 in currency. We only have about $5,500,000,000 in currency in circulation. No economist or any informed person will say that we should maintain more than 40 per cent gold base for our paper money. The double-gold standard is causing us trouble.

THE PAPER MONEY

There are two kinds of money—paper currency and coins; paper money is preferred; it is made at the Bureau of Engraving and Printing at Washington. The Government first issued paper money in the early days of the Civil War in the form of United States notes; they were known as "greenbacks." These notes had no gold behind them; they were backed solely by the credit of the Nation.

To-day five kinds of paper money are in use—United States notes, gold certificates, silver certificates, Federal reserve notes, and national-bank notes.

My proposal to issue $2,200,000,000 in currency is sound. It will be backed by 40 per cent gold, a sinking fund for its retirement, and the credit of the Nation. No one can call it fiat money. It is no more "printing-press" money than any other paper currency. One may ask, "Why not issue all the money you want that way?" The answer is, "We do not have sufficient gold to issue an unlimited amount. The 40 per cent gold reserve requirement limits the amount that may be issued." One may ask, "Why not pay off part of the deficit in that way?" Part of the deficit can be taken care of by paying Federal employees in currency as long as we have a sufficient gold base. That is one of the reasons I voted against the pending tax bill.

I invite your attention to the Federal Reserve Bulletin for March, 1932, issued by the Federal Reserve Board at Washington. It shows where we can get billions of additional money. Page 143, first column, under the heading "Excess Reserves," it is stated:

"On the basis of these excess reserves, the Federal reserve banks could issue $3,500,000,000 of credit if the demand were for currency, and $4,000,000,000 if it were for deposits at the reserve banks."

Something must be done to put money into circulation among the masses of the people. If another method can be discovered that will more equally distribute money without the payment of a dole, it should be considered. The commodity price level must be raised. People are now required to pay debts with commodities that are selling for 25 and 30 per cent of what they were when the debts were created. Our problem is debts. Anything that will increase the commodity price level will help both debtors and creditors. The proposal to pay the certificates, if enacted, will be equal to converting a noncirculating obligation or credit of the Government into United States notes, a circulating obligation. Government bonds do not circulate and do not affect the price level, but paper currency does circulate and does affect the price level. Anything that is done to enable the people to pay their debts on the same basis on which they were contracted will be very helpful.

All economists agree that the first thing to be done to restore conditions is to put more money into circulation in sufficient quantity to cause prices to rise. If something is not done at a very early date our whole individualistic, capitalistic system is in danger. Prof. Irving Fisher, of Yale, testified before the Banking and Currency Committee of the House, March 28, 1932. He advocated increasing the circulating medium. In answer to a question of how the circulating medium may be increased, he stated that one way would be for the United States to issue new United States notes in purchase of United States bonds or in the purchase of anything else, or by paying its employees. Professor Fischer's proposal is no different from my own. Prof. Williford I. King, an economist of New York University, testified before the same committee on the same proposition and suggested that, in order to raise the price level, money must be put into circulation and that this may be done by the Treasury being authorized to issue money in the form of United States notes in return for a certain amount of Government obligations.

How much additional money should be placed in circulation? Professor King answered that question in this way. It is like the problem of getting up a hill in your automobile, when you are down at the bottom out of gasoline and want to get to the top. If you tried to figure out just exactly the amount of gasoline that would be necessary for you to put into the tank to drive your machine to the top of the hill, you could spend the remainder of your life and never find out the exact amount. The answer is, put in enough gasoline to get to the top. On the question of putting more money into circulation, the answer is to put in enough to start commodity prices to rise. Business will recover when the price level is restored.

How much is $2,000,000,000? The same amount provided by the Government for the Reconstruction Finance Corporation; nothing was said about impairing the Nation's credit or unbalancing the Budget until that bill was passed. Our Nation gave foreign countries five times two billion dollars.

Although it should not encourage extravagance and our Government should be economically administered, it is ridiculous to talk about our Nation's credit being impaired. A $400,000,000,000 Nation that owes $18,000,000,000, or about 4 per cent, is comparable to a business concern with assets of $22,500 owing $1,000. After the Civil War we owed 10.5 per cent of our national wealth. England owes 40 per cent of her national wealth. France owes 20 per cent of her national wealth. We owe much less in proportion to wealth than any nation on earth.

Deflation is the cause of our troubles; too much inflation will cause us trouble, but reflation will effect a cure. The best start on the road to recovery will be to pay the $2,000,000,000 to this large group of citizens, who have consuming power but who do not have the purchasing power.

If the people get the truth and they communicate their wishes to Congress, H. R. 1, as amended, will become a law in 30 days.

THE RESIGNATION OF COMMISSIONER DAVILA

Mr. OSIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the resignation of Commissioner DAVILA, of Porto Rico.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. OSIAS. Mr. Speaker, the resignation of Hon. FELIX CORDOVA DAVILA, Resident Commissioner of Porto Rico to the United States for the last 15 or 16 years, is due to take effect this day. After rendering uninterrupted service in this Chamber beginning with the Sixty-fifth Congress, the President of the United States, with the consent of the Senate, elevated him to a seat in the supreme bench of the land that gave him birth.

While with us Mr. DAVILA endeared himself by his genial nature and gentlemanly qualities. He served his people efficiently and faithfully. His broad culture and legislative experience will undoubtedly be great assets in the important post to which he has been appointed. I feel that I bespeak the sentiments of his colleagues in the hope that our loss will be Porto Rico's gain and in the wish that he may prove equally successful and serviceable in the high office for which he is eminently qualified by character and temperament.

CONSTRUCTION AND USE OF CERTAIN PIPE LINES IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2496, to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2496, with Mr. BLANTON in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Chairman, this bill would authorize the District Commissioners to grant permission to the Griffith-Consumers Co. to lay down and use not more than 10 oil pipe lines in southeast Washington, running under property owned by the company and under adjacent public streets and other public lands to the pierhead line of Anacostia River. The interests of the District of Columbia and of the United States are fully safeguarded by the bill, which is similar in most respects to the pipe line bills enacted in the Fifty-fourth and Sixty-ninth Congresses.

Mr. GOSS. Will the lady yield?

Mrs. NORTON. Yes.

Mr. GOSS. Are there any other companies that have this same privilege?

Mr. SMITH of Virginia. I understand that any company similarly situated has this privilege.

Mr. GOSS. This privilege will not interfere with any other privileges granted by the District?

Mrs. NORTON. Absolutely not.

Mr. GOSS. To other companies?

Mrs. NORTON. Not at all.

Mr. BUSBY. Mr. Chairman, I claim time in opposition to the bill.

The CHAIRMAN. Is any member of the committee opposed to the bill?

Mr. STAFFORD. Mr. Chairman, that is not necessary. This is not Calendar Wednesday.

The CHAIRMAN. If there is no member of the committee opposed to the bill, the Chair will recognize the gentleman from Mississippi for one hour.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. Mr. Chairman, when the Committee on the District of Columbia has the call and the Committee of the Whole House on the state of the Union is considering legislation, is it necessary, in gaining recognition, that a Member has to be in opposition to the bill or is any Member whatsoever entitled to one hour's time for general debate?

The CHAIRMAN. From the Chair's experience, gained through having been a member of this committee for over 10 years, he will state that where a bill is called up for general debate on District day in the Committee of the Whole House on the state of the Union, and the chairman of the committee has yielded the floor, a member of the committee opposed to the bill is entitled to recognition over any other member opposed to the bill, and it was the duty of the Chair to ascertain whether there were any members of the committee opposed to the bill who would be entitled to prior recognition. The Chair having ascertained there were no members of the committee opposed to the bill, took pleasure, under the direction of the gentleman from Wisconsin, in recognizing the gentleman from Mississippi.

Mr. STAFFORD. Will the Chair permit the further parliamentary inquiry whether under the rules it is necessary for a gentleman gaining recognition in general debate to confine his remarks to the bill?

The CHAIRMAN. Not on District day. The general debate on District day is the same as general debate on any supply measure.

Mr. BUSBY. Mr. Chairman, I have sought to obtain the floor for an exceedingly worthy purpose. Up to this time, 3.25 in the afternoon, I have not been able to secure recognition for the purpose of calling to the attention of the House, and I am sure to the country, a thing that is far more necessary even than passing new tax measures to extract additional funds from the people of the country to meet ever-growing deficits, or of appropriating those funds out among the several contending interests of the country that are quarreling among themselves as to who will get the appropriations, or more important than these bills that we are now considering for the District of Columbia.

In this morning's Post, as conservative as it is, as partisan as it is in a political way, it made a pronouncement in an editorial that is more than a column in length that ought to attract the ear not only of the President and the administration and the leaders of the majority party in this House and the leaders in the other body but the entire country. I mean to refer to that editorial and to preface the remarks I shall make by reading all or portions of it.

This is from the Washington Post, dated Monday, April 11, 1932, and the editorial is headed "The Underlying Problem."

The editorial states:

A fresh wave of deflation swept over the country last week, leaving the people in a confused and uneasy state of mind. For a time the forces of depression were checked by the new blood poured into the veins of commerce by the Reconstruction Finance Corporation and other constructive measures. But these factors were not sufficient to turn the forces of deflation into a positive movement toward recovery. It is well for the public to face the fact that heroic measures are necessary to turn the tide of depression.

A few weeks ago attention was concentrated on the extension of credit. The banks were the center of the crisis. Banks were failing at the rate of about 400 per month. Emergency measures initiated at the White House mobilized the resources of the Nation behind bank credit. The epidemic of failures was quickly cured, and the banks are in a much stronger position than before. Now they have ample money and credit reserve, but the benefits of that improved position are not flowing out to the people.

The editorial continues:

There are two chief reasons for this condition. First, the banks are reluctant to lend money because of fear that their own safety may be jeopardized. Second, even if the people can borrow, they hesitate to do so because of the uncertainty of business and because falling prices and security values make the repayment of loans an extreme hardship.

The banks are not taking full advantage of the liberal credit allowances given them in the Glass-Steagall Act. Additional credit can be used only when other resources have been exhausted, and no bank wishes to admit that it is forced to resort to extraordinary measures. To this extent the working of the new regulations, which were expected to be a potent force in the restoration of normal conditions, are a disappointment. Congress did not reckon with the selfishness of some bankers who are concerned only with stabilizing their own establishments.

No elasticity of credit, however, could overcome the tendency of business to lie dormant while there is no hope of operation without fresh losses. All chance of recovery seems to hinge upon a turn in commodity prices.

This is the proposition I want to call your attention to. Commodity prices must come up if we are ever going to have any kind of relief that is efficient.

We passed the Reconstruction Finance Corporation act, and we made available a possible $2,000,000,000 through that act. We passed the Glass-Steagall bill, and since we have passed that bill bank credits have shrunk, currency per capita has shrunk, and the total is almost $200,000,000 of shrinkage in currency since the passage of the Glass-Steagall bill. A like shrinkage is also shown by the figures and facts with regard to bank credits.

Not only this but commodity prices have continually gone downhill, and before I finish reading the editorial I want to give you this picture.

The best economists in the country hold that the debts, private and public, in this Nation amounted to $203,000,000,000 in 1929; that the total wealth of this Nation at that time was not more than $362,000,000,000.

The debts were 56 per cent of the national wealth. Since that time Professor Pearson, of Cornell, says the national wealth has shrunk 30 per cent, while commodity prices have gone down, making debts harder to pay—so much so that at the present time the debts of the Nation, public and private, are more than 80 per cent of the national wealth.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. EATON of Colorado. Has the gentleman any information whether the Federal reserve banks have tried to control operations; have they issued any part of the currency authorized which would augment the currency?

Mr. BUSBY. I have that information. At the end of December or at the beginning of this year, the currency of this country amounted to $4,460,000,000, or $45.34 per capita. To-day it has shrunk to $5,389,000,000, or $43.75 per capita, a shrinkage amounting to almost $200,000,000. So in regard to the bank credits, they have shrunk about $2,000,000,000 in the last couple of months. As far as business is concerned, it is in a worse condition than before we passed the Glass-Steagall bill.

Mr. EATON of Colorado. Can the gentleman tell whether the banks have made any attempt to get the Federal reserve banks to issue any part of the billion dollars of currency?

Mr. BUSBY. I can not answer positively as to what they have done. I take the Associated Press article of last week, and it says:

FUNDS ARE NOW MOVING TO BIG MONEY CENTERS

Recent statements of Federal reserve member banks indicate a flow of funds from exterior banks to institutions in the large money centers of the country.

The latest statement of the board, covering the week ended March 30, showed that during the week a total of $25,000,000 was

added to the "due to banks" account in the cities of New York and Chicago alone, compared with a net gain of but $24,000,000 in this item in all member institutions.

This increase, $17,000,000 for New York City and $8,000,000 for Chicago, which is reflected in greater deposits, investments, and balances with Federal reserve banks, is held to portray remittances of funds loaned by the Reconstruction Finance Corporation to small exterior banks. Its flight to the larger cities, incidentally, is evidence of business stagnation through the rural communities, Treasury officials say.

In other words, the figures show that the bank credits in outlying districts are drying up and are getting worse and worse, while they grow in the money centers.

Mr. EATON of Colorado. And no effort is being made to give them an increase in sound money?

Mr. BUSBY. Under the Glass-Steagall Act nothing has been done to effectively help business, the currency situation, or bank credits.

Mr. STRONG of Kansas. Is not this the situation? That the banks having eligible paper are refusing to rediscount the paper with the Federal reserve system?

Mr. BUSBY. That is the situation, because the banks, like individuals, are justly afraid of present leadership.

This editorial goes on to state:

On April 1 a group of 110 representative commodities were selling for 17½ per cent less than they brought a year ago. This is superimposed upon a decline of 20 per cent in the previous year. So long as this condition remains unchanged business will be paralyzed. All the credit in the world can not induce business to go deeper into the red.

Value in the United States is being slowly concentrated into money. The dollar increases in value every day, while everything else loses some of its relative worth. In spite of the antihoarding campaign and the liberalizing of credit, this situation encourages the liquidation of all other forms of wealth. The value of the dollar has reached such a high point that the people are tempted to convert all their holdings into dollars to avert further shrinkage.

Unless this vicious movement is checked it will result in panic. The extension of credit will not be sufficient. Heroic emergency measures that will arrest the fall of prices seem to be in order. How that can be done without unwarranted inflation of the currency is not clear, but every fresh wave of deflation makes more urgent the necessity of restoring some measure of balance between money and commodity prices.

Mr. JONES. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. JONES. The gentleman's position is that the patient needs a further blood transfusion?

Mr. BUSBY. You might put it that way, since money and bank credits are the lifeblood of business. The editorial goes on to state:

The best brains of the country ought to be concentrated on this problem. This economic malady has reached a point where it can not be expected to cure itself without leaving horrible scars. Palliatives will not yield the desired effect. Business can not turn toward stability unless the whole tendency toward lower price levels is reversed.

I want to comment on that. Money that is based on true value related to commodities, their utility, supply, and demand, is not fiat money. Many years ago it was believed that only gold and silver were a proper base for currency. Some 50 years ago silver began to be left out of the picture, and then most nations decided to use gold largely because gold is a commodity of limited amount, and if used for a money base and paper money related to it on a proper percentage we would not have too much money, we would not have money that we could call fiat money, because it would all be backed by gold. Time went on until 1890, when this country was in a very distressed condition from a money standpoint. The Aldrich committee directed one department of the Government to investigate back over a period of 50 years in order to get a check on commodity prices. Going over that period of 50 years a very tangible amount of reliable information was gathered, and from that has come the Bureau of Labor Statistics, headed by Mr. Ethelbert Stewart. It is a corps of many persons, scientifically working to determine commodity prices and the relation of these to each other and to the commodities in trade. On the Bureau of Labor Statistics financial or statistical organizations base their information for their clients. The point is that the Bureau of Labor Statistics takes 784 commodities every day and determines in a very tangible way the value of those commodities. That finding of many commodity prices is more dependable than the one commodity "gold," because gold is nothing more than a commodity and can be manipulated or maldistributed or dealt with by bankers in such a way that we are thrown into a period of financial independability that we find ourselves in to-day. In 1913 the Federal reserve act was passed—and this may be news to you—but only 40 per cent of the money issued as Federal reserve notes has to be based on gold and 60 per cent may be based on commodities. You asked how that happens. Certain paper secured by commodities is made eligible for discount through the Federal reserve banks. That paper may be put up to 60 per cent and gold to the extent of 40 per cent, and out of that combination comes the perfectly good Federal reserve note, good legal tender for all purposes for which money could be used. I call attention to the fact that the commodities back of the 60 per cent of Federal reserve notes are what makes it possible for us to have anything like a sufficient amount of currency to-day.

Mr. CAMPBELL of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mr. CAMPBELL of Iowa. Having that same thought, I want to bring to you this illustration. In my county in 1922 there were 13 banks. Those 13 banks had placed a rediscount of $2,000,000 and naturally the supply of money, actual currency, that came into my county would be around a little over $1,000,000. That was new currency that came by virtue of the rediscount in the Federal reserve bank. To-day all of those original banks have gone, and are in process of liquidation. A few of them have already been liquidated.

Mr. BUSBY. The gentleman means that they are broke.

Mr. CAMPBELL of Iowa. Busted. There are two left. They have organized 3 new banks, making a total now of 5 banks, and taking the statements of those 5 banks, on January last, there was not one cent of rediscount. In other words, you have taken out of circulation in my county, a small country county, over a million dollars of actual currency.

Mr. BUSBY. I am sure that is the picture you will find all over the country and I thank the gentleman for the illustration. To proceed with the editorial:

Some powerful agency must be thrown into the breach to restore the value of goods and services against the exaggerated value of money.

The people would not countenance the manufacture of fiat money to make prices rise. But some method of currency expansion on a sound gold basis might be necessary.

The man who wrote this editorial is like a great many other people who discuss the money question. He does not know anything about the economics involved in the money set-up and does not want to appear "radical," but he knows that something must be done quickly, and he admits it. He does know, however, that some remedy must be had besides waiting for the people in the money marts of the world to get into a good humor and bring prosperity back to us. He is calling the attention of the Congress to the fact that you as a responsible agent, a representative of your constituents, ought to wake up, just as I ought to wake up, and quit fooling with this situation, and go to work on it and solve it in a scientific, sensible manner, in order to save not only the people of the country but the Government itself. [Applause.]

My persistence in seeking the floor to make this speech was not out of any wrong spirit, but I am impressed with the need of this country for legislation and I do not care to what extent I have to go to get the floor to speak for that on this or other occasions until the question is settled. I have borne the brunt of this thankless position of forcing myself before the House on other occasions to call attention to this condition which you know about as well as I do. I hope you will not hold this against me personally or officially because I persisted on this occasion and have taken this time regardless.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mrs. NORTON. I think the gentleman is quite wrong about having forced himself in. The only suggestion I made was that he would allow me to get through with this District business, which, of course, is of great importance to the District Committee, even though, as the gentleman said in the beginning of his remarks, he did not consider the bills of any great importance; but when we have gone over these bills as carefully as we have, we consider they are of some importance. Certainly they are of a great deal of importance to the District of Columbia and I hope the gentleman will not hold any hard feelings against me on that account.

Mr. BUSBY. I am just trying to get any bad feelings removed against me for persisting in presenting this appeal to Congress for what I believe to be the imperative need of the people of the Nation.

Mrs. NORTON. I can assure the gentleman I have none.

Mr. BUSBY. I was explaining the editorial.

The CHAIRMAN. The Chair will state that while the gentleman from Mississippi has the right to proceed in general debate, he is reading editorials by unanimous consent.

Mr. BUSBY. That is right. I am about through, and if they do not want me to finish reading it I will not lose much.

Emergencies of this kind call for drastic action which goes to the heart of the problem. All the benefits which have accrued through bank stabilization will be lost unless the forces of deflation are arrested. It is time for the leaders in Government and financial circles to focus their minds upon a realignment of values.

That editorial comes from the conservative Washington Post, which always speaks for the present administration.

We have had experts dealing with this subject. The Governor of the Federal Reserve Board, Mr. Eugene Meyer, a well-known and much-liked gentleman in financial circles, and other prominent gentlemen who have been dealing with the subject for several months have been provided with all the machinery they have asked Congress for. What is the result? Conditions have grown worse and worse, as you know. They have not tackled the primary and essential problem, that of restoring commodity values to a point where the people can pay their debts with what they have to sell. [Applause.]

The President has had the benefit of the wonderful wisdom of these well-trained gentlemen from financial quarters, but I will suggest to him a list of gentlemen from whom, if he would confer with them for an hour or two, he would get a different slant on the picture. He would realize that he could not restore conditions by beginning to work at the top, but that the efforts must be made with the laborer, the farmer, and the man who works with his hands and produces things, to bring about a situation that will put value into the things such people produce.

I would suggest as the first man Senator Owen, for 12 years chairman of the Senate Banking and Currency Committee.

I would suggest as the second man General Dawes, Vice President of the United States for four years, and now chairman of the Reconstruction Finance Corporation.

As the third man I would suggest Dr. Irving Fisher. A better authority on the question does not live, perhaps, in this country or the world to-day.

I would suggest as the fourth man Doctor King, of the University of New York.

As the fifth man I would suggest Mr. Harrison, president of the Federal Reserve Bank, of New York City.

As the sixth man I would suggest T. ALLAN GOLDSBOROUGH, a Representative from the State of Maryland, who understands the trouble.

Mr. BANKHEAD. And the editor of the Washington Post.

Mr. BUSBY. I do not know what everyone in authority in our administration thinks, but we are reaping an awful reward just now. The stock market broke again to-day. It will continue to go down under present leadership. Of all the shares listed on the market at tremendous values in 1929, they are $24,000,000,000 less to-day; and stocks are going down hill as fast as they can be marshaled together and thrown on the board and sold through the forced method that is at present going on. Why? Because people have not confidence in the situation. That is what inspired similar outrages in the past.

So, if our President would take unto himself a different corps of advisers and earnestly listen to them, confer with them in regard to the problem that is pressing the life out of the people, take the advice of those gentlemen who are experts—who know the problem—he would not have any trouble in being reelected President of the United States. I do not believe that any well-organized party which would shoulder this problem and champion this cause would have any difficulty in electing a President, because it is the very life of the people. [Applause.]

What we need is somebody like Theodore Roosevelt. Formerly I was not a great admirer of Roosevelt, but when there comes a time like the present I almost feel like throwing up my hands and crying out for Theodore Roosevelt to come back and take charge of the situation.

I am not overestimating matters. I read last week where in the State of Mississippi 60,000 people lost their homes because they could not raise the money to pay the taxes assessed against those homes. Seven million acres of land, one-quarter of all the land value in that State, were sold out from under the people. What are they going to do? Are they to be turned out to become recruits to the already large army of unemployed that is wandering on the face of the earth seeking some means of livelihood? Inevitably that is the case, unless we have a reversal of this thing; and the reversal must come in the commodity prices; it can not come anywhere else.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BUSBY. Certainly.

Mr. BANKHEAD. I think the gentleman from Mississippi knows what my personal attitude has been on the question he is now discussing since the very beginning of this session of Congress. From such superficial investigation as I have been able to give it, I agree fully with the gentleman from Mississippi. I believe he has pointed out the absolutely basic and fundamental essential that we will have to meet before we will have any real restoration of prosperity. I am glad that the gentleman from Mississippi and other gentlemen on the floor of the House, Democrats and Republicans, particularly those on the Banking and Currency Committee, have gone into such a full examination of this question. I indulge the hope that the gentleman's committee at an early date will report the Goldsborough bill and give the House an opportunity to consider this question.

Mr. BUSBY. That is what I was coming to—a discussion of the Goldsborough bill which we will soon report to the House.

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. CAMPBELL of Iowa. I have heard a great many speeches on this subject and I have taken great interest in it for this reason: That I believe it is the only method by which this Congress can do anything for this country. If the gentleman does not have the time now, I hope he will at an early date address the House and explain, as I know the gentleman can, the method by which we can keep from that overinflation. As I have said in this House and in the cloakroom, the matter which bothers most of us is that we always refer back to German currency.

I have followed your hearings very closely, and I have been convinced by your testimony and the testimony of others that under this Goldsborough bill we can absolutely take care of the question of excessive inflation.

Mr. BUSBY. I have refrained to-day from discussing that question, because we hope to get that bill before the House in a short time. I will come to that in a moment.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. STRONG of Kansas. I hope the gentleman will continue his very splendid address.

Mr. BUSBY. It is somewhat unpleasant, I will assure you, to be begging for time in the House to speak on this question, but I feel forced to discuss the question of applying some method of saving the Nation's financial house from burning down.

Mr. STRONG of Kansas. I appreciate that. I hope the gentleman will not stop his address until he has given the membership the remedy for inflation and the prevention of overinflation, because the gentleman can do it.

Mr. BUSBY. I dislike to take that much time now, yet I want to say this: Doctor Fisher was before our committee a few days ago. He has recently written a very valuable book called "The Money Illusion." We asked him if he would send that book at his own expense to the membership of Congress. He said, "If they will read it, I will be glad to send it to every Member of the House." We said, "What would it cost?" He said, "Around $500, but I will be glad to do it. I have no interest in this subject, except the general interest of stabilizing conditions for the American people." So I understand he has mailed a letter to each Member of Congress asking the Members if they will read the book; and if they say they will, he will be glad to send a copy of the book, and I commend it to you. If you gentlemen do not read your Bible for a week, read that book in the meantime; read it at all hazards, because it is the first requisite for the Members of this House and those who have studied the currency question to begin to think on in the attempt to solve the question.

Now, the Goldsborough subcommittee is made up of Mr. GOLDSBOROUGH, Mr. PRALL, and myself on the majority side, and Mr. STRONG of Kansas and Mr. BEEDY on the minority side. We have been holding hearings. Those hearings will be available to-morrow afternoon at the Banking and Currency Committee of the House. We want you to get them and read them.

People are so afraid to question our present monetary set-up. Arthur Brisbane said not long ago that nobody could understand the money question. I concede that proposition. I said so in a speech recently, because it is not founded on reason or common honesty. It is a set-up that has come down to us through the ages. It is not a scientific set-up, and it is one that will eternally involve us in the problem that is facing us to-day.

Oh, it is a fallacy, yet we support it with all the determination we can command. It is a fallacy that has done harm to the people of this country and the peoples of the world. I do not say this disparagingly, but credit sellers and big bankers are in the business for the profit they can get out of it.

As a result, they manipulate the gold standard, the gold exchange, and the currency, and the international exchange arrangements for their own purposes, and you can not blame them. But if you would take values attached to commodities and make the currency set-up and its value relate to commodity values, it would be different. I do not believe I shall have time to go into that now, but that is what the Goldsborough bill will do. It is a short bill, of three pages; and when it comes in here, study it and we will discuss the plan further.

This is what currencies are when based on gold, on one commodity which is as treacherous as can be. Gold is no more dependable than any other commodity, such as wheat, where you may have a short crop or a long crop; but if you could have 784 commodities scientifically dealt with and the commodity price of them ascertained with regard to 1926 prices, which was a fair standard of living, and prices were level practically from 1921 to 1929—because Mr. Strong, of the Federal reserve bank in New York City, did the thing we are trying to get the Federal Reserve Board to do to-day to stabilize prices. When currency and bank credits became too scarce he injected them into the field of trade. When inflation was apparent he withdrew them from the field.

Statistics show that every time you put more money into the pockets of the people and more credit into the banks, prices of commodities will rise. It is natural if we have money in our pockets we will spend it, more natural than if we do not have money at all. It is natural if the banks have credit they will lend it to the people, but we have reached a condition where there is no faith in anything just now.

When this bill comes up, the gentleman from Maryland [Mr. GOLDSBOROUGH], and the gentleman from Kansas [Mr. STRONG] and other Members, will have an opportunity to discuss in detail with you the provisions of the bill and will show you exactly how, if enacted into law and applied in good faith by the Federal Reserve Board, it will bring back a degree of dependability.

I am not going to take more time this afternoon, but do not think too hard of me if at some other time I inject myself into debate and inflict myself upon you for a while in order to call your attention to the fact that we ought to do something to escape from the calamity that is impending and that must fall upon us and our people unless we take the course that is pointed out in the very able editorial I have read to you. [Applause.]

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. I yield.

Mr. ALLGOOD. I do not blame the gentleman for taking time, if he can get it, with 60,000 farm homes being sold in his State. I think the House can well take time to listen to addresses on the monetary system, and I think we need more addresses from members of the committee who have made a specific study of the question.

Mr. BUSBY. I would like to ask the Members who have not had an opportunity to study the question, Will you not depend somewhat on the Members that have made such studies? If you are on the west side of the aisle, will you not listen to those gentlemen who are aligned with that side of the aisle, and will you not have confidence in them? I hope those on this side will give some attention to the very splendid gentleman who is the chairman of the subcommittee, and to some of the others who are on this side, because I think we understand it. You know we are not inherently dishonest and we are not deceived about the situation, and all you have to do to convince yourselves is to look back home at your own affairs—wrecked.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. BUSBY. Yes.

Mr. EATON of Colorado. I have been very much interested in the gentleman's outline of the situation, but it seemed to me that there are two or three other topics that the gentleman might have mentioned, and one in particular. I would like to hear the gentleman's statement in regard to the use of silver in our money situation, its relation to gold, and the relation that the present scheme of using a commodity price level has with our money structure, based, in part, on silver and in part on gold. Will the gentleman tell us about that?

Mr. BUSBY. The shortest cut to an answer to that question would be for the gentleman to read the book that Doctor Fisher is going to send him, because it is so well thought out there.

Mr. EATON of Colorado. I would like for the gentleman to state it so that it will be in the RECORD here.

Mr. BUSBY. I will say that gold and silver together would be more dependable than gold alone, but any metallic base for currency that is not related to true values or commodity values, as determined by a scientific method, will swing away; and while both of them together will not be as tricky as one alone, still they will not be entirely dependable.

Mr. EATON of Colorado. In the gentleman's study has he not found a direct relationship between the price of silver, day after day and year after year, with the price of commodities, going up or going down?

Mr. BUSBY. That is true, but that is largely because silver is nothing but a commodity in the scheme of things and has not been anything else for a good many years. It swings in price with other commodities; but you do not find gold doing that, because the statute says that the standard of value shall be a gold dollar consisting of 25.8 grains of gold nine-tenths fine, and all other currency issued or coined shall be kept in relation to this standard of value,

and this shall be the duty of the Secretary of the Treasury. This is why gold in price stands still, apparently. It does not stand still, as a matter of fact, because it has gone sky high and left everything at a very low level, and we can not sell enough commodities now to buy gold or to buy money, which is the equivalent of gold.

Mr. BANKHEAD. Will the gentleman yield for a suggestion?

Mr. BUSBY. Yes.

Mr. BANKHEAD. The distinguished gentleman from Colorado has injected some inquiries with reference to the status of silver as related to this economic problem. A few moments ago the gentleman from Mississippi asked all Members to read the hearings before his committee on the commodity-price situation. I will say to the gentleman from Colorado, if he has not already done so, if he will secure a copy of the hearings now being conducted by the Committee on Coinage, Weights, and Measures under the direction of the gentleman from New York [Mr. SOMERS], he will find some very illuminating and some very valuable suggestions there on this question of silver coinage, and I want to make this further statement in connection with the Goldsborough bill, which I hope will soon be passed not only by this House but by the Senate and receive the approval of the President, that they ought to take up the recommendations made by the Committee on Coinage, Weights, and Measures with reference to the immediate calling of an international conference to restabilize the value of silver.

Mr. EATON of Colorado. Absolutely; and may I say in reply to the gentleman's comment that I have attended practically all the hearings of the Committee on Coinage, Weights, and Measures and many of the hearings before the Committee on Banking and Currency. I am trying to keep up with the work of both of those committees.

Mr. McCLINTIC of Oklahoma. Can the gentleman give the House any idea when the legislation will be reported?

Mr. BUSBY. Yes; we hoped to have Eugene Meyer before us last Friday; but he said he was not prepared to come, because he had not read what had been said by other witnesses, and he wanted time to study the bill. Out of deference to him—and we wished to have his statement and approval, if possible—we deferred the matter until Thursday of this week. But Wednesday of this week Mr. Harrison, of the Federal Reserve Bank of New York, is to be before us.

However, we are determined to report the bill out before the end of this week, regardless of whether they come or not. [Applause.]

In justice to myself and to the gentlemen, I am taking time to call to your attention to the valuable information that may be had: One has been referred to, the hearings before the Somers committee, to investigate silver and its relation to the monetary question; and the other, the hearings before the Goldsborough subcommittee, being conducted by the Banking and Currency Committee of the House.

Read those, because I can not tell you all of the wonderful presentation that they gave us by men who know and who have studied the question for years and years.

I would not undertake on the floor of the House, even in the brief time of an hour, to analyze those things. But my object to-day—and this is the kind of meeting that I wanted to have, and I am sorry that the whole House was not here this afternoon—I want this House to decide the question that will come up, each Member on his own responsibility—and I have no fear for the legislation that we are going to propose.

Mr. FIESINGER. Will the gentleman yield?

Mr. BUSBY. I yield.

Mr. FIESINGER. The gentleman knows that I have been much interested in the Goldsborough bill, and I commend the gentleman for his fine statement. There is a mind that thinks that if the Federal Reserve Board did expand the currency, that would force us off the gold standard; and with the securities that are payable in gold, Liberty bonds, that would precipitate a tremendous panic in this country.

Mr. BUSBY. Let the gentleman get the Federal Reserve Bulletin for March, 1932, and they will show you that with the present amount of gold they could issue an additional three and a half billion dollars Federal bank notes and not endanger the gold standard.

Now, the peak of Federal reserve notes outstanding was, on the 23d of December, 1920, when there was $3,404,000,000 in Federal reserve notes, when the gold in this country amounted to $2,926,000,000. We have outstanding now Federal reserve notes in circulation or held by issuing banks to the amount of $2,794,000,000. Our gold holdings are $4,389,000,000.

It is not endangering the gold standard. We have 30 per cent of all the monetary gold in the world, and France has about 33 per cent of the gold; so that France and this country have practically 60 to 70 per cent of all the monetary gold in the world, and the other 45 countries of the world are getting along without any except the remaining 30 per cent.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mr. FIESINGER. Does this statement of the Federal reserve bank give any assurance that the issuance of $3,500,000,000 of currency would not force us off the gold standard?

Mr. BUSBY. Yes. The gentleman should read it.

Mr. FIESINGER. I think that would help the country a good deal when the people of the country know that.

Mr. BUSBY. Yes.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. BUSBY. Yes.

Mrs. NORTON. I have followed what the gentleman has said with a great deal of interest. If all that is true, what is the justification for the tax bill that we recently passed?

Mr. BUSBY. The tax bill is an emergency proposition and must be passed to provide new means and methods of going down deeper into the pockets of the people, because under the former revenue raising law the springs of revenue had dried up to where we were not getting over 50 per cent of the amount we needed. Of course we understand that the springs of revenue to the private individual have also dried up, but that does not make so much difference so long as we balance the Budget and the financiers of the world are satisfied that they can depend upon us.

I am not criticizing the balancing of the Budget or commenting upon it. To defer a portion of our national payments ought not to hurt the credit of a nation any more than if I should defer a part of the payments that I am expected to make this year should hurt my credit. But it is the demand of the financial centers of the country that we balance the Budget; and whenever we do not do everything that they suggest through their chambers of commerce and their meetings of financial barons, they threaten a panic and throw these stock exchange fits, and down the hill we go, down, down, down. Let me say in closing that there is not a thing to keep us from getting back to a dependable basis under our present law, with the Glass-Steagall bill in force. There is nothing to prevent us from using that and getting back on a sound financial basis and getting on the upgrade except that the Federal Reserve Board is not doing anything to take advantage of the legislation that we have enacted here in Congress at their request. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and empowered to grant permission to the Griffith-Consumers Co., a corporation organized and existing under the laws of the State of Delaware, the owner of square 661 in the city of Washington in the District of Columbia, said square being bounded on the north by R Street, on the south by S Street, on the east by Half Street, and on the west by First Street, its successors and assigns, to lay down, construct, maintain, and use not more than 10 pipe lines for the carriage of petroleum and petroleum prod-

ucts from a point or points within said square 661, in and through R Street, due east to Half Street, east, and thence north on Half Street, east, to a point opposite lots 12 or 13 in square east of square 708 (through which said lots the said Griffith-Consumers Co. now has an easement to run said pipe lines), thence through said lots or any other lots in said square east of square 708 which may hereafter be acquired by the said Griffith-Consumers Co. or through which it may secure an easement, and to the pierhead line of the Anacostia River.

SEC. 2. That all the construction and use provided for herein shall be under such regulations and rentals as the Commissioners of the District of Columbia may make and establish in connection therewith.

SEC. 3. That no permission granted or enjoyed hereunder shall vest any title or interest in or to the land within the abovementioned streets or affect any right, title, or interest of the United States in or to land within square east of square 708.

SEC. 4. That the Congress reserves the right to amend, alter, or repeal this act at any time.

Mr. GOSS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GOSS: Page 2, line 21, after the figure 708, insert a new section as follows:

"That said Griffith-Consumers Co., its successors and assigns, shall be and remain liable to all persons, firms, and corporations for all damages to person or property which may result at any time or from any cause from the construction, maintenance, and/or operation of said pipe lines, or additions thereto. That in the event the Government of the United States or the District of Columbia desire the removal of any of said pipe lines, said company shall remove the same without claim for damages from said Governments."

Mr. GOSS. Mr. Chairman and members of the committee, I have talked this amendment over with the committee, and I understand it is agreeable to them to accept it. It is offered for the purpose of safeguarding the public in the use of the pipe lines, which are sometimes quite risky. Sometimes leaks occur, and oil seeps up and it catches fire. Great restrictions are placed on the storage of oil and also on the use of pipe lines as a carrier. This I offer to safeguard the public interest. In the last portion of the amendment it will be noted that if for any reason the Government, Federal or district, should want to remove any of the pipe lines, they could do that, and the Griffith Co. could not sue for damages. I trust that the committee will accept the amendment.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GOSS. Yes.

Mr. SMITH of Virginia. The only objection is that it carries the bill back to the Senate and delays the letting of the contracts. Is not the amendment merely declaratory of what is already in the law, namely, that they are liable for any damage that might happen?

Mr. GOSS. I notice that section 3 takes care of the United States; and I assume if any loss should occur, the United States would be protected; but inasmuch as the rights of citizens, firms, and corporations were not mentioned, there was a question in my mind as to whether they would be protected.

Mr. SMITH of Virginia. Does not the gentleman think they are responsible, anyway?

Mr. GOSS. I do not think the Senate would hold the matter up, and I am not offering this to delay the matter at all.

Mr. STAFFORD. Has any member of the committee information as to the extent to which these pipe lines go?

As I understand, it grants the privilege over certain property of the United States.

Mr. SMITH of Virginia. And the right to go under certain streets.

Mr. STAFFORD. And the right to go under certain streets which abut property of the United States. I did not have time sufficient to examine the plats to see just where the property is located, but I think it is tributary to the Anacostia Branch.

Mr. PATMAN. That is right.

Mr. GOSS. They own one lot.

Mr. STAFFORD. This company owns a number of lots, and the United States is now engaged in litigation to settle the title to square 708.

Mr. GOSS. Yes.

Mr. STAFFORD. If the United States is the only party directly interested, I would like to inquire the purpose of the amendment.

Mr. GOSS. The purpose is to provide the right of redress in case of damage. We are all familiar with the sight of the large gasoline trucks driving around the city with chains dragging in order to ground them in case they should be struck by lightning; and we are all familiar with the fact that in pipe lines there is the danger of leaks and the danger that oil will seep up through the ground and catch fire. It is easily conceivable that some such thing might occur and numbers of persons and vehicles be injured.

Mr. STAFFORD. The gentleman, with his vast business knowledge and understanding of matters in general, knows that often gas is emitted from gas-pipe lines; and the gas companies having the special privilege to lay them, immediately send a crew to detect and try to locate the place where the gas is escaping, but no great damage ever ensues.

In this instance we have a localized pipe line for a company which owns property near the Anacostia Branch to be granted the privilege of laying pipe lines over streets adjacent to or adjoining property owned by the United States. I question whether there is need of having the precautionary amendment that the gentleman suggests. I am in accord with the gentleman from Virginia [Mr. SMITH] that it would only delay consideration and is not really necessary.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 5, noes 7.

So the amendment was rejected.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that commitee had had under consideration the bill S. 2496, and had instructed him to report the same back with the recommendation that it do pass.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

ADMISSION OF PAY PATIENTS TO CONTAGIOUS-DISEASE WARD OF GALLINGER MUNICIPAL HOSPITAL

Mrs. NORTON. Mr. Speaker, I call up the bill (S. 1769) to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1769.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1769, with Mr. BLANTON in the chair.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. NORTON. This is a permissive bill. The legislation is necessary to permit pay patients to be admitted to the contagious ward of the Gallinger Municipal Hospital. There is increasing reluctance on the part of Washington hospitals to care for people having contagious diseases, because they present a varying degree of peril to other patients in the hospital. I may say that at the present time there is no place in the District where people of moderate means with contagious diseases may go. This bill is designed to assist such people.

Mr. STAFFORD. Will the gentlewoman yield?

Mrs. NORTON. Gladly.

Mr. STAFFORD. There is a letter incorporated in the report, addressed to Senator CAPPER by the director of public welfare. I was led to the conclusion that patients with contagious diseases are now taken care of at Garfield Memorial Hospital. Is that the fact?

Mrs. NORTON. I think those are only indigent patients.

Mr. STAFFORD. I was wondering why we should give preference to pay patients as distinguished from indigent patients in the matter of hospitalization at Gallinger Municipal Hospital? What is the need of granting special consideration to pay patients? Why should they not go to establishments like Garfield Hospital where they can receive consideration?

Mrs. NORTON. My answer to that is that the hospitals do not want contagious-disease patients. There is protection necessary in contagious diseases, not only for those absolutely destitute, but for those who can not stand the extremely high charges in private hospitals in such cases.

Mr. STAFFORD. If I may be permitted to refresh the memory of the lady from New Jersey, the letter states that the Providence Hospital——

Mrs. NORTON. To which letter does the gentleman refer, may I ask?

Mr. STAFFORD. I refer to the letter from the director of public welfare, at the bottom of page 2 of the report, in which it is stated that the Providence Hospital management does not care to have these patients, does not care to continue the service of looking after indigent patients who have contagious diseases; but it makes no reference to Garfield Memorial Hospital having adopted the same policy.

My inquiry is directed to the need of authorizing pay patients to be housed in a public institution like Gallinger Municipal Hospital. Indigent patients are privileged to go there.

My inquiry is prompted by the experience of the city of Detroit, where the Ford Hospital was established through the munificence of Henry Ford, which hospital permits pay patients to receive the benefit of that institution. There is criticism on the part of the medical fraternity that it is unfair to the profession to allow that institution to grant its privileges to anyone who may see fit to go there. I am wondering what is the need of granting the privilege to pay patients as distinguished from indigent patients.

Mrs. NORTON. My understanding has been that it is necessary to get this permission before these patients may go there. This bill has been indorsed by the Commissioners of the District of Columbia.

Mr. STAFFORD. Are not pay patients privileged to go to Providence Hospital or to avail themselves of the facilities of Garfield Hospital?

Mrs. NORTON. But there is a growing disinclination on the part of those hospitals to take such cases.

Mr. STAFFORD. Do the pay patients want to avail themselves of the privilege of a Government hospital at a lower rate?

Mrs. NORTON. This is merely a permissive use.

Mr. STAFFORD. If there are facilities at private hospitals, why should we permit pay patients to be privileged to avail themselves of the facilities of Gallinger Hospital?

Mrs. NORTON. Why should they not have the privilege?

Mr. STAFFORD. Because they can obtain those privileges at a private institution. The public institutions are for the benefit of indigent patients, not for pay patients in competition with private hospitals.

Mrs. NORTON. But they expect to pay what they can afford when they go to Gallinger Hospital.

Mr. STAFFORD. What rate will they pay? Will the rate be the same as that charged in private hospitals?

If private hospitals are able to take care of these pay patients, then I can not see any reason why we should open a public hospital and use that as a latch for the building of a more commodious hospital at public charge.

Mrs. NORTON. The gentleman knows that is done in other cities.

Mr. STAFFORD. It is not done in the city which I have, in part, the pleasure of representing. We have private institutions and we have public institutions. The public institutions are for the benefit of the indigent and not for the benefit of those who are capable of paying. Those who are capable of paying naturally seek treatment in private hospitals, and properly so. It is stated in this report that there is a program on foot to increase the size of the Gallinger Municipal Hospital. We are continually hearing the cry that the burdens of the District are being increased and increased, and that the people of the District are obliged to pay for those privileges. I want to grant plenty of hospitalization to the indigent, those who can not pay; but I do not want to grant hospitalization in public institutions to those who are able to pay.

Mrs. NORTON. The Commissioners of the District are responsible to the District. They have asked me to introduce this bill, and they tell me it is absolutely necessary for the safe conduct of the District. Therefore I can not do anything more than take the word of the commissioners.

Mr. STAFFORD. The president of the Board of Commissioners of the District of Columbia in his letter states:

> The Budget estimates of the District of Columbia for the fiscal year beginning July 1, 1933, just submitted to Congress, contain an appropriation estimate of $250,000 for the construction of an additional ward building for contagious diseases at Gallinger Municipal Hospital, with a contract authorization of $600,000.

So this is nothing more than a means for adding further additional burdens on the District of Columbia when, from the little knowledge I have of it, there is no real need for it.

Mrs. NORTON. I may say to the gentleman that if I thought that was the purpose of the bill I would be the first one to oppose it.

Mr. STAFFORD. I know the fundamental position of the gentlewoman from New Jersey in favor of economy, and that is why I am making these inquiries. I am trying to protect her in the position she has taken for so many years back.

Mr. GOSS. Will the lady from New Jersey yield?

Mrs. NORTON. Yes.

Mr. GOSS. I want to ask if any of these recommendations have anything to do with the so-called down-town clinic?

Mrs. NORTON. That I can not answer.

Mr. GOSS. Is there any legislation coming out on the subject of the down-town clinic?

Mrs. NORTON. We have nothing before us at the present time.

The Clerk read the bill for amendment.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 1769) to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital, and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION AND WIDENING OF MICHIGAN AVENUE

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10489) to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the con-

sideration of the bill H. R. 10489, with Mr. BLANTON in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. NORTON. Mr. Chairman, this bill simply authorizes the Commissioners of the District of Columbia to use for street purposes a portion of the land lying within McMillan Park and in the United States Soldiers' Home grounds, together with any additional lands that may be necessary for slopes in the proper construction of highways and sidewalks. It has been indorsed by the commissioners and there has been no opposition to the bill.

The Clerk read the bill for amendment, as follows:

Be it enacted, etc., That in order to extend and widen Michigan Avenue between First Street and Park Place NW., and to improve traffic conditions, the Commissioners of the District of Columbia be, and they are hereby, authorized to use for street purposes all of the land lying within the McMillan Park and the United States Soldiers' Home grounds which is comprised within the parcels designated A and B as shown on map filed in the office of the surveyor of the District of Columbia and numbered as map 1650, together with any and all additional land that may be necessary for slopes in the proper construction of roadway and sidewalks.

SEC. 2. The Chief of Engineers, United States Army, is hereby authorized and directed to transfer to the Commissioners of the District of Columbia for street purposes all of the land comprised within the parcels designated A, as shown on map filed in the office of the surveyor of the District of Columbia and numbered as map 1650; and the board of commissioners of the United States Soldiers' Home is hereby authorized and directed to transfer to said Commissioners of the District of Columbia for street purposes all of the land comprised within the parcels designated B, as shown on said map filed in the office of the surveyor of the District of Columbia and numbered as map 1650.

SEC. 3. That the board of commissioners of the United States Soldiers' Home shall transfer to the Chief of Engineers, United States Army, all of the land comprised within the parcels designated C, as shown on map filed in the office of the surveyor of the District of Columbia and numbered as map 1650, to be used as part of the McMillan Park; and the Chief of Engineers, United States Army, shall transfer to the board of commissioners of the United States Soldiers' Home all of the land comprised within the parcels designated D, as shown on said map filed in the office of the surveyor of the District of Columbia and numbered as map 1650, to be used as part of the United States Soldiers' Home grounds.

SEC. 4. That the surveyor of the District of Columbia is hereby authorized to prepare the necessary plat or plats showing all parcels of land to be transferred in accordance with the provisions of this act, with a certificate affixed thereon to be signed by the parties in interest making the necessary transfers, which plat and certificate, after being signed by the various interested officials and approved by the Commissioners of the District of Columbia, shall be recorded upon order of said commissioners in the office of the surveyor of the District of Columbia; and said plat or plats, when duly recorded in said office of the surveyor of the District of Columbia, shall constitute a legal transfer for the purposes designated according to the provisions of this act.

SEC. 5. The District of Columbia shall perform the necessary work and shall pay any and all expenses for removing and replacing water mains, removing, reconstructing, and repainting the boundary fence of the United States Soldiers' Home and bringing the surface of the areas reconstructed to proper grade with loose earth suitable for growing vegetation and otherwise replacing the property of the United States Soldiers' Home in the same condition as it was before construction was undertaken; any trees required to be cut along the proposed route and on the areas authorized to be transferred by the United States Soldiers' Home to remain the property of the United States Soldiers' Home and to be cut into such lengths as may be suitable for cordwood or lumber, and to be split and stacked by said District of Columbia as directed by the governor of said home.

Mr. LONERGAN. Mr. Chairman, I move to strike out the last word for the purpose of asking unanimous consent to insert in the RECORD a report of the traffic situation in the District of Columbia.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD by inserting a report of the traffic situation in the District of Columbia. Is there objection?

There was no objection.

Mr. LONERGAN. Mr. Chairman, on February 10, 1932, I had inserted in the CONGRESSIONAL RECORD (p. 4345) a report from the Director of Vehicles and Traffic of the District of Columbia on the traffic situation in the District of Columbia. To-day I received from Director W. A. Van Duzer another report on the traffic situation in the District, as follows:

Department of vehicles and traffic, Washington, D. C.—Intersection counts and studies, July to December, 1931

	How controlled				Counts			Average-hour count		Peak-hour count		Accidents		Pedestrians, peak hour	Recommendations
	Signals	Officer		None	Average hour	Peak hour	Hour	Main Street	Side Street	Main Street	Side Street	Fatal	Non-fatal		
		Part	Full												
APPROVED FOR NEW SIGNALS OR CHANGE IN SYSTEM															
Peace Monument				√	2,384	3,173							12	149	Flex. Prog.
Pennsylvania Avenue and Seventh Street NW.			√		2,730	3,143		2,108	622	2,451	692		32	1,254	Do.
Pennsylvania Avenue and Ninth Street NW.			√		2,359	3,475		2,045	313	3,005	470		37	1,784	Do.
Pennsylvania Avenue and Tenth Street NW.		√			2,567	3,852		2,291	276	3,280	572	1	11	3,085	Do.
Pennsylvania Avenue and Twelfth Street NW.			√		3,239	3,972		2,789	460	3,262	710		31	2,772	Do.
Pennsylvania Avenue and Thirteenth Street NW.			√		3,250	4,256		2,625	625	3,379	877		51	2,251	Do.
Connecticut Avenue and L Street NW.[1]		√			2,601	3,166		2,081	520	2,464	702		21	1,149	Do.
Connecticut Avenue and Macomb Street NW.		√				1,559	9–10			1,463	97		6	139	Demand.
Fifth and H Streets NW.				√		1,338	10–11			767	571		5	368	Ind.
Eleventh and H Streets NW.[1]				√		1,766	8–9			925	841		13	1,017	Do.
Twelfth and H Streets NW.[1]				√	1,790	2,240		1,022	703	1,238	1,002		22	1,328	Do.
Thirteenth Street and Columbia Road, NW.				√	1,380	2,175		1,143	237	1,777	398		3	287	Do.
Thirteenth and Harvard Streets NW.				√		837	12–1			643	194		2	74	Do.
Fourteenth and L Streets NW.				√		1,513	12–1			1,109	424		7	695	Do.
Fourteenth and Eye Streets NW.[1]		√				2,054	8–9			1,489	565		18	1,293	Do.
Fifteenth and Eye Streets NW.[1]				√		1,627	9–10			826	801		13	777	Do.
Seventeenth and Eye Streets NW.		√				2,190	8–9			1,658	540		10	1,320	Do.
Nineteenth and M Streets NW.				√	1,299	1,714		875	344	1,138	566		10	346	Do.
Twentieth and M Streets NW.				√	1,304	1,818		787	517	1,080	708		11	444	Do.
Twenty-ninth and M Streets NW.		√			2,156	2,785		2,043	118	2,611	174		15	691	Do.
Florida and West Virginia Avenues.				√	1,514	2,143		1,157	327	1,708	435		4	211	Do.
Florida Avenue and Fifth Street NE.[1]				√		2,615	12–1			1,796	815	1	4	88	Do.
Florida Avenue and First Street NW.						1,449	8–9			778	671		8	224	Do.
Florida Avenue and Fourteenth Street NW.				√	1,863	2,488		1,364	499	1,764	604		1	308	Do.
New York Avenue and First Street NW.				√		1,084	9–10			644	320		5	170	Do.

[1] Indicates installations already provided for.

Department of vehicles and traffic, Washington, D. C.—Intersection counts and studies, July to December, 1931—Continued

	How controlled				Counts			Average-hour count		Peak-hour count		Accidents		Pedestrians, peak hour	Recommendations
	Signals	Officer		None	Average hour	Peak hour	Hour	Main Street	Side Street	Main Street	Side Street	Fatal	Non-fatal		
		Part	Full												
APPROVED FOR NEW SIGNALS OR CHANGE IN SYSTEM—continued															
New York Avenue, L and Fifth Streets NW.				√		2,100	11-12			1,025	719		5	667	Ind.
Rhode Island Avenue and Twelfth Street NE.	√					1,162	8-9			842	320	1	4	68	Demand.
Rhode Island Avenue and Twentieth Street NE.				√		886	9-10			831	55		1	111	Do.
Rhode Island Avenue and Twenty-Second Street NE.				√		1,009	8-9			970	39			71	Do.
Rhode Island and Mills Avenue NE.				√	698	947		666	33	911	36			216	Do.
Rhode Island and South Dakota Avenues NE.	√														Change to demand.
Sherman Avenue and Columbia Road[1]				√	1,204	1,949		1,008	196	1,708	241		8	567	Ind.
North Capitol and R Streets				√	1,063	1,263		770	293	894	365	1	11	552	Flex. prog.
Connecticut Avenue and Porter Street, NW.		√				1,060	12-1			1,002	58		7	101	Demand.
RECOMMEND SIGNALS BE REMOVED															
K and First Streets NE.	√				429	697		317	113	518	179		7	103	
K and Third Streets NE.	√				375	568		276	101	437	131		5	85	
K and Fourth Streets NE.	√				524	841		270	254	440	401		4	136	
K and Sixth Streets NE.	√				499	750		274	225	455	301		4	98	
K and Seventh Streets NE.	√				394	626		253	141	433	193		8	98	
K and Ninth Streets NE.	√				288	605		214	144	377	228	1	1	117	
K and Tenth Streets NE.	√				285	512		198	87	378	134		1	112	
Florida Avenue and Thirteenth Street NE.	√				913	1,311		845	68	1,215	96		3	60	
Florida Avenue and Fourteenth Street NE.	√				799	1,105		660	139	861	244		2	64	

[1] Indicates installations already provided for.

The pro forma amendment was withdrawn.

Mr. GOSS. Mr. Chairman, I move to strike out the last two words for the purpose of calling the attention of the committee to section 5. In the last bill we passed I endeavored to have an amendment included whereby the Government would not be put to any cost at any time for the removal of any water mains, oil pipes, or anything else. The committee turned that down. I do not know whether any oil lines or any other kind of obstructions are involved in this matter. Are there any other obstructions such as I have mentioned which are not covered by the bill?

Mrs. NORTON. I do not think I quite understand the gentleman's question.

Mr. GOSS. Section 5 provides that:

> The District of Columbia shall perform the necessary work and shall pay any and all expenses for removing and replacing water mains.

And so forth. Is there any other matter left out?

Mrs. NORTON. No; nothing else.

The pro forma amendment was withdrawn.

Mrs. NORTON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. BLANTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10489) to provide for the extension and widening of Michigan Avenue in the District of Columbia and for other purposes, and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read a third time, and was read the third time and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

CONDEMNATION OF LAND IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 5651) to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That chapter 15 of the Code of Law for the District of Columbia is amended by adding after section 485 the following new section:

SEC. 485a. Vesting of title pursuant to a declaration of taking: The petitioners may file in the cause, with the petition or at any time before judgment, a declaration of taking, signed by the commissioners, declaring that said lands are thereby taken for use of the District of Columbia. Said declaration of taking shall contain or have annexed thereto—

(1) A statement of the authority under which, and the public use for which, the said lands are taken;

(2) A description of the lands taken sufficient for the identification thereof;

(3) A statement of the estate or interest in said lands taken for said public use;

(4) A plan showing the lands taken;

(5) A statement of the sum of money estimated by the commissioners to be just compensation for the land taken.

Notwithstanding the provisions of section 488, upon the filing of said declaration of taking and the deposit in the registry of the court, for the use of the persons entitled thereto, of the amount of the estimated compensation stated in the declaration, title to the said lands in fee simply absolute, or such less estate or interest therein as is specified in the declaration, shall vest in the District of Columbia, and the lands shall be deemed to be condemned and taken for the use of the District, and the right to just compensation for the same shall vest in the persons entitled thereto. Said compensation shall be ascertained and awarded in said proceedings and established by judgment therein, and the judgment shall include, as part of the just compensation awarded, interest at the rate of 6 per cent per annum on the amount finally awarded as the value of the property as of the date of taking, from said date to the date of payment; but interest shall not be allowed on so much thereof as shall have been paid into the registry. No sum so paid into the registry shall be charged with commissions or poundage.

Upon the application of the parties in interest, the court may order that the money deposited in the registry of the court, or any part thereof, be paid forthwith for or on account of the just compensation to be awarded in said proceeding. If the compensation finally awarded in respect of said lands, or any parcel thereof, shall exceed the amount of the money so received by any person entitled thereto, the court shall enter judgment against the District for the amount of the deficiency.

Upon the filing of the declaration of taking, the court shall have power to fix the time within which and the terms upon which the parties in possession shall be required to surrender possession to the petitioners. The court shall have power to make

such orders in respect of incumbrances, liens, rents, taxes, assessments, insurance, and other charges, if any, as shall be just and equitable.

With the following committee amendments:

Page 3, line 13, strike out "exceed" and insert in lieu thereof "increase or reduce."

In line 16, strike out "the deficiency" and insert "such award."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mrs. NORTON, a motion to reconsider the vote by which the bill was passed was laid on the table.

BOARD OF INDETERMINATE SENTENCE AND PAROLE FOR THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I call up the bill (H. R. 10273) to establish a board of indeterminate sentence and parole for the District of Columbia, and to determine its functions, and for other purposes, and ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

The Clerk began the reading of the bill.

Mr. BLANTON (interrupting the reading of the bill). Mr. Speaker, this is a very important measure. It creates a new board and takes away from the courts the usual function of granting paroles and puts this duty in the hands of three parties who are to draw new salaries. We do not know where it is going to lead.

I hope the lady from New Jersey will not try to pass the bill at this late hour, but will withdraw it. This is too important a measure to be considered at this time. It interferes with the usual parole prerogative of the courts and puts this duty in entirely different hands. The members of this board will know nothing about the cases except what they get secondhand.

Mr. Speaker, I make the point of order there is not a quorum present. We have worked now until nearly 5 o'clock.

The SPEAKER. Will the gentleman withhold the point until the Chair lays before the House some personal requests?

Mr. BLANTON. I withhold it, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KURTZ (at the request of Mr. DARROW), on account of death in family.

To Mr. STEWART, on account of illness.

ADJOURNMENT

Mrs. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Tuesday, April 12, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Tuesday, April 12, 1932, as reported to the floor leader by clerks of the several committees:

MILITARY AFFAIRS

(10 a. m.)

Private bills.

INVALID PENSIONS

(10 a. m.)

Private bills; third omnibus bill.

WAYS AND MEANS

(10 a. m.)

Continue hearings on bills for cash payment of adjusted-compensation certificates.

AGRICULTURE

(10 a. m.)

Storm relief for Southern States.

PUBLIC LANDS

(10.30 a. m.)

Hearings—Members of the House on public domain.

RULES

(10.30 a. m.)

Hearing—Copyright bill. (H. R. 10976).

COINAGE, WEIGHTS, AND MEASURES

Hearing—Silver investigation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SANDLIN: Committee on Appropriations. H. R. 11267. A bill making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes; without amendment (Rept. No. 1036). Referred to the Committee of the Whole House on the State of the Union.

Mr. STEVENSON: Committee on Printing. H. Res. 188. A resolution to provide for printing of 1,000 additional copies of the hearings held before the Committee on Banking and Currency of the House on the bill, H. R. 10517, entitled "For increasing and stabilizing the price level of commodities, and for other purposes" (Rept. No. 1035). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 1842. A bill for the relief of William H. Ames; with amendment (Rept. No. 1031). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2217. A bill for the relief of the Bethel Cemetery Co., the Presbyterian Church, Harold S. Stubbs, George Morgan, Edward Stapp, William J. Howard, David J. Seacord, Mary L. McIntire, Emma E. Foard, Herbert C. Hannigan, Sisters of St. Baisl, Edward Bedwell, and Rachel A. Loveless; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6275. A bill for the relief of Howard McKee; with amendment (Rept. No. 1033). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 10732. A bill to adjudicate the claim of Alfred Sollum, a homestead settler on the drained Mud Lake bottom, in the State of Minnesota; with amendment (Rept. No. 1034). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 5704. A bill authorizing the Secretary of War, under the direction of the President, to order Joseph E. Myers, major, United States Army, retired, before a retiring board for a rehearing of his case, and upon the findings of such board, either confirm his retirement under the provisions of section 24–b, act of Congress of June 4, 1920, or place him on the retired list, as provided by section 1251, of the Revised Statutes, for disability incurred in line of duty; without amendment (Rept. No. 1037). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDRIGE: A bill (H. R. 11266) to regulate the sale of wheat owned or controlled through the Grain Stabilization Corporation by the Federal Farm Board, and for other purposes; to the Committee on Agriculture.

By Mr. SANDLIN: A bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. HARE: A bill (H. R. 11268) to create a small-holdings fund for the further development of agriculture and industry in the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. WICKERSHAM: A bill (H. R. 11269) to establish a supreme court in and for the Territory of Alaska, to confer judicial power thereon, and for other purposes; to the Committee on the Judiciary.

By Mr. MANSFIELD: A bill (H. R. 11270) to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; to the Committee on the Post Office and Post Roads.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11271) to authorize the issuing of emergency credit bonds and their use by depository banks for the purpose of making loans in order to revive and encourage trade, to increase employment, to prevent the foreclosure of mortgages, to stimulate industry, to aid agriculture, to prohibit the use of such credits for speculating in stocks, and for other purposes; to the Committee on Ways and Means.

By Mr. CRISP: A bill (H. R. 11272) to reduce the rate of interest on loans upon adjusted-service certificates; to the Committee on Ways and Means.

By Mr. PETTENGILL: Resolution (H. Res. 189) relating to the services, functions, and bureaus of the Department of Commerce; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACON: A bill (H. R. 11273) for the relief of Maj. Clarence H. Greene, United States Army, retired; to the Committee on Claims.

By Mr. COCHRAN of Missouri: A bill (H. R. 11274) granting an increase of pension to Albert Link Lee; to the Committee on Pensions.

By Mr. COLLIER: A bill (H. R. 11275) for the relief of Ninian Edward Kline, deceased; to the Committee on Naval Affairs.

By Mr. COLE of Maryland: A bill (H. R. 11276) granting a pension to Laura C. Hobbs; to the Committee on Invalid Pensions.

By Mr. CURRY: A bill (H. R. 11277) for the relief of the Shipowners & Merchants' Tugboat Co., of San Francisco, Calif.; to the Committee on Claims.

By Mr. GILCHRIST: A bill (H. R. 11278) granting an increase of pension to Mary M. Nutt; to the Committee on Invalid Pensions.

By Mr. HESS: A bill (H. R. 11279) granting a pension to Peter Paul Koch; to the Committee on Pensions.

By Mr. JAMES: A bill (H. R. 11280) to authorize an appropriation for the completion of the heating plant at Carlisle Barracks; to the Committee on Military Affairs.

By Mr. JENKINS: A bill (H. R. 11281) granting an increase of pension to Mary A. Rawlings; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11282) granting an increase of pension to Nancy J. Edler; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11283) to correct the military record of Bernard Laird; to the Committee on Military Affairs.

By Mr. STEVENSON: A bill (H. R. 11284) for the relief of John H. Cathcart; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 11285) for the relief of Mucia Alger; to the Committee on Foreign Affairs.

By Mr. WEAVER: A bill (H. R. 11286) authorizing the United States Employees' Compensation Commission to consider the claim of Martin Luther Mauney; to the Committee on Claims.

Also, a bill (H. R. 11287) for the relief of John C. Gibbs; to the Committee on War Claims.

Also, a bill (H. R. 11288) granting a pension to Flora Duckett; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 11289) granting an increase of pension to Mary E. Strawn; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XII, petitions and papers were laid on the Clerk's desk and referred as follows:

5803. By Mr. ARNOLD: Petition of citizens of Allendale, Ill., favoring legislation providing for the regulation of motor truck and bus traffic on public highways; to the Committee on Interstate and Foreign Commerce.

5804. By Mr. BOLAND: Petition of J. C. Rath, of Scranton, Pa., and 100 other citizens of Lackawanna County, Pa., opposing the 1-cent shell tax as proposed in House bill 10604; to the Committee on Ways and Means.

5805. By Mr. BOYLAN: Letter from the Merchants' Association of New York, opposing House bill 10241, to provide a guarantee fund for depositors in member banks of the Federal reserve system; to the Committee on Banking and Currency.

5806. Also, resolution adopted by the officers and members of Branch 36 of the National Association of Letter Carriers, New York Letter Carriers' Association, opposing Senate bill 3878 and House bill 9644; to the Committee on the Post Office and Post Roads.

5807. Also, resolution adopted by the Railroad Employees' National Pension Association (Inc.), New York, N. Y., favoring House bill 9891; to the Committee on Interstate and Foreign Commerce.

5808. By Mr. COYLE: Petition of 125 citizens of Easton, Northampton County, Pa., favoring the bill (H. R. 1) to provide for immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

5809. Also, petition of 81 citizens of Northampton County, Pa., protesting against the cent-a-shell tax, as proposed in House bill 10604, to be imposed upon shotgun shells; to the Committee on Ways and Means.

5810. By Mr. DAVENPORT: Petition of 54 citizens of Utica, N. Y., headed by Mrs. A. Gulian, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5811. Also, petition of Chauncey E. Frye and others of New Hartford, N. Y., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5812. By Mr. EVANS of California: Petition signed by approximately 150 citizens, urging the maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

5813. By Mr. GARBER: Petition of certain citizens of the eighth congressional district of Oklahoma, urging enactment of legislation providing for payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5814. Also, petition of various posts of the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, and the United States war veterans, urging enactment of legislation providing for payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5815. Also, petition of the Blackwell (Okla.) Lions and Kiwanis Clubs, urging enactment of legislation providing for payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5816. By Mr. HORR: Petition of S. B. Russell, J. E. Markow, and 26 other citizens of Seattle, protesting against Senate bill 695 and all other measures which propose to curtail any of the benefits which war veterans have been

awarded; to the Committee on World War Veterans' Legislation.

5817. Also, petition of E. F. Shelton, Charles C. Murphy, and 50 other citizens of Seattle, Wash., protesting against Senate bill 695 and all other measures which propose to curtail any of the benefits which war veterans have been awarded; to the Committee on World War Veterans' Legislation.

5818. By Mr. JAMES: Resolution of the Sunday school board of Grace Methodist Episcopal Church, Houghton, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5819. Also, resolution of the board of directors, Escanaba Chamber of Commerce, Escanaba, Mich., by William Warmington, president, and H. P. Lindsay, secretary, favoring a tariff on copper; to the Committee on Ways and Means.

5820. Also, resolution of St. John Baptist Lodge, No. 8, of the Slovenic Croatian Union of America, Calumet, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5821. Also, petition from teachers of the Isle Royale School, Houghton, Mich., soliciting a tax on copper; to the Committee on Ways and Means.

5822. Also, petition of the teachers of the Douglass Houghton School, Houghton, Mich., through Ann Abramson, Irene M. Prisk, Geraldine Hassett, and Marion L. Noetzel, favoring a tariff on copper; to the Committee on Ways and Means.

5823. Also, petition of the teachers of the J. A. Hubbell School of Houghton, Mich., through its teachers, Agnes Looney, Gertrude Matson, Margaret E. Dillon, Blanche Keough, and Esther A. Michels, favoring a tariff on copper; to the Committee on Ways and Means.

5824. Also, resolution of Local 955 of the Journeymen Bargers International Union of America, through Ralph Ziegenbein, secretary-treasurer, Houghton, Mich., opposing reduction of Federal employees' salaries; to the Committee on Expenditures in the Executive Departments.

5825. Also, petition of farmers, business men, and unemployed laborers, through Charles H. Brown, chairman, and William Johnson, secretary, Mass, Mich., favoring a tariff on copper; to the Committee on Ways and Means.

5826. Also, telegram of the members of the Ontonagon Rotary Club, Ontonagon, Mich., requesting a tariff on copper; to the Committee on Ways and Means.

5827. Also, letter from the German Workingmen's Aid Society Concordia of Lake Linden, Mich., asking for a tariff on copper; to the Committee on Ways and Means.

5828. By Mr. KEMP: Petition of 114 citizens of Donaldsonville, La., favoring immediate cash payment of the soldiers' adjusted compensation; to the Committee on Ways and Means.

5829. By Mr. KINZER: Communication of Chester County Rod and Gun Club, of Coatesville, Pa., opposing the 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5830. By Mr. LINDSAY: Petition of Allied Veterans of National Homes and Hospitals, Johnson City, Tenn., favoring the passage of the Patman bill, H. R. 1, and the cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

5831. Also, petition of Chamber of Commerce of the State of New York, opposing any change in the status of the Army engineers; to the Committee on Rivers and Harbors.

5832. Also, petition of Chamber of Commerce of the State of New York, opposing increases in income and surtaxes; to the Committee on Ways and Means.

5833. Also, petition of Chamber of Commerce of the State of New York, opposing the Glass bill, S. 4115, amending the Federal banking law; to the Committee on Banking and Currency.

5834. Also, petition of Chamber of Commerce of the State of New York, opposing the proposed high transfer tax on securities; to the Committee on Ways and Means.

5835. Also, petition of Chamber of Commerce of the State of New York, favoring the repeal of the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

5836. By Mr. McLAUGHLIN: Petition of S. J. Linck and 49 other residents of Muskegon and Ottawa Counties, Mich., protesting against compulsory Sunday observance legislation in the District of Columbia; to the Committee on the District of Columbia.

5837. By Mr. McMILLAN: Petition of citizens of Charleston, S. C., favoring immediate payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5838. By Mr. MALONEY: Petition of 130 citizens of New Orleans, La., protesting against the adoption of Senate bill 1202 or House bill 8092, providing for the closing of barber shops on Sunday in the District of Columbia; to the Committee on the District of Columbia.

5839. By Mr. MILLARD: Petition signed by citizens of Westchester County, N. Y., favoring cash payment of face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

5840. By Mr. NELSON of Maine: Memorial of the Eighty-fifth Legislature of the State of Maine, urging a tax upon imported pulpwood, baled pulp, paper, and lumber sufficient to offset the depreciation in foreign currencies, and for other purposes; to the Committee on Ways and Means.

5841. By Mrs. NORTON: Resolution of Court No. 533, Catholic Daughters of America, protesting against House bills 4739 and 4757; to the Committee on the Judiciary.

5842. By Mr. PARKER of Georgia: Petition of J. H. Osborne, A. G. Bernstein, and J. M. Gibson, of Savannah, Ga., urging the enactment of legislation regulating busses and trucks engaged in hauling passengers and freight; to the Committee on Interstate and Foreign Commerce.

5843. By Mr. PETTENGILL: Petition of M. D. McFarland and 400 others, of Plymouth, Ind., protesting against House bill 8092; to the Committee on the District of Columbia.

5844. Also, petition of Brotherhood of Railway and Steamship Clerks, urging proper legislation to regulate transportation in interstate commerce by motor trucks and busses; to the Committee on Interstate and Foreign Commerce.

5845. By Mr. ROMJUE: Petition of St. Louis Chapter, No. 22, National Sojourners, favoring ample appropriations for the maintenance of all departments of the Army, Navy, marines, National Guard, and reserve forces, and citizens' military training camps; to the Committee on Appropriations.

5846. Also, petition of Patterson-Souder Post, No. 139, American Legion, Republic, Mo., favoring legislation providing pensions for widows and orphans of veterans of the World War; to the Committee on Pensions.

5847. By Mr. RUDD: Petition of Chamber of Commerce, El Paso, Tex., favoring the passage of House Joint Resolution 319, providing for a 5-cent tariff on raw copper; to the Committee on Ways and Means.

5848. Also, petition of Defender Manufacturing Co. (Inc.), Long Island City, favoring balancing of the Budget; to the Committee on Appropriations.

5849. Also, petition of Railroad Employees' National Pension Association (Inc.), Chapter No. 77, New York, N. Y., favoring the passage of the Keller bill, H. R. 9891; to the Committee on Interstate and Foreign Commerce.

5850. Also, petition of Chamber of Commerce of the State of New York, favoring repeal of the eighteenth amendment; to the Committee on the Judiciary.

5851. Also, petition of Chamber of Commerce of the State of New York, opposing high transfer tax on securities; to the Committee on Ways and Means.

5852. Also, petition of Chamber of Commerce of the State of New York, opposing the Glass bill, S. 4115, amending Federal banking laws; to the Committee on Banking and Currency.

5853. Also, petition of Chamber of Commerce of the State of New York, opposing any change in the status of Army engineers; to the Committee on Rivers and Harbors.

5854. Also, petition of Chamber of Commerce of the State of New York, opposing increases in income and surtaxes; to the Committee on Ways and Means.

5855. By Mr. SELVIG: Petition of American Legion Post, No. 256, Clearbrook, Minn., urging immediate full cash payment of the bonus and enactment of Rankin pension bill; to the Committee on Ways and Means.

5856. Also, petition of Village Council of Hibbing, Minn., favoring enactment of cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5857. Also, petition of Olai Sovde, Frank Hoffman, and 10 other citizens of Holt, Minn., and vicinity, favoring immediate cash payment of the bonus; to the Committee on Ways and Means.

5858. Also, petition of Theodore Ostius, Herbert E. Robley, and 18 other legionnaires of Pelican Rapids, Minn., urging enactment of cash payment of full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

5859. Also, petition of Roy Hanson, Leonard Lee, and 18 other Legionnaires of Pelican Rapids, Minn., urging cash payment of bonus certificates; to the Committee on Ways and Means.

5860. Also, petition of J. M. Linder, J. A. McArthur, and 19 Legionnaires of Pelican Rapids, Minn., urging cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5861. By Mr. SMITH of West Virginia: Resolution of the Beckley Chamber of Commerce, of Beckley, W. Va., protesting against the passage of the Davis-Kelly bills, S. 2935 and H. R. 7536; to the Committee on Interstate and Foreign Commerce.

5862. By Mr. STALKER: Petition of members of the American Legion, Tioga Post, No. 401, Owego, N. Y., favoring cash payment of face value of adjusted-compensation (bonus) certificates; to the Committee on Ways and Means.

5863. Also, petition of residents of Elmira, N. Y., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5864. Also, petition of residents of Corning and Painted Post, N. Y., and vicinity, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5865. By Mr. SWANSON: Petition of Emil W. Stuhr and others, favoring enactment of Senate bills 3133, 2487, and 1197; to the Committee on Agriculture.

5866. Also, petition of Fay Carlson and others, favoring full payment of the adjusted-service certificates; to the Committee on Ways and Means.

5867. Also, petition of John Jensen and others, favoring full payment of the adjusted-service certificates; to the Committee on Ways and Means.

5868. By Mr. TARVER: Petition of Robert L. Chambers and other ex-service men of Chattooga County, Ga., urging the immediate cash payment in full of the remainder of the adjusted-service certificates; to the Committee on Ways and Means.

5869. By Mr. TEMPLE: Petition of Theodore C. J. Bezy, of Charlerol, Pa., and other members of his family, supporting the immediate payment of the soldiers' bonus; to the Committee on Ways and Means.

5870. By Mr. TILSON: Petition of William J. Burke and others, favoring the payment of bonus certificates; to the Committee on Ways and Means.

5871. Also, petition of citizens of Connecticut, opposing House bill 10604; to the Committee on Ways and Means.

5872. By Mr. WYANT: Petition of 250 members of Southwest Lodge, No. 63, Brotherhood of Railway Trainmen, urging opposition of Congress to any salary reduction of Government employees; to the Committee on Expenditures in the Executive Departments.

5873. By the SPEAKER: Petition of citizens of the State of Wisconsin, urging Congress to pass the farmers' relief bill; to the Committee on Agriculture.

SENATE

TUESDAY, APRIL 12, 1932

(Legislative day of Monday, April 11, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Pittman
Austin	Courens	Hull	Reed
Bailey	Cutting	Johnson	Robinson, Ark.
Bankhead	Dale	Jones	Robinson, Ind.
Barbour	Dickinson	Kean	Schall
Bingham	Dill	Kendrick	Sheppard
Black	Fess	Keyes	Shipstead
Blaine	Fletcher	King	Smoot
Borah	Frazier	La Follette	Steiwer
Bratton	George	Long	Thomas, Idaho
Brookhart	Glass	McGill	Thomas, Okla.
Bulkley	Glenn	McKellar	Townsend
Bulow	Goldsborough	McNary	Trammell
Byrnes	Gore	Metcalf	Vandenberg
Capper	Hale	Morrison	Wagner
Caraway	Harrison	Neely	Walcott
Carey	Hastings	Norbeck	Walsh, Mont.
Connally	Hatfield	Norris	Watson
Coolidge	Hayden	Nye	White
Copeland	Hebert	Oddie	

Mr. SHEPPARD. I wish to announce that the senior Senator from Louisiana [Mr. BROUSSARD] is necessarily detained from the Senate.

I also wish to announce further that the senior Senator from Maryland [Mr. TYDINGS] is detained from the Senate in attendance upon the funeral of a friend.

I further desire to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

I also wish to announce that the senior Senator from Missouri [Mr. HAWES] is necessarily detained from the Senate by illness.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892";

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122); and

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal.

The message also announced that the House had passed the bill (S. 3584) to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Law of the District of Columbia to maintain their prin-



cipal offices and places of business within the District of Columbia, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia, to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia, and for other purposes," approved March 3, 1921;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes;

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes;

H. R. 9974. An act to authorize appointment of public-school employees between meetings of the Board of Education; and

H. R. 10489. An act to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes.

PETITIONS AND MEMORIALS

Mr. ROBINSON of Arkansas presented a telegram, in the nature of a memorial, from Dubois Young, president of the Hupp Motor Car Corporation, of Detroit, Mich., remonstrating against the placing of discriminatory taxes upon the motor industry in the pending tax bill, which was referred to the Committee on Finance.

He also presented a copy of a letter from Mr. Charles G. Henry, of Memphis, Tenn., general manager of the Mid-South Cotton Growers' Association, addressed to the branch managers thereof, relative to their acceptance of cotton from merchants and buyers, together with copies of statements from Walter Gould and others concerning sales of cotton to cooperatives, which was referred to the Committee on Agriculture and Forestry.

Mr. SHIPSTEAD presented a petition of sundry citizens of Arco, Minn., praying for the passage of Senate bill 1197, known as the Frazier farm relief bill, which was referred to the Committee on Agriculture and Forestry.

Mr. COOLIDGE presented the petitions of 206 citizens of the State of Massachusetts, praying for the passage of the bill (H. R. 9891) to provide for the establishment of a system of pensions for railroad and transportation employees and for a railroad pensions board, and for other purposes, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution adopted by the Ladies' Aid Society of the Methodist Church of Randolph, Kans., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. SHEPPARD presented a resolution adopted at a mass meeting of about 150 citizens of Brown County, Tex., favoring the passage of legislation to provide a medium of exchange that will place business and affairs on a cash basis, which was referred to the Committee on Banking and Currency.

Mr. BLAINE presented memorials of 41 citizens of Greenwood, 106 citizens of Owen, and 70 citizens of Taylor and Park Counties, all in the State of Wisconsin, remonstrating against the passage of legislation providing for the closing of barber shops on Sunday in the District of Columbia or other restrictive religious measures, which were referred to the Committee on the District of Columbia.

Mr. FRAZIER presented a telegram, in the nature of a petition, from Post No. 753, Veterans of Foreign Wars, of Minot, N. Dak., signed by 476 members, praying for the prompt passage of the bill (H. R. 1) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Woman's Christian Temperance Union of Bismarck, N. Dak., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented a telegram, in the nature of a memorial, from John I. Reilly, of Tucson, Ariz., remonstrating against the imposition of a tax on sales of securities, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a memorial, from Sacaton Local, No. 232, Federal Employees' Union, Charles Laughlin, president, Casa Grande, Ariz., vigorously remonstrating against the proposed reduction in salaries of Federal employees, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the Business and Professional Women's Club of Ajo, Ariz., favoring the imposition of an import duty on copper, which were referred to the Committee on Finance.

He also presented a resolution adopted by Globe (Ariz.) Chamber of Commerce, favoring the imposition of an import duty on copper, which was referred to the Committee on Finance.

Mr. JONES presented a petition of sundry citizens of Bellingham and vicinity, in the State of Washington, praying for the passage of legislation providing for Federal home-loan discount banks, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by Aerie No. 2079, Fraternal Order of Eagles, of Shelton, Wash., favoring amendment of the so-called Bacon-Davis bill so as to provide that the provisions contained therein shall apply to all public works, Federal aid or emergency aid road construction, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Seattle, Wash., praying for the maintenance of the prohibition law and its enforcement, and protesting against any measure looking toward its modification, resubmission to the States, or repeal, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Capitol Hill Woman's Christian Temperance Union, of Seattle, Wash., protesting against the proposed resubmission of the eighteenth amendment of the Constitution to the States, and favoring the making of adequate appropriations for law enforcement and education in law observance, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Seattle and Tacoma, Wash., remonstrating against the imposition of a tax on sales of securities, which were referred to the Committee on Finance.

He also presented several memorials of sundry citizens of Seattle, Wash., remonstrating against the passage of the bill (S. 695) authorizing additional hospital and domiciliary facilities for veterans of all wars, and also all other measures which propose to curtail any of the benefits that disabled war veterans have been awarded, which were referred to the Committee on Finance.

Mr. COPELAND presented a petition of the Gloversville Credit Bureau, of Gloversville, N. Y., praying for the pas-

sage of legislation to amend the national bankruptcy laws, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Manhattan Council, No. 15, Junior Order United American Mechanics of the State of New York, of New York City, favoring the enactment of legislation providing for the deportation of undesirable aliens and for more effective Federal investigation of immigration-law violations, which was referred to the Committee on Immigration.

He also presented a memorial of rural letter carriers of the thirty-seventh congressional district of the State of New York, remonstrating against the enactment of legislation placing the Rural Delivery Service on a contract basis, and remonstrating against the passage of the so-called extra duty bill, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of citizens of the State of New York, remonstrating against the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the New York Letter Carriers Association, Empire Branch, No. 36, of New York, N. Y., remonstrating against the enactment of legislation proposing to include special-delivery messengers employed in the Postal Service as a part of the classified civil service, which was referred to the Committee on Civil Service.

He also presented several memorials of sundry citizens of the State of New York, remonstrating against the enactment of legislation reducing the compensation of Federal employees, which were referred to the Committee on Civil Service.

He also presented a resolution adopted by the Erie County committee of the American Legion, of Buffalo, N. Y., favoring the prompt erection of the proposed general hospital for western New York in the city of Batavia, which was referred to the Committee on Finance.

He also presented the petition of the Community Councils of the City of New York (Inc.), praying for an increase in the duty on importations of sugar from Cuba, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of the State of New York, remonstrating against the imposition of a tax on telegrams, which was referred to the Committee on Finance.

He also presented a resolution of the board of directors of the Mail Advertising Service Association, of New York City, protesting against the proposed increase in first-class postage rates, which was referred to the Committee on Finance.

He also presented the memorial of the board of governors of the Electrical Association of New York (Inc.), of Brooklyn, N. Y., remonstrating against the proposed 5 per cent tax on electrical refrigerator and radio sales, which was referred to the Committee on Finance.

He also presented two memorials of sundry citizens of Ogdensburg, N. Y., remonstrating against the enactment of legislation proposing to curtail any of the benefits awarded to disabled war veterans, which were referred to the Committee on Finance.

He also presented a memorial of the Beauty Industry Manufacturers' Association (Inc.), of New York City, remonstrating against the proposed 10 per cent tax on sales of cosmetics and other toilet preparations, which was referred to the Committee on Finance.

He also presented several petitions of sundry citizens and organizations of the State of New York, praying for the passage of legislation providing for the cash payment of World War adjusted-service certificates (bonus), which were referred to the Committee on Finance.

He also presented several memorials of sundry citizens of the State of New York, remonstrating against the passage of legislation providing for the cash payment of World War adjusted-service certificates (bonus), which were referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of New York, praying for the passage of the so-called naval construction bill to build the Navy up to the strength permitted by the Washington and London treaties, which was ordered to lie on the table.

PULP, PAPER, AND LUMBER INDUSTRIES

Mr. HALE presented the following memorial of the Legislature of the State of Maine, which was referred to the Committee on Finance:

STATE OF MAINE, 1932.

Memorial to the Congress of the United States, urging them to assist in excluding certain products from this country

Whereas the Eighty-fifth Legislature of the State of Maine, appreciating the importance of the pulp, paper, lumber, farm wood lot, and timberland industry to the State of Maine; desiring to preserve said industry for the State; realizing the serious condition which has arisen in this industry as a result of large importations of pulpwood, pulp, paper, and lumber from countries of depreciated currencies and lower labor and production costs; and wishing to restore value to our forests, profit to our mills, work for our laborers, income for our farmers, freight for our railroads, and prosperity to our citizens, makes the following recommendations:

Resolved by the Senate and House of Representatives of the State of Maine in legislature assembled, That we urge the Senators and Representatives of the Congress of the United States, for the protection of this and all other American industries, to impose a further tax upon all imported products equal to the difference between par of exchange and current quotations of exchange of those countries which, by going off the gold basis, have depreciated their currencies, and to impose specific duties upon all imported pulpwood, baled pulp, paper, and lumber sufficient to offset the difference of labor and production costs; and be it further

Resolved, That copies of this resolution, duly certified by the secretary of state, be forwarded to the President of the Senate and to the Speaker of the House of Representatives at Washington and to the several Senators and Representatives from the State of Maine in the Congress of the United States.

In senate chamber, April 1, 1932. Read and adopted. Sent down for concurrence.

ROYDEN V. BROWN, *Secretary*.

House of representatives. Read and adopted in concurrence April 1, 1932.

CLYDE R. CHAPMAN, *Clerk*.

STATE OF MAINE,
OFFICE OF SECRETARY OF STATE.

I, Edgar C. Smith, secretary of state of the State of Maine and custodian of the seal of said State, do hereby certify that I have carefully compared the annexed copy of the memorial to the Congress of the United States of the Senate and House of Representatives of the State of Maine in legislature assembled, with the original thereof, and that it is a full, true, and complete transcript therefrom and of the whole thereof.

In testimony whereof I have caused the seal of the State to be hereunto affixed. Given under my hand at Augusta this 1st day of April, A. D. 1932, and in the one hundred and fifty-sixth year of the Independence of the United States of America.

[SEAL.] EDGAR C. SMITH,
Secretary of State.

FARM RELIEF

Mr. JONES. Mr. President, I present a telegram from E. O. Holland, president of the Association of Land Grant Colleges and Universities, and president of the State College of Washington, which I ask may be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

PULLMAN, WASH., *April 11, 1932*.

Senator WESLEY L. JONES,
Chairman Appropriations Committee,
United States Senate, Washington, D. C.:

Alarming press reports seem to threaten serious injury, if not destruction, of established instrumentalities for benefit of agriculture. Never before have farmers been more in need of help, or sought it more eagerly, than now because of economic adjustments farmers are compelled to make. Not question of increased production but of economic adjustments in which guidance and help of extension service and research service are absolutely essential. These services have become more and more deeply rooted for period of from 25 to 50 years, and their overthrow at the present juncture would be national disaster. Economies are, of course, essential, but this fact should not throw us into panic and lead us to destroy what has cost so much effort and money to bring to its present state of efficiency.

E. O. HOLLAND,
President Association Land Grant Colleges and Universities and President State College of Washington.

PROPOSED BANKING LEGISLATION

Mr. JONES. Mr. President, I also present a communication from the Washington Bankers' Association of the State

of Washington with reference to the Glass banking bill, being Senate bill No. 4115. I ask that it may be printed in the RECORD and referred to the Committee on Banking and Currency.

There being no objection, the communication with its accompanying memorandum was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

WASHINGTON BANKERS' ASSOCIATION,
Seattle, Wash., April 8, 1932.

Subject: Glass bill (S. 4115).

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SENATOR JONES: As stated in my letter of April 6, I am presenting to you herewith a memorandum relative to certain provisions of the Glass bill which are of particular concern to the banks, and of still greater concern, I believe, to the industrial and commercial life of this State, which the commercial banks alone can serve.

At the beginning of the fifth paragraph on page 1 of my letter of April 6 addressed to you, the words "refers to" should be substituted for "provides for," so that the first line of that paragraph will read: "Section 5 of the bill refers to the creation of the * * *."

Newspaper reports from Washington, D. C., indicate that the Glass bill will be calendared on next Monday, April 11. If the provisions to which we make specific objections are still included in the bill as they were when it was returned to the committee for further consideration, and since which time hearings have been held by the committee, we trust that in behalf of the interests of the banks and of business generally, in your own State, you will seek to have these provisions either stricken or modified.

Very truly yours,

J. W. BRISLAWN, *Secretary.*

MEMORANDUM RE GLASS BILL (S. 4115)

This memorandum deals with three provisions of the Glass bill (S. 4115) which would interfere seriously with the operation of banks in this State, as follows: (1) The Federal liquidating corporation; (2) increase in reserves of member banks; (3) segregation of deposits.

The first of these provisions is contained in section 10 of the bill, which provides for the creation of a Federal liquidating corporation:

"(d) Every member bank shall subscribe to the class A capital stock of the corporation in an amount equal to one-half of 1 per cent of its total net outstanding time and demand deposits on the last call date in the year 1931."

This provision would require, in the aggregate, a very large amount of money to be contributed by the commercial banks of this State to this corporation. Such funds would be directly withdrawn from the purposes for which commercial-bank funds are designed to be used and further augment the unproductive balances which the commercial banks must maintain permanently on deposit with a governmental agency.

The total net time and demand deposits in commercial banks in the State of Washington is approximately $425,000,000. One-half of 1 per cent of this sum would equal $2,125,000. One bank in the city of Tacoma would be required to subscribe $65,000 to the Federal liquidating corporation. The increase in reserves required from this bank, provided for in section 13 of the Glass bill, would be $250,000. Segregation of deposits, as provided in section 14 of the Glass bill, would require this bank to call $2,500,000 of commercial loans and invest the funds in real-estate mortgages and eligible bonds. This bank would be forced to withdraw from commercial loans over two and one-half million dollars. In that community the banks will be required to call $6,000,000 of commercial loans in order to subscribe to the Federal liquidating corporation, provide the additional reserves required, and comply with the investment requirements of section 14. This statement is confirmed by the officers of the Tacoma banks with whom the question was discussed. There is no agency that could step in and take the place of these commercial banks in furnishing this amount of money for the necessities of trade, industry, and commerce in that city.

Creation of the Federal Liquidating Corporation savors of the plan of State guaranty of bank deposits, which has been tried in many States, including Washington, and which has failed absolutely in every one of them. The guaranty of bank deposits law was passed in this State in 1917 and repealed in 1929.

The provisions of section 14 of the Glass bill, relating to segregation of deposits, is a proposal that has been considered many times by the Washington Bankers' Association for the reason that it has been proposed to the legislature of this State on numerous occasions. Thorough study of the proposal has convinced the members of this association and our State legislature repeatedly that the proposal is unsound and that it would impair the usefulness of commercial banks and render many of them incapable of serving the credit needs of their communities. Fully 50 per cent of the total deposits in commercial banks in this State are time deposits. Such deposits receive interest at an agreed-upon rate and are subject to not less than 30 days' withdrawal notice. These deposits, like demand deposits, are the only source of funds to serve the needs of borrowing customers of commercial banks, and commercial banks are the only source from which commercial borrowers can obtain funds to carry on the necessary functions of business.

Section 14 of the Glass bill provides that the banks may purchase real-estate mortgages equal to 15 per cent of their subscribed and paid-in capital and 15 per cent of their unimpaired surplus, or in an amount not to exceed 50 per cent of their time deposits. The remainder of such time deposits may be invested in securities eligible for investment of savings-bank funds according to the law of the State in which the bank is operating, or, in the absence of such a law, in such securities as the Comptroller of the Currency may prescribe. The effect of this would be to require that not less than 50 per cent of the deposits in the commercial banks in this State be withdrawn from financing agriculture, trade, business, and commerce, and invested in part in real-estate mortgages and the remainder in so-called "legal" bonds.

The first objection to segregation is the withdrawal of this large proportion of the commercial-bank deposits of the State from the purposes which such deposits now serve. It would result, as soon as the law became operative, in calling a very large volume of commercial loans, further adding to the credit stringency.

Second, it would result in throwing a large additional amount of money into the mortgage-money market, which in normal times is oversupplied with funds.

Third, it would require that a very large portion of these time deposits be invested in so-called legal bonds, which have many markets outside of commercial banks, and the supply of which, originating in this State, would be altogether inadequate to the demand, thus forcing the investment of a large part of our commercial-bank funds in enterprises and activities originating outside of the State of Washington. Where will the commercial-bank customer turn for 30, 60, and 90 day loans if half of the commercial-bank funds in this State are no longer available to him? Many of our independent commercial banks would be absolutely incapable of supplying the credit needs of their communities.

In this State there is pledged with the State treasurer $11,000,000 in bonds, for the most part eligible for savings-bank investment. These bonds are pledged by commercial banks to secure deposits of public funds. In addition to that, there are large amounts of similar bonds pledged with city and county treasurers to secure deposits of public funds in commercial banks. Under segregation provided for in the Glass bill whatever portion of these bonds was purchased with time deposits would not be available to pledge with State, county, and city treasurers to secure deposits of public funds. This provision of the Glass bill would be a tremendous handicap upon the public treasurers in securing depositaries which could furnish the required security for deposits of public funds. These public funds, when deposited in commercial banks, perform an important and necessary part in the business life of our State.

The theory of segregation of deposits is based on the desire to give one class of depositors in commercial banks a preference over other depositors. It is an attempt to place the time depositors in a preferred position at all times, particularly in case of insolvency of a bank. This desire to establish a preference in favor of the savings depositor is based on the theory that the rules under which savings deposits are accepted by commercial banks, allowing the bank to demand notice before withdrawal of such deposits is permitted, places the savings depositor at a disadvantage as compared with the demand depositor in the event that the bank is in a weakened or insolvent condition. This is more imaginary than real. Experience has not demonstrated that there is any justification for placing one class of depositors in a favored position as compared with other depositors. If there is a possibility of savings depositors suffering a disadvantage in the event of insolvency through operation of the rule requiring notice of withdrawal, the remedy for it is obvious, namely, that as soon as a commercial bank elects to demand notice of withdrawal of deposits it shall immediately notify the proper supervising authority so that, if necessary, steps may be taken to protect all depositors.

In considering the question of segregation it becomes important to consider the background of the proposal. Segregation of deposits in commercial banks has been advocated recently in New York and in the New England States, where savings banks have long occupied almost exclusively the savings field, and where only recently have commercial banks been permitted to accept savings accounts. In those States the savings banks have resented the advent of the commercial banks into the savings field as an encroachment upon the special preserves of the savings banking institutions. The amount of time deposits in commercial banks in those States is relatively small as compared with their total deposits and almost negligible as compared with the total amount of deposits in strictly savings banks. The reverse of all of these conditions is true in the State of Washington. Commercial banks have from their very beginnings accepted time deposits (savings accounts). The total amount of time deposits in commercial banks in this State is several times greater than the total amount of deposits in strictly savings banks. There is no question of encroachment involved here. In many communities the commercial bank is the only banking institution offering facilities for demand and savings deposits and in all communities is the only bank that can supply the credit needs of commercial borrowers.

During the past two and a half years real-estate mortgages have not proved happy investments for commercial banks. The principal shrinkage in bank assets has occurred in the bond account of the banks. Reflection on these two statements will be convincing that the supposed liquidity and greater safety pro-

vided by real-estate mortgages and so-called "legal" bonds has not been borne out by experience.

The segregation proposal is an attempt to provide by legislative edict a substitute for sound management. Good, well-chosen commercial loans have been among the best assets of commercial banks throughout the Nation during the troublous times through which we are passing, and will continue to be; and unless commercial banks are permitted to serve the needs of their communities according to the best judgment of their managing officers, commercial banks in this State will be seriously handicapped in supplying funds and the business of the communities will suffer to a like extent. Segregation means cutting off fully 50 per cent of the funds now available to agriculture, industry, and commerce in this State at a time when credit is already restricted.

OPERATION OF SHIPPING BOARD LINES—THE MERCHANT MARINE

Mr. FLETCHER presented two letters from Hardin B. Arledge, of Washington, D. C., which were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *April 11, 1932.*

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR FLETCHER: I assume you noticed in the White House economy statement of Saturday a proposal to suspend for one year the operation of all Shipping Board lines, at an estimated saving of $7,500,000, which, incidentally, is an excessive estimate.

This idea unquestionably originated in the Commerce Department and, of course, contemplates the actual scrapping of the lines. How could anyone suspend a transportation service for one year and successfully reestablish it after the foreign lines had intrenched themselves in the trade? It would be little short of a crime to scrap any service after the Government has spent millions to develop it.

We all believe in rigid curtailment in these times, but we surely can not call it economic or sound to spend a lot of money building up our steamship services and then suddenly discontinue them.

We have four Shipping Board lines in the Gulf and we are working on a plan to immediately consolidate these into one combination at a most substantial saving to the Government. The Fleet Corporation has just recently made a large consolidation in the North Atlantic and is working out other economies.

I can not believe you will favor the plan to scrap these most essential steamship services and hope you will take the position that curtailment—not scrapping—is the solution.

Sincerely yours,

HARDIN B. ARLEDGE.

WASHINGTON, D. C., *April 4, 1932.*

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR FLETCHER: As one who has for many years been closely associated with southern and middle western shipping and foreign-trade interests, I desire to submit for your consideration some pertinent comments on the President's statement of April 1 respecting the Shipping Board. For ready reference I attach copy of the President's statement as published by the Washington Post.

1. The President says: "We now expend in aid and loans to the merchant-marine service, directly and indirectly, about $100,000,000 per annum. We can not remedy the situation without legislation."

Comment: I do not know where the President gets these figures. Ocean mail contracts are estimated to cost for the next fiscal year $28,000,000, a large part of which amount is really a subsidy to American shipping and commerce and the Government's contribution toward the development of our essential merchant-marine services. The Shipping Board is still operating four lines in the Gulf and three or four in the North Atlantic, at an estimated cost for the next fiscal year of less than $5,000,000. The construction-loan fund is a revolving fund and loans made are repaid in annual installments and are not expenditures.

2. The President says the present Shipping Board should be abolished; that its administrative functions should be transferred to the departments; that it is an impossible and expensive form of organization and divided responsibility; that with regional and bipartisan bases of selection it has had extreme difficulty in functioning cohesively.

Comment: The President apparently means that the Shipping Board should be relieved only of its administrative duties, because later in his statement he says the regulation of shipping rates should be extended and administered by "a new organism comprised of the present members of the Shipping Board, for their experience is most valuable." Apparently the President has in mind transferring the administrative duties to the Department of Commerce, where he would set up a new organization under an assistant secretary for merchant marine. It is difficult to see how the new organization would be less costly or less cumbersome than the present temporary organization under the Shipping Board, which is rapidly diminishing as services are sold. Under the new organization in formulating policies the Assistant Secretary would consult the Secretary, the Secretary would consult the President, and the President would consult the members of his Cabinet, involving more officials than the seven members of the Shipping Board.

The regional and bipartisan character of the Shipping Board has worked well and brought support for the merchant marine which could not have been secured in any other way. It has kept the merchant marine out of politics. It has given the South and Pacific coast steamship services to the great benefit of the entire country and prevented the domination of shipping previously exercised by the North Atlantic. This concentration of shipping in the North Atlantic almost lost the World War and practically closed factories through inability to ship through the congested North Atlantic and with no other outlets available. It took a regional shipping board to remedy this condition. One-man control of our shipping following the World War would have meant no development of any section except the North Atlantic, and very little American-flag development there.

3. The President says the board's authority in certain matters is divided with the Postmaster General; that we are giving subsidies as mail contracts; that the Postmaster General looks at them as a matter of mail, the Shipping Board as matters of trade routes and selling ships with mail-subsidy attachments.

Comment: On the contrary, the law specifically defines and coordinates the duties of the Postmaster General and Shipping Board, and the President could easily secure any further coordination desired. The Postmaster General has repeatedly, before congressional committees and in public statements, recognized the law as primarily an aid for the development of our merchant marine, for the carriage of our commerce and mail, and to serve us in times of national emergency. If the law contemplated only the carriage of mail, it would not have carried the rates per mile provided in the law. These rates are to enable American services to overcome the operating and capital differentials in favor of foreign ships and to insure the replacement of ships in our essential services, to be built in American yards with American labor and material. The Postmaster General's interpretation of the purpose of the law is the same as that of the Shipping Board, the merchant-marine leaders in Congress of both parties, and all others who supported the law.

The Postmaster General naturally does not like to have this entire fund charged to his "operating costs" and the subsidy part of it is now segregated from his regular postal expenses. It is difficult to understand where the President got the idea the Postmaster General disagreed with the general interpretation of the purpose of the law. Congress has emphatically declared we shall have a merchant marine and has wisely decided to aid private ownership and operation of the services through mail contracts, the least objectionable form of subsidy. Such aid should be administered by the Postmaster General in cooperation with the Shipping Board.

Final comment: The President in the concluding part of his statement advocates additional regulation of shipping, such as intercoastal lines and inland waterways, and it is doubtful if majority sentiment favors this additional regulation at this time.

In order to effect some reorganization and economy speedily and constructively the President should advocate the sale of the remaining seven or eight Shipping Board lines, which are essential, with mail contracts. This would result in an actual saving of money to the Government, place the lines on a sound and permanent basis, and leave the Shipping Board only its regulatory duties and the administration of the construction loan fund. The Interstate Commerce Commission is the proper agency to pass upon loans to railroads and the Shipping Board the proper agency to pass upon loans to steamship companies.

The President's proposal regarding the Shipping Board would result in no economy or improvement in administration. The sale of the remaining steamship lines would do both.

The President should have, and probably does have, authority to rearrange bureaus and departments now under control of the President. He should not have this authority respecting bureaus and commissions directly under the Congress, and it is inconceivable Congress would delegate such authority to the President.

Sincerely yours,

HARDIN B. ARLEDGE.

REPORT OF THE INDIAN AFFAIRS COMMITTEE

Mr. KENDRICK, from the Committee on Indian Affairs, to which was referred the bill (S. 3675) relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects, reported it with an amendment and submitted a report (No. 552) thereon.

DEPRECIATION OF FOREIGN-CURRENCY VALUES

Mr. TOWNSEND, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 156) to investigate the effect of the depreciation of foreign-currency values upon importations of important commodities into the United States, and for other purposes, reported it with an additional amendment.

Mr. REED subsequently said: Mr. President, a few moments ago there was reported from the Committee to Audit and Control the Contingent Expenses of the Senate the resolution (S. Res. 156) calling for an expression from the Tariff Commission with regard to depreciated currencies and also creating a special Senate committee to investigate the same subject. The resolution is in form satisfactory to the Sena-

tor from Mississippi [Mr. HARRISON], the Senator from Nebraska [Mr. NORRIS], and myself when we were discussing the matter recently in the Senate. I ask unanimous consent for the immediate consideration of the resolution. I have spoken to the Senator from Mississippi about it.

The VICE PRESIDENT. Let it be reported.

The resolution (S. Res. 156) had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate with a further amendment, on page 3, line 19, to insert the numerals "$5,000," so as to read:

Resolved, That the United States Tariff Commission is directed to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and exportation from, the United States of all of the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value, and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States, and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation together with all statistics and facts used in determining such results; be it further

Resolved, That said commission be directed to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of April 1, 1932; and be it further

Resolved, That a special select committee of seven Senators, to be appointed by the President of the Senate, is authorized and directed (1) to make a thorough investigation of the effect of the depreciation in value of foreign currencies since the enactment of the tariff act of 1930 upon the importation into, and exportation from, the United States of all the more important commodities, and the effect of such depreciation on the general trend of international trade in the same period, taking into consideration in both cases the increase in purchasing power of all gold-standard currencies, the decrease in exchange value and the purchasing power of the currency of other countries in international trade, and particularly as affecting the export trade of the United States and the general decrease in commodity prices in the United States and elsewhere, and to report to the Senate as soon as practicable the results of such investigation, together with all statistics and facts used in determining such results; and (2) to compute and report to the Senate as soon as practicable the ad valorem equivalents of specific duties imposed by said tariff act as of the date of passage of said act and as of February 1, 1932.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings and to sit and act at such times and places during the Seventy-second Congress as it deems necessary until the final report is submitted, and to employ such clerical and other assistants, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, and to administer such oaths and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

In carrying out the provisions of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to consult with the several departments, independent establishments, and other agencies of the Government, and such departments, establishments, and agencies are requested to furnish to the committee or subcommittee such information and data in their possession as may be deemed of assistance.

The VICE PRESIDENT. Without objection, the amendment is agreed to. Is there objection to the consideration of the resolution as amended?

Mr. NORRIS. Mr. President, I have no objection to the consideration of the resolution.

The VICE PRESIDENT. The question is on the passage of the resolution.

Mr. NORRIS. I want to offer an amendment. I have been talking with two or three Senators in regard to the committee. I understand those interested have agreed on the membership of the committee. I have no objection to any of those who have been agreed upon. They are perfectly satisfactory to me.

Mr. President, I do not know how other Senators are impressed, but from my knowledge of the Senator and the study he has made of the particular question and kindred questions I have a feeling that the Senator from Minnesota [Mr. SHIPSTEAD] ought to be on the committee. I do not want to displace any of those who have been agreed upon, but all of us I think know that the Senator from Minnesota is a student of the subject and does not belong to either of the main political parties. I suggest that the membership of the committee be increased by one in order that he may be placed upon it. Is that satisfactory to the Senator from Pennsylvania?

Mr. REED. That is perfectly satisfactory to me and I know it would be to the Senator from Mississippi [Mr. HARRISON].

Mr. ROBINSON of Arkansas. That is satisfactory to me.

Mr. NORRIS. I ask unanimous consent to amend the resolution by increasing the membership by one.

The VICE PRESIDENT. Let the amendment be stated.

The CHIEF CLERK. On page 2, line 11, strike out "seven" and insert "eight."

Mr. REED. Mr. President, I think the resolution provides for a membership of five.

Mr. NORRIS. I understood it was five.

Mr. ROBINSON of Arkansas. The resolution did provide for five members.

Mr. NORRIS. I only ask that it be increased to six.

Mr. REED. It reduces the membership as it reads from seven to six. We all thought it provided for a membership of five.

Mr. ROBINSON of Arkansas. I move to strike out "seven" and insert "six," so as to provide a membership of six.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

The VICE PRESIDENT appointed under Senate Resolution 156 as the special select committee of six members the Senator from Pennsylvania [Mr. REED], the Senator from Iowa [Mr. DICKINSON], the Senator from Vermont [Mr. AUSTIN], the Senator from Nevada [Mr. PITTMAN], the Senator from Colorado [Mr. COSTIGAN], and the Senator from Minnesota [Mr. SHIPSTEAD].

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ODDIE:

A bill (S. 4367) to enable the collection of import duties on foreign-made goods entering the Virgin Islands through parcel-post mail; to the Committee on Finance.

By Mr. McNARY:

A bill (S. 4368) granting a pension to Georgina Edmonds (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4369) granting an increase of pension to Drusilla Wright (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 4370) to amend sections 6 and 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded Paris greens, lead arsenates, and other insecticides, and also fungicides, and for regulating traffic therein, and for other purposes," approved April 26, 1910; to the Committee on Agriculture and Forestry.

By Mr. JOHNSON:

A bill (S. 4371) granting a pension to Jessie F. Langridge (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER (by request):

A bill (S. 4372) for the relief of John E. Click; to the Committee on Indian Affairs.

By Mr. SHIPSTEAD:

A bill (S. 4373) to adjudicate the claim of Alfred Sollum, a homestead settler on the drained Mud Lake bottom, in the State of Minnesota; to the Committee on Claims.

By Mr. BINGHAM:

A bill (S. 4374) to empower the superintendent of the Hawaii National Park to perform the functions now performed by the United States commissioner for the said

national park, and for other purposes; to the Committee on Agriculture and Forestry.

(By request.) A bill (S. 4375) to remove residence and citizenship qualifications to appointment to office in the Territory of Hawaii; to the Committee on Territories and Insular Affairs.

By Mr. JONES:

A joint resolution (S. J. Res. 142) authorizing the Secretary of War to cause a survey to be made of a military road between the mainland and Fort Casey, on Whidby Island, in the State of Washington; to the Committee on Military Affairs.

CHANGE OF REFERENCE

On motion of Mr. KEAN, the Committee on Claims was discharged from the further consideration of the bill (S. 2169) authorizing certain importers of sugar into the United States from the Argentine Republic during the year 1320 to submit claims to the Court of Claims, and it was referred to the Committee on Agriculture and Forestry.

REVENUE AND TAXATION—AMENDMENTS RELATIVE TO THE SURTAX ON INDIVIDUALS AND ADDITIONAL ESTATE TAX

Mr. LONG submitted two amendments intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on April 8, 1932, the President approved and signed the following act and joint resolution:

S. 3836. An act to authorize the construction of a temporary railroad bridge across Pearl River at a point in or near the northeast quarter section 11, township 10 north, range 8 east, Leake County, Miss.; and

S. J. Res. 47. Joint resolution for the improvement of Chevy Chase Circle with a fountain and appropriate landscape treatment.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar as indicated below:

H. R. 437. An act to require a contractor to whom is awarded any contract for public buildings or other public works or for repairs or improvements thereon in the District of Columbia to give bond for the faithful performance of the contract, for the protection of persons furnishing labor and materials, and for other purposes;

H. R. 461. An act to amend section 18 of the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921;

H. R. 5651. An act to amend chapter 15 of the Code of Law for the District of Columbia relating to the condemnation of land for public use;

H. R. 6402. An act to further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes; and

H. R. 8754. An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes; to the Committee on the District of Columbia.

H. R. 9974. An act to authorize appointment of public-school employees between meetings of the Board of Education; and

H. R. 10489. An act to provide for the extension and widening of Michigan Avenue in the District of Columbia, and for other purposes; to the calendar.

NINTH PAN AMERICAN SANITARY CONFERENCE AT BUENOS AIRES, ARGENTINA (S. DOC. NO. 80)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted authorizing an appropriation of $3,500 for participation by the United States Government in the Ninth Pan American Sanitary Conference to be held in Buenos Aires, Argentina, in 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *April 12, 1932.*

SCIENTIFIC STUDY OF MAN

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Dr. Arthur Macdonald, of Washington, D. C., entitled "Brain Weight and Legislative Ability in Congress."

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

BRAIN WEIGHT AND LEGISLATIVE ABILITY IN CONGRESS

By Dr. Arthur Macdonald, Washington, D. C.

The scientific study of man as he is to-day is in its infancy, though the investigation of savage, dead, and prehistoric man has been pursued for a long time. It is due time, therefore, that modern civilized man receives scientific attention. The author has spent much time in the study of the abnormal, most of whom are failures. Such inquiry is important, but it is still more important to study successful persons, to consider optimistic rather than pessimistic phenomena. But in all investigation of man, whether genius or insane, talented or imbecile, virtuous or criminal, defective or degenerate, in short, whether normal or abnormal, the scientific methods are the same, otherwise it would be impossible to adequately distinguish between them.

UNJUST CRITICISM OF CONGRESS

More than 30,000 bills are introduced in each Congress, two to three thousand pass, 27,000 fail (say). There are probably 100 persons interested in each bill, on the average, which means several millions of more or less dissatisfied or disgruntled citizens for every Congress, and this has been going on for many years. Such dissatisfaction is cumulative, making persons anticongressional. In addition to all this, the faults and mistakes of Members of Congress are published (usually exaggerated) as often as they come up for election. This is a general test much more severe than any mental or other kind of test. As in business, so in political life, it is the delivery of the goods that is the real test. If the lawyer's errors, the doctor's mistakes, and the preacher's faults were published from time to time, how would these gentlemen compare with Members of Congress?

THIS STUDY NOT A TEST OF CONGRESS

The Members of Congress have been tested by the people already, and though occasionally the people may make a mistake in their choice, as a rule, they do not; and if they do, they usually retire the Member later. The plan of this study is not to compare Congress with people outside, but as indicated, the main purpose is to compare various groups of Members of Congress among themselves as to legislative ability and weight of brain (estimated) and to calculate the relations between these.

If Congress will set the example, it will help other countries, as well as our States, to begin similar studies of their legislatives, until eventually there may be established a comparison between legislatures of different nations.

As all legislative bodies are competitive in their activities, success is necessarily connected with merit. Also most legislative activities are not arbitrary, but all have certain courses and may follow a law yet unknown which future scientific research may discover, and thus lead to changes in rules of legislative procedure.

ESTIMATION OF LEGISLATIVE ABILITY

Legislative ability is based upon the number of bills, resolutions, and amendments introduced, reported, passed either House, or enacted into law; also upon the frequency of remarks and number of subjects discussed upon the floor. The estimate is based upon the difficulty of getting bills, resolutions, etc., through the necessary legislative stages up to and including enactment into law. The details of making this estimate will be treated in another study.

METHOD OF ESTIMATING BRAIN WEIGHT

In estimating the brain weight of the 89 Members of Congress, from outside measurements of the head, the following equation was used, called the "Lee formula," which gives the cranial capacity and is written:

[(Head length−11)×(head breadth−11)×(head height−11×.000337]+406.01. In order to get the weight of brain from the cranial capacity, we use Welcker's formula thus:

WHEN CRANIAL CAPACITY RUNS—	
From 1,200 to 1,300 cubic centimeters (cubic inches), multiply by .91	=Brain weight in grams.
From 1,300 to 1,400 cubic centimeters (cubic inches), multiply by .92	
From 1,400 to 1,500 cubic centimeters (cubic inches), multiply by .93	
From 1,500 to 1,600 cubic centimeters (cubic inches), multiply by .94	
From 1,600 to 1,700 cubic centimeters (cubic inches), multiply by .95	

To illustrate, let us figure out the brain weight of Congressmen. As, for instance, his length of head is 201 millimeters (8 inches), width of head 152 millimeters (5 inches), and height of head 146 millimeters (5 inches). Applying the equation given above, we have:

[(201−11)×(152−11)×(146−11)×.000337]+406.01=1,625 cubic centimeters (98 cubic inches), which is the cranial capacity of the Congressmen. Looking at Welcker's table above, we find that to obtain the brain weight of one with a cranial capacity of 1,625 cubic centimeters, we must multiply this by .95, which gives 1,543 grams (54 ounces) as the estimated weight of this Congressman's brain. The results for each Member are given in Table 1.

TABLE 1.—*Estimated legislative ability and brain weight of 89 Members of Congress*

Rank of standing in legislative ability	Number of units of value or credits	Estimated brain weight in—	
		Grams	Ounces
1	14	1,414	50
2	18	1,753	62
3	33	1,602	56
4	40	1,392	49
5	44	1,445	51
6	48	1,234	43
7	66	1,422	50
8	77	1,668	59
9	79	1,356	48
10	86	1,529	54
11	90	1,454	51
12	94	1,379	49
13	98	1,448	51
14	100	1,486	52
15	101	1,655	58
16	101	1,480	52
17	104	1,430	50
18	112	1,428	50
19	116	1,435	51
20	119	1,499	53
21	123	1,407	53
22	130	1,566	55
23	140	1,450	51
24	142	1,427	50
25	147	1,495	53
26	148	1,435	51
27	158	1,332	47
28	162	1,481	52
29	163	1,566	55
30	170	1,573	55
31	172	1,454	51
32	173	1,437	51
33	175	1,591	56
34	175	1,421	50
35	179	1,495	53
36	205	1,306	46
37	220	1,543	54
38	222	1,473	52
39	222	1,402	50
40	226	1,371	48
41	230	1,378	49
42	230	1,574	55
43	245	1,332	47
44	269	1,560	55
45	273	1,250	44
46	274	1,501	53
47	282	1,367	48
48	292	1,522	53
49	293	1,678	59
50	295	1,495	53
51	299	1,469	52
52	301	1,801	63
53	302	1,492	53
54	310	1,372	48
55	332	1,564	55
56	357	1,482	52
57	360	1,525	54
58	367	1,443	51
59	370	1,462	52
60	374	1,581	56
61	377	1,545	54
62	399	1,764	62
63	405	1,543	54
64	412	1,605	57
65	450	1,499	53
66	458	1,350	48
67	520	1,432	50
68	534	1,471	52
69	564	1,377	48
70	596	1,473	52
71	598	1,591	56
72	601	1,415	50
73	651	1,437	51
74	678	1,534	54
75	682	1,416	50
76	688	1,364	49
77	700	1,637	58
78	713	1,482	52
79	765	1,453	51
80	794	1,597	56
81	801	1,606	57
82	882	1,467	52
83	966	1,639	58
84	1,097	1,418	50
85	1,120	1,420	50
86	1,331	1,484	52
87	1,635	1,486	52
88	1,993	1,415	50
89	2,463	1,258	44
Average	292	1,450	51

[1] In changing grams to ounces fractions are omitted.

There is, then, a distinct substantial relationship (48) between brain weight and legislative ability in the case of these 89 Members, as a group, and a distinct and high relationship (61) in the case of the 18 Senators, as a group. The 71 Representatives taken as a group might be regarded as a random sample of the 435 Members of the House, and the 18 Senators, as a random sample of the 96 Members of the Senate the proportions of those studied being about the same for each House, one-fifth for the Senate and one-sixth for the House. Taking them as random samples, they might be considered as representing the House and Senate as a whole, and the conclusions applied to the whole of Congress. But, as already indicated, the numbers studied are far too small to be used in this way, from the mathematical or statistical point of view.

In Table 2 is presented the general averages of credit marks for legislative ability, and also for brain weights (in grams and ounces) of all the Members studied, and also of the 18 Senators and 71 Representatives, by themselves, as will be seen from the table.

TABLE 2.—*Comparisons*

No.	Division of Members	Legislative ability credits average	Average brain weight	
			Grams	Ounces
89	All Members studied	392	1,450	51
18	Senators studied	921	1,476	52
71	Representatives studied	258	1,444	50

Senators average the highest both in legislative ability (921 credits) and brain weight (1,476 grams, or 52 ounces). The 71 Representatives, as a group, stand lowest, both in credit marks (258) and brain weight (1,444 grams, or 50 ounces). All the 89 Members together average 392 credits for legislative ability and 51 ounces for brain weight.

Applying the Pearson correlation coefficient[1] to Table 1, we obtain the results given in the table (Table 3) which follows:

TABLE 3.—*Correlation between legislative ability and brain weight of 89 Members of Congress*

Number of cases	Members, all	Mean	Probable error of mean	Standard deviation	Probable error of standard deviation	Correlation coefficient
89	Legislative ability in credits	392	20	412	21	48±13
89	Brain weight in grams	1,450	89	841	6	
	Senators only:					
18	Legislative ability in credits	921	91	581	65	61±15
18	Brain weight in grams	1,476	16	107	11	
	Representatives only:					
71	Legislative ability in credits	258	15	194	11	50±17
71	Brain weight in grams	1,444	9	116	6	

In Table 2 above (last column) is given the correlation between the legislative ability and estimated brain weight of all the 89 Members of Congress; also of the 18 Senators by themselves and the 71 Representatives.

From the last column in the first part of Table 2 it will be seen that for all the 89 Members the relationship between their legislative ability and brain weight is 48, with a probable error of 18.

[1] Explanation of this correlation coefficient will be found in most of the modern works on statistical methods, to which the reader is referred.

which, on the scale of 100, shows a substantial relationship of nearly half.

If we take the 18 Senators by themselves, as indicated in the second part of the table, the relationship shown by the correlation coefficient (last column) is 61, with a probable error of 0.15, which is distinctly high on a scale of 100, approaching two-thirds. If, as indicated in the third part of the table, the 71 Representatives by themselves are considered, the relationship between their brain weight and legislative ability, as indicated by the correlation coefficient (last column) is 50, with a probable error of 0.17, which is a little more than when all the 89 Members are considered. The reader, however, is warned to make no positive conclusions from these figures, as the number studied is small. Yet they may indicate a probable approximate truth. In case larger numbers had been measured and it had been possible to have measured all the 96 Senators and 435 Representatives, we would have been practically certain of our results.

FEDERAL EXPENDITURES AND TAXATION

Mr. GLENN. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Chicago Tribune of Thursday, April 7, 1932, relating to Federal expenditures and taxation.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

TAX PARASITES RUIN UNITED STATES, WARNS COLONEL MCCORMICK—RALLIES BUSINESS TO COMBAT WASTE

Ten years of excessive taxation have brought the Nation to the verge of ruin, and its recovery hinges wholly upon a drastic curtailment of public spending and a consequent easing of the tax load. That was the warning given yesterday by Col. Robert R. McCormick, editor and publisher of the Chicago Tribune, in an address at the Chicago Association of Commerce luncheon at the Hotel La Salle.

Vanished incomes, closed factories, and idle men have made no impression on those who hold the public purse, he pointed out. Instead of reducing expenditures they have increased them and concentrated their efforts on seeking new sources of revenue when the old ones fail.

A TIME FOR ACTION

"If you are to exist," Colonel McCormick said, "you must tear these weasels from the throat of the Nation. To attend meetings like this is not enough; to pass resolutions is not enough. You will have to go into every detail of political organization and activity. If you do less you will be destroyed."

He commended the association on the campaign that it has originated to force curtailment of Government expenditures, a campaign which has already extended to 700 cities.

"It's a proud thing that the movement for national economy starts in Chicago," he said, in closing. "There are serious times ahead, but I am confident that your leadership will save our country."

TELLS CONDITIONS IN CITIES

Colonel McCormick began by outlining the condition of municipal finance in the Nation's leading cities.

"Our States, counties, and cities," he said, "divide into two classes, the bankrupt and the about-to-become bankrupt. Chicago, Detroit, and Philadelphia are the best known of the former class; of the latter, New York City is utterly insolvent. With a debt approaching $2,000,000,000, an outgo far exceeding income, she is increasing her expenditures constantly.

"One wonders how much longer the banks and the insurance companies of New York will dare to loan money to finance wasteful public business. Her budget for 1932 was $631,000,000. Since 1920 our largest city has much more than doubled its budget. This year's deficit will reach $100,000,000 by June.

CLEVELAND'S CREDIT SOUR

"Cleveland has a deficit of $2,000,000 in her general fund and $2,000,000 in her educational fund, and her credit has gone sour.

"Boston is so much older than our midwestern cities that she ought to know better. However, last year she permitted her city officers to spend $10,000,000 more than they had ever spent before. And thus she has a deficit of at least $5,000,000 for this year. Soon Boston will join the ranks of the other bankrupts.

"Such is the plight of the larger cities, but the smaller ones have not done better. In 28 States there are known to be defaults. In the others it is just a question of time. Defaults and repudiations are the order of the day in government as a result of submersion in debts beyond ability to pay.

VAST UNITED STATES DEFICIT

"National expenditures are exceeding income by 100 per cent, or $2,000,000,000.

"The United States Senate sits snugly on the horns of the dilemma—whether to fail to meet its obligations or to levy taxes which will destroy the entire economic structure of the country as the House has done.

"No serious thought of retrenchment appears to have entered the heads of our officeholding tyrants. Not since the States ratified the Federal Constitution has there been so dark an outlook in all the history of our people.

"If we are to save ourselves from the threatened cataclysm, we must find by what steps we were led into this morass that we may learn how to retrace them.

THE RISE OF BUREAUCRACY

"In a recent address before the Chicago Better Business Bureau I traced the rise of bureaucracy in this country, which, hardly noticeable for the first century of our existence, may have found its germ in the vast activities of government in the Civil War, because it was in the following generation that government expansion got its start.

"Before Europe went to war there had been added to the constitutional offices a Department of Justice, a Civil Service Commission, an Interstate Commerce Commission, a Department of Agriculture, a Department of Commerce, a Bureau of Forestry, a Department of Labor, the Federal Reserve Board, and the Federal Trade Commission. Between them and our declaration of war arrived the National Advisory Commission for Aeronautics, the Employees' Compensation Commission, the Tariff Commission, and the Federal Board for Vocational Education.

INNOCENT IN APPEARANCE

"The act creating the last-named board was innocent enough in appearance. It provided for Federal assistance on a 50-50 basis to States which would match the Federal Government gift to them in expenditures for teaching in the schools boys to become machinists and carpenters, and girls to do fancy work. But that entering wedge opened the way for the shiftless States to spend money like thrifty ones, with the National Government providing half the funds.

"That was the means by which Illinois money came to be taken to build roads in Utah. That is the means through which citizens of Chicago who can't pay their teachers contribute to the culinary education of Alabama farmer ladies.

"But we're getting ahead of our story. Federal Government expenditures, which increased quite steadily prior to the war, did so at a rate that might cause the Democrats and Progressive Party of 1912 to view with alarm, but they were still very moderate. Less than a billion dollars paid for everything the Congressmen could get each other to vote for. Less than a billion took care of the Army and the Navy, the postal deficit, the Panama Canal, and all the waste.

A billion in 1914

"Nineteen-fourteen was the first year that Federal Government expenditures went over a billion dollars, and by 1916, a year before we declared war, the total was only a billion and forty-two million. But at that time there were fewer than 40,000 Federal employees in Washington and slightly more than 400,000 outside of Washington.

"It was, however, the Great War that changed the entire scale of national income and national expenditure.

"First, the prices of agricultural products soared. Cotton mounted from 7 cents to 43 cents a pound, and wheat from 80 cents to $3.50. Although the value of cotton was due entirely to the temporary demand for explosives, and the demand for wheat was caused by the drafting of European farm workers into armies and the shortage of shipping which prevented South American and Australian competition, farm lands advanced in price as though farm incomes would be permanently stabilized on a war basis.

BOOM IN MANUFACTURING

"Next, factories making war material boomed, and factories which could be turned to war manufactures zoomed after them. In consequence, factories unadaptable for war manufactures became insufficient to supply the civilian needs of the country, and the demand exceeding supply brought the inevitable high prices of nearly all commodities, while so-called prosperity and the high cost of living brought about increase of wages on an average of 172 per cent.

"Neither financiers nor soldiers had thought that armies of the size prepared in Europe could be supported for more than a few weeks, and the various war plans of general staffs all aimed at a decision to be reached shortly after the declaration of war. The Schlieffen plan of Germany, plan 17 of France, the Conrad plan of Austria, and the Russian plan all aimed at this result, and all failed because the book-trained staffs had no conception of modern combat.

EXPANSION OF CREDIT

"It was only when the war settled into a siege that the world perceived for the first time to what extent credit could be extended and to what taxes men and industries would submit under the impulse of patriotism.

"During three years Europe pinched and fought, while we merely increased our production, our cost of production, and our cost of living. When finally we declared war, we felt rich; some felt a sense of moral delinquency because we had not entered the war earlier, and all realized that we had incurred a national peril.

"We found it necessary to raise our soldiers by conscription, and this led to the moral consequence that the unconscripted could deny them nothing.

"I have detailed upon another occasion the expansiveness which spread through the country. A willingness for personal sacrifice was spread far and wide but, unfortunately, in step with it marched a scheming demand for public plunder. Side by side with necessary war activities were perpetrated the grossest frauds in the history of the world up to that time.

"Armies were raised, supported, and transported with no more idea of defeating the enemy in the field than with that of private profiteering at national expense. To embattle an average of 1,000,000 men for 20 days, an outside estimate cost of $32,000,000,000.

TAXATION IS EXPANDED

"In consequence of this we established enormous organizations for the collection and expenditure of taxes and for the creation and enlargement of public debt.

"Naturally, with the end of the war the job holders and the industries which had been created from war conditions wished to continue; the honest as well as the dishonest, and the dishonest as well as the honest.

"Those that could not remain in the Federal service flowed over into the States, the counties, and the cities. The propagandists found new euphemisms for public expenditures in civil life to take the place of patriotism and self-sacrifice for unnecessary wastefulness in war time.

"The greatest postwar thefts of public funds have been camouflaged as desirable projects or indispensable services.

Injury to industry

"One weapon of the peace-time propagandists has been to direct the public attitude toward war-time profiteering, which they were largely responsible for, against necessary peace-time industries. There was a natural antipathy toward the men who got rich from war necessities. Progressive taxation was imposed no more to provide revenue than to punish the profiteers.

"Tax thieves have perpetuated this attitude and have hamstrung essential industries and forced millions of workingmen out of employment on the generalization that private profit, however honestly gained and however indispensable to the common welfare, should be penalized.

"Before the war our public expenditures were $3,000,000,000 per year, including State and local governments. Five years after the war they were $10,263,000,000. Before the war our national indebtedness, including States and counties, was $4,850,000,000, while five years after the war it had risen to $31,000,000,000.

"These costs seemed bearable because of the steep, if temporary, increase in values of all kinds.

INFLATION IN FARM VALUES

"The inflations of values began with farm land during war time and then like a wave passed through all other land—Florida land, subdivision land, and even conservative business property.

"One citizen, the speaker, invested the bulk of his savings of the prosperous years in Chicago real estate and farm lands, upon which he is assessed an annual tax of almost $40,000. Inflation went through the securities listed on the exchanges, and the owners of property not on the market felt a glow of wealth which they could not realize upon, to be sure, but upon which they were not loath to pay increasing taxation.

"How to account for this phenomenon I am not sure. Increased income from property was responsible for but a small part. The effect of spending borrowed money had some share. The energy created by war enthusiasm and the natural optimism following victory all contributed.

"The consequence has been that property of every kind was raised, as a ship on a wave, and left by the receding wave high and dry on the jagged rocks of ruinous taxation.

TAXES OVERLOAD EARNINGS

"Earnings never were high enough to support the levels of taxation which were imposed. The unbearable load was concealed, like the face of Mephistopheles, behind a mask of plenty. Now, under the grinding load of taxation, industry is everywhere slowing up. Incomes are falling and disappearing.

"Industries, contracting or closing down altogether, are unable to furnish employment to workmen. Everywhere we find economies and hardship excepting on the part of those people who have their hands, under color of law, in the pockets of others, and even these are suffering as the pockets become empty.

"They are like the wolves of Anticosti. At one time the island of Anticosti was populated by limitless droves of caribou. One year some Labrador wolves were carried to the island on the ice. The island was favorable to the pursuit of wolves, and its shores prevented escape to the pursued. The wolves waxed in number. Finally they destroyed all the caribou, and then, with nothing to feed upon, all died of hunger. That is the prospect which lies before our tax eaters.

CITIZENS UNABLE TO PAY

"The evil talk of tax strikes is heard throughout the land, but far more serious than strikes is the growing inability of taxpayers to pay. Strike or no strike, it is absolutely impossible to pay the taxes assessed. Owners of buildings are tearing them down because the taxes are more than the receipts. Owners of unimproved property are unable to pay their taxes, and tax buyers can not be found to evict them. Individuals, estates, and corporations are beginning to find it impossible to meet Federal taxation extorted with all the ruthlessness of the Germans in Belgium.

PERSONALTY IS EXAMINED

"In this community there has been a strongly organized effort to transfer the tax burden from real estate of all kinds to other forms of wealth. It has been accompanied with considerable propaganda attacking other forms of wealth—an unwise adaptation of the methods of the tax eaters.

"Let us look for a moment at the forms of personal property upon which it is proposed to levy titanic burdens.

"The most visible, the most obvious, of course, are bank deposits. There are, first, the savings deposits, which are easily grabbed, because they may not be removed at will. There are 396,000,000 of them in Chicago alone. Well, no one proposes to tax them.

"Next we find the balances from other States and cities carried in Chicago for convenience of transacting business. If we would impose a tax on them, we would not only lose the money but would lose the business which they nourish. We can not touch them.

"We are now reduced to the bank balances of our own enterprises. Are we to handicap them in the world-wide competition, and if we are willing so to do, how long can they stand this handicap, and how soon will those balances disappear from the State if $200,000,000 has fled from Chicago banks during the last week under the threat of hostile propaganda?

A LIMIT TO LEVIES

"How much can we take from what may be termed 'decorative property,' running from jewelry to household furnishings? I believe that in the minds of the owners jewelry has largely been considered a form of non-interest-bearing savings, and pictures, objects of art, have been considered as money spent.

"Certainly the owners will not pay any considerable tax for the mere pleasure of ownership. Furthermore, they can not sell precious stones, graven metals, or art luxuries for any substantial sum on this market and can not provide cash for the tax collector.

"Taxation of machinery used in business! There's a good one. Soak it! A man can not do business without his machinery. Surely we have got that man on the hip.

Example of England

"Look across the ocean. Look at England, the founder of industrial civilization, the originator of steam machinery. There you will see industries of all kinds groaning along on out-of-date, worn-out machines, incapable of competition in the world market. Why should the English endeavor to manufacture with out-of-date worn-out machinery? Because taxation has risen to such heights in England that the owners can not afford to modernize their plants. What money the Englishman can get he puts in hiding, in a losing effort to maintain his declining civilization.

"Will you tax stocks and bonds? These in times when they are valuable have a nation-wide or world-wide market. They will not remain over the week-end in any community which by taxing them makes them less valuable than they are elsewhere.

ONE FINAL ALTERNATIVE

"There remain the necessary objects of personal property—the cradle, the stove, the washing machines, the beds, and the tables. How much will you tax these to build marble schoolrooms, private swimming pools for public employees, and hydraulic developments in the Arizona desert?

"Taxes on personal property may furnish a useful peg on which to hang speeches subversive of public order, but as producers of revenue they are ephemeral.

"Overtaxed real-estate owners will be better advised to demand lower taxation for all than to stir up mob impulses against owners of other property.

"Ever since the war the Government has been living on and living off income taxes and taxes that it called 'income' taxes. Where the taxes were levied on profit in the purchase and sale of a fixed article, such as a piece of real estate or a certificate representing the ownership of a company owning real estate, improved or unimproved, a railroad or a factory, the tax is not on income but is a capital levy. This fact is recognized in the present proposed tax law, under which losses in the resale of such property may not be deducted.

EXTORTION OF WHOLE VALUE

"Obviously, by the continuation of the principle of taxes, exacting tribute on values as they rise and returning nothing when they decline, sooner or later the Government will have extorted the entire value of all property.

"It will be like the fisherman who, hauling in line as the fish comes his way and snubbing his line when the fish would run, soon has him gaffed. If I were inclined to pun on so serious an occasion, I would continue the illustration and say that the American taxpayer is a poor fish.

"Now, as to taxes on incomes proper. It being the purpose of our Government to take away from its citizens, like the Roman conquerors from their subject peoples, all their property in so far as it is profitable for the Government to do so, how far can they be extended before they destroy the source of income?

"Here we enter a less-defined field of political economy, but there is ample evidence visible to those willing to see. The great industrial enterprises which pay so large a part of all kinds of taxes, real, personal, and income, started from small beginnings and have been built up from accumulations. If these accumulations had been sequestered in the past as they will be in the future, the industries never could have grown. If we stop accumulations at this time, no more industries may grow to take up the slack of unemployment and to pay the cost of government.

DEBTS A VITAL FACTOR

"A no less vital factor is the repayment of debts. The existence of banks, and hence the existence of bank depositors, depends

upon the ability of debtors to pay. To the nonproducing theorist on the outside perhaps a strictly limited return on capital may seem sufficient and all that is morally justified, but for the borrower a return sufficient to pay not only the interest but the principal of his debt is necessary lest he lose his all. If the opportunity of repaying his debt is denied him, he can not venture; and if the Government will take from the borrower the money which is needed to repay the lender, this man dare not lend.

"Nothing is more popular to-day than the progressive estate tax. If, it is argued, it is fair that the creator of wealth is entitled to its use, this right does not extend to his children, his heirs who did nothing to produce it—an argument plausible to those who wish to see it that way, but one which, carried to its logical conclusion, injures the very people it is supposed to benefit.

New form of property

"Modern property is no longer in the patriarch stage. The rich man does not own 1,000 goats or 10,000 sheep, of which five hundred or seven thousand and fifty may be taken by Pharaoh, still leaving the heirs a considerable quantity of mutton and wool.

"In its simplest form, for the tax gatherer, this wealth will be found represented in bonds and shares of stocks listed on an exchange, part of which can be sold to pay the tax on the whole. Forced sales of stocks to pay taxes are another form of bear raids, of short selling. Stock which in the natural order of events would be kept off the market will be forced on the market, breaking the market. The forced sale of the stock sold destroys the value of that retained.

"Any glee caused by the confiscation of the estate of a rich man will be turned to dismay when it is found out that all stock, in whoever's hands it may be, is thereby depreciated in value. Not only every share of the particular stock sold will be depreciated, but as these fall in value they will bring all the other shares down with them. The recent collapse of the stock market is partly due to stocks forced upon the market by Government exactions and for which buyers are wanting.

VALUE OF GOING CONCERN

"But more difficult than this by far will be the case of the many businesses of one kind or another which are operating successfully, employing labor and paying taxes, which are not listed on any stock exchange and which in many cases do not consist of capital stock. The machinery and fixtures can not be separated and sold piece by piece. They would produce nothing.

"Assuming the enterprise to have a given value in the hands of its owners, say, $1,000,000 or $10,000,000, how much will it bring at a forced sale, a sale forced upon the citizen by his government? How much will the individual so fortunately situated as to have his competitor's property auctioned off to him by the Federal Government, bid for it? Will he bid its fair value? Will he bid its value as fixed by Cæsar's legates, and if he bids less, will the Government demand a tax on a larger sum than it realizes for its victim?

"And how long will enterprises exist if they are to be overtaxed during the generation of their founder and confiscated with his death?

"The course which our rulers have laid out for us, and from which they show no sign of deviating, is the road to complete and inescapable ruin. If they proceed as they are going, they will dry up every profit, every interest payment, and every pay roll. They will bring upon us a fall like the fall of the Dutch Republic and of the Roman Empire. With our ruin their ruin is also inextricably bound up.

Government waste

"If you ask me what is the alternative, I will make this statement and I will continue to make it: There is not a Cabinet officer, there is not a Member of Congress who can demonstrate that one-half of the money appropriated for any department of government is used for the purpose designated.

"I will be specific: Not one-half of the money appropriated for the War Department is spent to make an army; not one-half of the money appropriated for the Navy Department is spent to build, operate, and maintain a combat fleet; not one-half of the money appropriated for the Post Office Department is spent to move the mails.

"As for other great branches of the Government—the Department of Commerce, the Department of the Interior, the Department of Agriculture are not much better than rackets. Rackets, I regret to say, which are supported by a small element of our population who are persuaded that they are receiving from them special benefits at the expense of the general taxpayer.

FACE TO FACE WITH RUIN

"It took centuries for enough wealth to accumulate to raise our civilization from the misery of the Middle Ages to the high estate we have witnessed. It has taken 10 years of excessive taxation to bring us down to the verge of ruin. The tax bill passed by the National House destroys all hope for the future.

"Like the nobility of royal France and prerevolutionary England, our officeholders are a privileged class, becoming hereditary, holding sinecures established by law. They look down upon civilians with contempt as fit only to work for the support of their masters. They dominate and exchange place with elected officers, with whom they conspire for special benefit.

"Civilization could not start until the old privileged aristocracy was overthrown. Now it is reestablished in another form and is again sucking the lifeblood of the working world.

"If you are to exist, you must tear these weasels from the throat of the Nation. To attend meetings like this is not enough; to pass resolutions is not enough. You will have to go into every detail of political organization and activity. If you do less, you will be destroyed."

NEW FACTORS APPEAR

At the close of his formal speech Colonel McCormick said:

"Since I prepared that speech yesterday 40,000 farms have been sold for taxes in Mississippi. Since the passage of the new tax bill by the House of Representatives we read that three and one-half billion dollars have been lost in stocks listed on the exchange. There has been a bloody insurrection in Newfoundland.

"But we are the descendants of the people who dared the impenetrable ocean and the trackless forests and who, in the face of obstacles greater by far than those we face to-day, established the greatest Nation in the world and overthrew a tyrant king.

"We face the threat and accept the challenge. It's a proud thing that the movement for national economy starts in Chicago. There are serious times ahead, but I'm confident that your leadership will save our country."

INTRODUCED BY WAHLMAN

John Philip Wahlman, chairman of the meeting, introduced Colonel McCormick.

"The Chicago Association of Commerce," said Mr. Wahlman, "contends that in order to balance the budget and give the taxpayer a break it is absolutely essential that Government expenses be reduced and Government extravagances be eliminated."

At the speakers' table were Graham Aldis, John S. Brooksmit, Clifford W. Barnes, D. A. Crawford, Philip R. Clarke, E. R. Graham, Col. Noble Brandon Judah, D. F. Kelly, Col. Frank Knox, J. C. Murray, John McKinlay, Roy C. Osgood, Herbert Pope, George W. Rossetter, Edward L. Ryerson, jr., Judson F. Stone, Harold C. Smith, and Fred W. Sargent.

ECONOMIC CONDITIONS IN OKLAHOMA

Mr. GORE. Mr. President, I have here a letter from Mr. Alger Melton, a prominent citizen of Chickasha, in my State. It is a vivid, tragic portrayal of economic conditions, and I ask unanimous consent to have it inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHICKASHA, OKLA., *April 7, 1932.*

Senator T. P. GORE,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I know you appreciate the alarming conditions existing by reason of unemployment, financial depression, and exorbitant taxation. I have no solution to offer. My limited knowledge of national and international finance, commerce, and economics will not justify an opinion. Judging the Nation by this community and section convinces me that the situation is one of grave concern. Men clamor for work to feed their families, but there is no work. Voluntary aid is about exhausted. The communities have been drained almost to the last drop. Farmers are losing their land through foreclosures. They can't pay interest and taxes, and loans can not be extended or renewed. It seems there is no money for such purposes. The same conditions exist with the home owner in cities and towns. The business man can't sell his merchandise, because the people can't pay for it. Salaries and labor have been reduced to a minimum. Banks can't loan their money, because borrowers have no prospects for payment. Owners of real property can't rent, because tenants can't pay. Debtors can't pay their debts, and creditors can't collect. Following the example of our Government, National and State, and encouraged and persuaded by governmental agencies and propaganda, we have spent our earnings in riotous living. Nothing has been saved. I know that the credit of the Government must be protected. Its obligations must be met. The middle class (who support the Government) must furnish the money. That class is now overburdened with taxes. This burden is fast becoming unbearable. If additional burdens are imposed, history is likely to repeat itself.

The people are not blaming themselves. They blame the Government and Government officials. They criticize the Government for extravagance and high taxes. They believe there is too much government, too much regulation, too much machinery, too much red tape, too much high finance, too much incompetency, too many officials and employees, too many pensions and bonuses, and too many extravagant experiments. They resent income taxes, which tax their salaries and exempt the salaries paid by the Government. They protest against a tax on their property and incomes, when the wealth of the country is invested in tax-exempt securities, National and State. They are in revolt against governmental policies and legislation which they believe favor and foster the rich and privileged class and burden the poor and unprivileged. They are better informed, read more, think more, and try harder to understand governmental affairs than ever before in my experience.

As you know, I have lived here more than 30 years. I have not failed to observe conditions recurring during that time and note the trend of thought, opinion, and general attitude of the people. As you well know, I am not an alarmist, a crusader, nor a prophet, but I am gravely concerned about the general welfare.

I can hear the rumblings of discontent, protest, and objection coming from the unemployed, the unprivileged, the poor, and the needy; and if the middle class are forced by tax burdens, the loss of homes, property, and opportunity to join this rapidly increasing throng, the Nation will be in grave danger.

I trust you will pardon me for these observations. I am not competent to advise you or suggest reasonable or proper solutions. I am not making any personal criticisms. I know that you would, if possible, change existing conditions. My only purpose is to present to you, in my feeble way, the trend of thought, opinions, and expressions of the people of this section, appearing to me from observation, inquiry, and contact, for your information and consideration.

Very sincerely yours,

ALGER MELTON.

THE LANDING OF PONCE DE LEON

Mr. FLETCHER. Mr. President, I present an article from the St. Augustine Record, of St. Augustine, Fla., entitled "The Landing of De Leon," which I ask may be published in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Augustine Record, St. Augustine, Fla., April 7, 1932]

THE LANDING OF DE LEON

Declaring that Jacksonville does not need and should not desire to take away from St. Augustine the discovery of Florida, the Jacksonville American, aggressive and courageously edited weekly of Jacksonville, contains the following editorial:

"The St. Augustine Record, 'oldest newspaper in America's oldest city,' accuses Jacksonville of trying to steal Ponce de Leon from St. Augustine. The ancient city can stand for Jacksonville taking 'business from the stores of small communities in the State, and trucking its newspapers into neighboring towns,' but when it comes to purloining St. Augustine's time-honored claim to the famed fountain-of-youth seeker, it is going to protest.

"As the Record says, 'for centuries every school child in America and in most of the world has been taught that Don Juan Ponce de Leon landed at what is now St. Augustine in 1513.' Yes; and no matter what Jacksonville or any other city may claim, that famous landing will forever remain associated in the minds of men with the city of St. Augustine.

"As a matter of precise historical fact, however, Ponce de Leon landed neither at St. Augustine nor Jacksonville, but at a point somewhere midway between the mouth of the St. Johns and St. Augustine. Even the Record admits this. The place of landing was put down in De Leon's own log as '30 degrees and 8 minutes.' The Record says this point is 'closer to St. Augustine than to Jacksonville.' Historian Frederick Davis says it is a point 'about 11 miles south of the pier at Pablo Beach,' which would place it very nearly midway as the crow flies between the mouth of the St. Johns and Matanzas Bay.

"Let St. Augustine have Ponce de Leon and all the storied traditions attending his landing and those who followed. Let us help St. Augustine to preserve and perpetuate her name as America's oldest city. Let it remain the great historical center that it is. We in Jacksonville are too grossly materialistic to have esthetic ambitions, anyway. To paraphrase, 'Let us but have Florida's business and we care not who has Florida's historical heroes.'"

We are grateful that the American substantially agrees with us. However, we must take exception to that part of the third paragraph which says: "As a matter of precise historical fact, however, Ponce de Leon landed neither at St. Augustine nor Jacksonville, but at a point somewhere midway between the mouth of the St. Johns and St. Augustine—even the Record admits this." Since the American misquotes the Record, it is not strange that it also misquotes Herrera. We admitted nothing of the kind. Our exact words were: "We shall not here quote source material nor shall we point to Herrera or the reference to 30° 8', a reckoning which, if accurate in that day of imperfect navigating instruments, would be closer to St. Augustine than Jacksonville." We did not say, nor did Herrera say, that Ponce de Leon landed at 30° 8', but at that point he took one of his several reckonings as he cruised along the coast. At the time he established his bearings at 30° 8' he was 1 league or 3 miles, offshore. The Jacksonville American's mistake has been made before. Even the State chamber of commerce has been misled. In March, this year, that organization sent out a printed folder which contained the statement that "Ponce de Leon landed first on Jacksonville Beach, about 11 miles below the Pablo pier." When a lover of St. Augustine's history protested, Mr. R. G. Grassfield, general manager of the State chamber, replied with a letter which said in part:

"It was with some consternation that I have received your letter and Walter Fike's, and it was in the interest of withdrawing and apologizing for a questioned statement that I called the Florida Historical Society (in Jacksonville). I talked to the secretary, and she reported to me over the telephone substantially as follows:

"'The only known and authentic official record of Don Juan Ponce de Leon's landing on continental United States is by the Spanish historian Herrera. According to this record mention is made of anchoring off the beach and landing. The observation made is given as 30° 8' north latitude. This is absolutely the only known record of Ponce de Leon's landing. Herrera makes no mention of Ponce de Leon's entering an inlet or a harbor. Therefore, in this first record no mention is made of the site, which is now St. Augustine, Fla. Because of a bill now before Congress to provide for a suitable marker commemorating place of Ponce de Leon's landing (which bill was tabled last week) there has been emphasized considerable discussion pertaining to this landing place. Col. H. L. Landers, historian of the War Department, has been assigned the establishment of Ponce de Leon's original landing. Colonel Landers spent some time in Florida during the first two weeks of March, 1932, and he has returned to Washington to make his study and report.

"'There has been a great deal of misinformation and discussion regarding the first trip of Ponce de Leon in Florida. It is known that he landed on the beach, as already indicated, 30° 8' north latitude specifically.'

"This 30° 8' north latitude is some 10 or 12 miles south of Jacksonville Beach pier."

If the editor of the Jacksonville American can produce the log or authentic copy of the log of Ponce de Leon, which says that Ponce de Leon landed at 30° 8', he can sell it immediately for enough money to retire from the newspaper business. And if the general manager of the State chamber of commerce can produce such a log, he can retire to private life and thereafter spend his summers in France. Moreover, as indicated in our editorial, which the Jacksonville American has replied to, latitudes as late as 1530 were inaccurate. The United States Naval Observatory in Washington states that "in 1530 the island of Madeira was shown to be 188 miles too far south; London, England, 32 miles off." Rome was the nearest correct, being "only 4 miles out of place," while the island of Malta, known for a thousand years previous to navigators, "was 100 miles out of place on the charts." In Ponce de Leon's time the Tropic of Cancer was shown on maps miles away from its present and proper location. We have in St. Augustine maps that show 30° 8' passing through what is now the northern portion of St. Augustine. Herrera, Spain's greatest historian, who devoted himself largely to recording his country's explorations in the New World, is the only source material that we in St. Augustine or anyone else can produce. He says:

"Having acquired much wealth and being deprived of the government of Porto Rico, Juan Ponce de Leon determined upon making discoveries to the northward, that he might gain honor and advance his estate. For this purpose he fitted out three ships, well manned and stored with plenty of provisions, with which he sailed from the port of St. German on Thursday, the 3d of March, 1512, steering for Aguada. Next night he stood to the northwest and by north, and on the 8th of the same month came to anchor at the shoals of Barbecua, near the Isola del Viego, in latitude 22½° N. Next day he anchored at one of the Bahama or Lucayos Islands called Caycos and then at another called Yaguma, in latitude 24° N. On the 11th he came to the island of Amaguay, and then passed Manegua, in latitude 24° N. He came to Guanahani, in latitude 25½° N. on the 14th, where he refitted the ships before crossing the bay to the windward of the Lucayos.

"This island of Guanahani was the first land discovered by the Admiral Don Christopher Columbus in the New World, and by him called San Salvador. From thence De Leon steered to the northwest, and on Sunday, the 27th of March, being Easter Day, called Pasqua de Flores by the Spaniards, he saw and passed by an island. Continuing the same course till Wednesday, 30th of March, when the wind became foul, he altered his course to west-northwest and on the 2d of April came to 9 fathoms of water a league from the land, in latitude 30° 8' N. Running along the land in search of a harbor, he anchored at night in 8 fathoms near the shore. Believing the land to be an island, he gave it the name of Florida, because it appeared very delightful with many pleasant groves and all level, as also because first seen during Easter, which the Spaniards call Pasqua de Flores or Florida. At this place Ponce went on shore to take formal possession."

Reference to the above log will show that when this bearing was taken Ponce de Leon was out in the Atlantic Ocean with 54 feet of water under his keel. It further shows that no landing was made immediately thereafter. Ponce de Leon sighted land on Easter Sunday, March 27, in a latitude which his reckoning told him was 30° and 8', but he did not land until about a week later. The reading indicates that 30° and 8' was the farthest point north recorded by Ponce de Leon on his voyage, with this the nearest harbor. Herrera's account says that about the time this reading was made there was a storm at sea. "When the wind became foul," says Herrera, Ponce altered his course. His turning west-northwest indicates that he turned toward the land and was seeking a harbor out of the storm. His landing at such a time in the breakers or on the open beach would have meant immediate destruction of his three ships and, perhaps, death to his entire crew. The very next words coming after the above reading of latitude 30° and 8' are: "Running along the land in search of a harbor, he anchored at night in 8 fathoms near the shore." It is a fact that the depth of the water near the shore of the inlet leading into the harbor of St. Augustine still has a general depth of 8 fathoms.

Herrera's account of Ponce's voyage shows further that he had just passed by the harbor of St. Augustine and that he, no doubt, saw it and discussed it with his crew. This is indicated by the fact that he sighted the mainland of North America on the 27th of March—several days before—which land, it would stand to reason, was some distance south of the present location of St. Augustine. Furthermore, it is not at all reasonable that he would have gone

to sea again after once sighting the mainland on March 27. It is not known why he kept on his course after sighting the mainland, but it must be kept in mind that he did and that he thought he had discovered Bimini, where the old Indian Chief Atamara had told him he would find the miraculous spring. He probably thought he had discovered a large island.

Further evidence that Ponce de Leon was running along in sight of the mainland, and therefore knew the whereabouts of the harbor just north of the present site of St. Augustine, because he had just passed it and seen it, is indicated by the fact that he refers only one time to the sighting of the mainland, which shows that he kept constantly in sight of it, and could have easily seen the harbor he later entered, at St. Augustine, and where he remained five days.

No one has ever questioned the fact that Menendez landed here and established the city in 1565. Menendez was almost a contemporary of Ponce de Leon. It is entirely possible that some of the sailors on Ponce de Leon's voyage were with Menendez. Certainly Menendez would have paid a bonus to have secured the services of men who had made the trip before. We know that Ponce de Leon himself was with Columbus on his second voyage. Just as an Arctic explorer to-day would not set forth without having at his command all the information of his predecessors concerning those icy regions, just so would Menendez have gathered all available data left by Ponce de Leon including his log. Therefore, by a reverse reasoning, knowing the route Menendez took and the exact spot he landed, we conclude that he followed the course of Ponce de Leon. This reasoning is strengthened by Herrera himself, who wrote only a few years after Menendez founded St. Augustine.

It was the Fact Finding Commission of the City of St. Augustine that persuaded Secretary of War Patrick J. Hurley, through Senator DUNCAN U. FLETCHER and Congresswoman RUTH BRYAN OWEN, to detail Col. H. L. Landers of the historical division, Army War College, United States War Department, to come to Florida and make a study of this matter with a view in settling it once and for all. While here, the city's fact-finding commission placed Colonel Landers in touch with Miss Emily Wilson, for many years historian of the St. Augustine Historical Society. The fact-finding commission also saw that Colonel Landers interviewed officers of the Florida Historical Society in Jacksonville and others interested. He talked to those who support St. Augustine's claims as well as those who are in sympathy with Jacksonville's contention.

The Historical Fact-Finding Commission of the City of St. Augustine invites a thorough investigation of the discovery of Florida because the members of that commission feel that they can demonstrate to any reasonable person who will spend a few hours examining the old records, maps, and other authentic data, in English translations and Spanish, that Ponce de Leon, beyond a doubt, first set foot on the mainland of North America at what is now St. Augustine.

THE NATIONALITY CONVENTION—EQUALITY OF MEN AND WOMEN

Mr. BROOKHART. Mr. President, I present official statements giving this Government's reason for repudiating the nationality convention adopted at The Hague conference held under the auspices of the League of Nations, together with a proposed resolution containing a reservation in connection with the World Court, which I ask may be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Extract from statement made by United States plenipotentiary at The Hague, Hon. David Hunter Miller, on April 10, 1930:

"* * * this convention * * * contains a number of features which the Government of the United States can not accept. Any acceptance by the United States of the convention as a whole would invoke such extensive reservations to the agreement that the present view of my Government is that it would be better to await a future and more progressive moment which the discussions of the present conference will doubtless facilitate. Accordingly the delegation of the United States of America at this conference will not sign the general nationality convention."

Extract from press release by the State Department on April 15, 1930, concerning the Hague conference:

"* * * the convention adopted (on nationality) did not meet the views of our delegates in that it was contrary to two principles which are firmly embedded in our law. First, we have always insisted on the complete right of a citizen of any State to expatriate himself and become a citizen of a second State on compliance with its laws (that is not the usual view of all nations); and second, we do not in our laws make differences or make few or relatively unimportant differences as to the rights of men and women in matters of nationality * * *.

"The steps taken by our delegates have had the approval of this department."

Extract from Secretary of State's reply to League of Nations, June 23, 1931:

"It is regretted that, because of the unsatisfactory provisions on two important points, expatriation and the nationality of married women, the Government of the United States was unable to sign the convention on nationality, the principal agreement concluded at that conference." (The Hague conference on nationality.) (League Document A 12 (a), 1931, V of July 27, 1931.)

Copy of reservation submitted by National Woman's Party, to United States to adherence to World Court, based on projected unjust nationality code:

(Already presented to Foreign Relations Committee—introduced by J. HAMILTON LEWIS)

"Whereas the United States Government refused to be a party to the nationality convention adopted by the First Conference for the Codification of International Law, held under the auspices of the League of Nations at The Hague, 1930, one of the grounds of its refusal being that this convention was not based on equality between men and women in nationality rights, for which equality this Government stands; and

"Whereas this nationality convention is intended to form a chapter of a world code of international law to be administered by the Permanent Court of International Justice, and will form, when ratified by 10 countries, the law to be administered by the court respecting nationality; and

"Whereas the League of Nations is bending every effort to secure these and other ratifications, and the organized women of not only the United States but of the world, through the Women's Consultative Committee on Nationality, which was created by resolution of the January, 1931, council of the league for the purpose of advising the league on this matter, have repudiated this convention and sought reconsideration of this question, and are meeting with the resolute opposition of league authorities in their efforts: Therefore be it

"*Resolved*, That the United States adheres to the court with the following reservation: 'Providing that the code of law to be administered by the World Court shall not contain inequalities based on sex.'"

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. WALSH of Montana. Mr. President, the Senate on yesterday considered amendments on page 29 of the bill in relation to appropriations for continuing work on the irrigation system on the Flathead Indian Reservation in the State of Montana. I had intended to say to the chairman of the Committee on Appropriations [Mr. JONES] and to the Senator from Utah [Mr. SMOOT] in charge of the bill that, sympathizing with the desire to meet the order of the Senate, I was going to propose that the two amendments in the bill, the one relating to continuing the construction of the power-distributing system, $55,000, and the other for beginning construction of the pumping plant, $100,000, be agreed to. I had hoped that they would allow the appropriation for the enlargement of the Pablo Reservoir and the enlargement of the Tabor feed canal to remain in the bill. The action of the Senate yesterday would mean that the $85,000 for the Pablo Reservoir was reduced to $30,000 and the other item taken out. I hope we may reconsider the action taken and that the Senator from Utah will consent to allowing these two items to remain in the bill.

Mr. SMOOT. Mr. President, we tried to be just as fair as it was possible to be in the reductions made in the bill. The Senator will recognize that we have included nearly every activity in our reductions. We had to do that in order to meet the requirement of the Senate for a reduction of 10 per cent.

Mr. WALSH of Montana. I appreciate that; but here is a reduction in the particular item which I freely concede of $155,000, and I am asking simply $27,000 for the continuation of the work on the Pablo Reservoir and the Tabor feed canal.

Mr. SMOOT. I do not know whether we have that much leeway.

Mr. JOHNSON. Mr. President, it is impossible for us to hear in this particular part of the Chamber. Will the Senator from Montana do me the kindness to state the page of the bill to which he has reference?

Mr. WALSH of Montana. Page 29. I am going to move to reconsider the action of the Senate yesterday in agreeing to the amendment on page 29, line 7, reducing the amount of the appropriation for continuing the Pablo Reservoir enlargement from $85,000 to $30,000.

Mr. SMOOT. We have only $3,000 to spare in the way of leeway; in other words, we have deducted only $3,000 more than was necessary to carry out the mandate of the Senate.

If we add $27,000, then we will have to deduct $24,000 some place else.

Mr. WALSH of Montana. I suppose that is true; but I call attention to the fact that this particular item was reduced, it will be observed, from $436,000 to $254,000, and all I am asking is that it be reduced $27,000 less than that amount.

Mr. SMOOT. But where can the Senate deduct $24,000, which would have to be done if the Senator's suggestion were approved? The amount we have taken off the House appropriation is just $3,000 more than the 10 per cent we were authorized to deduct. If we add anything more, as the Senator suggests, then we shall have to take it off somewhere else.

Mr. WALSH of Montana. I appreciate that; but let me remark that $182,000 has been taken from this item of $436,000, which is something over 30 per cent.

Mr. SMOOT. The committee followed the recommendations of the department as nearly as it could, and thought that a reduction in this item could properly be made. If the Senator has read the hearings in the House, I think he will admit that this reduction can be made with the least possible disadvantage, as compared with any of the other reclamation projects.

Mr. WALSH of Montana. That certainly is not the case in relation to either of the two items for which I make this appeal; that is, for continuing the enlargement of the Pablo Reservoir and the Tabor feed canal. Let me remark, as I have heretofore said, that this work was authorized by the act of 1909, and the settlers went upon this reservation upon practically the assurance of the Government that this irrigation project would be constructed. They paid for their lands upon the assumption that it was to be constructed; they have now waited more than 20 years for this work, and this is the part that is to be completed this year, in order to reach people who for 20 years have been waiting to get the improvements made that will bring the water to their land. They are suffering as it is. The other items relate to new construction that I freely concede might go out, but those two items I hope very much the Senate will agree to allow to stand. I think I am asking very little of either the committee or the Senate in this connection.

Mr. SMOOT. Of course, we can send the bill back and make the necessary reduction by cutting some other appropriation, but we have only a limited amount on which to work; and, if we adopt the course the Senator from Montana desires, then we have got to take the bill back and find some way to meet the instructions of the Senate.

Mr. WALSH of Montana. I am calling attention of the Senator to the fact that, being instructed to reduce the total by 10 per cent, this particular appropriation is cut 40 per cent.

Mr. SMOOT. The Senator recognizes that there are appropriations of hundreds of thousands, if not millions, of dollars that we can not under the law cut 10 per cent. We have got to appropriate the amount necessary to carry out the provisions of law.

Mr. WALSH of Montana. Yes; but I think the committee has been rather severe upon us.

Mr. SMOOT. We did not intend to be. We followed the evidence, so far as we could, of the department as to the best way to make the reductions, and we thought we were doing no injustice in cutting as we did.

Mr. WALSH of Montana. The two items of which I speak deal largely with the Pablo Reservoir and the enlargement of the Tabor feed canal. Both were fully justified by the testimony given before the House committee.

Mr. McKELLAR. Mr. President, I understand the appropriation asked for is larger than the appropriation of last year. I find on page 375 of the House hearing:

> Enlargement of canals, $22,000. This is particularly for enlargement of Tabor feed canal to make it possible to carry more water from Jocko River to Tabor Reservoir during the high-water season. It is estimated that from 6,000 to 10,000 acre-feet of water can be added to the water supply of the Mission Valley division by this work.

If this appropriation were not made it would not interfere with what is being done there now. They have water there, and this item is merely to increase the supply of water for the future.

Mr. WALSH of Montana. Yes; but the Senator will bear in mind that the supply now will not meet the needs of all those under the ditch; they are still waiting for the water, and can not get it until the capacity of this reservoir is increased.

Mr. McKELLAR. That was not proved before the committee, as I recall.

Mr. SMOOT. In the House hearings it is stated that this reservoir will also receive water from the Flathead Lake pumping plant.

Mr. WALSH of Montana. Exactly, and there is an appropriation of $100,000 this year for the establishment of the pumping plant, but that will be stricken out, and I am consenting that it go out. So they can not get any assistance from that source, and the only assistance they can get is by the enlargement of the reservoir.

Mr. McKELLAR. I call attention to the statement made about the Pablo Reservoir enlargement, the item for which $85,000 was originally provided:

> Pablo Reservoir enlargement, $85,000: This is the second of the 3-year program on completion of the Pablo Reservoir which has a present capacity of 13,000 acre-feet to be enlarged to 25,000 acre-feet, supplied through the Pablo feeder canal, serving 37,000 acres. The total estimated cost of enlarging is $250,000, of which $85,000 is available for 1932, a similar sum is asked for 1933, and $80,000 will remain for the next year. This reservoir will also receive water from the Flathead Lake pumping plant.

Mr. SMOOT. In other words, there was $85,000 appropriated in 1932, and a similar amount is asked for 1933. Taking all the reclamation projects into consideration, we thought that this was one that would suffer less from a reduction than any others of which we knew. The action has not been taken because we wanted to hit any particular project, but we had a duty to perform and we tried to perform it.

Mr. WALSH of Montana. I would not like to have any member of the committee understand that I am making any complaint about any lack of sympathy with the situation at all, but I am very sure that if it were understood as those of us who have been obliged to watch this thing during all these years understand it, it would be regarded even more sympathetically. I hope that these two items will be allowed to remain.

Mr. SMOOT. We can not do that unless we send the bill back and make a reduction in some other item.

Mr. McKELLAR. Nearly every appropriation had to suffer one way or another by reductions. Take the reclamation projects in the State of the chairman of the committee. They suffered in the same way.

Mr. SMOOT. Certainly.

Mr. McKELLAR. And likewise the projects in the States of other members of the committee.

Mr. WALSH of Montana. Yes; but I am conceding, it will be understood, without making any contention at all, $150,000, which is 30 per cent of the total amount. I make no complaint at all as to that, but I am simply asking to preserve these two simple items, one of $5,000 and the other of $22,000.

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Montana ask for the reconsideration of the vote by which the amendment was agreed to?

Mr. WALSH of Montana. I ask first for a reconsideration of the vote by which the item on line 7, page 29, was reduced from $85,000 to $80,000.

Mr. KING. Mr. President, I should like to ask the Senator from Montana whether the Flathead project, taking it by and large, in view of the Preston-Engle report, $5,000,000 and more having been expended, justifies further expenditures for new construction?

Mr. WALSH of Montana. The Senator from Utah really understands the situation, I think, fairly well. This was an Indian reservation which was opened to settlement under the

act of 1909. The same act contemplated the construction of this irrigation system. The lands were classified into those that would be irrigated under the system and those that would not be. Settlers were invited to go there and take lands, paying to the Indians an appraised price for them. A map was provided showing the lands that would be under the irrigation system. The lands under the irrigation system were classified and were appraised at a high price relatively, while the lands above the system were appraised at a relatively low price. Settlers selected lands under the project, paying to the Indians a high price for them upon the implied undertaking by the Government that it would carry on the work of irrigation so that these would be irrigated lands. They could go above the ditch and take, at a very much less price, lands which would be dry farming lands, which would not be irrigated.

For 20 years the settlers have been waiting for the Government to carry out that agreement. They have already paid for the land, the payments having been put into the Indian funds, and the Indians have had the benefit of them.

Mr. KING. What became of the $5,000,000 plus that was provided?

Mr. WALSH of Montana. It has been used in the construction of those works, and the Senator understands that a great deal of it has been expended in a way that has not produced very satisfactory results. This was an experiment when we started it 30 years ago, as the Senator well knows. I am not here to say that there has not been some waste of the money that has been appropriated for use on the Flathead Reservation, just the same as on all the other irrigation projects, but it would be a plain repudiation of the solemn undertaking of the people of the United States, through their Congress, to the settlers upon that project if these appropriations were not made and this irrigation system completed.

Mr. SMOOT. Mr. President, the same thing applies to other irrigation projects where we had to reduce the appropriations.

Mr. McKELLAR. As I look at it, it is a question of delay with the project. These projects can not be completed in one year. I think in this particular instance the work has been going on for quite a number of years—some twenty years perhaps.

Mr. WALSH of Montana. Yes.

Mr. McKELLAR. One year's delay, when our Government is behind $3,000,000,000 in running expenses, does not seem to be unreasonable, I submit to the Senator.

Mr. WALSH of Montana. In that sense perhaps the Senator is right. The settlers having already waited more than 20 years, the Senator would like to have them wait another year.

Mr. McKELLAR. If they have waited for 20 years, another year would not be so unusual, at any rate.

Mr. WALSH of Montana. If the Senator were one of these poor settlers there trying to make a living on this land he might take a different view of it.

Mr. McKELLAR. That is possible; I am sorry the situation is as it is.

Mr. KING. Mr. President, if the Senator will permit me, I want to ask him a question. I would not want to do an injustice, but the report of the Preston-Engle commission upon this project is so condemnatory of it that I confess it has excited my interest. I notice that Senator WHEELER quite recently in the hearings before the Frazier committee said, speaking about the bureau:

> They claim they have 120,000 acres under the irrigation system. The records show that but 33,000 are irrigated. They admit that they have a gravity flow for 80,000 acres, or over twice the acreage now in irrigation, yet for the past 15 years they have advocated a large addition to the system and propose a plan to pump water at an elevation of 325 feet through the Newell Tunnel and confiscate the tribal ownership of its power site.

I was wondering if the part of the project to which the Senator referred would fall within the 33,000 acres irrigated or within the area of 80,000 acres where the gravity flow is available?

Mr. WALSH of Montana. There is no flow except gravity flow; the pumping system has not been installed at all.

Mr. KING. The point is, the Senator states that 33,000 acres have been irrigated and they have water for 80,000 acres. I was wondering why, with that large quantity of water available, there should be any settlers there who would not have water for irrigation? If there are only 33,000 acres irrigated and they have water available for 80,000 acres, I was wondering why there should be any difficulty?

Mr. WALSH of Montana. I have no idea; I am totally unfamiliar with the document to which the Senator has now called my attention.

Mr. McKELLAR. I will say to the Senator that in the hearings, so far as I can find, there is no statement that any settler is waiting for water; but there was apparently a supply of water there for those who were on the land.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana for the reconsideration of the vote whereby the amendment on page 29, line 7, was agreed to? The Chair hears none.

Mr. SMOOT. Mr. President, I should like the Chair to state the question again.

The PRESIDING OFFICER. The question is on the reconsideration. Then there will be a vote as to what shall be the action of the Senate.

Is there objection to reconsidering the vote by which the amendment was agreed to? The Chair hears none. The question now is on the adoption of the amendment on page 29, line 7.

Mr. JOHNSON. Mr. President, before the question is put I want to express my entire agreement with what has been said by the Senator from Montana [Mr. WALSH]. I accept the facts as he has detailed them as absolute. Accepting those facts thus as absolute, it seems to me an incredible proceeding for us to deny $27,000 of an appropriation which he asks in addition to the greatly reduced amount that has, under the rule of the Senate, been adopted by the committee.

I can quite understand the position of the Senator from Utah. He says that they have a leeway of $3,000 only within which to make the celebrated 10 per cent reduction, and therefore he is unable to consent, where a necessity exists, as here demonstrated, to the request of the Senator from Montana.

The fallacy of this mode of proceeding is thus demonstrated. To make a Procrustean bed upon which you will crush every necessity of government is a mode of legislation that it seems to me is a very strange and a very peculiar one.

I do hope that the particular request thus made by the Senator from Montana may prevail. Something else on economy I hope to say during the day, or during the progress of some of these bills, and something, sir, wherein there may be real economies made; and I hope to submit to the Senate before we have concluded some purported reductions which will test the question of whether we believe in economies when economies really may be made.

I might recall to the Senate as well, on a $27,000 item that relates solely to the welfare and the everyday well-being of a few human beings in America, that the Senate, with a gaiety, sir, that passes description, only in the latter part of December gave to Europe $250,000,000, which we are making up to-day with just exactly such cuts against our own as are being made in this Reclamation Service and in other fashions, upon a 10 per cent rule, without regard to rhyme or reason. Two hundred and fifty millions we gave to Europe that it has been demonstrated now were paid to international bankers upon short-term credits; and as the months progress we are going to give them other sums of greater amount for the benefit of our international bankers; and every dollar is paid by American taxpayers, and every cent made up by Americans.

So I hope the Senate is not going to boggle and wobble and hesitate upon giving $27,000 to human beings who are having a hard enough time in this Government, God knows,

and reserve all of its generosity to give to those in Europe who do not require it—because they pay it out immediately to international bankers—hundreds of millions.

Mr. SMOOT. Mr. President, this is not the only item in the Reclamation Service that needs the money. There are others that are just as important as this item is; I will not say any more so, although the report shows that they are, and I was not even going to quote to the Senate what my colleague stated in relation to the report that was made to the committee.

The Senate can do as they please. I know that the committee have done their very best; and I know that after consideration of all the reclamation projects, cutting as we have all the way along the line, we thought we were doing the proper thing when we recommended to the Senate this particular cut.

Mr. McKELLAR. Mr. President, I want to say that I have no doubt of the accuracy of what the Senator from Montana states. If he states of his own knowledge that there are people there waiting for water, I do not hesitate to believe that statement coming from him. I desire to say, however, that no such proof came before the committee. There was not a line of that sort of proof. So far as I recall the proof, it was that they had plenty of water for the settlers who are now there. Under those circumstances the committee honestly and fairly and justly thought, in my judgment, that this work could be postponed another year, if the water was there for these people.

Mr. WALSH of Montana. Mr. President, I merely desire to say, if the Senator will permit me, that as a matter of course there was not any testimony of that character before the committee. Nobody anticipated that there was going to be any such opposition to these items at all.

Mr. McKELLAR. These items were questioned in the House, and proof was brought as to them, so somebody must have thought that there would be a question made.

Mr. WALSH of Montana. Let me inquire if it is not a fact that the representatives of the department came before the committee and said it was necessary, and that was all there was to it?

Mr. McKELLAR. Not exactly that. If the Senator will look on pages 373 and following of the House hearings, he will find that the whole question was discussed; and it was upon that discussion that the committee acted.

Now, I want to say just one word to the Senator from California [Mr. JOHNSON] if he will give me his attention. He was looking right at me a while ago when he said that we gave a great deal of money to our European friends, but that we were very careful about it over here. I want to say that I took exactly the same position on that question that the Senator from California took, and I voted against that monstrosity.

Mr. JOHNSON. And, Mr. President, if the Senator will permit me, as usual, we were both right. [Laughter.]

Mr. McKELLAR. I think so.

Mr. WALSH of Montana. Mr. President, I send to the desk a telegram on this subject from the directors of the Flathead and Mission irrigation districts, which I ask to have read by the clerk.

The PRESIDING OFFICER. Without objection, the telegram will be read.

The Chief Clerk read as follows:

POLSON, MONT., *April 9, 1932.*

Hon. T. J. WALSH,
Washington, D. C.:

Items approved by the Budget were the very minimum consistent with the program of construction. Elimination of them will mean extension of water shortage and additional loss to the farmers of the project. If the program can be carried through as outlined by the project management, the unemployment proposition in the Flathead country will be greatly relieved.

D. A. DELLWO,
RAY BIGGERSTAFF,
For the Flathead and Mission Irrigation Districts, Respectively.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was rejected.

The PRESIDING OFFICER. The Chair will ask the Senator from Montana what the other request was?

Mr. WALSH of Montana. The other is on line 11, page 29, "enlargement of Tabor feed canal, $22,000." I ask unanimous consent that the vote by which that amendment was adopted be reconsidered.

The PRESIDING OFFICER. Is there objection to the reconsideration of the amendment? The Chair hears none. Now, the clerk will state the amendment.

The CHIEF CLERK. On page 29, line 11——

Mr. WALSH of Montana. "Enlargement of Tabor feed canal, $22,000."

Mr. SMOOT. This is for pumping water from Flathead Lake.

Mr. WALSH of Montana. I make no criticism of the committee on that item. It is simply the enlargement of the Tabor feed canal, $22,000.

Mr. McKELLAR. Mr. President, I ask the Chair to state the question. As I understand, the question is upon agreeing to the amendment made by the committee.

The PRESIDING OFFICER. That is true.

Mr. McKELLAR. Those who favor the amendment striking out these items should vote "yea" and those who are in favor of the amendment of the Senator from Montana should vote "nay"?

The PRESIDING OFFICER. That is true.

Mr. McKELLAR. I hope we understand it.

Mr. SMOOT. Mr. President, I sincerely trust that the committee amendment will be agreed to.

The PRESIDING OFFICER. The question is on the amendment of the committee.

On a division, the amendment was agreed to.

Mr. HARRISON. Mr. President, may I ask the Senator who is in charge of the bill a question? On page 15 there is a provision stricken out by the committee for the purchase of lands, including improvements thereon, for the Choctaw Indians of Mississippi.

Is that the only item for the same purpose that was stricken out, or is that item treated as other items in the bill have been treated?

Mr. SMOOT. Mr. President, I think this is the only one of the land items that was stricken out.

Mr. HARRISON. It is the only one of the land items?

Mr. McKELLAR. I think it is the only land item.

Mr. HARRISON. It is the only item in the bill for the purchase of land except those that are carrying out authority of law?

Mr. McKELLAR. I think it is the only one.

Mr. SMOOT. I think that is so, Mr. President. This was recommended by the Secretary. The only other land item was on page 16:

For the purchase of land for addition to the Cahuilla Indian Reservation, Calif., as authorized by and in accordance with the act of March 4, 1931 (46 Stat. 1522), $2,560.

Mr. HARRISON. I am just wondering why the item that affects the Choctaws of Mississippi was stricken out, and the other items for purchase of lands in other States were not stricken out.

Mr. SMOOT. There is only one other, Mr. President. In this particular case, under the recommendations that were made, if there were going to be cuts at all, it was necessary to cut this amount out, and it was believed that they could get along with this appropriation stricken out without any real immediate trouble.

Mr. HARRISON. I am not going to insist on carrying in the bill an item that can wait, if it can. Of course, I want to see these Indians treated as fairly as other Indians, and I should not like to see any discrimination made in the matter. I have glanced through the bill, and I see that some of the other items carry out prior acts of Congress for the purchase of land. I think, perhaps, in some of those instances the purchase might wait, also.

Mr. McKELLAR. Mr. President, I will say to the Senator from Mississippi that that was the idea of the committee. There were a great number of these Indian items that had to be stricken out if the purpose of the motion was to be

carried out; and we have tried to treat all as nearly alike as possible.

Mr. HARRISON. And these particular Indians are not discriminated against?

Mr. McKELLAR. They are not discriminated against. The matter was just postponed. I hope later on the revenues of the Government will be better, and we can arrange for it hereafter.

Mr. HARRISON. I understand, then, that the committee are very much in favor of this item and regret very much that they can not write it in the bill at this time, but because of the economic situation and the lack of money they just can not do it at this time, and that the Senator and the committee will certainly bring it in here just as soon as improvement is made.

Mr. SMOOT. Personally, I would not have any objection to it whatever if the conditions were otherwise than they are, and we are assured that, as far as the appropriation is concerned, its elimination would bring little hardship to the Indians.

The VICE PRESIDENT. The clerk will report the next amendment.

The next amendment was, under the heading "Bureau of Reclamation," on page 64, line 17, after the name "District of Columbia," to strike out "$140,360" and insert "$130,000," and in line 19, after the name "District of Columbia," to strike out "$23,000; in all, $173,360" and insert "$20,000; in all, $160,000," so as to read:

The following sums are appropriated out of the special fund in the Treasury of the United States created by the act of June 17, 1902, and therein designated "the reclamation fund," to be available immediately:

Commissioner of Reclamation, $10,000; and other personal services in the District of Columbia, $130,000; for office expenses in the District of Columbia, $20,000; in all, $160,000.

The amendment was agreed to.

The next amendment was, on page 64, line 24, after the word "exceed," to strike out "$178,000" and insert "$170,000"; on page 65, line 1, before the word "for," to strike out "$25,000" and insert "$20,000"; in line 3, before the word "for," to strike out "$7,000" and insert "$5,000"; in line 4, before the word "for" to strike out "$54,000" and insert "$45,000"; in the same line, after the word "and," to strike out "$12,000" and insert "$10,000"; and in line 8, after the word "exceed," to strike out "$20,000" and insert "$15,000," so as to read:

For all expenditures authorized by the act of June 17, 1902 (32 Stat., p. 388), and acts amendatory thereof or supplementary thereto, known as the reclamation law, and all other acts under which expenditures from said fund are authorized, including not to exceed $170,000 for personal services and $16,000 for other expenses in the office of the chief engineer, $20,000 for telegraph, telephone, and other communication service, $5,000 for photographing and making photographic prints, $45,000 for personal services, and $10,000 for other expenses in the field legal offices; examination of estimates for appropriations in the field; refunds of overcollections and deposits for other purposes; not to exceed $15,000 for lithographing, engraving, printing, and binding; purchase of ice; purchase of rubber boots for official use by employees; maintenance and operation of horse-drawn and motor-propelled passenger-carrying vehicles; not to exceed $40,000 for purchase and exchange of horse-drawn and motor-propelled passenger-carrying vehicles; packing, crating, and transportation (including drayage) of personal effects of employees upon permanent change of station, under regulations to be prescribed by the Secretary of the Interior; payment of damages caused to the owners of lands or other private property of any kind by reason of the operations of the United States, its officers, or employees in the survey, construction, operation, or maintenance of irrigation works, and which may be compromised by agreement between the claimant and the Secretary of the Interior, or such officers as he may designate; payment for official telephone service in the field hereafter incurred in case of official telephones installed in private houses when authorized under regulations established by the Secretary of the Interior; not to exceed $1,000 for expenses, except membership fees, of attendance, when authorized by the Secretary, upon meetings of technical and professional societies required in connection with official work of the bureau; payment of rewards, when specifically authorized by the Secretary of the Interior, for information leading to the apprehension and conviction of persons found guilty of the theft, damage, or destruction of public property.

The amendment was agreed to.

The next amendment was, on page 68, line 4, after the word "maintenance," to strike out "$60,000" and insert "$50,000," and in line 5, after the words "in all," to strike out "$80,000" and insert "$70,000," so as to read:

Yuma project, Arizona-California: For operation and maintenance, $50,000; for continuation of construction of drainage, $20,000; in all, $70,000.

The amendment was agreed to.

The next amendment was, on page 66, line 10, after the word "maintenance," to strike out "$39,000" and insert "$35,000," so as to read:

Orland project, California: For operation and maintenance, $35,000.

The amendment was agreed to.

The next amendment was, on page 68, line 13, after the name "Payette division," to strike out "$25,000; in all, $40,000" and insert "$20,000; in all, $35,000," so as to read:

Boise project, Idaho: For continuation of construction, Arrowrock division, $15,000; for operation and maintenance, Payette division, $20,000; in all, $35,000.

The amendment was agreed to.

The next amendment was, on page 68, line 16, after the word "works," to strike out "$65,000" and insert "55,000":

Minidoka project, Idaho: For operation and maintenance, reserved works, $55,000.

The amendment was agreed to.

The next amendment was, in the item for the Minidoka project, Idaho, on page 68, line 24, after the words "in all," to strike out "$165,000" and insert "$155,000," so as to make the proviso read:

Provided, That not to exceed $50,000 from the power revenues shall be available during the fiscal year 1933 for the operation of the commercial system; and not to exceed $125,000 from power revenues shall be available during the fiscal year 1933 for continuation of construction, south side division; in all, $155,000.

The amendment was agreed to.

The next amendment was, on page 69, after line 12, to insert:

Sun River project, Montana: Of the unexpended balance of the appropriation for continuation of construction for the fiscal year 1932, $35,000 is reappropriated and made available for the fiscal year 1933 for drainage construction, Greenfields division.

The amendment was agreed to.

The next amendment was, on page 69, line 23, after the word "maintenance," to strike out "$30,000" and insert "$25,000," so as to read:

Carlsbad project, New Mexico: For operation and maintenance, $25,000.

The amendment was agreed to.

The next amendment was, on page 70, line 4, after the word "maintenance," to strike out "$365,000" and insert "$300,000," and in line 5, after the words "in all," to strike out "$411,000" and insert "$346,000," so as to read:

Rio Grande project, New Mexico-Texas: For operation and maintenance, $300,000; for continuation of construction, $46,000; in all, $346,000.

The amendment was agreed to.

The next amendment was, on page 70, line 11, after the word "construction," to strike out "$1,000,000" and insert "$500,000," so as to read:

Owyhee project, Oregon: For continuation of construction, $500,000.

Mr. McNARY. My colleague [Mr. STEIWER] is absent from the Chamber necessarily on public business and will not return for perhaps an hour. I ask that this item may go over during his absence.

The VICE PRESIDENT. Without objection, the amendment will be passed over.

The next amendment was, on page 70, line 22, after the word "maintenance," to strike out "$48,000" and insert "$45,000," and in line 23, after the words "in all," to strike out "$123,000" and insert "$120,000," so as to read:

Klamath project, Oregon-California: For operation and maintenance, $45,000; continuation of construction, $75,000; in all, $120,000.

The amendment was agreed to.





The next amendment was, on page 71, after line 10, to strike out:

Salt Lake Basin project, Utah, second division: The unexpended balance of the appropriation for the fiscal year 1932 shall remain available for the same purposes for the fiscal year 1933.

And in lieu thereof to insert:

Salt Lake Basin project, Utah, second division: The unexpended balance of the appropriation for the fiscal year 1932, originally made in the appropriation act of May 14, 1930 (46 Stat. 303), for the Interior Department for the fiscal year ending June 30, 1931, and continued available for the fiscal year 1932 by the act of February 14, 1931 (46 Stat. 1115), shall remain available for the same purposes for the fiscal year 1933, the proviso to said original appropriation for said second division being hereby amended so as to read as follows: "*Provided*, That no part of this sum shall be available for construction work until a contract or contracts shall be made as required by the reclamation laws with an irrigation district or districts or water users' association or associations for the payment to the United States of the cost of such second division."

The amendment was agreed to.

The next amendment was, on page 72, line 6, after the word "maintenance," to strike out "$300,000" and insert "$250,000," and in line 7, after the words "in all," to strike out "$800,000" and insert "$750,000," so as to read:

Yakima project, Washington: For operation and maintenance, $250,000; for continuation of construction, $500,000; in all $750,000.

Mr. ODDIE. Mr. President, there is an analogy between the appropriation for the Yakima project and the Boulder Dam project, and for that reason I ask that they both be considered at the same time, and that action be suspended on this item until we reach the Boulder Dam item.

The VICE PRESIDENT. Without objection, the amendment relating to the Yakima project will be passed over temporarily.

The next amendment was, on page 72, line 14, after the word "maintenance," to strike out "$20,000" and insert "$17,500," so as to read:

Riverton project, Wyoming: For operation and maintenance, $17,500.

The amendment was agreed to.

The next amendment was, on page 72, line 19, after the word "division," to strike out "$12,000" and insert "$10,000," so as to read:

Shoshone project, Wyoming: For operation and maintenance, Willwood division, $10,000.

The amendment was agreed to.

The next amendment was, on page 75, line 4, to reduce the total appropriation from the reclamation fund from $3,089,360 to $2,414,500.

Mr. ODDIE. Mr. President, I have offered an amendment to this bill since it has been returned from the committee, asking that the appropriation for this Boulder Canyon project be increased to $10,000,000, the figure at which the Senate originally fixed the appropriation. The bill originally came to the Senate from the Committee on Appropriations with the increase from eight to ten million.

Mr. President, this is a construction item. Several thousand men are engaged in work on the Boulder Canyon project. There are many grave problems in connection with it. Delay would cost the Government a large amount of money in interest and would raise havoc generally. The matter has been discussed heretofore; I have already made statements on the floor of the Senate regarding it. I made a brief statement about it yesterday. I feel that on these construction projects we will make a mistake if we cut the appropriations 10 per cent below the House figures. The House has carefully studied these items, and the Members of the House have undoubtedly realized that a cut in the construction items would mean throwing large numbers of men out of work to-day.

We can not afford to follow such a policy. It is a policy of pessimism and destruction. We know the army of unemployed amounts to several million men and women to-day. Under the policy of reducing these items 10 per cent we are contributing to the unemployment; we will be throwing men out on the streets, men who are having a hard enough time to-day as it is.

Mr. President, we have heard much lately regarding the hoarding of wealth. Such an action as this 10 per cent cut would mean the hoarding of necessary governmental expenditures. Instead of our Government being in the position of aiding industry and of aiding the citizens of our country, preventing destruction of industry, preventing suffering among our people, our Government, by an action of this kind is destroying industry, causing great suffering and distress among our people, contributing to the unemployment, prolonging the period of depression, and preventing the return to normal times.

We should take the other viewpoint. We should follow the other road. We have followed this present road long enough. We know it is leading us to more distress and misery. We should turn our heads and follow the other road.

In connection with this construction program, I addressed the Senate a few days ago on the Treasury and Post Office appropriation bill, which has been under my charge in the Committee on Appropriations. A cut of 10 per cent in that bill will mean the stopping of work on practically 250 Federal buildings. I gave notice to the people of the country last week what that would mean, what the throwing of tens of thousands of men in the building trades onto the streets would mean to our country.

Mr. President, when that bill comes before the Committee on Appropriations for final writing up, I shall bring this matter clearly before the members of the committee and advocate that the construction item be eliminated from the 10 per cent cut. I can say the same thing about the Boulder Canyon item. A cut of 10 per cent and more as proposed to-day would mean that eventually many hundreds of men, possibly several thousand men, would be thrown out of employment.

The Government has invited those men to come in there, by advertisements all over the country, stating that work was to be had at Boulder Canyon. Would we be showing good faith, after those men have come there from every State of the Union, and have brought their families with them, if we threw them out on the streets, without a strong protest? I am making my protest now. The same applies to the postal employees who would be affected by the proposed 10 per cent cut in the post office appropriation bill. I referred to that matter the other day and shall not go into it again now.

I think the Senate is acting unwisely in this matter. Numbers of Senators voted for the 10 per cent cut without a full knowledge of conditions, without knowing that it would mean the closing down of construction work which is necessary to-day in helping to keep certain people in their homes and in providing food and clothing for them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ODDIE. I yield.

Mr. McKELLAR. Is it not true that the department published warnings to people all over the country that there were only a certain number of places—about 2,000 or 2,200—warning people not to come to Boulder Canyon under the circumstances, that they already had enough employees?

Mr. ODDIE. Yes; but, Mr. President, hungry and needy men will not heed a warning of that kind. They will take a chance in an effort to get positions. I have seen numbers and numbers of men in the Boulder Dam area, honest American workingmen, who needed the work in order to supply their families with food and clothing. They walked in there; they rode the brake beams to get in there; they came in all manner of ways with the hope that they might find work. We can not afford to treat those men in this way and stop this construction program in the United States.

Mr. President, I hope the committee amendment will be rejected.

Mr. SMOOT. Mr. President, I simply want to repeat what I said yesterday. I would agree with all the Senator

says if it were not for the fact that we were to have further appropriations for this activity of the Government. I am as sure as that I live that in a deficiency appropriation bill there will be appropriated all the money necessary to carry on that work. No human being would ever think of stopping the work if he knew what it meant. It is impossible to stop it. If that work were to stop to-day, the diversion tunnels more than likely would be destroyed, and that can not be done. Congress will not do it. Congress is going to appropriate every dollar necessary for that work, and we will know more about how much we will need when the deficiency appropriation bills come before us.

All the money necessary to carry the work on to the 1st of July has been appropriated, and this appropriation is by way of paying for the increased work done by the contractors ahead of the time provided for in the contract. I am sure nobody objects to the work being forced ahead. It may be that if we appropriate the money—and we will if it is required—the project will be completed a year ahead of the time contracted for, all of a year ahead, and that would mean a great deal to the Government, too.

There is no chance whatever of Congress failing to appropriate the money for that great undertaking. It is under contract, and the contractors are ahead of time. As I have said, the appropriations have been made to carry the work up to the 1st of July, and whatever will be needed for the coming year will be appropriated before this session of Congress comes to an end.

Mr. PITTMAN. Why not do it now?

Mr. SMOOT. We were instructed to cut $4,500,000 off this bill.

Mr. PITTMAN. If we are to put it back to-morrow, what is the use taking it off?

Mr. SMOOT. We are carrying out the instructions of the Senate.

Mr. PITTMAN. I understand; but when the Senator admits that we shall have to put up some more money a little later on, and that we are going to put it up a little later on, what is all this, anyway—a deception?

Mr. SMOOT. Not at all; it is carrying out the instructions of the Senate. That is all the committee is doing. I do not know whether the Senator voted for the resolution to reduce the appropriation or not.

Mr. PITTMAN. No; I did not; because I knew there would be just this foolish thing coming up.

Mr. SMOOT. So did I; absolutely. The Senator from Nevada is no more interested in the carrying out of this Boulder Canyon project than I am. I want it to go through, and it will go through. I have no more doubt of that than that I breathe the breath of life at this moment, and it will go through when we know exactly the amount of money necessary to be appropriated. Doctor Mead, before the committee, told the story just as I have told it now. He knew that the appropriations had to come. I have full sympathy with the position of the Senator from Nevada in the matter, but we can not carry out the instructions of the Senate in any other way than in the manner proposed through the cuts we have made.

Mr. FESS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Ohio?

Mr. PITTMAN. I yield.

Mr. FESS. No criticism is made of the committee in bringing in this cut in order to meet the 10 per cent reductions ordered; but that does not necessarily bind the Senate. It can reverse its action of the other day, when we ordered the cut, and I am going to vote in accordance with that idea. I am not criticizing the committee; probably this is all they could have done, but we can undo what they did if we want to.

Mr. SMOOT. If there is any necessity for it I will be in exactly the same position as the Senator from Ohio. If I did not know that this thing would be taken care of, I would vote just as the Senator said he would vote.

Mr. JOHNSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from California?

Mr. PITTMAN. I yield.

Mr. JOHNSON. May I reiterate what I endeavored to state yesterday, that if what the Senator from Utah has stated is so, then the cut that is made here is a mere paper cut; it is a sheer sham; and it ought not to be made, because it is a sham, and we are indulging in pretense to our people concerning it.

Mr. SMOOT. I stated exactly my position yesterday. I agreed with the Senator in that position. I have not any doubt about it any more than that I breathe at this moment.

Mr. JOHNSON. We are in thorough agreement; and if the Senator from Nevada will yield further, I say the only difference between us is that I do not want to be a party to a sham. I know the Senator from Utah does not want to be a party to a sham. I hope that the Senate will not be a party to a sham.

Mr. SMOOT. The Senator from Utah, together with other members of the committee, merely carried out what the Senate ordered us to do.

Mr. McKELLAR. Mr. President, if the Senator from Nevada will yield——

Mr. PITTMAN. Certainly.

Mr. McKELLAR. If the Senator from Utah is agreeing that this is a sham, I want to say that I wholly disagree with him, and I shall give my reasons for it when the Senator from Nevada concludes his remarks.

Mr. PITTMAN. Of course, I do not know what the Senator from Tennessee will say. He will probably explain himself clearly to himself before he sits down; but whenever I hear members of the committee admit that the money they have cut out of the bill has got to be appropriated right away in some other manner, then I know this is a sham. On the other hand, if there is an intention not to appropriate it, even though it is absolutely necessary, then I know the time is here now to settle the question instead of trusting to having that attitude defeat a necessary appropriation at a later time.

I am satisfied the Senator from Utah [Mr. SMOOT] and other Senators who have reported the bill with the reductions directed by the Senate intend to do the necessary thing. They intend to have a deficiency appropriation bill provide the necessary funds to carry out the contract, but there may be others who do not so intend. There may be others who do not realize the situation. I voted against recommitting the bill to the Committee on Appropriations because it seemed to me it would not take very much imagination to ascertain what was really going to happen. It was an illogical thing to do. It was to be an arbitrary thing not based on reason or necessity.

When the bill got back into the committee the natural thing happened. The Senator from Washington [Mr. JONES] found out that the Yakima project was an absolute necessity, and so they could not cut that item. Some other Senator found out that they could only cut a very little bit off of a project in his State because that was an absolute necessity. As a matter of fact, the only real necessity in the bill was maltreated, butchered, murdered. That is the truth about it. The Yakima project could be cut off entirely; and while it would be damaging to the people there, it would not threaten in the way that is threatened by the stopping of the Boulder Dam project. We could stop in my State any appropriation for any reclamation project. It would be a hardship on the people there. It would be unsound. It would be uneconomic. I would not approve of it. But there would not be involved the threat of destruction that is made by not carrying out the Boulder Dam project.

Mr. JONES. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Washington?

Mr. PITTMAN. I yield.

Mr. JONES. I wish to make merely one remark. I care nothing about these references to the Yakima project as compared to Boulder Dam or anything of that sort except that I want to say that there are those situated in the same way under the Kittitas project and the Yakima project who will be affected in a similar way to those under the Boulder Dam project. There are settlers who are waiting and expecting water to be gotten next spring if the work is carried on which is under contract.

Mr. PITTMAN. I have tried to state that no matter which one of the projects we cut down, it is going to bring suffering; but I want to draw the distinction between the destruction in those cases and that which is imminent in the case of Boulder Dam. The primary reason for the passage of the Boulder Dam act was to prevent the destruction of Imperial Valley with its great population and its great wealth. The engineers had found out and admitted that there was not any way on earth to prevent its destruction except to impound the waters at Boulder Dam. The delta of the river had filled up with silt until there was nowhere for the river to run at extreme high water except into the Imperial Valley.

Some twenty-odd years ago it broke in there when conditions were not nearly as acute as they are now. The valley was saved by the Southern Pacific Railway Co. dumping in all the railroad cars they had and even then it made a great sea in that valley which is now called the Salton Sea. But since that time the silt has been filling up the channel of the river and filling the few channels that did exist until now there are practically no channels. There is a question now as to whether or not that dam and the impounding of the water can be accomplished before the destruction comes.

What difference makes a year? A year might mean the difference between destruction and salvation. I wish those who are treating this matter lightly understood it, but it is totally impossible apparently to make men understand those things they do not already understand by physical experience. Imagination does not seem to run very far nowadays.

The building of that dam can not be started until that enormous river is diverted. The diversion of the river was the chief engineering problem. It was the main question. It is totally impossible to divert the waters of that torrential stream down there except in extreme low water. Four of the largest tunnels ever thought of in the world have been constructed. Each of them is 50 feet in diameter and a mile or so long, designed to carry the water of the river. They have a capacity that would carry the entire Mississippi River at normal flow at St. Louis. The contractors have the tunnels substantially ready. They have worked intensively. They are six months ahead of time by reason of the intensive work they have done. When the water lowers after the spring freshet, they will have to throw in a cofferdam 90 feet high above the proposed base of the dam and one below it, turning the water through these tunnels to dry bedrock so they can sink down 150 feet for a foundation.

We have the estimates of the engineers that they will require more money during the coming year than will ever be required again in any other year. They need the money this year. They have to avail themselves of all the men and all the machinery they can get to build these enormous cofferdams. We have the report of the engineers stating that at this particular time it requires more pressure and more money than it will ever require again if they once get the river diverted. There is then nothing to interfere with the building of the dam when they get to bedrock.

We have here the report of the engineers who have the contract to construct the work. We are told these things by the engineers. They say, "You have made us guarantee to finish this work in a certain length of time. The contract allows us to be paid by the Government so much money as we proceed. We are proceeding, and we say to you that we will need $15,000,000 this coming year if we are going to do the work right." Then the Budget comes in and says, "We can not afford it," and cuts down the item. Then the House comes along and cuts it down $2,000,000 more and the Senate committee comes along and cuts it down $4,000,000 more.

What is the result? The engineers have told us the undoubted result. They said, "If you are not going to furnish us the money then we will have to wait another year to divert the water. We have 4,000 men working here. We have a perfect organization. We have good employees who understand their business. We will have to discharge one-half or two-thirds of them because there is no work to carry on down there except to divert the water." If they can not get the money to hire men and machinery to divert the water now, they will have to wait a year. What happens if they wait a year? One year's delay in the impounding of that water may mean the destruction of Imperial Valley.

It is said, "If you can wait six years why can you not wait seven years?" The geologists have found high-water marks on the canyon wall twice as high as the normal high water, indicating that at some period of time there has been a flood down there that high. If it came now or at any time before that impounding dam is constructed, there is no power on earth that would prevent Imperial Valley from becoming an enormous lake.

Mr. ODDIE. Mr. President——

The VICE PRESIDENT. Does the Senator from Nevada yield to his colleague?

Mr. PITTMAN. I yield.

Mr. ODDIE. If the Senator will permit, I want to ask a question just at this point. Would it not be helpful if the Senator could give in a brief way the amount of the assessed value of Imperial Valley and the number of people living in the valley?

Mr. PITTMAN. I had rather leave that to the Senator from California [Mr. JOHNSON]. I think there are possibly 400,000 people in the valley and between 400,000 and 500,000 acres of highly irrigated land. It is two or three hundred feet below sea level. This enormous river runs along the edge of that valley as though it were running along the edge of a saucer, with its outlet to the ocean stopped up with silt. There are no dikes or dams there that would hold it.

I was referring to the enormous flood which came once many years ago. We are told that if there is a coincident flood of the tributaries of the river again, we will have a flood twice the height of the last one, probably as high as the one which happened 40 or 50 or 60 years ago. Yet when we know or ought to know that the Government is obligated to pay that money and is going to pay it, the committee proposes to refuse to pay it so that they can show an apparent economy. If we do not pass the deficiency appropriation later on carrying this item, or if we do not include this item in it, not only is the danger imminent about which I have told the Senate, but the Government of the United States will lose over $2,000,000 in interest alone, amounting to as much as the proposed cut now made in the item. The minute power commences to run there the Government commences to get revenue for amortization and 4 per cent interest. Until that does occur the Government is paying 4 per cent interest on the outlay of the money.

Mr. President, it seems to me that we are in one of two positions. We either intend to pretend an economy in this bill, which it is intended to make up in the deficiency appropriation bill before we adjourn, or it is intended never to make the appropriation by attempting to defeat it in the appropriation bill. If the former is true, then it is a deception and a fraud. If the latter is true, then it is a threat not only to the Government, but it is a threat to the life and property of thousands of people. In either case the position is untenable. I admire the purposes which actuated the Senator from Tennessee [Mr. MCKELLAR] in desiring to reduce the expenses of the Government. I think that feeling is shared by every Senator here; but we can not scientifically accomplish that in a week or 10 days; we can not possibly accomplish it unless the committee knows the facts concerning each appropriation and each project for which appropriation is made, and it does not know them and has not had time to ascertain them. Why should not

the motion have been to cut the appropriations down 20 per cent, 50 per cent, or 60 per cent? Why was the wonderful figure of 10 per cent suggested? I have not examined closely the entire bill, but if I guess right, nearly half of the reductions which have been made on the 10 per cent basis involve reductions in the appropriations for absolutely essential and valuable projects, appropriations designed to carry out existing contracts, and the remainder of the reductions is made up of small cuts on little items.

I suppose that soon, in the effort to bring about economies, the proposition which has been advocated to cut down the wages and salaries of all the Government employees will come before us, when it is in the minds of all of us that we could properly cut out many useless bureaus and not have to reduce wages and salaries. However, it is so much easier not to think, not to estimate, not to find out, but just cut off an appropriation by 10 per cent, whether it is justifiable or not. It does not require any intelligence or any reasoning or any thought to do that; but it has a magnificent appeal to the taxpayers of the country. Why not do it?

No one in this hour seems to consider the purchasing power of the people of the country as having anything to do with the financial situation in which we find ourselves. Four or five months ago we heard much of it; now we hear nothing at all of it. We already have in this country eight millions of people who can not buy anything, who are in the unemployed class. We have probably hundreds of thousands of farmers in this country who can not buy anything. Tell me how, in the name of heaven, we are going to increase the sale of manufactured goods until we have somebody who can buy those manufactured goods? With steel production now running at only 25 per cent capacity, how is it possible for us to increase the purchase of steel products when no one has any money with which to buy those products? How can we increase the purchase of automobiles when there is no one to buy automobiles? I am always forced back to the proposition that the first thing we have got to restore in this country is the purchasing power of the people. I do not see how anyone is going to make anything by borrowing money when he can not make money off the money which is borrowed.

The whole proposition seems to me absurd. If it is the intention of the Senator from Tennessee to oppose restoring in the deficiency bill the $4,000,000 the committee is now proposing to cut off, then I say that so far as I am concerned the pending bill shall never become a law if I can help it until that item is put back in it. If the Senator from Tennessee is willing to promise us that the item will be put in the next deficiency appropriation bill a month or two from now, I shall not feel so sad about it, although I shall still think the action now contemplated is foolish. That is the position I take. Until I ascertain whether there is going to be an attempt to make these appropriations permanent I am not going to support this bill, and I am going to be prepared to fight it for quite a long time. That is all I have to say about the matter now.

Mr. McKELLAR. Mr. President, it seems that every Senator in this body is perfectly willing to reduce expenditures for anything that does not concern him or his State.

Mr. PITTMAN. I quite agree to that.

Mr. McKELLAR. The Senator a while ago talked about useless bureaus, stating that if we were going to reduce appropriations we ought to abolish useless bureaus. The Senator will recall that during the consideration of the agricultural appropriation about a month or six weeks ago I offered 29 amendments to abolish useless bureaus in the Department of Agriculture, such as the bureau having to do with the Mediterranean fruit fly, the division having charge of investigations as to the barberry bush—a disease that nobody, not even in the Department of Agriculture, knows anything about—and a bureau that had been established for 70 years to study the marital relations and propagation of microscopic insects. The Senator from Nevada, as I remember, voted against the abolition of those useless bureaus.

I am going to answer now the argument that was advanced here, and I want to make a statement about it. No man in the Senate was more in favor of building the Boulder Dam than was I. When the Senator from California [Mr. JOHNSON] stood here day after day, week after week, and month after month in the interest of that project, I was with him at all times; I voted with him on every occasion, and I think that great project ought to be carried out. I am willing to lend my feeble assistance all along the line; but what is the situation that now confronts us?

I first refer to the deplorable condition of our Treasury. We are behind $3,000,000,000 in the ordinary running expenses of the Government. We talk about appropriating money out of the Treasury when we have no money in the Treasury, but, on the contrary, are $3,000,000,000 behind, or perhaps even more, or will be on the 1st of next July, and in another year, according to the best authorities, we will be something like $6,000,000,000 behind in the running expenses of the Government.

Under these circumstances it seems to me that it is time to reduce the expenditures of the Government. We have with too lavish a hand been undertaking to run this Government. Every business in America is cutting down its expenses, and why should not the greatest business in America, when its Treasury is empty, pursue a like course, and cut down its expenditures? Senators say, "That is perfectly proper, just so you do not cut down any expenditures in which I am interested. Cut down the other fellow's expenditures; yes; we will join you; but when it comes to our expenditures we must have appropriations in full measure and running over as heretofore."

When the agricultural bill was pending before the Senate I tried to reduce the appropriations carried in that bill in the ordinary way, to strike out those activities which were duplications, to eliminate those bureaus where nothing was being done for the benefit of the Government or the people; but the Senate voted me down. It will probably be recalled that the vote was 46 to 20.

Then the plan which is now being abused was suggested, namely, a 10 per cent cut in the totals carried by the bill as it came from the House. It is said that that is unscientific. Well, if it is, all appropriation measures are unscientific. Why? Because the bill was simply referred back to the committee with a certain limitation, and the committee selected the items of appropriation in the same way they did before. There was no change in the method pursued; there was merely a limit placed on the amount that could be appropriated; that is all. The limit is a very proper one, I believe, and as I think the great majority of the Senate believes. When the bill went back to the committee the chairman obtained suggestions from the head of the department. The committee went over those suggestions. The chairman himself undertook to work out many of the reductions and did a good job. His suggestions were likewise considered, and the committee, after considering every item, reported the bill back here in accordance with the mandate of the Senate.

That brings me to the Boulder Dam project. As I have stated, I voted for it; I am in favor of it; I think it ought to be completed; but what did the committee find the facts to be regarding Boulder Dam? It found that the Government entered into a contract and that the contractors, with laudable zeal, no doubt, seeking to earn their money as soon as possible—and they can not be blamed for that—were six months ahead of the contract time on this project. The Government has spent more money than it had contracted to spend because the contractors are ahead of time. So the committee very sincerely and very justly concluded that this was not a time to hurry up work on this great project; that this was not a time to put on double steam in its construction; but that, considering the interest of all the people and all other projects that are contemplated and included in this bill, it would be fair and just to say to the Boulder Dam contractors, "Just go a little slowly; it is not necessary to construct this project ahead of time." It will

not be a saving to anybody to do that. Why should it be advanced ahead of time? The Government is not bound to complete it ahead of time. If it had been so important to do that a contract would have been made requiring greater speed.

As I have said, the contractors are ahead of time on the work by six months. Why should we not slow it down? There are ample appropriations to carry the work up to July 1; there is no question about that; the appropriation of $6,000,000 will run it for probably the entire year unless they put on double steam and seek to obtain advantage for themselves by completing the project ahead of time. I do not think that would be fair at this juncture. I want to say to the Senator from Nevada and other Senators who are interested in Boulder Dam that, in my judgment, they will find that not more than the $6,000,000 will be expended by the 1st of July, 1933. It is not necessary to press the work forward. If the work shall continue at the present rate the project will be completed years before the time limit. That is not necessary, and certainly it is not necessary with the Government facing an empty Treasury. That is all there is about that.

The committee has tried to treat this project, just as it has tried to treat all other projects, fairly and justly. We made greater reductions in some items than in others. The cut was more than 10 per cent in this instance, but we felt that that could be done without hardship. Why? Because the work is already ahead of time, and, when we think that the great Colorado River has been running along in the same channel, as scientists say, for 7,000,000 years, but, as we Christians say, for at least 6,000 years, there could not be any great loss if the contract were allowed merely to proceed on schedule.

With all due respect to my distinguished friends from Nevada and my distinguished friends from California, and all the other Senators who are interested in this project, I want to say that really I do not think, with our Treasury in the plight in which it is, they ought to insist on the Congress spending the money to have this project completed ahead of time. I think they ought to be willing to have the work slowed down somewhat. I want to say to them that the moment the Treasury is in good condition I will be willing to increase the appropriation; but I do not think, as to this one project, regarding which Congress has been unusually liberal in providing appropriations—and I think it was proper they should have been provided and I voted for them—after the project has been authorized and appropriations have been made that they should insist on unexampled appropriations to press the work ahead of that on all other projects in the country, and demand that Boulder Dam must be given priority because it is a large project.

I do not think it is just. I am honest about it. I am sincere about it. I believe it will be better for this project in the long run if the Congress is permitted to go along in the even tenor of its way and do even and exact justice all along the line.

I hope this amendment will be agreed upon as reported by the committee.

Mr. MORRISON obtained the floor.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from North Carolina yield to the Senator from Nevada?

Mr. MORRISON. For a question.

Mr. PITTMAN. It seems perfectly evident now that the Senator from Tennessee is going to oppose the appropriation for this purpose in the deficiency bill. I feel that it is of vital importance to continue this work as rapidly as possible, because the Government wants it done as rapidly as possible. It will be put off one year longer if we do not furnish this money. The Imperial Valley will be endangered. The Government will lose $2,000,000 in interest. Therefore, I have to reiterate that if this amendment is adopted, I shall have to oppose the whole bill.

I thank the Senator from North Carolina.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from California?

Mr. JOHNSON. I wanted to take about three minutes; but if the Senator from North Carolina has the floor, I will of course, give way if he desires.

Mr. MORRISON. I shall take only a little while, sir.

Mr. JOHNSON. Very well, sir.

Mr. MORRISON. Mr. President, as I view the condition of our country, we can not meet the difficulty of the times merely by paring, by finding wasteful appropriations and eliminating them. I think we have come to the time when either in a measure the United States Government must be decentralized or State government must fail almost everywhere in the United States to perform their functions.

We are apt to forget here that this is not the only body in this country making appropriations and levying taxes. We must recognize that the appropriations being made here are enormous, and that the necessary taxation to meet them will be burdensome, and to many industries well-nigh destructive; but we should remember that the States are in a plight very similar to that of the United States Government.

The State governments are about to break down everywhere in the United States. The credit of nearly all the States is either gone or very much weakened. We should remember, in making appropriations and levying taxation here, that the States must make appropriations to give the people complete government and levy taxation to meet those appropriations. The school-teachers are not being paid in many of the States to-day because the States can not find the revenue in taxation to pay them, and they can not secure the credit to get the money to pay them by borrowing. Taxation has become so burdensome—when we consider the local tax, the town or city, the county, and the State and the Federal Government—that all property is becoming largely valueless on account of the heavy taxation upon the income from it—ad valorem and other taxation, whatever its character or type may be.

Our Central Government here is doing a great many things that ought not to be done by it. I do not believe we can continue such activities without taxation, when added to State and local taxation, so oppressive as to endanger most seriously all values in the country.

For many, many years to come we shall have a burden of expense growing out of the war equal to the largest expenditure of any year prior to the World War, and this must go on; and that expense was incurred in meeting the proper functions of the United States Government. On the other hand, we have department after department here which may be good and useful, yet many of them are supplementing the work of the States.

Take the most popular of all the great departments, the Department of Agriculture. I should say that half of its activities are mere duplications of work being as well done, and in many instances better done, by the States.

We must realize, it seems to me, that we will not meet the situation by finding wasteful, unnecessary appropriations, but that we have come to the time when we must not make appropriations for any purpose which we can not pay with reasonable taxation, considering the other taxes the citizenship of this country must pay in order to give the people the complete government through the State and local governments.

Mr. President and Senators, how do we know when this depressed condition of our country will end? If it does not end, although we may pass the contemplated revenue bill at this session, two years from now we will be in the same plight that we are in now; and in the meantime what is to become of the State governments and the local governments everywhere?

I believe we have reached the time when we must cease to spend money here for some of the good purposes for which it is spent simply because we can not raise the revenue to meet such appropriations without destroying values and tearing down the whole industrial and business fabric of our country.

I am for every reasonable opportunity to pare and to cut and to get rid of unnecessary expenditures, as we call them; but I believe we must go boldly beyond that and cease to spend money for any purpose other than one that is truly vital to the existence of the Government, and distinctly enumerated in the Constitution, unless we can find the revenue to meet such expenditures without destructive taxation.

Down in my great State, the growth of which for a few decades has been the study and wonder of the Republic, we are faced with difficulty to meet the reasonable expenditures of a modern and enlightened State government, and the wisest men in the State can not see a way through. Why? One of the reasons is that our principal industries are so heavily taxed by the Federal Government that they can not stand the taxation necessary to support a modern, enlightened, and progressive State government.

More and more the States are getting away from ad valorem taxation, as they should; but the difficulty is with every source of taxation possessed by the Federal Government, for wherever prosperity in any industry can be found it is necessary for the United States Government to grab it, so to speak, and levy all the taxation it will bear. The States are staggering under their difficulties; and yet the highest reductions proposed by anybody amount to just a few hundred millions of dollars, which will not relieve the situation at all either for the country or the States. We ought to proceed not merely to cut 10 per cent from these great appropriation bills, but in most of them we ought to go far beyond that.

I do not take much stock in meeting the difficulty by cutting the wages of the people who work for the Government. There is a popular impression throughout the country that the employees of the Government are highly paid. We know it is not true. They are paid small wages compared to private business, and some of them are paid little more than enough to exist upon; but the difficulty is that we have great armies of them that I do not believe the fathers who founded this Republic ever designed should be employed in the activities in which they are employed. We ought to dismiss them altogether and get back to only the clearly enumerated duties of the United States Government.

Instead of cutting wages and saving a few millions that way, we ought to cut out activity after activity in which this Government is engaged, because we ought now to know that with the utmost economy and with the wisest statesmanship which can lead us, the whole plant has become so great, so all-embracing, and so sweeping, that we can not sustain this Government and sustain the governments of the States and subdivisions wherein the government goes to the people in their very homes and lives. The people can not bear the cost.

This Government was founded for a few great specified purposes. Even Alexander Hamilton said they were distinctly enumerated in the Constitution itself. Yet we have departed from those few great purposes, and have undertaken to give the people of the United States, from Washington, a full, complete, and rounded government, ignoring the fact that the States were designed and intended, and kept to themselves, the power to give the government which the people were to have, except as to the few powers expressly delegated to the Government of the United States.

Senators, I believe that the hour has come when we must consider ceasing to try to run the Department of Agriculture with the sweeping costs at which we now operate it and recognise that much of the work performed by that department is being done, as I said before, by the States.

The time has come when the same thought should be applied to the Department of Commerce; and, by the way, the more we have nourished that great body, the more harm it has done, because it has led the country to policies which have destroyed our foreign commerce. Yet we are piling up its great costs. I would say that the appropriations for it ought to be reduced, and very greatly reduced.

Then there is the Department of Labor. There is much sentiment about that department, and I do not think it does the laboring people of the country anything like as much good as it costs. A great deal of its work is being done by State departments of labor, and being done better. Many other great activities might be mentioned.

Mr. President, if we keep on enlarging this great Government, which we have allowed to grow so imperial, with all the attendant costs, the States must shrink; and they will not be able to continue to meet the high functions expected of sovereign States of this Republic, because the people can not bear up under the cost.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. MORRISON. I yield.

Mr. McKELLAR. I am a great deal more interested in reducing the expenditures of the Government than I am in hunting up new sources of taxation for our extravagant Government.

Mr. MORRISON. The Senator knows, though, as an experienced Senator, devoted to his duties, that if we make appropriations, we must levy taxes sooner or later to meet those appropriations, and sound statesmanship demands that they shall be currently levied. To-day we have before us a tax bill levying taxes heavier than those under which a people ever staggered in time of peace, when supplemented by State and local taxation. We have a deficit larger than the expenditures of our Government for any year prior to the World War, about twice as large. Now we are looking everywhere to find an industry or a business that can stand some more taxes. Why? To sustain a fabric of government here, a large part of whose activities are nothing in the world but duplications of State activities.

I would vote with pride and pleasure and consider I was serving my country well, to cut appropriations for the Agriculture Department 50 per cent. I would vote to cut the appropriations for the Department of Labor 50 per cent, and I would not do the laboring people or farmers of this country any harm by doing so. I would vote to cut the appropriations for the Department of Commerce 50 per cent and other departments more.

Mr. KING. Mr. President, will the Senator yield?

Mr. MORRISON. I yield.

Mr. KING. I shall offer an amendment in a few moments reducing the items in this bill now before us $2,000,000. The appropriation for the Indian Bureau is more than $25,000,000, ostensibly for the benefit of the Indians. Fifty-two and seven-tenths per cent of the entire appropriation is to go into the pockets of an enormous Federal bureau. Instead of trying to benefit the Indians, we are more concerned, apparently, in furnishing jobs to more than 8,000 regular employees in the Indian Bureau, and nearly 2,000 irregular employees. We could save $2,000,000 very readily in the salaries of the employees in that bureau.

Mr. MORRISON. I wish the Senator success in his efforts; I shall consider this bill gladly.

We have come to the time when we must do something besides pinch and pare. We can not longer perform adequately the real functions of this Government on account of these unnecessary and, as an old-fashioned Democrat, I believe unconstitutional expenditures of our Government. We are to pare down the appropriations for the Army and the Navy, and we will have to, because we are spending so much money for activities and purposes which were not a command upon this Government that must lessen and weaken the very activities, above all others, we are commanded by the Constitution to perform—that is, provide for national defense.

We can not take care of and do that justice to the heroic young men who answered the drum tap and stepped under the flag and kept the flags of democracy and liberty in the skies because we have spent so much in ways I have already mentioned and in building a great Commerce Building here covering 9 acres, rivaling in magnificence the Louvre, the crowning folly of the Bourbons and Imperialists of France, that there is no money left to do justice to those to whom the Government owes the everlasting obligation. But for unnecessary activities of the Government, and activities which were not expressly commanded of it, or delegated to

it, in my opinion, coupled with extravagance in many directions, we would not have to discuss where to find the money with which to adjust justly the compensation of the soldiers of the World War.

Where is it to stop? Millions and millions, billions for all manner of things are being spent as if the States were not governments at all, and as though the Federal Government has to give the people every blessing that comes from government.

Mr. President, what are we going to tax? Anything we can get money out of; that is what we will have to do, and as much as it will bear, unless we cut deep into appropriations. Yet we are making appropriations substantially as large as those that brought us into the difficulty. What does a reduction of $200,000,000 amount to? I am for it all right, but we must realize that this Government can not find the revenues to meet any such appropriations as we are making. Usually that is answered by some fellow saying, "Well, you did this and you did that, and you did the other that you ought not to have done, and, therefore, do this," and precedents are cited which ought not to be followed.

I hear frequently and see in the public press a citation of the fact that we "gave" the Reconstruction Finance Corporation $2,000,000,000. We did not do any such thing. We provided that the credit of the United States might be used to loan $2,000,000,000 on good security to the tottering institutions and the hard-pressed and distressed farmers of this country, because our whole business fabric had so broken down that the Government had to resort to that desperate financing in order to save the country from being piled in hopeless wreck. But we did not give the money to anybody, and it is not any precedent for giving money to anybody nor unnecessarily spending money.

Mr. President, it shows the desperate situation of the country, when we have to resort to such financial undertakings to save it from wreck. And some seriously propose as a cure more expenditures, and more taxation. I am satisfied we will only restore to jobs men who are now by the millions tramping the streets and roads of this country seeking hopelessly for employment, by making conditions such that the industries in which they were employed will find it profitable to reemploy them, and I do not think taxation and wild expenditures here will ever bring about that condition.

The career we have been on for some time, of spend, and spend and tax and tax, has more to do than probably any other one cause with the fact that 8,000,000 or more of the able-bodied of our country are to-day in desperate plight because they can not find any work in which to earn a livelihood.

Yet it is proposed by some that we pour out more millions calling for more taxes, to give more employment. We have been doing that. We have played that game of artificial stimulation since the war closed, at a rate never heard of, with the people already staggering under debt and taxation the like of which our people never suffered under before, with the fruit we are now enjoying.

I submit that it is time to stop and make no appropriations here of any character for any purpose except such as we can find revenue, with reasonable taxation, to meet. If we do not follow that course, conditions are going to grow worse and worse, in my humble judgment, as long as we pursue the course we have been following.

There is talk about taxing certain classes. Whenever we make an appropriation, we may rest assured that it will result in burdening every class and finally statesmanship will discover that the way can not be found which will not mean that the burden finally falls upon the backs of the great struggling masses of the people.

I am going to vote for this bill as reduced by the committee, and I am going to vote for every other practical reduction which means an elimination of appropriations, when I get a chance to, and I hope that Senators will keep in mind the thought I first expressed, about the conditions of their States and their towns and their cities and their counties, and realize that, after all, from the local and State agencies must come the government which will keep the people sound at heart, and lead them along progressive and enlightened ways, and that revenue enough must be left to the State governments to give the people modern and enlightened local governments without the levy of total taxation so high that the people can not bear it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, in the item for the Boulder Canyon project, on page 76, line 8, after the word "exceed," to strike out "$45,000" and insert "$70,000," so as to make the proviso read:

Provided, That of this fund not to exceed $70,000 shall be available for the erection, operation, and maintenance of necessary school buildings and appurtenances on the Boulder Canyon project Federal reservation, and for the purchase and repair of required desks, furnishings, and other suitable facilities; for payment of compensation to teachers and other employees necessary for the efficient conduct and operation of schools on said reservation.

The amendment was agreed to.

The PRESIDING OFFICER. The Chair will ask the Senator from Utah whether he wants to go back to the amendment passed over at the request of the Senator from Nevada [Mr. PITTMAN] relating to the Yakima project?

Mr. SMOOT. Yes; let us go back to that.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 72, line 6, the committee proposes to strike out "$300,000" and insert "$250,000," and in line 7 to strike out "$800,000" and insert "$750,000," so as to read:

Yakima project, Washington: For operation and maintenance, $250,000; for continuance of construction, $500,000; in all, $750,000.

Mr. KING. Mr. President, is this the item the Senator from Nevada [Mr. PITTMAN] asked to have passed over to be considered in connection with the Boulder Dam project item?

Mr. SMOOT. Yes. The Boulder Dam cut having been agreed to, I do not think the Senator from Nevada has any objection to this, although if the Senator from Utah thinks otherwise, I shall ask that it go over.

Mr. KING. I shall not do so; but I should like to ask my colleague if, under conditions now prevailing, we are justified in appropriating $500,000 for additional construction and $250,000 for operation and maintenance?

Mr. SMOOT. The $250,000, as well as the $500,000, was the estimate that was sent down. The House increased both items and the Senate reduced them to the Budget estimate.

Mr. KING. I was wondering if, under the circumstances, it is necessary to make this large appropriation?

Mr. JONES. Mr. President, it is all under contract, and, in my judgment, we will have to have a deficiency appropriation before the session is over, but I am willing to let it go as it is now.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 72, line 9, to strike out "$45,000" and insert "$40,000," so as to read:

Yakima project (Kittitas division), Washington: For operation and maintenance, $40,000: *Provided*, That the unexpended balance of the appropriation for continuation of construction for the fiscal year 1932 shall remain available during the fiscal year 1933.

The amendment was agreed to.

The next amendment was, under the heading "Geological Survey, salaries," on page 76, at the end of line 19, to strike out "$150,000" and insert "$125,000," so as to read:

For the Director of the Geological Survey and other personal services in the District of Columbia, $125,000.

The amendment was agreed to.

The next amendment was, on page 78, line 9, after the word "thereto," to strike out "$350,000" and insert "$325,000," and in the same line, after the word "exceed," to strike out "$300,000" and insert "$280,000," so as to read:

For geologic surveys in the various portions of the United States and chemical and physical researches relative thereto, $325,000, of which not to exceed $280,000 may be expended for personal services in the District of Columbia.

Mr. KING. Mr. President, I want to ask a question with reference to the items just stated, in lines 7 to 11, page 78. In the first place, I am not certain that there ought to be an appropriation of $325,000 for the Geological Survey, largely for chemical and physical researches, nor am I satisfied that if the $325,000 should be appropriated, $280,000 of it should be expended in the District of Columbia for personal services.

Mr. SMOOT. Mr. President, the whole question was brought up before the committee, and we thought exactly the same as the Senator now expresses himself, but we found that the work is technical work done by very technical men, and it is done in the District of Columbia. They take the surveys made in various portions of the United States and do their work here. The technical work must be done by technical men. I think this is the lowest appropriation we have made for years for this work.

Mr. COSTIGAN. Mr. President, may I inquire if the services are performed by permanent employees of the survey?

Mr. SMOOT. They are.

Mr. KING. I shall not attack the amendment, although I think it is entirely too large. My opinion is that the Geological Survey has been exacting too much from the Government. We have been making appropriations entirely too large for the activities of that organization.

Mr. SMOOT. If the Senator will notice, I believe we have cut the Geological Survey perhaps a little more than any other agency in the Interior Department.

Mr. KING. The entire Interior Department has been receiving too large appropriations, and I feel sure the Geological Survey appropriation is too large.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment of the Committee on Appropriations was, on page 78, line 13, to strike out "$50,000" and insert "$40,000," so as to read:

For fundamental research in geologic science, $40,000.

The amendment was agreed to.

The next amendment was, on page 78, line 16, to strike out "$21,000" and insert "$15,000," so as to read:

For volcanologic surveys, measurements, and observatories in Hawaii, including subordinate stations elsewhere, $15,000.

The amendment was agreed to.

The next amendment was, on page 78, line 18, after the name "Alaska," to strike out "$67,500" and insert "$60,000," and in line 19, after the word "exceed," to strike out "$36,000" and insert "$30,000," so as to read:

For continuation of the investigation of the mineral resources of Alaska, $60,000, to be available immediately, of which amount not to exceed $30,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, in the item for gaging streams and determining the water supply of the United States, etc., on page 79, line 13, after the word "That," to strike out "$400,000" and insert "$450,000," so as to make the further proviso read:

Provided further, That $450,000 of this amount shall be available only for such cooperation with States or municipalities.

The amendment was agreed to.

The next amendment was, on page 80, line 14, after the word "thereto," to strike out "$250,000" and insert "$225,000," and in line 15, after the word "exceed," to strike out "$45,000" and insert "$40,000," so as to read:

For the enforcement of the provisions of the acts of October 20, 1914 (U. S. C., title 48, sec. 435), October 2, 1917 (U. S. C., title 30, sec. 141), February 25, 1920 (U. S. C., title 30, sec. 181), and March 4, 1921 (U. S. C., title 48, sec. 444), and other acts relating to the mining and recovery of minerals on Indian and public lands and naval petroleum reserves; and for every other expense incident thereto, including supplies, equipment, expenses of travel and subsistence, the construction, maintenance, and repair of necessary camp buildings and appurtenances thereto, $225,000, of which amount not to exceed $40,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 82, at the end of line 25, to reduce the total appropriation for the United States Geological Survey from $2,279,500 to $2,181,000.

The amendment was agreed to.

The next amendment was, under the heading "National Park Service," on page 85, line 17, after the words "balance of the," to strike out "appropriation" and insert "appropriations for Carlsbad Caverns National Park," so as to read:

Carlsbad Caverns National Park, N. Mex.: For administration, protection, and maintenance, including not exceeding $800 for the maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $71,800; for construction of physical improvements, $57,000, and in addition thereto $13,000 of the unexpended balance of the appropriations for Carlsbad Caverns National Park for the fiscal year 1932 is continued available, including $20,000 for passenger elevator, not exceeding $19,000 for the construction of buildings, of which not exceeding $6,000 shall be available for a messhouse, $8,000 for improvements to employees' quarters, $5,000 for an addition to a bunkhouse; in all, $128,800.

Mr. KING. Mr. President, the Senator from Wyoming [Mr. KENDRICK] during the colloquy yesterday stated that, in his opinion, $1,500,000 was carried in the bill for parks and trails and other activities in excess of what, as I understood him, he believed to be justified.

Mr. SMOOT. Mr. President, I think my colleague has made a mistake.

Mr. ROBINSON of Arkansas. Mr. President, it is my understanding that the Senator from Wyoming stated that that was the amount carried in the bill for trails in national parks.

Mr. McKELLAR. Mr. President, it will be remembered that when the bill came over from the House it had $5,000,000, as it now has, but the Senate increased it to $6,000,000, and thereupon it was amended in the Senate itself to $7,500,000; but those amendments were nullified when the bill was recommitted to the committee, which has now reported it with a 10 per cent reduction, making the amount $4,500,000.

Mr. SMOOT. That is the history of the matter.

The PRESIDING OFFICER (Mr. McNARY in the chair). Without objection, the amendment is agreed to; and the clerk will state the next amendment.

The next amendment of the Committee on Appropriations was, on page 98, line 12, after the name "Cayuse Pass State Highway," to insert "areas to be established as national parks under the act of May 22, 1926 (U. S. C., title 16, sec. 403), for the removal of the present Otter Cliffs Radio Station and its reconstruction within the Acadia National Park in connection with the Acadia Park motor road, Maine, at a cost not to exceed $250,000," so as to read:

Construction, etc., of roads and trails: For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks and monuments under the jurisdiction of the Department of the Interior, including the roads from Glacier Park Station through the Blackfeet Indian Reservation to various points in the boundary line of the Glacier National Park and the international boundary, and the Grand Canyon Highway from the National Old Trails Highway to the south boundary of the Grand Canyon National Park as authorized by the act approved June 5, 1924 (43 Stat., p. 423), and including that part of the Wawona Road in the Sierra National Forest between the Yosemite National Park boundary 2 miles north of Wawona and the park boundary near the Mariposa Grove of Big Trees, and that part of the Yakima Park Highway between the Mount Rainier National Park boundary and connecting with the Cayuse Pass State Highway, areas to be established as national

parks under the act of May 22, 1926 (U. S. C., title 16, sec. 403), for the removal of the present Otter Cliffs Radio Station and its reconstruction within the Acadia National Park in connection with the Acadia Park motor road, Maine, at a cost not to exceed $250,000.

The amendment was agreed to.

The next amendment was, in the item for construction, etc., of roads and trails in the national parks and monuments, on page 98, line 22, after the word "expended," to strike out "$5,000,000" and insert "$4,500,000," so as to read:

And for the replacement of an officers' quarters on the Navy mine depot in connection with the Colonial National Monument parkway, Virginia, at a cost of not to exceed $12,000, to be immediately available and remain available until expended, $4,500,000, which includes $2,850,000, the amount of the contractual authorization contained in the act making appropriations for the Department of the Interior for the fiscal year 1932, approved February 14, 1931 (46 Stat., p. 1155).

The amendment was agreed to.

The next amendment was, on page 99, line 4, after the figures "1933," to insert a colon and the following additional proviso:

Provided further, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work not exceeding a total of $2,500,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and monuments shall be considered available for the purpose of discharging the obligations so created.

Mr. ROBINSON of Arkansas. Mr. President, this apparently is an important amendment.

Mr. SMOOT. Yes.

Mr. ROBINSON of Arkansas. It seems to add $2,500,000 by way of authorization. I have no information as to the merits of the amendment and think the Senator in charge of the bill should explain it.

Mr. SMOOT. These are all contractual obligations. That is all it provides for.

Mr. ROBINSON of Arkansas. Yes; but the point is that it authorizes new contracts. It would seem to be a legislative provision.

Mr. HAYDEN. Mr. President——

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Does the Senator from Arkansas yield to the Senator from Arizona?

Mr. ROBINSON of Arkansas. Certainly.

Mr. HAYDEN. I might state to the Senator that this identical provision has been in the bill for the past eight years.

Mr. SMOOT. If the Senator will turn to page 98, line 22, he will see there is appropriated $4,500,000 "to be immediately available and remain available until expended," and "which includes $2,850,000, the amount of the contractual obligation contained in the act making appropriations for the Department of the Interior for the fiscal year 1932 approved February 14, 1931."

Mr. ROBINSON of Arkansas. The amount last year for the purposes carried in the amendment appears to have been $2,850,000.

Mr. SMOOT. Yes; and this only carries on those contractual obligations for $2,500,000.

Mr. ROBINSON of Arkansas. I do not think that is quite accurate, if the Senator will pardon me for saying so. The language seems to authorize new contracts instead of merely carrying out existing contracts.

Mr. SMOOT. We are just carrying out a policy adopted in the past and the amendment is necessary for that purpose.

Mr. McKELLAR. Mr. President, in my judgment the amendment is very bad legislation. It seems to have been indulged in for several years by both the park system and the forest system. I have said to the Senator from Arizona [Mr. HAYDEN], who is interested in it especially, that I thought it was very bad legislation and I was in hopes he would consent to a reduction in the amount and that next year he would eliminate it entirely. It seems they have gone ahead and pledged some $2,500,000 of the appropriation of this year, so the amount of $4,500,000 provided on page 98 would be really reduced $2,000,000 for a new project. I think that is bad legislation, but I said to the Senator from Arizona that so far as I am concerned I would be willing for it to go to conference and see if we could not work out some reasonable plan about it there. That is the position I take about it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, I would like some explanation from some one in regard to the matter. We make a large appropriation and then we give the Secretary of the Interior carte blanche authority to enter into contracts to bind the United States to the extent of $2,500,000. What those contracts are to be we do not know. Where the roads or parks are to be constructed we do not know. We have no choice. We are bound by his contract. It seems to me legislation of this kind is dangerous.

Mr. SMOOT. Mr. President, may I explain it? On page 98 the total amount appropriated by the House is $5,000,000. The Senate cut that to $4,500,000 "which includes $2,850,000, the amount of the contractual authorization contained in the act making appropriations for the Department of the Interior for the fiscal year 1932." If the amendment is not agreed to, then all we would have for all of the parks for road purposes and the other purposes mentioned in the bill would be $1,655,000, or the difference between $4,500,000 and $2,850,000. That would be all there would be to expend. That covers all the parks in the United States. An additional amount for that purpose is authorized, just the same as has always been the case, a year ahead of time, and whatever is expended over $1,650,000 will be taken out of the $2,850,000. They could not expend it all, and they never have done so, and this year a balance will be available. It is merely an authorization, so that the work may be planned sufficiently far ahead that it may be mapped out and contracts may be made for it.

Mr. HAYDEN. Mr. President, let me explain the desirability of making provision for this work in this way. Originally, under the Federal-aid road act, the States could not plan an advance program unless they knew what the Federal Government was going to do. So we provided for authorizations of appropriations, which permitted a program to be laid down which, when translated into contracts, became obligations of the Nation. Then the States could count upon what the Federal Government was going to do. We have provided by law for that system with respect to Federal-aid highways and with respect to forest highways. This is the only place where an amount is carried from year to year, and it has been carried in that way for the past eight years; but a change of system with respect to Federal aid or with respect to forest highways would require a repeal of the statute, and, as the Senator from Utah has stated, if this language is not permitted to be carried in this bill, there will be left practically nothing to be expended next year for the parks.

Mr. McKELLAR. That is true, and for that reason I am willing to have this language go in. As I said to the Senator in committee, we must rearrange this appropriation in the future, for the reason that it is bad legislation and ought not to be followed by the Congress.

Mr. HAYDEN. The Senator from Tennessee will have an opportunity to do that in connection with the authorization bill which is before the Committee on Post Offices and Post Roads and to debate the desirability of the policy, but it has been established and it ought to be carried on now.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the heading "Office of Education, salaries," on page 99, line 20, after the name "District of Columbia," to strike out "$280,000" and insert "$250,000," so as to read:

For the Commissioner of Education and other personal services in the District of Columbia, $250,000.

Mr. FESS. Mr. President, I desire the attention of the Senator from Utah [Mr. SMOOT] and also of the Senator from Tennessee [Mr. MCKELLAR] to the amendment which has just been stated. There are three cuts in the items of the Bureau of Education in the aggregate amounting to a 26 per cent reduction. As to the item which provides for expert work, I think we could dispense with that for a time without any serious result. The first cut, however, I think ought not to be made, and I will state why. I am going to ask the Senate, and especially the chairman of the committee, if they will not take the same view of it which I take.

The first cut in the appropriation is from $280,000 to $250,000 in the item for salaries. I assume that there is no doubt but there will be a salary reduction bill passed before we get through with this session of Congress. In my judgment, such a reduction is inevitable, and I think we shall have to make it. If we should retain this appropriation of $280,000, instead of cutting it by $30,000, we would still have a reduction in the appropriations for this bureau of 16 per cent without affecting salaries; but if we shall cut salaries in this instance, then when a further cut comes under a general bill there will be a double cut in the case of these salaries. It seems to me that we ought to disagree to this one amendment. I do not care about the others.

Mr. SMOOT. Mr. President, there can not be any cut in the salaries, outside of those of appointed officials, because of the fact that the compensation of employees under the civil service is fixed. If there is to be a general cut in the salaries of civil-service employees, it will have to cover the whole governmental service.

Mr. FESS. However, certain employees, if the appropriation is not sufficient, could be dismissed.

Mr. SMOOT. Yes; that could be done in this case.

Mr. COSTIGAN. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. FESS. I yield.

Mr. COSTIGAN. Supplementing what the Senator from Ohio has stated, I have this statement from a responsible representative of the Office of Education:

> The present cuts are impossible to carry out without discharging people, and the worst of it is that the cut will fall on the lowest-paid people.

With respect to what the Senator from Utah [Mr. SMOOT] has said, I am advised that, according to the present law, it is impossible to reduce salaries below the minimum salary in any given grade. Nevertheless, such a large proportion of the employees in the Office of Education receive only the minimum salary of their grade that it will be impossible to reduce the salary budget more than $11,000. If the amendment of the committee should be adopted, it will become necessary either to discharge specialists or to give every employee in the office of the Bureau of Education from the commissioner down at least one and a half months' leave without pay. I trust, therefore, that the suggestion of the Senator from Ohio will prevail.

Mr. SMOOT. Mr. President, we are not treating this bureau any different than we have treated other bureaus.

Mr. BINGHAM. Mr. President, that is not quite so, because the cut in the whole bill is 10 per cent, while the cut in the Office of Education is 26 per cent.

Mr. MCKELLAR. There is a reason for that which will be pointed out in just a moment.

Mr. SMOOT. It is about 10 per cent, I will say to the Senator.

Mr. BINGHAM. The total cut for the Office of Education is 26 per cent.

Mr. ROBINSON of Indiana. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. FESS. I yield.

Mr. ROBINSON of Indiana. With reference to this matter I should like to read at this point a telegram from the president of the Indiana State Teachers' Association. The telegram is from Logansport, Ind., is addressed to me, and reads as follows:

> I trust that you will oppose drastic cut in Budget of Federal Office of Education made by Senate subcommittee. Such reduction will badly cripple services rendered to education by Federal office. Eduction more essential now than ever before. It is the main hope for maintenance of our civilization.
>
> CLARA RATHFON,
> *President of Indiana State Teachers' Association.*

I may add that I am in hearty accord with the Senator from Ohio in the effort he is making at this time.

Mr. MCKELLAR and Mr. BINGHAM addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. FESS. I yield first to the Senator from Tennessee.

Mr. MCKELLAR. Of course, I regret very much that it is necessary to make any cut in the appropriation for the Office of Education, but after a careful examination, treating this service of the Government just exactly the same as we treated all other services and trying to be exactly fair, the committee came to the conclusion that this cut could be made. I notice the Senator from Connecticut shakes his head. I will come to the point which I think he has in mind. On page 101 of the bill it will be noted that there is an appropriation of $350,000 for this purpose—

> To make a study of the sources and apportionment of school revenues and their expenditure.

In the judgment——

Mr. BINGHAM. Mr. President, the $350,000 total is not for that sole purpose.

Mr. MCKELLAR. In the judgment of the committee, if there ever was an inopportune time in all the history of the Government to spend a large sum of money for the purpose of making "a study of the sources and apportionment of school revenues and their expenditure" this is that time. I think that view will appeal to every Senator who will give it a moment's thought.

Mr. FESS. Mr. President, will the Senator let me interrupt him?

Mr. MCKELLAR. Certainly.

Mr. FESS. Only $50,000 of the $350,000 is to go to the purpose indicated by the Senator. That is so because of the language of the provision.

Mr. MCKELLAR. The whole appropriation is along the same line. I will read it:

> For all expenses, including personal services in the District of Columbia and elsewhere, purchase and rental of equipment, purchase of supplies, traveling expenses, printing, and all other incidental expenses not included in the foregoing, to enable the Secretary of the Interior, through the Office of Education, at a total cost of not to exceed $350,000.

The whole appropriation is to enable the bureau—

> To make a study of the sources and apportionment of school revenues and their expenditure.

Mr. FESS. Read what follows.

Mr. MCKELLAR. I will read it in just a moment.

Mr. FESS. No; read it now.

Mr. MCKELLAR. Very well; I will read it now:

> Fifty thousand dollars: *Provided*, That specialists and experts for service in this investigation may be employed at rates to be fixed by the Secretary of the Interior to correspond to those established by the classification act of 1923, as amended, and without reference to the civil service act of January 16, 1883.

The entire appropriation is to be devoted to this purpose—not $50,000, but $350,000.

Mr. FESS. The Senator is mistaken.

Mr. MCKELLAR. Then, what is it for?

Mr. FESS. The amount appropriated to make the study of school revenues and their expenditure is $50,000; that is specified in the provision.

Mr. MCKELLAR. The Senator misreads it, as I think he will admit if he will go back to the beginning of the item. Let me read it again:

> For all expenses, including personal services in the District of Columbia and elsewhere, purchase and rental of equipment, purchase of supplies, traveling expenses, printing, and all other incidental expenses not including in the foregoing—

To do what?—

to enable the Secretary of the Interior, through the Office of Education, at a total cost—

At a total cost—

of not to exceed $350,000, to make a study of the sources and apportionment of school revenues and their expenditure.

Mr. FESS. The total appropriation is $350,000; that is the possible cost of the service, but now notice the reading of the provision:

To make a study of the sources and apportionment of school revenues and their expenditure, $50,000.

Mr. McKELLAR. That is right.

Mr. FESS. That is what I meant.

Mr. BINGHAM. Mr. President, the report of the committee shows that there has been eliminated $50,000 for that purpose.

Mr. McKELLAR. I think very properly so.

Mr. BINGHAM. Let me say to the Senator from Tennessee that I entirely agree with him about that item.

Mr. McKELLAR. I am glad to hear the Senator say so.

Mr. BINGHAM. But I think that the items for other purposes in the Office of Education have been cut too much, and unfairly.

The Senator from Tennessee knows as well as anyone within the sound of my voice that I have been opposed to increasing appropriations for bureaus, particularly for bureaus such as the Bureau of Education, because I feared at times they interfered with activities that should be carried on by the States; but I think in the work which they are now doing under the present commissioner, who is in favor of States' rights and who is not in favor of interfering with the way the States run their schools, that the money will be wisely expended, and I believe that a greater cut has been made in the appropriation for the Office of Education than is justified.

Mr. McKELLAR. Leaving out that item, we have not made a greater cut than was justified and that item was stricken out in entirety. I will say that this is just another case where bureaus whose expenditures are cut raise a great hullabaloo about it. I dare say that not an appropriation has been cut in this entire bill that the officials connected with the bureau affected are not protesting with all the power they have against any cut at all. We have seen that evidenced by the Cabinet officers coming before the committee and urging that no cuts be made. It is so with other officials of the Government. Wherever there is a cut there is a protest. The committee, in the exercise of its judgment and desire to do what was right, reduced these appropriations as provided in the bill now before us.

I want to say in this connection that I do not know whether the Senator from Connecticut [Mr. BINGHAM] voted for or against the motion to reduce the appropriations 10 per cent, although I believe he voted against it, but I know he has been exceedingly fair in his votes in the committee on all these matters, as have all the other members of the committee.

Mr. BINGHAM. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. BINGHAM. Will the Senator yield to me for just a moment?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Connecticut?

Mr. FESS. I will yield in a moment.

The PRESIDING OFFICER. The Senator from Ohio declines to yield for the moment.

Mr. FESS. Mr. President, I wanted the sympathetic attention of the Senator from Tennessee [Mr. McKELLAR], because he and I see this matter just alike. As I said before I made my request, I agree that the item to which he refers, cutting out $350,000, shall go out. I am for cutting that out and stated to the people who came to see me that I thought it could well be cut out. I see no objection to cutting these other two items, one $20,000 and the other $5,000; but when we sum up all the cuts in this item we have a reduction of 26 per cent. Since the first item applies to the force here, which will almost certainly suffer a cut when the salary question comes up, it seems to me we ought not to cut the first item; and if we omit cutting that we will still make a reduction of 18 per cent on the Bureau of Education.

Mr. McKELLAR. Mr. President, if I may reply to the Senator, I will say that as far as salary cuts are concerned there is no secret about my own views on the subject. I think the higher salaries ought to be cut at this time of great difficulty on the part of our Government in raising revenue.

Mr. FESS. I am with the Senator on that.

Mr. McKELLAR. I think the smaller salaries ought not to be cut.

Mr. FESS. I doubt that.

Mr. McKELLAR. I doubt the wisdom of doing it. I do not believe it is going to be done; but here is a reasonable reduction.

The Senator and I have very similar views about education all along the line.

Mr. FESS. That is why I am appealing to the Senator.

Mr. McKELLAR. I am wondering what are the particular items in the appropriation on page 99 that the Senator would like to save. What particular thing is it?

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York makes a parliamentary inquiry and will state it.

Mr. COPELAND. I should like to know what is before the Senate.

The PRESIDING OFFICER. The amendment is on page 99, line 21.

Mr. COPELAND. May I ask the Senator a question?

The PRESIDING OFFICER. The Senator from Ohio has the floor. Does he yield to the Senator from New York?

Mr. FESS. I yield first to the Senator from Connecticut [Mr. BINGHAM], who asked me to yield some time ago.

Mr. BINGHAM. I thank the Senator.

I want to say to the Senator from Tennessee that I voted with him for all the 10 per cent reductions, and I think the committee has worked very hard to secure them in a proper manner; but, for instance, on page 100, where we cut the appropriation by 20 per cent instead of 10 per cent, and in line 19, where it is cut by about 35 per cent instead of 10 per cent, I do think we have gone farther than we were justified in doing.

I wonder if the Senator from Tennessee heard my remark.

Mr. FESS. Now I yield to the Senator from New York.

Mr. COPELAND. I thank the Senator.

Is the Senator making any appeal, or will he make any appeal, in regard to the item on page 101?

Mr. FESS. No; I am permitting that to go out, so far as I am concerned.

Mr. COPELAND. Yesterday, if the Senator heard me, I made a statement regarding that item; and I want to say now, if the Senator will permit me, that it is not fair to say that the purpose of that fund is to find out where the money comes from. Its purpose is to make a study and determine how best to spend the money for the upkeep of our schools.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. Mr. President, will the Senator yield for a statement?

Mr. FESS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I do not think the great trouble with the educational authorities in America to-day is how to spend the money. It is where to get the money, rather than where to spend it.

Mr. COPELAND. I want to say, if I may, that the educational authorities of America do need advice as to how they shall spend their money. It is time that some educational experts made a study of our school system, from the district school up, to determine how the funds of the people should be spent; but, as I understand, the Senator from Ohio is not pleading for that.

Mr. FESS. Mr. President, specifically replying to the Senator, I am going along with the committee in attempting

to make these reductions wherever it can be done. In the case of the education item, in which naturally I am interested, I consulted with the Office of Education. They very much deplored the cut on page 101; but I have suggested to them that in this period of depression we could defer this work and allow this cut to be made. I agree with them, however, that there was an inequity in the cut on the office force here that is doing the work.

Mr. COPELAND. Mr. President, may I ask the Senator what it would mean if the specific reduction in question were made? What would be done?

Mr. FESS. It would mean the discontinuance of a very splendid work that is going on in research matters to ascertain, among other things, the sources of expenditure in education, waste and so on that could be avoided, and the collection of a valuable body of facts for the purpose of enacting legislation later on, if that seems to be what ought to be done.

Mr. COPELAND. If the Senator will bear with me, I think the matter spoken of by the Senator at this moment is involved in the item on page 101 which has been stricken out.

Mr. FESS. Yes. That is why I was directing my attention to it.

Mr. COPELAND. But now I ask the Senator if we reduce the amount on page 99 from $280,000 to $250,000 what economies will be accomplished? What will be the significance of the cut so far as the operation of the department is concerned?

Mr. FESS. In a degree it will disorganize the Office of Education here in the Capital.

Mr. COPELAND. Let me ask the Senator this question: Is it not probable that some time this spring there will be presented a joint resolution which will give a percentage of the total appropriation, if not all of it, into the hands of the head of the department to be expended where he thinks it could best be done? If that were done, it might well be that the Secretary of the Interior could find funds that he could take from some other activity to carry on this work in education.

Mr. FESS. The Senator knows that that has been a subject of speculation in the reorganization plan; but it is very difficult to say whether or not that will be done.

Mr. COPELAND. If that is done, I am sure the Senator will agree that the grievance that he has and that I have, too, could be done away with to a great extent.

Mr. FESS. Yes; that could be cured.

Mr. McKELLAR and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. FESS. I yield first to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the Senator from Colorado [Mr. COSTIGAN] has made a suggestion that I think may settle this matter. The Senator from Colorado suggests that $15,000 be taken off the $50,000 in line 19 of page 100 and added to the $250,000 in line 21, making that amount $265,000 instead of $250,000. If that will be satisfactory to the Senator from Ohio, I am perfectly willing to have that done.

Mr. COSTIGAN. Mr. President, will the Senator from Ohio yield?

Mr. FESS. I yield.

Mr. COSTIGAN. With due respect to the Senator from Tennessee, for whom my regard is high, I wish to state that when I made a suggestion to him to consider some deduction from the appropriation on page 100, lines 16 to 19, in lieu of the cut on page 99, I did not have in mind that there should be any reduction such as is contemplated by the committee. It appeared possible, though I spoke without authority from the Office of Education, to make a deduction on page 100 which might offset the increase sought by the Senator from Ohio.

May I take this occasion to speak in confirmation of the protest of the Senator from California [Mr. JOHNSON], who this morning eloquently indicated the desirability of giving human welfare first place? It was not my understanding that the authorization given the committee by the Senate to reduce our total appropriation by 10 per cent looked to the reduction in salaries or the discharge of public employees. It was taken for granted by some of us who voted for that reduction that the reduction would be applied in directions which did not involve the discharge or penalizing of deserving governmental employees.

The appropriation to which the Senator from Ohio now directs the attention of the Senate will result in the discharge of employees, or, in effect, in the reduction of their salaries through enforced vacations. It is, in my judgment, in the public interest to reserve the question of salary reduction until a later time, and that such reductions as are now made shall not interfere with the pay of present qualified employees of the Government.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. Does the Senator want to speak in his own right?

Mr. SMOOT. Yes; I would just as soon do so. I want to make an explanation of this whole thing.

Mr. FESS. Mr. President, I will simply repeat what I stated earlier, that I am going along with the committee in a general way in attempting to carry out the mandate of the Senate, and I am doing it in these items. Here is one item where all of it goes out—$350,000. I hate to see it go out, but under the circumstances I think it will have to go out. Here are two other items that are cut in rather a heavy percentage. I deplore that, but I am inclined to say that that is necessary. I do not think, however, it is necessary to cut to the point of crippling the Office of Education. What I deplore—and I know my friend from Tennessee deplores it, and I am sure both Senators from Utah deplore it—is this: I dislike to see the cut on the educational element. It is small enough as it is, and I very much dislike to see that done.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FESS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I hate to see the cut there. At the same time, I think the suggestion that was made a little while ago, to compromise the matter by taking $15,000 from page 101 and turning it over to the Commissioner of Education, would probably come as near as we can come to doing equal and exact justice; and I hope the Senator will agree to it.

Mr. FESS. That will not be as bad as the amendment here.

Mr. McKELLAR. No; it will not be as bad as the amendment here.

Mr. FESS. It would be better than to leave it this way.

Mr. McKELLAR. If that would satisfy the Senator, I shall be glad to make that motion.

Mr. FESS. I should very much prefer that the Senator would agree to reject the committee amendment and leave it $218,000.

Mr. McKELLAR. I could not go that far, Mr. President.

Mr. SMOOT. Mr. President, I think the Senate ought to know the history of this legislation.

On page 100, beginning with line 10 and going down to line 19, I want to explain what has taken place in carrying out legislation that has already been passed.

The provision reads:

> For all expenses, including personal services in the District of Columbia and elsewhere, purchase and rental of equipment, purchase of supplies, traveling expenses, printing, and all other incidental expenses not included in the foregoing to enable the Secretary of the Interior, through the Office of Education, at a total cost of not to exceed $200,000, to make a study of the qualifications of teachers in the public schools, the supply of available teachers, the facilities available and needed for teacher training, including courses of study and methods of teaching.

Of the $200,000 that was authorized for this purpose by legislation years ago we have appropriated $130,000. That amount has been already appropriated out of this $200,000. That has been done in years past. There is a balance of $70,000 unappropriated. The House proposed to appropriate the entire $70,000 this year. The Senate committee felt that

instead of doing that it ought to be expended during the next two years.

We all know what the examination of teachers in the schools has been in the past, and I do not think it is absolutely necessary to have any of it this year. But we decided to give them $50,000, and leave still coming to them $20,000, which should be appropriated the following year.

Mr. FESS. Mr. President, we are not in controversy on that item at all.

Mr. SMOOT. I am coming to the other right away.

Mr. FESS. I have agreed to that.

Mr. SMOOT. The Senator has agreed to it; but he, in agreeing to this, finds something else.

Mr. COPELAND. Mr. President, will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. COPELAND. Why could we not do this, take this entire item relating to the Office of Education, leaving in the language which is now stricken out on page 101, except the appropriation, and appropriate a lump sum for the Office of Education of $320,000, the same amount we now propose to give them, but leaving it in the hands of the bureau to use as they like?

Mr. SMOOT. No; this is for personal services in the District of Columbia. That is where we thought we could take $30,000 off, in the District of Columbia, treating them just the same as we treated nearly every one of the departments in this bill.

Mr. McKELLAR. Mr. President——

Mr. COPELAND. Just a moment before the Senator breaks in on another matter. What objection would there be to having the personal services in the District of Columbia lumped with these other general expenses?

Mr. SMOOT. That is not the way we generally do it.

Mr. COPELAND. I know, of course, we every morning sing, "As it was in the beginning, is now, and ever shall be, world without end." Suppose we did not do it before; what objection would there be to doing it once now?

Mr. SMOOT. I think we ought to make the direct appropriation for the purpose stated. At the end of every year we ought to know just exactly how many employees have been engaged, what money has been paid to them, ought to have a complete statement.

Mr. COPELAND. I do not see that that would be done away with if we did this thing I have suggested.

Mr. SMOOT. Let us keep track of the object of the appropriation.

Mr. COPELAND. That is because we have always done it, I suppose.

Mr. SMOOT. That is not the proper way to make an appropriation. Let us carry out the plan, so that we can know just what the salaries are.

Mr. COPELAND. And would it not be better, if the Senator will permit, if we are going to reduce materially the requests of the department as to education, below the Budget estimate, and all that sort of thing, to put it into a lump sum, and let them decide in the department where they will use the money?

Mr. SMOOT. This is in a lump sum, as far as salaries are concerned.

Mr. McKELLAR. Mr. President, I am going to ask unanimous consent, for the purpose of pouring oil on troubled waters, to reduce the item on page 100, in line 19, from $50,000 to $35,000, and to increase the item on page 99, line 21, from $250,000 to $265,000.

The PRESIDING OFFICER. Does the Senator from Utah yield for the purpose of permitting the Senator from Tennessee to submit a unanimous-consent request?

Mr. SMOOT. I yield.

Mr. KING. I shall object, for the moment.

Mr. SMOOT. Mr. President, the committee wanted to treat the Office of Education about the same as we have treated all other departments of our Government, and we only took off of the appropriation for this year $30,000 in the appropriation for the salaries of the Commissioner of Education and for other personal services in the District of Columbia.

The committee still feels that the appropriation is ample. The matter can go into conference, anyhow, and in the conference, if the commissioner can demonstrate to the conferees that the appropriation is not sufficient to carry on this work, the Senate can yield. But all the information the members of the subcommittee having this matter in charge had was that they could well get along in the District of Columbia with $250,000. I still believe that. I think that is what ought to be appropriated.

Mr. TRAMMELL. Mr. President, will the Senator from Utah yield?

Mr. SMOOT. I yield.

Mr. TRAMMELL. I have received two or three telegrams of similar import and similar in language to the one sent to the desk by the Senator from Indiana. Away from Washington the people seem to have gotten the impression that there is to be a 34 per cent reduction in the educational appropriation and that that is more than has been made in other appropriations. In order to make up that 34 per cent, the $50,000 for investigating school revenues has to be included, has it not?

Mr. SMOOT. Oh, yes; the whole of that; all the reductions that are made.

Mr. TRAMMELL. To get the 34 per cent we have to include that $50,000?

Mr. SMOOT. That is correct.

Mr. TRAMMELL. An item which the committee deemed unessential and unnecessary?

Mr. SMOOT. We all got the telegrams in exactly the same words. There is no doubt about that. All the telegrams were sent here word for word alike.

Mr. TRAMMELL. I just wanted to ask that question, because I dislike to have the people in the States who are sincerely and honestly interested in educational matters misled into thinking that we are cutting off 34 per cent from the educational appropriation, when, as a matter of fact, in order to make up that alleged 34 per cent, it is necessary to take this item of $50,000, which is an appropriation for making inquiry in regard to school revenue and its apportionment in the counties and the States.

I do not know whether the Department of Education in Washington has heretofore had such authority or not, but I see absolutely no necessity now, or that there ever has been any necessity for the department at Washington to go into the question of school revenues, when the schools are supported by the counties and the States and not by Federal revenue.

I think the people back at home are far more interested in the question of raising funds for the purpose of maintaining a reasonable length of term in their county, their primary, and in their high schools than they are in the question of spending money through the educational department here at Washington for a useless purpose. Yet an appeal is made to patriotic people who believe in education back at home, as though the Senators or the Reresentatives, who may favor some cuts in these items, are against education. We are for education, but what I would like to see done is something that would help to increase or to maintain, at least, the standards of our rural, our primary, and our high schools at home, instead of making appropriations, most of which accomplish very little, as far as the promotion of education or the giving of the average youth of this country educational opportunity is concerned. Of course, I would not want to reduce the appropriation 34 per cent, but included in that percentage is this item of $50,000. I am just going to read the item:

> To make a study of the sources and apportionment of school revenues and their expenditure, $50,000.

I do not think that anyone who has wired me on this subject, or other Senators, when he scrutinizes that item involving a $50,000 reduction, will shed any tears over it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. TRAMMELL. I yield.

Mr. COPELAND. I could not consent to leave the RECORD just where the Senator from Florida has proposed to leave it. The people who sent those telegrams have not been misled.

This appropriation of $50,000 did not relate to the raising of school revenues alone, but to the expenditure of revenues which the schools do receive. The Senator says he wants the schools in his State to be well-equipped and well-managed and well-conducted schools, and I know he does. There is a growing feeling in the educational world that there must be done very much to improve the district schools and the country schools of the United States, and the purpose of this study is not to ask where the money comes from—everybody knows it comes from the overburdened taxpayers—but to try to find a way to make less money go further in the development of the schools of the country. That is what it is for.

Mr. TRAMMELL. That may be the object, but I have never known of these extraordinary investigations promoting any special efficiency in expenditures of school funds.

Mr. COPELAND. Will the Senator yield at that point?

Mr. TRAMMELL. I have never known of economy resulting from such investigations. Of course, they bring forth some new suggestions, many of which may be of advantage, many of which may not be of advantage; as a matter of fact, many of them may not be of any advantage to the education of the youth of this country.

Mr. COPELAND. Mr. President, will the Senator yield now?

Mr. TRAMMELL. I yield.

Mr. COPELAND. Does the Senator believe that the expenditures he has sought for the study of insect life and for the control of pests which attack vegetables in his State are important in order that that study may be applied to the betterment of the fruits and vegetables raised in Florida? If he does, certainly he ought to have exactly the same interest in having money expended to find out whether the system of education in this country is resulting in the betterment of the children.

Mr. TRAMMELL. That is an old, threadbare, and worn-out argument. Every time one makes an objection to some appropriation, some one rises and says that if one tries to secure an appropriation to assist in stamping out a pest he is against the other alleged commendable purpose. I would be favorable to making investigations as to certain pests, but I would not be in favor of an appropriation to make research in regard to some pest if it meant an absolute waste of money and under which nothing could be accomplished.

Mr. COPELAND. Is education a waste of money?

Mr. TRAMMELL. Nobody has ever suggested anything of the kind. It would be folly for anybody to suggest such a thing because one might happen to disagree with a certain item. The Senator talks as if the people back in the States are a lot of ignoramuses, that we have no patriotic educational people or patriotic citizens who are endeavoring to maintain a proper educational system back in the States. Does he, because he supports this amendment, mean to reflect upon the educational systems of the States and the patriotism of the people engaged in educational work in the States and the patriotic people who support our county and State schools? I ask him that question. It is as reasonable a deduction as the inquiry which he propounds, because I support an appropriation to make inquiry in regard to pests.

Mr. COPELAND. I am glad the Senator has asked the question. I will answer it. There probably is more need in my State for this inquiry into the application of modern methods to the district schools and the primary and secondary schools than in the Senator's State. I did not intend to reflect upon the Senator's State, and he knows it. But I have heard the Senator time and time again make appeals for expenditures in the Department of Agriculture in order that the fruits and vegetables of his State might be benefited, and I have exactly the same interest in the children of America as I have in the oranges and in the avocados and the other products which are raised in the Senator's State, or the vegetables which are raised in mine.

Mr. TRAMMELL. That is absolutely a question of the Senator's application of his desire to obtain education, absolutely a matter of application. I have always supported every educational movement here, and I am continuing to support them throughout, but I do not propose to let some one tell me that I must dot a certain "i" or cross a certain "t" in some appropriation which I may think is of no particular service, especially in this time of economic depression which is upon this country at the present. I would like to see some of those who are so zealous and so earnest in always declaring for appropriations here for some Federal project or enterprise making some appeal for the boys and girls back at home, that the load may be lightened for those who are bearing the burden of the maintenance of the rural schools, the primary schools, and the high schools back in our States respectively, most of which are having to reduce their terms on account of lack of funds to carry on their ordinary school operations. That is what I am saying. In times of lavish income and in the heyday of our prosperity it is all right to be generous and lavishly appropriate fifty or a hundred thousand dollars now and then for a luxury, but what I am claiming and appealing for is that we leave conditions where the people may support the fountainhead of education, back among the youth of the land, instead of possibly spending $50,000 here to gather statistics in regard to State and county school revenue.

Mr. COSTIGAN. Mr. President, may I ask the senior Senator from Utah [Mr. SMOOT] or the senior Senator from Tennessee [Mr. MCKELLAR] a question? The Senate directed the committee to make a reduction of 10 per cent in the total appropriation of the pending bill. No doubt the committee has acted conscientiously. May I, however, ask members of the committee on what principle they made an aggregate reduction of 26 per cent in the appropriations for the Office of Education?

Mr. MCKELLAR. Mr. President, I will let the Senator from Utah answer first, and if the Senator from Colorado wishes anything further from me I shall be glad to do my best.

Mr. SMOOT. The aggregate amount that we were to take from the House bill was 10 per cent. The committee went through the bill. Many, many items were not reduced a cent, but every item was taken into consideration and we got all the information we could as to just what cuts we could make with the least disadvantage to the Government service. We followed that plan. We did it throughout in my judgment.

Mr. COSTIGAN. May I say to the Senator from Utah that my concern, speaking only for myself, is over the fact that this particular reduction apparently involves the discharge of faithful employees of the Government or some reductions in their salaries.

Mr. SMOOT. There can not be any reduction in salaries.

Mr. COSTIGAN. There may be enforced vacations, as already suggested. Among other appropriations for the Office of Education we find items which do not involve salary cuts or their equivalent. For example, on page 100 we find an appropriation for a study of the qualifications of teachers. Did the members of the committee contrast the desirability of an appropriation which involves mere study with the merits of an appropriation which involves salary reductions or their equivalent?

Mr. SMOOT. I do not think there is a State in the Union but what spends a great portion of the taxes collected for educational purposes and investigation, and that is just the purpose for which the appropriation is made here. I think the State of Colorado is among the States which spend an amount of money for educational purposes which is one of the greatest expenditures of all the taxes collected. I know in my own State more than half of all the money that is collected goes to the schools and for education. I am not complaining of that now, but I am saying that in the study of the bill the committee took into consideration the 10 per cent cut from the House provision on items which we

thought would be of the least possible disadvantage to the purposes for which the appropriation was made. For instance, let us take the Howard University item. That involves an appropriation of $400,000.

Mr. COSTIGAN. We shall come to that later.

Mr. SMOOT. I am only pointing to it now in connection with what I was saying.

Mr. COSTIGAN. In the case of Howard University there are even more glaring reductions in appropriations.

Mr. SMOOT. As to percentage that is true. This is why we took out the Howard University items, which read as follows:

For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available.

For the completion of construction and equipment of a general library building, $100,000, to be immediately available.

I know that there should be constructed at Howard University a heat, light, and power plant. I know it ought to be a modern one. I know it ought to be up to date. I know that the appropriation ought to be made. I know also that the construction and equipment of a general library building ought to be started. But Howard University can get along without that library for another year. The heating plant they have can do the work until they get their new library, just as it has done it for the past year. It was for that reason that we struck out those items, and it is for a similar reason that we took out some other appropriations or reduced them as we did.

Mr. COSTIGAN. I prefer to reserve my discussion of Howard University until we reach that section of the bill.

Mr. SMOOT. I hope the Senator will pardon me for referring to it, but we were on the question of education, and that is why I did so.

Mr. COSTIGAN. May I say to the distinguished Senator from Utah that there is no disposition to criticize the committee for an admittedly conscientious effort to meet the instructions of the Senate? What I am endeavoring to do is to discover upon what principle—and so far there has been no indication of any principle—the committee acted in preparing its specific reductions.

May I add, and this is all I care to say at the moment, that the reduction in salaries, as indicated this morning by the senior Senator from California [Mr. JOHNSON] involves a different approach to our problems than the reduction of other expenses. The human element enters, and we have this extraordinary result of the action of the committee represented here so ably by the Senator from Utah [Mr. SMOOT] and the Senator from Tennessee [Mr. MCKELLAR], that in effect, in all probability, we are unjustly imposing two salary cuts upon some competent employees of the Government. Here is the first salary cut, and the House at this hour is preparing to send to the Senate for our consideration a separate salary cut bill of some sort.

Mr. SMOOT. This is not a salary-cut proposal.

Mr. COSTIGAN. Indeed, we are striking twice at the salaries of some employees if we pursue the policy now recommended. This important issue is involved in the appropriation item to which the Senator from Ohio [Mr. FESS] has directed our attention.

Mr. SMOOT. This is not a salary cut. It may compel the Office of Education to do away with some of the services in the department, but they can not cut the salaries. Those salaries are fixed by law.

Mr. COSTIGAN. It involves in effect a salary cut, as already stated, because enforced vacations may be imposed upon employees in the department or discharges may result. A month and a half in excess of a normal vacation is the equivalent of a substantial salary cut. Those who are informed as to activities of the Office of Education are persuaded that many employees will suffer unless the committee's recommended reduction is rejected by the Senate.

Mr. MCKELLAR. Mr. President, the Senator asked a question, which I shall be very happy to answer. He asked why the percentage of reduction was greater in the Office of Education than in some of the other services, and I will tell him why.

The committee examined the provision on page 101 very carefully. As the Senator knows, it provides for a study of the sources and apportionment of school revenues and their expenditures. The committee came to the conclusion that there was some doubt about making an appropriation like that even if we had billions in the Treasury. We thought it was a very unwise appropriation, even if we did not have the present depression, even if we did not have a $3,000,000,000 deficit in the Treasury. So the committee struck out that item entirely, and I think at this time very wisely so. It is a matter that could not only be postponed but, to be perfectly frank about it, I think that any person connected with the Office of Education could, by a little telephoning, get all the information from other bureaus of the Government without spending $50,000 for it. So we struck out that item entirely. It has nothing to do with the percentage of reduction.

It is true that the item on page 99, reduced from $280,000 to $250,000, is just a trifle over 10 per cent, but it is so little over it that it does not really amount to anything. That is true so far as one of the items on page 101 is concerned. The other is a 25 per cent reduction, but I do not believe that the Senator from Colorado would say that those reductions ought not to have been made.

As I understand, the Senator from Colorado takes the position that the reduction on page 99 was too great; and, if we find that to be the fact in conference, I shall be very glad to help remedy it.

Mr. COSTIGAN. Also, that it would have been better to have made the already indicated reduction on page 100, because if the Senator's statement is taken at its face value a study might be conducted by the Office of Education without loss to deserving employees of the Government.

Mr. MCKELLAR. I think so.

Mr. FESS. Mr. President, I do not want to prolong the agony. I simply want to express my disappointment. I thought that the committee would yield to what seems to me a very reasonable request in the Office of Education. Every Senator knows that for the last 30 years there has been rather a strong sentiment throughout the country for the creation of a department of education with cabinet rank, at the head of which there should be a distinguished educator. That matter has been considered pro and con. It is first strongly supported and then it loses ground somewhat. I know of no general proposal that is so universally backed by the educators of the country, not only the public-school educators but also the university and college people in the country.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. With the fine record which the Senator has made as an educator, I certainly hope he is not giving support to the proposition that we shall create a department of education. So far as I am concerned, I think it would be one of the most vicious things that could be inflicted upon the country. When the military forces of Germany wanted to establish a military dictatorship and augment the power of the Federal Government, they created a central organization for education, and subsidies were granted by the state, to the various Provinces and divisions of Germany. Ultimately, as we know, the whole educational system was brought under control of the military forces at Berlin. I would regard it as a calamity unspeakable for our democratic schools and democratic educational institutions to be brought under the control of the department of education.

Mr. FESS. Mr. President, the Senator from Utah is seeking to provoke a speech from me. I had not intended to enter upon any discussion of that proposal now.

All of us are perfectly familiar with the reference the Senator from Utah has made to Germany. The second greatest interest in Germany is education. They do not in Germany put other things above education. They regard that as the most important next to the Government itself.

I am not lending myself to the proposal other than being willing to consider it; but I want to announce now that if there is not a different attitude toward education than has been shown here this afternoon, there will be a repercussion throughout the country that will revive the interest in that movement to a point where it will be more successful than it has been in the past. There has been constantly a suggestion that we increase the Office of Education in its efficiency rather than to act favorably upon the proposal for a new department of education. There has been a considerable call for it throughout the country. But when we come to the consideration of the Office of Education, we see what happens. It seems to have no friends here at all.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Tennessee?

Mr. FESS. Certainly.

Mr. McKELLAR. I merely want to say, for the encouragement of the Senators and others of us who believe in education, that I happen to have before me a report of the Bureau of the Census on illiteracy for the year 1930. There is a general reduction in illiteracy, a very substantial reduction in every State in the Union. I think our country is to be congratulated upon the rapid strides which have been taken to stamp out illiteracy in every State, and I hope that end will soon be accomplished in every State.

Mr. FESS. Mr. President, I share the satisfaction of the Senator in that general trend. I do not know that there is any accomplishment in the country that is of more value than the elimination of illiteracy; I agree with the Senator that we ought to put a high premium upon education; but I——

Mr. TRAMMELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Florida?

Mr. FESS. I will yield in just a moment. I was about to say that I am somewhat surprised at the attitude which is shown when the friends of the educational movement—and I do not mean that those who are opposing my suggestion are not friends of that movement; I do not want to be put in that position—evidence a willingness to submit to the three cuts, but ask that the one, which happens to be the first one, ought not to be made. It appeared to me that when the facts were presented there would be no opposition to it. I think the attitude indicates that the committee feel that they ought not to yield in a single instance in any one of these items which have been reported, and for that reason they assume rather a hard-hearted attitude as to matters toward which they would otherwise be sympathetic.

Mr. McKELLAR and Mr. TRAMMELL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Ohio yield; and if so, to whom?

Mr. FESS. I yield to the Senator from Tennessee.

Mr. McKELLAR. May I say to the Senator that I am quite sure any inequality or failure to do the proper thing in framing this legislation will be corrected in conference between the two Houses.

Mr. FESS. I thank the Senator from Tennessee for the suggestion.

Mr. TRAMMELL. Mr. President, the Senator from Ohio remarked a few moments ago that when this question comes up, the Office of Education seems to have no friends in the Chamber. I do not think the Senator can draw any such deduction as that in regard to myself because I criticize an item providing for an expenditure of $50,000 for the purpose of making a study of the sources and apportionment of school revenue throughout the country.

Mr. FESS. We have all agreed to let that item go out of the bill.

Mr. TRAMMELL. I asked the question if that particular item constituted a part of the 34 per cent reduction, and it seems that it does. Of course, if that item constitutes a part of the 34 per cent reduction, it is not quite fair to claim that the Office of Education is cut 34 per cent upon items which the average person would consider essential to the proper maintenance of that bureau. I think the bureau has done a great deal of good work, but I do not propose, in a desperate financial crisis such as now confronts us, to favor every item for which it asks and swallow it lock, stock, and barrel; nor do I propose to favor this item just because some supposed experts ask for $50,000 for the purpose of studying the school revenues of the States and their apportionment.

Mr. FESS. Mr. President, I can not understand the attitude of the Senator from Florida in seeming to have some feeling concerning this item. We are letting the item go out; it is not in controversy.

Mr. TRAMMELL. That is the item which I particularly criticized, and the Senator has remarked that when a matter of this kind comes up the Office of Education has no friends here, and that to be a friend of that department one must just swallow everything they suggest. Is that the Senator's idea?

Mr. FESS. If that be so, then there is not a friend anywhere in the Senate Chamber or the House of Representatives, either, of the Office of Education. The Senator from Florida seems to be sensitive because of criticisms indulged because one item is not allowed to stand, although there is an entire willingness to permit the three others to go out. I am in accord with him that we can let the two items on page 100 and the one on page 101 go out, but the one I am asking to have retained is the item on page 99.

Mr. TRAMMELL. I am very glad to find that to be the case.

Mr. FESS. That is my position.

Mr. TRAMMELL. Then, conceding that we all agree that the $50,000 should be eliminated, the cuts in other items which are regarded as essential do not amount to 34 per cent; they amount to considerably less than that. That is the point I want to make.

Mr. FESS. The total cut amounts to a good deal more than 10 per cent. I simply wanted to express my disappointment, and I still hope when we come to a vote that the Senate will vote to reject this amendment; and if it fails to do so, then we shall have to rely upon the friends of education to correct it in conference.

Mr. NORRIS. Mr. President, I have listened with a great deal of interest to the Senator from Ohio and also to other Senators who have spoken as to the various items of appropriation which have been reduced in the bill as reported back to the Senate from the committee. We have the result which everybody ought to have anticipated when the bill was sent back to the committee. The Senator from Ohio is in love with one particular item, and he does not want the appropriation for that item reduced. Some other Senator has a feeling that some other item has 100 per cent of virtue in it, and he does not want that item reduced. There is not any doubt about the honesty of those who disagree as to what items should be cut. Without any doubt they are moved by the very best of intentions, but the truth is that we are in this predicament because we started out, I think, in a very illogical way.

It seems to me that this terrible depression and lack of funds in the Government's Treasury are, perhaps, fundamentally due more to unemployment than to any other one cause; and while I am one of the last men in the world who believe in going into debt when there is any possible way to keep out, I thought and I still believe that we ought to meet the contingency by going into debt and not by undertaking to stop functions necessary in carrying on the Government of the United States. But I did not have my way; other Senators and Members of the House outnumbered me very greatly. I thought we made a mistake when we voted down the bill sponsored by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Colorado [Mr. COSTIGAN]. I still think that we made a grave error when we did that, but we have to accept that decision as a matter of course. A majority of the Senate did it. So I gave up all attempts that I intended to make to bring about relief by trying to provide against unemployment. If we could put the unemployed to work and if we could give to those who produce



the food and clothing which we wear—the farmers of the country—an income so that they could afford to become purchasers again, I think we would relieve the terrible distress in which we now are.

To do that I thought, even though we had to issue bonds, much as I would regret to do that, would be better than to permit the unemployment to continue and compel charitably inclined persons and eventually the municipalities and the States and the Federal Government itself to contribute relief to those who would otherwise be employed, and who, instead of being burdens upon society and government, would be expending their incomes in the usual way and thus put the machinery of prosperity again into operation. But, as I have said, it was decided otherwise; it was decided not to do that; and, while I regret it, I go along with the majority; I surrender to the judgment of the Senate.

The next thing we are undertaking to do is to curtail the expenditures of the Government. That is a very commendable thing. We ought to have done that anyway, and there are a great many places where I think we could very materially reduce expenditures; but when we have to reduce them to the extent it is going to be necessary to reduce them, we get into a conflict of opinion and judgment of good men, of wise men, and of able men such as is presented to the country by the Senate of the United States. Senators disagree as to where these great cuts should be made. It has been charged on the floor of the Senate that it seems education has no friends in this body. That charge when it was made by the able Senator from Ohio was the incentive that induced me to break my silence and say what I have said and what I am about to say.

Although I am not casting any reflection upon motives I rather resent that kind of statement. I feel that probably as much as any Member of this body I love education. I know what it cost in toil and struggle to secure the meager education I have obtained. I know the difficulties, I know the suffering and the hardships, and I look with pleasure and delight upon any improvement in education by which the youth of to-day and of coming days will not be compelled to endure the sacrifices that the poor had to undergo in my day in order to acquire an education. So I claim, in my weak way, to be a friend of education in all its aspects. It means, in my judgment, a greater and a better government and increased happiness for the people, which, after all, is the object of every government. However, after the Senate rejected the methods which it seemed to me possibly would relieve the present condition, after we have thrown them aside, we are now confronted with the problem of cutting down some of the necessary activities of the Government. If we are going to comply with the order of the Senate to make a 10 per cent reduction in this bill as it came from the House, we must submit to seeing some of the appropriations for activities which we strongly favor and believe in reduced and, in some cases, go out of the bill entirely.

I believe that the committee were presented with an almost impossible task to carry out the order of the Senate. I was opposed to putting that burden on the committee and I talked and voted against it, but again I did not have my way and now the committee have come here with this report in the best of faith. They have made a cut in the appropriation for the Education Bureau.

Mr. President, I believe they have been modest in the cuts which they have made, including the very one that is protested by the Senator from Ohio. I believe the committee would have been justified in making a greater cut than it did make in this item:

For the Commissioner of Education and other personal services in the District of Columbia.

The committee have cut down the amount of that appropriation from $280,000 to $250,000. I hate to have that cut made; I do not want to have it made; I would rather leave it as it was; I would rather even increase it, but we can not do that. If we are going to carry out the previous order of the Senate, we must cut somewhere, and I would rather cut that appropriation than an item, for instance, of improvement such as Boulder Dam, where the Government has entered into contracts; where under the laws of the Federal Congress great undertakings have been commenced and carried to partial completion where 4,000 men have been taken out in the desert, homes built for them, and many millions invested; and where, by cutting the appropriation, we to a great extent obliterate the improvement that has already been made. We take those men away from their employment. In the first place, they become part of the great army of unemployed, and the work stops. The material, the machinery, and everything that is there to a great extent will be injured, and probably entirely destroyed. We will lose millions of dollars by stopping the work when it is half through.

It would be much better business, it seems to me, to issue bonds temporarily to carry on and finish a work that we have only partially finished. It is a damage to quit it now.

Suppose a farmer who has decided to build a house on his farm gets it half constructed, ready to put on the roof, and some calamity befalls him. Some member of his family is taken sick. Great expense is necessary for hospital care and doctors' and surgeons' services. What does he do? The money that he has intended to use for the completion of his house he must use for this emergency. Will he stop work on the house? Will he let it stand there in its unfinished condition if he is a good business man? Would he not rather borrow the money and finish it, much as he hated to borrow the money? That is an emergency where going in debt would be justifiable, where going in debt would be good common sense and good business.

Why, then, in the Office of Education, if we have to cut somewhere, not because we want to, would we not be justified in cutting that down rather than to stop some great enterprise where we are legally bound to pay for the completion of it, like an irrigation project, like the project called to our attention some time ago by the Senator from Montana, where it is half done? It is poor business, it seems to me, not to complete it. Rather had we better cut in a case of this kind, much as we may regret to do so.

We can cut this amount, and it will not close a single primary school in the United States. It will not take away from employment a single school-teacher anywhere beneath the folds of the flag. Understand, I do not want to make this cut; but we have burned the bridges behind us. We have defeated all other methods of ending unemployment and raising additional revenue by putting the wheels of business in operation. We are now confronted with the fact that this committee, in obeying the mandate of the Senate, has picked out this as one of the items that can be reduced. Something must be reduced. I think we can reduce this better than many of the items in this bill that have been reduced.

It is the same way, to a great extent, with the other items applying to the Office of Education. It will be injurious to make the reductions. I concede it. It will do harm. I concede it. The question, however, is not what we want to do but what we must do, and at the same time bring about the least hardship. While this does mean the discharge of some employees, and, perhaps, the reduction of salaries in some other cases, and some of those things will be hardships, I do not know of any place in the bill where we can make a reduction without some hardship coming from it. We are up against the fact that we have decided that this is the method selected for retrenchment, and we must not now turn our faces the other way.

What would happen if this item of $280,000 were reduced to $250,000, as the committee has proposed? No necessary activity of government would be stopped. No property of the United States would be damaged. No child anywhere in the United States would have one hour less of school attendance than though we did not make it. A study of some of the instrumentalities of education will have to be shut down to some extent. The language is:

Employees in field service; for purchase, distribution, and exchange of educational documents, motion-picture films, and

lantern slides; collection, exchange, and cataloguing of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and other expenses not herein provided for, $20,000.

That is a reduction of $5,000 from the bill as it came from the House. I would rather not make that reduction. I am not one who objects to using Federal funds for the very things that have been enumerated. I do not want to face backward and not see anything of human progress until after I pass by. I welcome investigation and improvement. I should like to hire the proper men and women to study the methods of other countries, to compare the methods in one State with those of another with a view of improving educational facilities; but when I am confronted with the fact that we must either cease that work or cease some other things that will bring damage of all kinds for years to come if we refuse to carry on contracts for which we have already obligated ourselves, or if it means, as it will, the discharge in Boulder Dam of probably 4,000 men and turning them into the list of unemployed when we will have to feed them and their families if we do it, I would rather cut this down. I would rather say, "Until this depression is over we can get along without this study. We will have to get along without this comparison of the school furniture used in one locality with the school furniture used in another."

I think we could cut the item entirely out of the bill. I would not have complained if the committee had done it, much as I am in love with the objects of the appropriation. I think it ought to be all cut out rather than to cut out a good many of the other items that are necessities. As between such an item as this and an item that means the very salvation and food and clothing of men, women, and children, I would rather cut this out temporarily than some other one.

Mr. McKELLAR. Mr. President——

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I want to say on behalf of the committee that for the fiscal year 1931, which was not very long ago, the appropriation was $253,000, just about the size of the appropriation here.

Mr. NORRIS. Yes. I know, as the Senator from Florida has said, that the report will go out that those who favor the reductions proposed by the committee are against education. I want to take this occasion to deny it, and to deny it most emphatically. However, we are confronted with a condition where we must do a good many things that we do not want to do. Assuming that the decision which the Senate has placed upon unemployment and things that would bring about employment where we now have unemployment is a final decision, then we are compelled here to cut out something.

The other items in the Office of Education are much the same. We can get along without an Office of Education in Washington. We did for a great many years. While I would not want to abolish it, I would abolish the Office of Education in Washington before I would abolish some other things that I believe are absolutely essential and necessary for the welfare and the well-being of the people of the United States. The National Government acts in an advisory capacity in matters of education. The schools—the great common schools and the public schools—are State institutions, and they can get along fairly well if we have nobody in Washington to do the things that it is provided by law shall be done by the Office of Education.

Mr. WALSH of Montana. Mr. President, I was called from the Chamber to attend an important meeting of one of the committees when the amendments immediately preceding the one that is now the subject of discussion were considered by the Senate. I desire to acquaint the Members of the Senate present with the conditions in connection with the appropriations mentioned in those amendments.

At the bottom of page 93 is found an item of $5,000,000, cut by the committee to $4,500,000, for the construction of roads in the national parks and approach roads thereto.

For quite a number of years past appropriations of $5,000,000 have been made for the construction of roads in the national parks; but by an act approved January 31, 1931, known as the park approach bill, for two years an authorization of an appropriation of $7,500,000 was made for the construction of roads within the national parks and roads approaching the national parks; and last year a total appropriation of the amount authorized, $7,500,000, was made—$5,000,000 in the regular appropriation bill, and $2,500,000 in the deficiency bill.

Pursuant to that authority and the appropriation made in accordance with it, work was undertaken upon four approach roads—that is to say, roads leading to the national parks. The act provided that 90 per cent of the lands traversed by the roads should be within the public lands, so that practically they are all roads within the public lands.

The roads prosecuted under that authorization appropriation were the Red Lodge-Hook City approach road in the Yellowstone Park, on which there was expended last year, or will be expended by the end of the present fiscal year, $977,700; on the Moran south boundary, Yellowstone Park, in Wyoming, $100,000 was expended; the Sequoia and General Grant approach road in California, $220,000; on the Desert View Grand Canyon National Park, of Arizona, $168,000; and surveys for other approach roads, $24,500. So that $1,500,000 were expended for that purpose last year, the remaining $6,000,000 of the total of $7,500,000 being either expended or contracted for, for roads within the national parks.

Mr. NORRIS. Mr. President, the Senator uses the expression "last year." Does he mean the present fiscal year?

Mr. WALSH of Montana. The appropriation of last year for the fiscal year ending June 30, 1932.

Mr. NORRIS. Exactly.

Mr. WALSH of Montana. The Budget recommended again an appropriation of $7,500,000 for these roads this year. That was cut by the House to $6,000,000, but was restored by the action of the Senate to the amount of the Budget recommendation, $7,500,000.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. McKELLAR. It was cut by the House to $5,000,000, was it not?

Mr. WALSH of Montana. That is correct. The Senate committee raised it to $6,000,000, and it was raised on the floor of the Senate to $7,500,000.

Mr. McKELLAR. That is right.

Mr. WALSH of Montana. I am very glad to have the correction. The appropriation now proposed is for $4,500,000.

I addressed a communication to the Secretary of Agriculture, under date of April 5, 1932, inquiring what the effect of a cut of that character would be, so far as these approach roads are concerned. My letter to him is as follows:

APRIL 5, 1932.

Hon. RAY LYMAN WILBUR,
Secretary of the Interior.

DEAR MR. SECRETARY: Information comes to me that the Senate Appropriations Committee, in obedience to the order of the Senate to cut the aggregate carried in the Interior appropriation bill to a figure 10 per cent below the amount for which the bill made provision as it came from the House, has recommended or will recommend the reduction of the item for roads in the national parks and for roads leading to the same, authorized by the act approved January 31, 1931, to $4,000,000, of which $2,850,000 have been obligated.

If the whole amount so recommended by the committee shall be used for the construction of roads in the parks, and of the sum reported in the Budget at least that amount was, it is understood, to be so used, the work now in progress on the approach roads must be abandoned. That such a course involves a loss of no inconsiderable part of the money already spent on such roads, amounting to $1,500,000, must be obvious.

Will you be good enough to advise me what part of the appropriation, if it should be limited as now proposed, would be used, if any part would, for the completion of the approach roads already begun, and by what the proposed amount should be increased that the work referred to may be completed within the time limited by the authorizing act, namely two years.

Cordially yours,

THOMAS J. WALSH.

To which the Secretary replied as follows:

THE SECRETARY OF THE INTERIOR,
Washington, April 7, 1932.

Hon. THOMAS J. WALSH,
United States Senate.

MY DEAR SENATOR WALSH: I have your letter of April 5, 1932, in which you advise that information has come to you that the Senate Appropriation Committee may reduce the item for roads in the national parks and for roads leading to the same, authorized by the act approved January 31, 1931, to $4,000,000, in compliance with the order of the Senate to cut the Interior Department appropriation bill 10 per cent below the amount provided in the bill as it came from the House.

If the appropriation for roads and trails in national parks is reduced to $4,000,000, approximately $2,850,000 of this amount, as stated in your letter, would be required to cover contractual obligations already entered into, leaving only $1,150,000 for road construction. As this latter amount would not be sufficient to take care of the road projects already started in the parks, no funds could be allocated for approach roads.

In order to continue the construction of approach roads authorized by the act approved January 31, 1931, $1,500,000 will be required. That amount, however, will not complete those approach roads already begun. Present preliminary estimates for the completion of approach roads already started amount to $3,222,900.

Very truly yours,

RAY LYMAN WILBUR.

Mr. McKELLAR. Mr. President, I call the Senator's attention to the amendment in the Interior Department appropriation bill authorizing the Secretary to contract for $2,500,000, so that that argument of the Secretary would not be of any avail if this bill passes in the form in which it has been reported.

Mr. SMOOT. That is found on page 99 of the bill. Again, I want to call attention to the fact that it is $4,500,000 instead of $4,000,000.

Mr. WALSH of Montana. I observe that. Is it the understanding of the Senators that the $2,500,000 which is authorized by the amendment found on page 99 is applicable to the approach roads?

Mr. McKELLAR. Absolutely.

Mr. WALSH of Montana. It does not say so.

Mr. McKELLAR. That is the purpose of it.

Mr. SMOOT. It says, "In addition to the amount herein appropriated," and that is appropriated for that purpose.

Mr. WALSH of Montana. But the language is, "for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and monuments," not the approach roads at all. If that is the purpose, I should like to have an opportunity to make the necessary amendment.

Mr. McKELLAR. So far as I am concerned, I have no objection. I want to call the attention of the Senator to what is proposed in a bill that has already passed the House and has already been favorably reported by the Senate committee. I read from page 3 of the bill known as the Hayden bill. It provides:

(1) For the construction and improvement of national-forest highways, $5,000,000.

(2) For the construction and maintenance of roads, trails, bridges, fire lanes, etc., including the same objects specified under the heading "Improvement of National Forests" in the agricultural appropriation act for the fiscal year ending June 30, 1932, approved February 23, 1931 (46 Stat. 1242), $5,000,000.

(3) For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks and national monuments under the jurisdiction of the Department of the Interior, $3,000,000, including national parks authorized to be established under the act of May 22, 1926 (U. S. C., title 16, sec. 403), and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053).

(4) For construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750; U. S. C., Supp. V, title 25, sec. 318a), $1,000,000.

(5) For the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act approved June 24, 1930 (46 Stat. 805; U. S. C., Supp. V, title 23, sec. 3), $2,000,000.

Making in all $16,000,000 to be appropriated along these lines if that bill shall be enacted.

Mr. WALSH of Montana. We are a long way from that yet, are we not?

Mr. McKELLAR. I think it is on the calendar. I do not know how far we are from it.

Mr. WALSH of Montana. I recall that the Senator from Arizona has been quite insistent in his endeavor to get consideration of the bill.

Mr. McKELLAR. It is on the calendar and is likely to come up very soon.

Mr. WALSH of Montana. That would not affect the situation at all, because that would not mean an appropriation.

Mr. SMOOT. The bill is an authorization and the appropriation will come later. The committee thought that the appropriation provided here would take care of the items of road building in the national parks.

Mr. McKELLAR. Certainly; with the amendment which authorizes a contract of $2,500,000 more.

Mr. WALSH of Montana. I wanted to present the situation to the Senate, and then, if this amendment may be amended so as to include approach roads as well as the roads within the parks, I shall be content.

Mr. SMOOT. I see no objection to that.

Mr. McKELLAR. If the Senator will offer his amendment, I think there will be no trouble about it. Could we not go on at this time, and when the Senator prepares his amendment, I think there will be no trouble about it?

Mr. WALSH of Montana. Before we pass on I want to remark that I am not familiar with the work in connection with any of these approach roads except the road known as the Red Lodge-Hook City Road, on which $990,000 has already been spent. Unless an appropriation is made to carry on that work the authorization will lapse this year, the two years having expired, and the authorization will be gone. The work can not proceed, and practically a large part of the work already done, costing the Government $990,000, will be destroyed and useless. Moreover, the contractors are in there with their outfits now; and if the work is not to go on, as a matter of course they will leave, their forces will be disbanded, their machinery will be taken elsewhere, and the situation will be presented such as that referred to just now by the Senator from Nebraska, namely, the failure to carry on the work will result in enormous loss to the Government.

I dare say, however, that the situation can be taken care of by the amendment, and I will see if I can not frame an amendment which will make it applicable to the approach roads as well as the roads within the parks.

Mr. SMOOT. Mr. President, the letter from the director, Mr. Albright, in referring to this appropriation of $5,000,000, specifically says that it is for the approach-road projects.

Mr. WALSH of Montana. That does not seem to be the language.

Mr. SMOOT. That is what Director Albright says.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 99, which the Secretary will again report.

The CHIEF CLERK. On page 99, line 20, the committee proposes to strike out "$280,000" and insert in lieu thereof "$250,000," so as to read:

For the Commissioner of Education and other personal services in the District of Columbia, $250,000.

The amendment was agreed to.

The next amendment was, under the heading "Office of Education, general expenses," on page 100, line 9, to strike out "$25,000" and insert "$20,000," so as to read:

For necessary traveling expenses of the commissioner and employees acting under his direction, including attendance at meetings of educational associations, societies, and other organizations; for compensation not to exceed $1,200 of employees in field service; for purchase, distribution, and exchange of educational documents, motion-picture films, and lantern slides; collection, exchange, and cataloguing of educational apparatus and appliances, articles of school furniture and models of school buildings illustrative of foreign and domestic systems and methods of education, and repairing the same; and other expenses not herein provided for, $20,000.

The amendment was agreed to.

The next amendment was, on page 100, line 19, after the word "teaching," to strike out "$70,000" and insert "$50,000," so as to read:

For all expenses, including personal services in the District of Columbia and elsewhere, purchase and rental of equipment, pur-

chase of supplies, traveling expenses, printing, and all other incidental expenses not included in the foregoing to enable the Secretary of the Interior, through the Office of Education, at a total cost of not to exceed $200,000, to make a study of the qualifications of teachers in the public schools, the supply of available teachers, the facilities available and needed for teacher-training, including courses of study and methods of teaching, $50,000.

The amendment was agreed to.

The next amendment was, on page 101, after line 3, to strike out:

For all expenses, including personal services in the District of Columbia and elsewhere, purchase and rental of equipment, purchase of supplies, traveling expenses, printing, and all other incidental expenses not included in the foregoing, to enable the Secretary of the Interior, through the Office of Education, at a total cost of not to exceed $350,000, to make a study of the sources and apportionment of school revenues and their expenditure, $50,000: *Provided*, That specialists and experts for service in this investigation may be employed at rates to be fixed by the Secretary of the Interior to correspond to those established by the classification act of 1923, as amended, and without reference to the civil service act of January 16, 1883.

The amendment was agreed to.

The next amendment was, under the heading "Government in the Territories, Territory of Alaska," on page 102, line 15, after the word "instruction," to strike out "of Alaskan natives," and in line 17, after the name "Alaska," to strike out "subsistence, clothing, and other necessary personal supplies for apprentices with Government herds," so as to read:

Reindeer for Alaska: For support of reindeer stations in Alaska and instruction in the care and management of reindeer, including salaries of necessary employees in Alaska, traveling expenses of employees, purchase, erection, and repair of cabins for supervisors, herders, and apprentices, equipment, and all other necessary miscellaneous expenses, $34,300, to be available immediately.

The amendment was agreed to.

The next amendment was, in the item for reindeer for Alaska, page 102, line 22, after the word "immediately," to insert a colon and the following proviso:

Provided, That no part of this appropriation shall be available for the payment of employees who are not experienced in animal husbandry.

The amendment was agreed to.

The next amendment was, in the item for the Alaska Railroad, on page 104, line 12, after the name "Alaska Railroad," to insert "operation and maintenance of agricultural experiment stations heretofore operated by the Department of Agriculture on the line of the railroad," so as to read:

The Alaska Railroad: For every expenditure requisite for and incident to the authorized work of the Alaska Railroad, including maintenance, operation, and improvements of railroads in Alaska; maintenance and operation of river steamers and other boats on the Yukon River and its tributaries in Alaska; operation and maintenance of ocean-going or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for the transportation of freight, passengers, or mail, when deemed necessary, for the benefit and development of industries and travel affecting territory tributary to the Alaska Railroad; operation and maintenance of agricultural experiment stations heretofore operated by the Department of Agriculture on the line of the railroad; etc.

The amendment was agreed to.

The next amendment was, on page 105, line 2, to reduce the appropriation for every expenditure requisite for and incident to the authorized work of the Alaska Railroad, etc., from $500,000 to $450,000.

The amendment was agreed to.

The next amendment was, under the subhead "Temporary government for the Virgin Islands," on page 107, line 8, after the figures "$110,000," to insert a colon and the following additional provisos:

Provided further, That should the revenues of the municipality of St. Thomas and St. John, during the fiscal year 1933, exceed $112,032, and/or the revenues of the municipality of St. Croix exceed $124,355, such excess revenues may be expended for municipal improvements and operating costs of the municipalities under such rules and regulations as the President may prescribe: *Provided further*, That the unobligated balance of the appropriation for expenses of the temporary government for the Virgin Islands contained in the second deficiency act, fiscal year 1931, shall be available for the fiscal year 1933 for such projects for the further development of agriculture and industry, and for promoting the general welfare of the islands as may be approved by the President, including the acquisition by purchase, condemnation, or otherwise of land and the construction of buildings for use in administering the affairs of the islands; the purchase of land for sale as homesteads to citizens of the Virgin Islands; and the making of loans for the construction of buildings, for the purchase of farming implements and equipment, and for other expenses incident to the cultivation of land purchased for resale as homesteads.

The amendment was agreed to.

The next amendment was, under the heading "St. Elizabeths Hospital," on page 109, line 19, after the word "residence," to insert a colon and the following additional proviso:

Provided further, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

The amendment was agreed to.

The next amendment was, under the heading "Howard University," on page 111, after line 11, to strike out:

For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available.

Mr. COSTIGAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Pittman
Austin	Couzens	Hull	Reed
Bailey	Cutting	Johnson	Robinson, Ark.
Bankhead	Dale	Jones	Robinson, Ind.
Barbour	Dickinson	Kean	Schall
Bingham	Dill	Kendrick	Sheppard
Black	Fess	Keyes	Shipstead
Blaine	Fletcher	King	Smoot
Borah	Frazier	La Follette	Steiwer
Bratton	George	Long	Thomas, Idaho
Brookhart	Glass	McGill	Townsend
Bulkley	Glenn	McKellar	Trammell
Bulow	Goldsborough	McNary	Vandenberg
Byrnes	Gore	Metcalf	Wagner
Capper	Hale	Morrison	Walcott
Carraway	Harrison	Neely	Walsh, Mont.
Carey	Hastings	Norbeck	Watson
Connally	Hatfield	Norris	White
Coolidge	Hayden	Nye	
Copeland	Hebert	Oddie	

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. WALSH of Montana. Mr. President, I ask the attention of the Senator from Tennessee [Mr. McKELLAR]. I propose an amendment to insert, on page 99, line 7, after the word "work," as follows:

Including work on approach roads authorized by the act of January 31, 1931.

The VICE PRESIDENT. The Chair suggests that the vote whereby the committee amendment was agreed to should be reconsidered. Without objection, that order will be made. The Senator from Montana offers an amendment to the amendment, which will be stated.

The CHIEF CLERK. On page 99, line 7, after the word "work," insert "including work on approach roads authorized by the act of January 31, 1931," so as to make the proviso read:

Provided further, That in addition to the amount herein appropriated the Secretary of the Interior may also approve projects, incur obligations, and enter into contracts for additional work, including work on approach roads authorized by the act of January 31, 1931, not exceeding a total of $2,500,000, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof and appropriations hereafter made for the construction of roads in national parks and monuments shall be considered available for the purpose of discharging the obligation so created.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Montana to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. COSTIGAN. Mr. President, the Senator from Nevada [Mr. ODDIE], I believe, desired some time ago to ask a question which I wish he would now repeat.

Mr. ODDIE. It was in regard to the Boulder Dam provision of the bill.

Mr. COSTIGAN. I understood the Senator wanted the floor for some purpose.

Mr. ODDIE. Yes.

Mr. COSTIGAN. Then I yield the floor in order that the Senator may present his matter.

Mr. ODDIE. Mr. President, several Members interested in the Boulder Canyon matter were out of the Senate a few moments ago when that amendment was agreed to. We wanted to have another word on it. I ask unanimous consent that the vote by which the amendment was agreed to may be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ODDIE. I now move, on page 76, line 1, that the numerals "$6,000,000" be stricken out and "$10,000,000" be inserted. That is the amount upon which the Senate agreed before the bill was recommitted to the committee.

Mr. PITTMAN. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator from Nevada will state it.

Mr. PITTMAN. If the committee amendment shall not be agreed to, will not the appropriation stand as the Senate originally adopted it?

The VICE PRESIDENT. The Senate has just agreed to reconsider the vote whereby the committee amendment was adopted.

Mr. PITTMAN. I understand that; but the inquiry now is whether the question recurs as to whether or not the committee amendment shall be adopted?

The VICE PRESIDENT. It is open to amendment, and the question is upon the amendment which the Senator from Nevada has proposed as an amendment to the committee amendment. The question is on the amendment to the amendment proposed by the Senator from Nevada.

The amendment to the amendment was rejected.

Mr. ODDIE. Now, Mr. President, I ask that the amendment striking out "$8,000,000" and inserting "$6,000,000" be disagreed to.

The VICE PRESIDENT. A negative vote will accomplish what the Senator desires. The question is on agreeing to the committee amendment. [Putting the question.] The ayes seem to have it.

Mr. PITTMAN. I ask for a division, Mr. President.

On a division, the committee amendment was agreed to.

The VICE PRESIDENT. The question is on the amendment which was reported a few moments ago, and the Senator from Colorado [Mr. COSTIGAN] is recognized.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from New York?

Mr. COSTIGAN. I yield.

Mr. COPELAND. I should like to ask the chairman of the committee what happened to the amendments which were offered on the floor and agreed to, on line 5, page 111, where the sum was changed to $475,000, on an amendment offered by the Senator from Colorado? Likewise, on page 111, line 11, the sum of $225,000 was changed to $275,000. What became of those amendments?

Mr. SMOOT. I will say to the Senator we could not retain those amendments and report the 10 per cent reduction below the House amounts, as we were instructed by the Senate to do.

Mr. COPELAND. But in the committee I asked the question whether or not the omission of the buildings was the only change to be made in the appropriations for Howard University, and the statement was made, as I understood it, that the sums of money for educational purposes had not been changed. Now, Mr. President, I protest against any change in that item. There was certainly a misapprehension in the committee and I want the Senate to know it.

We discussed this matter at length. The Senator from Colorado and others presented the need of these sums of money in order that contracts made and obligations entered upon by the university should be met. I am willing to go as far as anybody in the matter of economy, and am satisfied, much as I regret it, to accede to the committee amendment, for which I voted in the committee; but it was distinctly understood by me that these sums which had been put in the bill on the floor, amounting altogether to $75,000, should be included in the bill.

Mr. SMOOT. Mr. President, that was not the action of the committee. The action of the committee was to take the House appropriation for salaries, $450,000, and general expenses, $225,000.

Mr. COPELAND. Yes; but I protested against that when this matter was discussed in the committee. I raised the question and was given the assurance that, so far as the educational features were concerned, they were to be taken care of, as they should be.

Mr. SMOOT. If that assurance was given, I was not present; and I think I was there every minute of the time.

Mr. COPELAND. I hope the Senator from Colorado in his remarks will cover the need of these items. I am not going as far as undoubtedly the Senator from Colorado will with reference to new buildings; I think that, because of the necessity for economy, it is necessary to omit them; but it is absolutely wrong for us to reduce the educational appropriation below the sum fixed and determined upon by the Senate after due consideration.

Mr. HATFIELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from West Virginia?

Mr. COSTIGAN. I yield.

Mr. HATFIELD. If the Senator from Colorado will permit me to ask a question of the Senator from New York: What became of the $400,000 appropriation which was authorized by the Senate to include the completion of the library at Howard University?

Mr. COPELAND. The answer to that, if the Senator from Colorado will permit me, is that the committee, in seeking to reduce the appropriations, found it necessary to omit $300,000 for the heating plant, and $100,000 for the library, which amounts to $400,000, and very reluctantly I admitted the necessity for that reduction in the committee; but I protest most vigorously against the omission from the bill of the $75,000 item and the $25,000 item for salaries to take care of those members who are coming back from sabbatical leave and to take care of contracts entered upon, which were fully explained.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. The Senator from Colorado has the floor. To whom does he yield?

Mr. COPELAND. I had not completed my statement, Mr. President.

The VICE PRESIDENT. The Chair thought another Senator was about to interrupt.

Mr. COPELAND. I thank the Chair very much. I am glad the Vice President is guarding my interests. The necessity for the other item of $50,000 was made very evident—and it certainly is more evident now than ever before if we do away with the heating plant—in order that there may be an ample supply of funds to take care of the heating of the present buildings.

Mr. SMOOT. Mr. President, will the Senator from Colorado yield to me?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. COSTIGAN. I yield.

Mr. SMOOT. I do not see why the Senator says that Howard University in that regard has been treated adversely. The salary item for the present year was $450,000. The House appropriated $450,000. So, in view of the conditions, I do not see why any appropriation should be increased over that of last year for Howard University or for any other university.

As to the item of general expenses, $225,000 was the amount provided for the previous year, and I can not see why, under the conditions existing to-day, the expenses ought to be any more than they previously were. Everything they purchase costs less; prices are less; $225,000 will go further than it did a year ago; and we provided exactly the same amount that was provided a year ago.

Mr. COSTIGAN. Mr. President, I regret that the Senator from Utah [Mr. SMOOT], for the first time to-day, has made an attack on an appropriation on the basis of the present purchasing power of the dollar. Why that objection should be made with respect to Howard University I do not know, but it is in line with the persistent attacks from the beginning on appropriations for Howard University.

Mr. SMOOT. I do not say that the statement applies to Howard University any more than it applies to any other agency of the Government. I went to say that, so far as I am concerned, I am just as deeply concerned in the success of Howard University as is the Senator from Colorado.

Mr. COSTIGAN. Nevertheless, the Senator has made the observation as to the purchasing power of the dollar for the first time in connection with this appropriation.

Mr. President, the responsibility, which I am glad to assume, has been cast upon me of discussing the action of the committee with respect to appropriations for Howard University. As previously stated, I do not undertake to criticize the committee's sincerity in attempting to reduce the total appropriation now being considered. However, I earnestly ask the attention of the Senate to the group of Howard University appropriations dealt with by the committee. Every Member of this body on whatever side of the Senate Chamber knows that we are here dealing with a thoroughly exceptional subject.

Howard University occupies a unique place in the educational system of the United States. On March 14, 1932, various Members of the Senate paid tribute in this Chamber to the high character of the educational services which are to-day being rendered by that institution through trained leadership to millions of Americans who are justly entitled to the continuing educational encouragement and support of the Congress of the United States. I shall not enlarge on what was then said; I leave the record where it stands; but do desire to ask the special attention of the Senate to one or two of the proposed appropriations.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Louisiana?

Mr. COSTIGAN. I yield to the Senator from Louisiana.

Mr. LONG. I do not want to interrupt the Senator, but, as I understand, he and I both voted for the motion to reduce by 10 per cent the appropriations carried by this bill. I am not sure whether the Senator voted for that motion.

Mr. COSTIGAN. The Senator's statement is correct so far as my vote on the final total appropriation is concerned.

Mr. LONG. I likewise voted for that motion. In pursuance of that mandate, the committee have reduced the appropriations for practically every other institution of the Government below the appropriation for last year. I think I am correct about that. I will ask the Senator from Utah if I am not?

Mr. COSTIGAN. The Senator is not entirely correct; there are some exceptions.

Mr. LONG. In complying with the command of the Senate to reduce the appropriations carried by the bill 10 per cent in gross, the committee has, I take it, reduced the appropriations for nearly all the departments below the sums appropriated last year?

Mr. SMOOT. We have reduced salary items and a great many other items. We had to do it in order to make the 10 per cent reduction.

Mr. LONG. On this side of the Senate Chamber, with some support from the other side, we have recognized that a dollar means a great deal more this year than it meant last year. So I am at a loss to understand how there can be any attack made on the committee when it has gone so far as to give this particular institution every dollar of appropriations it received last year.

Mr. COSTIGAN. The Senator from Louisiana apparently did not hear my statement to the effect that no attack is being made upon the committee.

With respect to items as to which the appropriations were not reduced by the committee, permit me to say that St. Elizabeths Hospital, Freedmen's Hospital, and the Columbia Institute for the Deaf are among institutions not subjected to reductions, and very properly so.

Mr. HATFIELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from West Virginia?

Mr. COSTIGAN. I yield to the Senator from West Virginia.

Mr. HATFIELD. I call the Senator's attention to the fact that, beginning with the Budget Bureau, the appropriation for Howard University has been reduced 58 per cent.

Mr. COSTIGAN. The Senator is entirely correct.

Mr. HATFIELD. Namely, 16 per cent, beginning with the Budget Bureau, 20 per cent in the House of Representatives, and 37 per cent in the Senate, making an aggregate of 58 per cent.

Mr. COSTIGAN. May I add that according to my information the largest percentage reduction made in any appropriation in the bill now under consideration relates to Howard University.

Mr. SMOOT. I think the Senate ought to know exactly how that is arrived at. We have not reduced the salaries at Howard University a cent. We have not reduced the general expenses a cent; but there was an item for construction and completion of a heat, light, and power plant at Howard University that was cut out, and there was $100,000 for the completion of construction and equipment of a general library building. Those are two new items. In the case of the $400,000, of course the cut is a large percentage; but as far as the maintenance of the institution as it is to-day is concerned, and as it has been for a year, we are giving the same identical amount that was given a year ago.

Mr. HATFIELD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Colorado yield further?

Mr. COSTIGAN. I do.

Mr. HATFIELD. Does not the Senator believe that it is absolutely essential to complete the heating department of the university? Does he not know that the student body of the university at the present time is suffering for the want of the proper comforts and surroundings in the way of heat?

Mr. SMOOT. No; I do not so understand, Mr. President.

Mr. HATFIELD. That is my understanding.

Mr. SMOOT. I have been there. I know what the situation is. There should be a new plant. I have not any doubt about that. There must be a new plant before long, but the present plant has heated just what it is heating now for years past and will heat it this year in just the same way.

Mr. HATFIELD. But inadequately.

Mr. SMOOT. When the new building is erected they will have to have a new plant; and, of course, I want to say further to the Senator—I want to be perfectly frank—that I think even if we were not going to build the new building, money would be saved in the long run by putting in a new plant. I have not any doubt about that, but if we are not going to construct the new building, we will not want the amount of money estimated for the new plant. This heating plant is to be enlarged to take care of the new construction that is to be done.

Mr. HATFIELD. Mr. President, will the Senator yield further?

The VICE PRESIDENT. Does the Senator from Colorado further yield to the Senator from West Virginia?

Mr. COSTIGAN. Certainly.

Mr. HATFIELD. Is there any doubt in the Senator's mind that this library building will be completed? As I under-

stand, the Seventy-first Congress appropriated some $400,000 for it.

Mr. SMOOT. There is not any doubt that it will be completed, and there is not any doubt that there are a good many things that we ourselves can not do this year and will not do; and that is true all over the United States. We have been instructed to reduce this bill 10 per cent. This item was for construction and equipment, and its omission will not interfere with a single, solitary student going to the university this year.

Mr. HATFIELD. That may be very true.

Mr. SMOOT. I admit that the heating plant is not an up-to-date plant. It ought to be a modern plant, and that is what we intend to have just as soon as we get around to it.

I would not have thought of taking out this item but for the fact that we were instructed by the Senate to make these reductions. We have done the very best we can; and we do not think this is going to hurt the university other than temporarily. I wish we could put it in. I not only wish we could appropriate this amount of money, but I wish we could appropriate the whole amount of money necessary to do the job in one year. It would be cheaper. It would be better. We are up against such a condition, however, that I do not see how we can meet it in any other way.

Mr. McKELLAR. Mr. President, will the Senator yield for just one moment?

Mr. COSTIGAN. I yield for a moment.

Mr. McKELLAR. I desire to call the attention of the Senate to the testimony of Doctor Johnson about this library building:

Mr. HASTINGS. You also estimate $400,000 for the completion of the general library building.
Doctor JOHNSON. Yes, sir.

That was the appropriation where $100,000 was proposed.

Mr. HASTINGS. $400,000 was carried for the current year.
Doctor JOHNSON. That is true.
Mr. HASTINGS. You estimate it will cost $800,000?
Doctor JOHNSON. Yes, sir.
Mr. HASTINGS. Have you begun work on the building?
Doctor JOHNSON. No Mr. HASTINGS; that building is a building which requires very careful and thoroughgoing study.
Mr. HASTINGS. The actual construction of the building has not begun?
Doctor JOHNSON. It has not.
Mr. HASTINGS. You estimate the entire cost to be $800,000?
Doctor JOHNSON. Yes, sir.
Mr. HASTINGS. And you are asking an additional appropriation for the remainder of $400,000?
Doctor JOHNSON. Yes, sir; we would not begin on a building of that size, would not let a contract until the whole appropriation was available. The other $400,000 was authorized in the last bill, but not appropriated for.

I am friendly to this institution. My every vote in the Senate since I have been here has shown that I am friendly to it. Under the existing circumstances, however, when our Government is $3,000,000,000 in the hole already, and the condition is getting worse every minute, it seems to me that this is a matter that could well be deferred for one year.

Mr. COSTIGAN. Mr. President, I trust that the Senator from Tennessee will show his friendliness to the university by confining his opposition to the item about which he has just read some testimony.

It is also my hope, in view of the action of the Senate in instructing the committee to make an aggregate 10 per cent reduction, that the Senator from West Virginia [Mr. HATFIELD], who has consistently supported Howard University, may find it possible to concur in the view that the library appropriation may be postponed this year if necessity requires, provided the other urgently needed appropriations are retained. If that is done, the appropriation for Howard University will practically still represent a 10 per cent reduction upon our adoption of the amendments which I intend to present to the Senate.

Mr. HATFIELD. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from West Virginia?

Mr. COSTIGAN. I yield to the Senator from West Virginia.

Mr. HATFIELD. I voted for the 10 per cent reduction. I am wholeheartedly in favor of saving money for the Federal Government in this period of depression. I feel, as possibly many other Senators feel, that we have been growing too rapidly in the way of increased appropriations, not only for the Federal Government but for the State governments as well, and I am quite willing to forego the effort that I put forward here to bring about an appropriation to complete the library building, notwithstanding the great emergency which confronts the university. I am quite willing to join hands with the Senator from Colorado in the support of his amendment, which will place Howard University upon a parity with the curtailment that has been made in other appropriation items that are included in this bill.

Mr. COSTIGAN. In view of the statement of the able Senator from West Virginia, I wonder whether the committee will not be willing to reinsert in the bill the amendments placed there when the Senate considered this subject on March 14 of this year?

Mr. SMOOT. Mr. President, let me call the Senator's attention to the fact that this item reads:

For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available.

The power plant is to be built with a view to heating the new library building that is to be erected. We are not going to erect it now. The present heating plant, as I have said, takes care of the university to-day; but I want to be perfectly frank with the Senate and say that the present heating plant is not an up-to-date plant. I should like to see it changed, but we do not want to make a change until we can build the library building and then build a heating plant that will take care of all of the buildings of the university to-day, together with the new building proposed for the university. That is a sensible way of looking at it, is it not?

Mr. COSTIGAN. Mr. President, I shall discuss the heating plant in a moment.

The first fact which I desire to call to the attention of the Senate is that the reduction in the total appropriation for Howard University substantially exceeds the reduction of any other major appropriation of the bill. As pointed out by the Senator from West Virginia [Mr. HATFIELD] the original reduction below the Budget was 58 per cent. The reduction from the House bill, under the instruction of the Senate to the committee to bring in a 10 per cent total reduction, is 37.2 per cent—by far the largest reduction contained in the bill.

For example, the office of the Secretary of the Interior is reduced 10 per cent below the House bill; the General Land Office, 4 per cent; the Bureau of Indian Affairs, 5 per cent; the Bureau of Reclamation, 24 per cent; the Geological Survey, 4 per cent; the National Park Service, 6 per cent; the government of the Territories, 4 per cent; whereas, as stated, the reduction below the House bill for Howard University is 37.2 per cent.

It may further interest the Senate to know that the total reduction below the Budget figures is $935,000, or 58 per cent. The reduction below the figures fixed by the Senate on March 14 is $535,000 out of a relatively small appropriation. Considering the unique position of this educational institution, certainly these reduced appropriations must instantly challenge the attention and sense of fairness of every Member of the Senate.

What is the history of this year's appropriation for Howard University? I can very briefly summarize it for the Senate.

The majority of the subcommittee of the Senate, of course, represents the policy of our present national administration. Until this year, Howard University has been steadily growing under reasonable appropriations. During the past few years, under the present president of the university, the greatest improvement has occurred in the scope and quality both of the teaching and of the plant. The opposition to Howard University this year, for some reasons which do not outwardly appear, began before the present Budget economy

drive. According to the information sought and obtained by me, the Howard University budget for the next fiscal year, first estimated by university authorities at $1,942,000, was first cut by the Budget to $1,610,000 and later to $1,560,000. It was then further reduced by the House Appropriations Committee to $1,075,000. The university now suddenly faces a reduction to $675,000. The very statement of such facts ought to impress Members of the Senate as indicative of distinctly discriminatory treatment.

The Senate committee, before the bill reached us on March 14 of this year, cut out of the bill all appropriations for the needed library and for the heating plant. It reduced the salary allowance $25,000 below the amount deemed necessary by the Budget. It reduced the general expense appropriation $50,000. On March 14, taking the bill as it then stood, the Senate returned these amounts by amendments to the bill, $25,000 in the one instance and $50,000 in the other. Those are the two items to which the Senator from New York [Mr. COPELAND] referred.

In addition, on March 14 we added $160,000 to the amount which the Senate committee first reported for the heating, light, and power plant, making the total appropriation for that plant $460,000. We increased the appropriation for the library to $400,000 on motion of the Senator from West Virginia [Mr. HATFIELD].

Now, under the order to make a 10 per cent total cut the Senator from Utah comes to the defense of the present amendments, which, as the Senate passed the items, strike out $400,000 for the library, the entire amount of $460,000 for the heating, light, and power plant, reduce the item for salaries by $25,000, and reduce the item for general expenses by $50,000.

What are some of the necessary uses of these appropriations thus carelessly stricken? However, before I proceed, it should be noted that one of the singular coincidences about the persistent drive against the heating, light, and power plant grows out of the fact that this particular appropriation has been opposed by the Potomac Electric Power Co., which now seeks to sell electricity and power, so far as needed, to Howard University. The university desires to construct such a plant in part for educational engineering uses and in part for its substantial advance toward economy.

It is admitted in the evidence that the present heating plant is inadequate for the services performed by it. In fact, it is conceded that the present service now provided by Freedmen's Hospital, if a hard winter had befallen us this year, would have been inadequate for the university.

Incidentally, the pressure of steam permits the generation of electricity as a by-product of the heating plant. The testimony taken by the committee indicated that with such generated electricity as a by-product, the cost to Howard University would probably not exceed one-half cent per kilowatt-hour.

A witness for the Potomac Electric Power Co. who appeared before the Senate committee testified that the power company would make its initial charges against Howard University for such services on the basis of the standard rate system in the District of Columbia. He suggested that there would subsequently perhaps be reductions; but it is obvious that a very substantial saving will be secured, which in time should cancel the initial cost and save money for Howard University if this plant is authorized.

These various conclusions are not unsupported. The Secretary of the Interior is on record as urging each of the several appropriations now being brought to the attention of the Senate. For example, with respect to the heat, light, and power plant, Secretary Wilbur urged precisely the amount for appropriation which will be submitted to the Senate in an amendment which I intend to propose. He said this in part:

If the appropriation is allowed to stand at $300,000—

He was urging $460,000, not $300,000; and, mind you, there is to be no appropriation whatever if the action of the committee stands.

If the appropriation is allowed to stand at $300,000, therefore, the university will be obliged to construct the building and postpone the purchase of equipment until another year. This means the actual postponement of the plant for a period of two years from date, when the present service furnished by Freedmen's Hospital has now reached the maximum performance. The university has already been notified that it may fail to supply adequate heat if extremely cold weather comes during this winter.

I quote only part of the letter of the Secretary of the Interior urging the appropriation of $460,000, which is contained in the report of the testimony before the subcommittee of the Committee on Appropriations of the Senate.

With respect to the salary item, on which I shall also offer an amendment, let me quote a further word from the Secretary. There will be offered an amendment dealing with this item, increasing the salary appropriation by $25,000. This is what Secretary Wilbur has to say with respect to the decrease of $25,000, now brought before the Senate by the committee:

Without this additional sum—

Namely, $25,000.

Without this additional sum it will probably be necessary to discharge from 6 to 12 members of the university's present staff, adding to the ranks of the unemployed men, technically trained, who otherwise could further the much-needed step in the establishment of efficiency in a situation operating far below the level of competence.

Mr. COPELAND. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Colorado yield to the Senator from New York?

Mr. COSTIGAN. With pleasure.

Mr. COPELAND. I presume that what is meant by the statement just made by the Senator is that these men who are actually members of the faculty, who have been away on leave, are now returning to the university. Therefore, unless an appropriation is made as suggested by the Senator, there will be no funds with which to pay these salaries, and therefore there will be dismissals of men who are actually members of the faculty, where there is a moral and probably a legal obligation resting upon the university to pay those salaries.

Mr. COSTIGAN. That is my understanding.

Mr. SMOOT. Mr. President, the appropriation is just exactly the same as it was last year for salaries. If half a dozen of the men have gone off on their leave of absence, and come back, there would be half a dozen more going on their leaves of absence, as is the case in every university. The bill carries what it did last year. If they are going to increase the faculty, that is another matter, but the bill covers enough to pay what was paid in the university for the year to end June 30 this year.

Mr. COSTIGAN. How does the Senator interpret this language of Secretary Wilbur?

It will probably be necessary to discharge from 6 to 12 members of the university's present staff.

Mr. SMOOT. The only way it can be interpreted is that they are going to increase the salaries, or have more employees than they now have. The same amount is carried in the bill as in the bill providing for appropriations ending June 30 of this year. We are giving them exactly the same as they had.

Mr. COPELAND. Mr. President, will the Senator yield again?

Mr. COSTIGAN. Again, with pleasure.

Mr. SMOOT. There is no other school in the United States that is getting more than it got last year.

Mr. COPELAND. It is the practice of every university to give the members of the faculty a so-called sabbatical year.

Mr. SMOOT. They do; and I suppose this university is doing the same thing.

Mr. COPELAND. It so happens that this year there are no persons who desire to take advantage of that sabbatical year.

Mr. SMOOT. They get their salary just the same, for they are paid as when they are in the university.

Mr. COPELAND. Not at all.

Mr. SMOOT. There is not a university in the United States which does not pay salaries to those who leave on their sabbatical vacations.

Mr. COPELAND. If I can find my records, I will bring here the statement of the president of the university bearing out what the Senator from Colorado has said. I shall try to find it.

Mr. SMOOT. Does the Senator mean to say that the men who leave on the sabbatical vacations are not paid by the university during their absence?

Mr. COPELAND. I did not say that.

Mr. SMOOT. That is what the Senator from New York said.

Mr. COSTIGAN. I rest upon the statement of Secretary Wilbur, which I consider conclusive.

Mr. SMOOT. They must have some program mapped out for an increase in the number of professors.

Mr. COSTIGAN. That is not my understanding of the situation.

Mr. SMOOT. Then there must be increases in salaries contemplated.

Mr. COSTIGAN. Nor does that seem to be a fair interpretation of what Secretary Wilbur has definitely expressed.

Mr. SMOOT. Does the Senator say that the appropriation for the year ending June 30 this year was more than $450,000?

Mr. COSTIGAN. I do not.

Mr. SMOOT. Then it is the same. So the salaries, if they are the same in the university, will not require any more than the appropriation for this year, will they?

Mr. COSTIGAN. I concede nothing to the Senator. The evidence is before the Senate.

Mr. SMOOT. Those are the facts.

Mr. COSTIGAN. The one other item to which I shall ask the attention of the Senate is a needed increase recommended by the Secretary of the Interior for general expenses of $50,000. It will be covered in an amendment, which will be presented to the Senate.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. COSTIGAN. I yield.

Mr. COPELAND. The Senator from Colorado put into the RECORD on the 14th of March—and it recalls to my mind the material that was presented to me—a statement showing that a part of the salaries is paid by private subscription. Is the Senator from Utah familiar with that?

Mr. COSTIGAN. That is true.

Mr. COPELAND. Private income has been used to piece out the appropriation made by the Congress.

Mr. COSTIGAN. The Senator is correct.

Mr. SMOOT. That has been the case from the beginning, from the establishment of the university.

Mr. COPELAND. Very well. The statement put into the RECORD by the Senator from Colorado is as follows:

Private income is expected to fall short by more than $100,000. The agreed-upon program of the university requires that private gifts function during these early years primarily in the field of physical plant extension, which is being done according to schedule. They can not be transferred to the area of current expenses.

Further, the university is already obligated by contract to nine teachers and one librarian now on leave of absence and under fellowship grants, who will return for work in 1933. One of these is a dean of the university of long standing; another is a mature and distinguished scientist at the head of the department of botany, and two others are men of prolonged training for highly technical services in the preclinical branches of medicine.

So, by reason of the failure of private aid, which has always been given heretofore, and which is the experience of every eleemosynary, educational, every similar institution, and every hospital, unless this sum is placed at the figure which the Senate determined by vote should be the amount appropriated, it will be necessary to reduce the faculty by the discharge of from 6 to 12 members.

Mr. COSTIGAN. Mr. President, proceeding with the discussion, the Secretary of the Interior made the following statement with respect to the one item which has not been mentioned and which the committee also seeks to eliminate:

The university is, therefore, faced with the necessity of maintaining two new buildings without available funds and of keeping in its employ able teachers and research men who have no adequate tools for work.

Unless restoration of $50,000 is made, the result will be an undersubsistence of an educational program already authorized and started and of an economic and educational loss greater than the amount of saving contemplated will justify.

On this entire record, Mr. President, without criticism of the committee, which has undoubtedly worked with zeal to conform to the directions of the Senate, I deem it necessary, under all the circumstances, to offer to the Senate three amendments, and to ask for a yea-and-nay vote in each instance. I send the first of those amendments to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 111, line 5, the Senator from Colorado proposes to strike out "$450,000" and to insert in lieu thereof "$475,000."

Mr. McNARY. Mr. President, is the Senator from Colorado prepared to submit to a vote on his amendment now?

Mr. COSTIGAN. I ask for a yea-and-nay vote. If the courteous Senator from Oregon desires the floor, I shall be glad to yield to him at this time.

Mr. McNARY. I was going to suggest that we have a yea-and-nay vote, and I am glad the Senator will concur in that view. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the offering of the amendment at this time?

Mr. COPELAND. Mr. President, if we are to have a record vote, I suggest to the Senator from Colorado that we should have a call of the Senate in order that more Members may be here to vote. However, I assume that the Senator from Oregon would prefer that the matter go over until to-morrow.

Mr. McNARY. I would prefer, if possible, to have a vote now on the amendment presented by the able Senator from Colorado.

Mr. SMOOT. I would like to have a vote on it now.

Mr. TRAMMELL. Mr. President, I have something I desire to say on the subject before the vote is taken?

Mr. McNARY. Does the Senator from Florida desire to discuss it particularly at this time?

Mr. TRAMMELL. I desire to discuss the particular amendment and the particular exception which is sought to be made of this one appropriation.

Mr. McNARY. In the face of that situation I desire to move an executive session.

Mr. TRAMMELL. Very well.

WORLD COURT

Mr. PITTMAN. Mr. President, I have received an open letter from Mr. Phillip C. Jessup, secretary of the National World Court Committee, to some extent criticizing action I had taken with regard to the protocol of adherence to the World Court, and also reflecting, as I take it, upon the committee. I ask leave to have published in the RECORD my reply to this letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, April 12, 1932.

Mr. PHILIP C. JESSUP,
Secretary National World Court Committee,
18 East Forty-first Street, New York City.

MY DEAR MR. JESSUP: I am in receipt of your open letter of April 7, in which you charge me with introducing my resolution in the Foreign Relations Committee relative to the protocol for the purpose of delay alone. In support of your argument you quibble with regard to immaterial statements and matter contained in my letter to Bishop Jenkins published in the CONGRESSIONAL RECORD on April 4. You have deliberately refrained from discussing the material reasons set forth in such letter for the introduction of my resolution.

It must be evident to you that the character of advisory opinions to which I referred is not such as those that are authorized in a few of the State constitutions and providing for certain justices advising State officers "on important questions of law and upon solemn occasions." I am speaking of advisory opinions which seek to decide questions as between individuals before such questions can be submitted to judicial determination upon issue joined.

But whether the distinction I had in mind appeals to you or not, such question is totally immaterial in considering the juris-

diction of the World Court to grant an advisory opinion on a question in which we have or claim an interest without our consent and over our protest. Certainly the United States Senate will not tolerate an advisory opinion on such a question, and I am satisfied that the overwhelming majority of the people of this country sustain the United States Senate in this attitude.

The jurisdiction of the court is determined by the statutes of the court. The statutes of the court do not deny the jurisdiction of the court with regard to a question in which the United States has or claims an interest if such question has not reached the status of a dispute or contention between the United States and some other government.

For instance, the question as to whether or not the United States is violating the favored-nation clause in certain treaties where the United States discriminates against the nationality of a certain race under its immigration laws has not and will not be brought into dispute or contention by the United States Government. Our immigration laws are based on our own private internal policy, which policy we will not discuss with other governments.

The right and necessity for our Government to prevent the acquisition of title to and sovereignty over territory adjacent to the Panama Canal by some powerful government is not in dispute, nor will our Government enter into any dispute with any other government with regard to such right and necessity. That right and necessity is also based upon a national policy which we will not debate or permit to be disturbed.

The court has jurisdiction to entertain a request for an advisory opinion with regard to these matters under the statutes of the court. The only question involved is whether the council or the assembly of the League of Nations, under the protocol, has a right to submit to the court such questions for an advisory opinion. The protocol, in article 5, says: "With a view to insuring that the court shall not, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest," etc. Then article 5 proceeds to state how such assurance is guaranteed.

What is the assurance? First, that notice shall be given of the intention to request an advisory opinion; second, that the United States shall have an opportunity to protest against the submission of such request; third, that it shall have the same power in the council and in the assembly in voting for or against the submission of the question that the other members of the council or the assembly possess; fourth, that if the council or the assembly determine to submit such question, notwithstanding the protest of the United States, the United States is at liberty to withdraw its adherence to the court. The only partial aid to such assurance is the provision with regard to the vote of the United States in the matter. If a unanimous vote were required, then the United States would have a veto power.

The report of the protocol to the tenth ordinary session of the assembly of the League of Nations on September 14, 1929, relative to the interpretation of the protocol, says:

"It also implies that, if a majority is sufficient—as it is when the assembly asks for an opinion—the opposition of the United States, being simply equivalent to the vote of a member of the assembly, would count when determining the majority; but if the majority is secured notwithstanding such opposition, the request would go forward and the procedure of the league would follow its course.

"The opposition of the United States, in a question in which that country maintains that its interests are involved, obviously can not be negatived or canceled by the ordinary procedure of the assembly. And while the United States had to recognize that the assembly's procedure must follow its course, we for our part had to recognize that the United States must be free to denounce the agreement, to withdraw its accession to the statute, in any matter in which the league's machinery might involve a request for an opinion notwithstanding the opposition of the United States."

It was upon this construction that the protocol was signed by the signatory powers. This construction clearly discloses why the provision for the withdrawal of the United States from the court was included in the protocol. It is evident that the signatories signed the protocol with the understanding that they might adopt the practice of agreeing upon a submission of a request for an advisory opinion upon a majority vote.

So the United States, under the protocol, has no control over the council or the assembly in the submission of a request for an advisory opinion. There is no limitation upon the jurisdiction of the court found in article 5 of the protocol. I have just quoted from and described the contents of the protocol. It is erroneously called the Root protocol. As a matter of fact, it is not the protocol that was prepared and submitted by Mr. Root on behalf of the United States. Let us see what Mr. Root did prepare and submit with regard to the matter. At the first meeting of such committee held on Monday, March 11, 1929, we find the following in the minutes:

"Mr. Root's note for a 'Suggested Redraft of Article 4 of the Protocol of 1926' was then read. The text of the note ran as follows:

"The court shall not, without the consent of the United States, render an advisory opinion touching any dispute to which the United States is a party.

"The court shall not, without the consent of the United States, render an advisory opinion touching any dispute to which the United States is not a party but in which it claims an interest or touching any questions other than a dispute in which the United States claims an interest."

The rest of such proposed protocol by Mr. Root is substantially in the form of the protocol now before the Senate.

Subsequently, Sir Cecil Hurst submitted a substitute.

The minutes of the third meeting of the committee, held on March 12, 1929, set out:

"The chairman reminded the members of the committee that Sir Cecil Hurst had submitted the following proposals for redrafting article 4 of the protocol of 1926."

Then follows in the minutes a copy of the protocol as it now appears and which I have hereinbefore quoted from and described.

It is evident from the draft prepared by Mr. Root that he segregated questions submitted for advisory opinions into two classes, namely, those which had reached the status of a dispute between the United States Government and some other government and those questions which had not reached such a status or in which the United States claimed an interest. Immediately following the submission of the Hurst protocol as a substitute for the Root protocol the minutes set out a construction of the protocol by M. Raestad, a member of the committee. I quote from the minutes:

"M. Raestad thought that the committee could hail as a good omen the Anglo-American collaboration as represented by the Root-Hurst draft. A similar occurrence had taken place in 1926 in connection with the Root-Phillimore draft. If the proposal of Mr. Root were examined, the committee would note that it showed progress on the situation which existed in 1926, in so far as the following three points, were concerned:

"1. The United States formally abandoned all interest in the question whether unanimity or a mere majority was required when the council or the assembly requested an advisory opinion.

"2. The United States would explain its point of view when it claimed that a particular question was of interest to it.

"3. In case of disagreement, if the council or the assembly maintained its request for an advisory opinion contrary to the wishes of the United States, the United States would not insist on exercising its right of veto and would withdraw from the permanent court.

"In opposition to what had been said on the previous day by Mr. Root, M. Raestad did not think that, on two points at any rate, one of which raised a question of principle, the proposal of Sir Cecil Hurst was an improvement on that submitted by his United States colleague. Mr. Root's proposal was divided into two parts:

"1. It covered cases when the United States was a party to a dispute. In this connection there was only one provision—the first—in accordance with which the permanent court would not give an advisory opinion without the consent of the United States.

"2. It covered the case in which the United States claimed that it had an interest at stake, though it was not a party to a dispute. All the rest of the Root proposals dealt only with cases of this kind."

This was the construction of the Hurst protocol which is now before the Foreign Relations Committee of the United States Senate, erroneously called the Root protocol, which was made by a member of the Committee of Jurists for the benefit of the whole committee and immediately after the submission of the Hurst protocol.

The chairman of the Committee of Jurists is quoted in the minutes as stating:

"According to Mr. Root's proposals, whatever might be the nature of the dispute giving rise to a request for an advisory opinion, the United States reserved to itself the right to prevent any request being made for an opinion or to withdraw. The United States would thus have a right which was more extensive than that embodied in the draft of Sir Cecil Hurst, namely, the right to veto a request for an advisory opinion, whatever might be the size of the minority. If that interpretation were false, he would be delighted, as it would signify that the United States renounced its demand, at least in certain cases, but he did not think this was so."

Again the minutes disclose that M. Politis commented upon the ambiguity of the protocol in the following language:

"If unanimity were necessary, the veto of the United States would suffice to prevent the request for an opinion being made. If a majority sufficed, the negative vote of the United States would be inoperative. Such was the thesis, and it gave rise to two objections. It was not known what were the cases which required unanimity or a majority vote, and it was precisely this ambiguity which caused the United States some misgiving. This was a practical objection of great importance, which it was necessary to take into account.

* * * * * * *

"In the light of these practical considerations, therefore, the proposals under examination would not establish actual equality between the United States and the members of the council. The equality provided by Sir Cecil Hurst was theoretical."

I have quoted verbatim from the minutes of the meetings of the Committee of Jurists on the Statute of the Permanent Court of International Justice, which formulated the protocol, and also from the report submitting the protocol to the assembly of the League of Nations. It is clear that the United States is not assured under the protocol, either through the procedure of the council or assembly of the League of Nations, or by the statutes of the court, against the submission to and rendering by the court of advisory opinions touching questions in which the United

States has or claims an interest that are not the subject of a dispute or contention between the United States and some other government, and without the consent and against the protest of the United States.

It appears to me, and I think to a majority, if not all, of the Foreign Relations Committee of the Senate that the construction placed on the protocol by Senator Root, and now placed upon the protocol by the Secretary of State, has no support in the record that I have submitted. The fact that the committee has already adopted unanimously a reservation offered by Senator REED, of Pennsylvania, reasserting that we will only consent to the signing of the protocol by the United States, with the understanding that the court shall not have jurisdiction to entertain a request for an advisory opinion touching any question in which the United States has or claims an interest, discloses not only the fact that the committee does not agree with Mr. Root and the Secretary as to the protection granted the United States under the protocol but desire to commit the other signatory powers to the construction set forth in the Reed reservation.

If the protocol should be signed on behalf of the United States containing the Reed reservation, and any of the signatories should denounce such construction, then the signing of the protocol by the United States would be annulled and we would be where we are now.

Mr. Root and the Secretary of State seem to believe that the other signatory powers agree with their construction of the protocol. If this be true, why not let the State Department correspond by cable with the state departments of the other signatory powers and have them confirm the construction given the protocol by our State Department? Whilst such a confirmation might not legally bind the other governments, it would sufficiently satisfy me, and probably a majority of the committee, to justify us in giving a favorable report upon adherence to the World Court under such confirmation.

I have always been an advocate of adherence to the World Court and am now. I do not believe, and I am sure the Senate of the United States does not believe, that the court should have jurisdiction through an advisory opinion to meddle in the internal affairs of the United States, discuss its policies, and through such action probably arouse international opposition against the United States. It is true that we are given the privilege of withdrawing from the court in such event without "any imputation of unfriendliness or unwillingness to cooperate generally for peace or good will." Those words are meaningless. We have a right to withdraw without them, but there is no doubt in my mind that if we did withdraw, those words would not prevent the arousing of unfriendly relations.

I deplore the practice of having treaties so ambiguously drawn that they may be, possibly in years afterwards, given one construction by one government and another construction by another government. I will not be a party to the approval of any such treaty that not only vitally affects the interests of the United States, but which ambiguity may subsequently be the source of grave disputes between governments.

I am astounded that one of your statesmanship and legal attainments should consider that the reference to what appeared to be the opinion of Mr. Stimson, the Secretary of State, in his report to the President in 1929, whether correctly stated or not, should be material in considering the important questions at issue. It was only referred to to show that there was a difference of opinion between great men. By eliminating reference to them in the resolution I now concede that these two great men have the same opinion.

I have disclosed, however, that members of the committee, of jurists who prepared and adopted the protocol held a different opinion with regard to the matter from that held by Mr. Root, Secretary Stimson, and yourself. I have shown that the construction given to the protocol in the report to the assembly of the League of Nations is contrary to the construction given to the protocol by Mr. Root and by Mr. Stimson, and possibly by yourself. I am not so much interested in the individual opinions as to the proper construction of the protocol as I am in the construction to be given to the protocol by the other signatory powers, by the government members of the council and assembly of the League of Nations and by the court.

I attach a copy of my resolution that I have substituted for my original resolution.

Respectfully yours,

KEY PITTMAN.

RESOLUTION PROPOSED BY SENATOR PITTMAN AS A SUBSTITUTE FOR RESOLUTION HERETOFORE OFFERED BY HIM

Whereas the President under date of December 10, 1930, transmitted a message to the Senate, which is in part as follows:

"I have the honor to transmit to the Senate for its consideration and action three documents concerning adherence of the United States to the Court of International Justice. I inclose also a report of November 18, 1929, by the Secretary of State. I trust the protocols may have consideration as soon as possible after the emergency relief and appropriation legislation has been disposed of.

"It will be recalled that on January 27, 1926, following extended consideration, the Senate advised and gave consent to adherence to the court with five reservations; and it gave authorization to effect their acceptance by an exchange of notes. Consent to four of these reservations was promptly expressed at a meeting of the nations' members of the court, and after negotiations undertaken with the approval of President Coolidge, two protocols were drawn to revise the statutes of the court in order to embody this consent and also to meet the fifth reservation. The protocol of accession of the United States and the protocol of revision have now been signed by practically all of the nations which are members of the court and have also already been ratified by a large majority of those nations."

And whereas such message and accompanying documents have been referred by the Senate to this committee for consideration and report; and

Whereas there exists in the minds of the members of the committee grave doubts as to the interpretation intended to be given to said protocol of accession by the other governments signatory to the protocol and whether said protocol maintains unimpaired and unaffected said reservation No. 5 and thus deprives the court of jurisdiction, without the consent of the United States, to entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest; and

Whereas the language of the protocol is subject to the reasonable and natural construction that the court has jurisdiction to entertain any request for an advisory opinion touching a question in which the United States has or claims an interest, which is not the subject of a dispute between the United States and some other government, without the consent of the United States; and

Whereas this committee, by unanimous vote, has adopted a reservation to said protocol in effect reasserting said fifth reservation as a condition to our adherence to the court: Therefore be it

Resolved, That the President is respectfully requested to ascertain, through diplomatic notes or otherwise, if the signatories to the protocol agree that the protocol deprives the court of jurisdiction, without the consent of the United States, to entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

EXECUTIVE SESSION

Mr. McNARY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate several messages from the President of the United States submitting nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

REPORTS OF COMMITTEES

The PRESIDING OFFICER. Reports of committees are in order.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The PRESIDING OFFICER. The calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Charles D. Jones to be United States marshal, division No. 2, district of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Rolla Duncan to be United States marshal, district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Valentine J. Peter to be United States marshal, district of Nebraska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTER AT PETERSBURG, TEX.

Mr. SHEPPARD. Mr. President, I desire to move to reconsider the vote by which the Senate, on the 4th instant, advised and consented to the nomination of Mrs. Maggie Thomas to be postmaster at Petersburg, Tex., and I ask that the nomination be recommitted to the committee in order that I may obtain some further information regarding it.

The PRESIDING OFFICER. Without objection, the vote by which the nomination was confirmed will be reconsidered, and the nomination will be recommitted to the Committee on Post Offices and Post Roads.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McNARY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. REED. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the call of the calendar.

The Senate resumed legislative business.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock and 5 minutes p. m.) took a recess until to-morrow, Wednesday, April 13, 1932, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 12 (legislative day of April 11), 1932

UNITED STATES ATTORNEY

Paul W. Kear, of Virginia, to be United States attorney, eastern district of Virginia, to succeed Robert H. Talley, resigned.

POSTMASTERS

ALABAMA

Eason K. Wood to be postmaster at Calera, Ala., in place of E. K. Wood. Incumbent's commission expires May 26, 1932.

Hugh H. Dale to be postmaster at Camden, Ala., in place of H. H. Dale. Incumbent's commission expires May 22, 1932.

James P. Aaron to be postmaster at Camp Hill, Ala., in place of J. P. Aaron. Incumbent's commission expires May 26, 1932.

Louie W. Vaughan to be postmaster at Cuba, Ala., in place of L. W. Vaughan. Incumbent's commission expires May 22, 1932.

Ira C. Chapman to be postmaster at Deatsville, Ala., in place of I. C. Chapman. Incumbent's commission expires May 26, 1932.

Sister Mary Teresa to be postmaster at Holy Trinity, Ala., in place of Sister Mary Stephen, resigned.

Jethro D. Dennis to be postmaster at Marion, Ala., in place of J. D. Dennis. Incumbent's commission expired April 2, 1932.

George B. Pickens to be postmaster at Moundville, Ala., in place of G. B. Pickens. Incumbent's commission expires May 26, 1932.

William L. Jones to be postmaster at Parrish, Ala., in place of W. L. Jones. Incumbent's commission expires May 22, 1932.

Arthur P. Thompson to be postmaster at Piedmont, Ala., in place of A. P. Thompson. Incumbent's commission expired April 10, 1932.

Samuel B. Wininger to be postmaster at Pisgah, Ala., in place of S. B. Wininger. Incumbent's commission expired March 22, 1932.

Samuel J. Tucker to be postmaster at Springville, Ala., in place of S. J. Tucker. Incumbent's commission expires May 29, 1932.

Alden M. Wallace to be postmaster at Tuskegee, Ala., in place of A. M. Wallace. Incumbent's commission expires May 22, 1932.

ARIZONA

Blaine W. Hugo to be postmaster at Clarkdale, Ariz., in place of B. W. Hugo. Incumbent's commission expires May 29, 1932.

June S. Haymond to be postmaster at Claypool, Ariz., in place of J. S. Haymond. Incumbent's commission expires May 25, 1932.

Walter Runke to be postmaster at Flagstaff, Ariz., in place of Walter Runke. Incumbent's commission expires May 19, 1932.

James A. Metzger to be postmaster at Grand Canyon, Ariz., in place of J. A. Metzger. Incumbent's commission expires May 29, 1932.

ARKANSAS

William H. Tucker to be postmaster at Casa, Ark., in place of W. H. Tucker. Incumbent's commission expires May 25, 1932.

Douglas O. Dover to be postmaster at Cove, Ark., in place of D. O. Dover. Incumbent's commission expires May 29, 1932.

Legrand K. Charles to be postmaster at Eureka Springs, Ark., in place of L. K. Charles. Incumbent's commission expires May 25, 1932.

Bertha E. Millian to be postmaster at Lexa, Ark., in place of B. E. Millian. Incumbent's commission expires may 25, 1932.

Maud Jackson to be postmaster at Sherrill, Ark., in place of Maud Jackson. Incumbent's commission expires May 25, 1932.

William M. Dugal to be postmaster at Strong, Ark., in place of Roy Hill. Incumbent's commission expires May 26, 1932.

Dalton Matthews to be postmaster at Vilonia, Ark., in place of Dalton Matthews. Incumbent's commission expires May 17, 1932.

Robert L. Maddox to be postmaster at Winslow, Ark., in place of S. I. Winn. Incumbent's commission expired December 19, 1931.

CALIFORNIA

Belle Hicks to be postmaster at Armona, Calif., in place of Belle Hicks. Incumbent's commission expires May 22, 1932.

Thurlow T. Workman to be postmaster at Bloomington, Calif., in place of T. T. Workman. Incumbent's commission expires May 29, 1932.

Peter D. McIntyre to be postmaster at Blythe, Calif., in place of P. D. McIntyre. Incumbent's commission expires May 25, 1932.

John H. B. Speer to be postmaster at Delano, Calif., in place of J. H. B. Speer. Incumbent's commission expires May 22, 1932.

Elvira J. Brown to be postmaster at Denair, Calif., in place of E. J. Brown. Incumbent's commission expires May 29, 1932.

John H. Dodson to be postmaster at El Cajon, Calif., in place of J. H. Dodson. Incumbent's commission expires May 22, 1932.

Charles H. Coffey, jr., to be postmaster at Gonzales, Calif., in place of C. H. Coffey, jr. Incumbent's commission expires May 22, 1932.

Thomas P. Cosgrave to be postmaster at Madera, Calif., in place of T. P. Cosgrave, deceased.

William C. Werry to be postmaster at Palo Alto, Calif., in place of W. C. Werry. Incumbent's commission expires May 22, 1932.

Edward A. Baker to be postmaster at Point Loma, Calif., in place of E. A. Baker. Incumbent's commission expires May 22, 1932.

George R. Comings to be postmaster at Ramona, Calif., in place of G. R. Comings. Incumbent's commission expires May 25, 1932.

Ernest R. Rhymes to be postmaster at Sanitarium, Calif., in place of E. R. Rhymes. Incumbent's commission expires May 22, 1932.

Chauncey P. Wright to be postmaster at San Pedro, Calif., in place of C. P. Wright. Incumbent's commission expires May 29, 1932.

Earle R. Hawley to be postmaster at Stockton, Calif., in place of E. R. Hawley. Incumbent's commission expires May 22, 1932.

Clarence G. Carratt to be postmaster at Templeton, Calif., in place of C. G. Carratt. Incumbent's commission expires May 29, 1932.

Clyde W. Holbrook to be postmaster at Venice, Calif., in place of C. W. Holbrook. Incumbent's commission expires May 26, 1932.

COLORADO

John E. Harron to be postmaster at Alamosa, Colo., in place of J. E. Harron. Incumbent's commission expires May 22, 1932.

Edna A. McCormick to be postmaster at Sedgwick, Colo., in place of E. A. McCormick. Incumbent's commission expires May 17, 1932.

Erick F. Sutherland to be postmaster at Silverton, Colo., in place of R. R. Shaw. Incumbent's commission expired January 28, 1931.

Henry M. Newkirk to be postmaster at Swink, Colo., in place of H. M. Newkirk. Incumbent's commission expires May 26, 1932.

CONNECTICUT

Ethyl O. Engisch to be postmaster at Cornwall Bridge, Conn. Office became presidential July 1, 1931.

Clarence L. Clark to be postmaster at Old Lyme, Conn., in place of C. L. Clark. Incumbent's commission expires May 12, 1932.

Clarence B. Emery to be postmaster at Terryville, Conn., in place of C. B. Emery. Incumbent's commission expires March 22, 1932.

Thomas J. Crockett to be postmaster at Unionville, Conn., in place of T. J. Crockett. Incumbent's commission expires May 26, 1932.

DELAWARE

Charles L. Talpey to be postmaster at Claymont, Del., in place of R. F. McClure, resigned.

FLORIDA

Hettie B. Spencer to be postmaster at Dade City, Fla., in place of H. B. Spencer. Incumbent's commission expired April 2, 1932.

HAWAII

Alice J. Brown to be postmaster at Paia, Hawaii, in place of A. J. Brown. Incumbent's commission expires May 15, 1932.

Joseph F. Xavier to be postmaster at Puunene, Hawaii, in place of J. F. Xavier. Incumbent's commission expires May 16, 1932.

William K. Kelii to be postmaster at Wahiawa, Hawaii, in place of W. K. Kelii. Incumbent's commission expires May 25, 1932.

IDAHO

Leslie A. Baskett to be postmaster at Nezperce, Idaho, in place of L. A. Baskett. Incumbent's commission expires May 26, 1932.

Keith C. Merrill to be postmaster at Paul, Idaho, in place of K. C. Merrill. Incumbent's commission expires May 17, 1932.

ILLINOIS

Sherman Dorand to be postmaster at Ashland, Ill., in place of Sherman Dorand. Incumbent's commission expires May 29, 1932.

Edwin C. O'Brien to be postmaster at Barry, Ill., in place of E. C. O'Brien. Incumbent's commission expires May 29, 1932.

Elliott O. Andrews to be postmaster at Belvidere, Ill., in place of E. O. Andrews. Incumbent's commission expires May 25, 1932.

Clarence E. Snively to be postmaster at Canton, Ill., in place of C. E. Snively. Incumbent's commission expired January 12, 1932.

S. Elmer Simpson to be postmaster at Carrollton, Ill., in place of S. E. Simpson. Incumbent's commission expires May 29, 1932.

Verda M. Mulhall to be postmaster at Davis, Ill., in place of V. M. Mulhall. Incumbent's commission expires May 17, 1932.

John E. Heffron to be postmaster at East Dubuque, Ill., in place of J. E. Heffron. Incumbent's commission expires May 17, 1932.

Robert R. Davis to be postmaster at Equality, Ill., in place of R. R. Davis. Incumbent's commission expires May 17, 1932.

Jacob L. Pfundstein to be postmaster at Erie, Ill., in place of J. L. Pfundstein. Incumbent's commission expires May 17, 1932.

George F. Batty to be postmaster at Greenfield, Ill., in place of G. F. Batty. Incumbent's commission expires May 29, 1932.

Samuel T. Little to be postmaster at Hillsboro, Ill., in place of S. T. Little. Incumbent's commission expires May 29, 1932.

Harry B. Potter to be postmaster at Marshall, Ill., in place of H. B. Potter. Incumbent's commission expires May 25, 1932.

William Georger to be postmaster at New Baden, Ill., in place of William Georger. Incumbent's commission expires May 25, 1932.

Hiram B. Rutherford to be postmaster at Newman, Ill., in place of H. B. Rutherford. Incumbent's commission expires May 25, 1932.

Jesse L. Jones to be postmaster at Rantoul, Ill., in place of J. L. Jones. Incumbent's commission expires May 17, 1932.

John Wacker to be postmaster at Techny, Ill., in place of John Wacker. Incumbent's commission expires May 17, 1932.

Kate M. Weis to be postmaster at Teutopolis, Ill., in place of K. M. Weis. Incumbent's commission expires May 25, 1932.

Lela Seneff to be postmaster at Westfield, Ill., in place of Lela Seneff. Incumbent's commission expires May 17, 1932.

Harry L. Dean to be postmaster at Witt, Ill., in place of H. L. Dean. Incumbent's commission expires May 17, 1932.

INDIANA

T. M. Long to be postmaster at Butler, Ind., in place of T. M. Long. Incumbent's commission expires May 26, 1932.

Claude L. Worster to be postmaster at North Liberty, Ind., in place of C. L. Worster. Incumbent's commission expires May 17, 1932.

Oscar Standeford to be postmaster at Orleans, Ind., in place of Luella Moore. Incumbent's commission expired January 10, 1932.

Glenn H. Newby to be postmaster at Russiaville, Ind., in place of Celia Johnson. Incumbent's commission expired January 10, 1932.

IOWA

Albert A. Emigh to be postmaster at Atlantic, Iowa, in place of A. A. Emigh. Incumbent's commission expired May 19, 1932.

Royal E. Hutton to be postmaster at Bancroft, Iowa, in place of R. E. Hutton. Incumbent's commission expires May 19, 1932.

John J. Ethell to be postmaster at Bloomfield, Iowa, in place of J. J. Ethell. Incumbent's commission expires May 19, 1932.

Joseph M. Jacobs to be postmaster at Delta, Iowa, in place of J. M. Jacobs. Incumbent's commission expires May 19, 1932.

Mary E. Coy to be postmaster at Farragut, Iowa, in place of M. E. Coy. Incumbent's commission expires May 19, 1932.

William C. Upham to be postmaster at Fredericksburg, Iowa, in place of W. C. Upham. Incumbent's commission expired December 17, 1931.

Albert L. Mensing to be postmaster at Lowden, Iowa, in place of A. L. Mensing. Incumbent's commission expires May 29, 1932.

Howard H. Tedford to be postmaster at Mount Ayr, Iowa, in place of H. H. Tedford. Incumbent's commission expires May 19, 1932.

Frank C. McClaskey to be postmaster at Toledo, Iowa, in place of F. C. McClaskey. Incumbent's commission expires May 23, 1932.

Ralph Hunte to be postmaster at Springville, Iowa, in place of Ralph Hunte. Incumbent's commission expires May 19, 1932.

Marion H. Barnes to be postmaster at Wapello, Iowa, in place of M. H. Barnes. Incumbent's commission expires May 19, 1932.

KANSAS

Gerald G. Smith to be postmaster at Burr Oak, Kans., in place of G. G. Smith. Incumbent's commission expires May 19, 1932.

Arnold C. Heidebrecht to be postmaster at Burrton, Kans., in place of A. C. Heidebrecht. Incumbent's commission expires May 16, 1932.

John E. Mock to be postmaster at Geneseo, Kans., in place of H. L. Hyde. Incumbent's commission expired December 19, 1931.

Susie W. Rhine to be postmaster at Cove, Kans., in place of S. W. Rhine. Incumbent's commission expired February 27, 1932.

Hiram W. Joy to be postmaster at Quinter, Kans., in place of H. W. Joy. Incumbent's commission expires May 19, 1932.

Eldon C. Newby to be postmaster at Randolph, Kans., in place of E. C. Newby. Incumbent's commission expires May 12, 1932.

Michael Fischer to be postmaster at Tipton, Kans., in place of Michael Fischer. Incumbent's commission expires May 19, 1932.

Floy W. Sellers to be postmaster at Towanda, Kans., in place of F. W. Sellers. Incumbent's commission expires May 29, 1932.

Charles J. Roy to be postmaster at Wilsey, Kans., in place of C. J. Roy. Incumbent's commission expires May 23, 1932.

KENTUCKY

Edna W. Morin to be postmaster at Alexandria, Ky., in place of E. W. Morin. Incumbent's commission expires May 23, 1932.

James I. Harlan to be postmaster at Barlow, Ky., in place of J. I. Harlan. Incumbent's commission expires May 26, 1932.

Howard C. Pentecost to be postmaster at Corydon, Ky., in place of H. C. Pentecost. Incumbent's commission expires May 26, 1932.

John M. Burkholder to be postmaster at Crofton, Ky., in place of J. M. Burkholder. Incumbent's commission expires May 23, 1932.

Mollie L. Nolan to be postmaster at Harlan, Ky., in place of M. L. Nolan. Incumbent's commission expires May 26, 1932.

LOUISIANA

Robert A. Giddens to be postmaster at Coushatta, La., in place of R. A. Giddens. Incumbent's commission expires May 17, 1932.

Jesse L. Beasley to be postmaster at Harrisonburg, La., in place of J. L. Beasley. Incumbent's commission expires May 26, 1932.

Claude H. Wallis to be postmaster at Houma, La., in place of C. H. Wallis. Incumbent's commission expires May 17, 1932.

Mattie B. Peyton to be postmaster at Keatchie, La., in place of M. B. Peyton. Incumbent's commission expires May 17, 1932.

Walter C. Miller to be postmaster at Logansport, La., in place of W. C. Miller. Incumbent's commission expires May 17, 1932.

Chester C. Heinemann to be postmaster at Rayville, La., in place of C. C. Heinemann. Incumbent's commission expires May 29, 1932.

Esther E. Harlan to be postmaster at Swarts, La., in place of E. E. Harlan. Incumbent's commission expires May 29, 1932.

Nannie H. Rogillio to be postmaster at Water Proof, La., in place of N. H. Rogillio. Incumbent's commission expires May 17, 1932.

Ector R. Gammage to be postmaster at Westlake, La., in place of E. R. Gammage. Incumbent's commission expires May 17, 1932.

MAINE

Arthur A. Dinsmore to be postmaster at Dover-Foxcroft, Me., in place of A. A. Dinsmore. Incumbent's commission expires May 16, 1932.

Francis L. Talbot to be postmaster at East Machias, Me., in place of F. L. Talbot. Incumbent's commission expires May 16, 1932.

Louis F. Higgins to be postmaster at Ellsworth, Me., in place of L. F. Higgins. Incumbent's commission expires May 19, 1932.

Henry W. Perry to be postmaster at Fort Fairfield, Me., in place of H. W. Perry. Incumbent's commission expires May 23, 1932.

Luther G. Cushing to be postmaster at Freeport, Me., in place of L. G. Cushing. Incumbent's comission expires May 16, 1932.

Stella L. Hill to be postmaster at Northeast Harbor, Me., in place of S. L. Hill. Incumbent's commission expires May 23, 1932.

John W. Knapp to be postmaster at Stratton, Me., in place of J. W. Knapp. Incumbent's commission expires May 16, 1932.

Linwood B. Jones to be postmaster at Winthrop, Me., in place of L. B. Jones. Incumbent's commission expires May 25, 1932.

MARYLAND

Harry M. Carroll to be postmaster at Federalsburg, Md., in place of H. M. Carroll. Incumbent's commission expires May 26, 1932.

Elmore H. Owens to be postmaster at Perryville, Md., in place of E. H. Owens. Incumbent's commission expires May 26, 1932.

Robert L. Hall to be postmaster at Pocomoke City, Md., in place of R. L. Hall. Incumbent's commission expires May 26, 1932.

MASSACHUSETTS

James J. Murtaugh to be postmaster at Hopkinton, Mass., in place of J. J. Murtaugh. Incumbent's commission expires May 25, 1932.

John A. Bell to be postmaster at Leicester, Mass., in place of J. A. Bell. Incumbent's commission expires May 26, 1932.

Fred W. Trasher to be postmaster at Marblehead, Mass., in place of F. W. Trasher. Incumbent's commission expires May 25, 1932.

Charles H. Sawyer to be postmaster at Northampton, Mass., in place of C. H. Sawyer. Incumbent's commission expires May 19, 1932.

Albert S. Hopkins to be postmaster at Norton, Mass., in place of A. S. Hopkins. Incumbent's commission expires May 16, 1932.

Annie K. Adams to be postmaster at Onset, Mass., in place of A. K. Adams. Incumbent's commission expires May 29, 1932.

Everett W. Carpenter to be postmaster at Palmer, Mass., in place of E. W. Carpenter. Incumbent's commission expires May 16, 1932.

Walter L. Williams to be postmaster at Peabody, Mass., in place of W. F. Searle, deceased.

Aloysius B. Kennedy to be postmaster at Rochdale, Mass., in place of A. B. Kennedy. Incumbent's commission expires May 26, 1932.

Philip Morris to be postmaster at Siasconset, Mass., in place of Philip Morris. Incumbent's commission expires May 19, 1932.

Charles M. Edwards to be postmaster at Sterling, Mass., in place of C. M. Edwards. Incumbent's commission expired March 27, 1932.

Stephen C. Luce to be postmaster at Vineyard Haven, Mass., in place of S. C. Luce. Incumbent's commission expires May 19, 1932.

MICHIGAN

Hazel M. Foster to be postmaster at Baldwin, Mich., in place of H. M. Foster. Incumbent's commission expires May 19, 1932.

John H. Ter Avest to be postmaster at Coopersville, Mich., in place of J. H. Ter Avest. Incumbent's commission expires May 12, 1932.

J. Gail Show to be postmaster at Elsie, Mich., in place of J. G. Show. Incumbent's commission expires May 16, 1932.

James B. Haskins to be postmaster at Howard City, Mich., in place of J. B. Haskins. Incumbent's commission expires May 16, 1932.

Fred C. Putnam to be postmaster at Kalamazoo, Mich., in place of F. C. Putnam. Incumbent's commission expires May 16, 1932.

Frank J. Gehringer to be postmaster at Lenox, Mich., in place of F. J. Gehringer. Incumbent's commission expired January 9, 1932.

Estella R. Newcomb to be postmaster at Le Roy, Mich., in place of E. R. Newcomb. Incumbent's commission expires May 29, 1932.

Howard L. Barber to be postmaster at Merrill, Mich., in place of H. L. Barber. Incumbent's commission expires May 16, 1932.

Howard L. Vaughan to be postmaster at Ovid, Mich., in place of H. L. Vaughan. Incumbent's commission expires May 16, 1932.

Nettie C. Grayson to be postmaster at Pellston, Mich., in place of N. C. Grayson. Incumbent's commission expires May 26, 1932.

Charles H. Heath to be postmaster at Richmond, Mich., in place of C. H. Heath. Incumbent's commission expired January 9, 1932.

Florence M. Watson to be postmaster at Three Oaks, Mich., in place of W. H. Watson, deceased.

MINNESOTA

Charles L. Coy to be postmaster at Alexandria, Minn., in place of C. L. Coy. Incumbent's commission expires May 26, 1932.

William Peterson to be postmaster at Atwater, Minn., in place of William Peterson. Incumbent's commission expired March 1, 1932.

Carl H. Schuster to be postmaster at Biwabik, Minn., in place of C. H. Schuster. Incumbent's commission expires May 22, 1932.

Mae Kirwin to be postmaster at Chokio, Minn., in place of Mae Kirwin. Incumbent's commission expired February 4, 1932.

Edward B. Anderson to be postmaster at Elbow Lake, Minn., in place of E. B. Anderson. Incumbent's commission expired January 10, 1932.

George Leng to be postmaster at Grand Marais, Minn., in place of George Leng. Incumbent's commission expires May 26, 1932.

Anthony L. LaFreniere to be postmaster at Grand Rapids, Minn., in place of A. L. LaFreniere. Incumbent's commission expires May 22, 1932.

Oscar W. Erickson to be postmaster at Kensington, Minn., in place of O. W. Erickson. Incumbent's commission expired March 1, 1932.

Herbert M. Hauck to be postmaster at Mankato, Minn., in place of H. M. Hauck. Incumbent's commission expires May 22, 1932.

Ross Andrews to be postmaster at Meadowlands, Minn., in place of Ross Andrews. Incumbent's commission expires May 26, 1932.

Sidney D. Wilcox to be postmaster at Park Rapids, Minn., in place of S. D. Wilcox. Incumbent's commission expires May 22, 1932.

Erick G. Berglund to be postmaster at Pennock, Minn., in place of E. G. Berglund. Incumbent's commission expired December 17, 1930.

Elizabeth K. Ries to be postmaster at Shakopee, Minn., in place of E. K. Ries. Incumbent's commission expires May 29, 1932.

Lillian A. Peterson to be postmaster at Villard, Minn., in place of L. A. Peterson. Incumbent's commission expires May 22, 1932.

Joseph Trojohn to be postmaster at Woodlake, Minn., in place of Joseph Trojohn. Incumbent's commission expired March 1, 1932.

MISSOURI

George R. Steiner to be postmaster at Belle, Mo., in place of G. R. Steiner. Incumbent's commission expires May 23, 1932.

Robert D. Gardner to be postmaster at Center, Mo., in place of R. D. Gardner. Incumbent's commission expired April 9, 1932.

Glade Bradbury to be postmaster at Clarksdale, Mo., in place of W. E. Pearson, resigned.

Charles A. Mitchell to be postmaster at Clinton, Mo., in place of C. A. Mitchell. Incumbent's commission expires May 19, 1932.

Louis N. Walker to be postmaster at Holmes Park, Mo., in place of L. N. Walker. Incumbent's commission expires May 26, 1932.

Thomas W. Box to be postmaster at Lamar, Mo., in place of T. W. Box. Incumbent's commission expired February 24, 1932.

John B. Wilson to be postmaster at Maysville, Mo., in place of J. B. Wilson. Incumbent's commission expires May 23, 1932.

John L. Wilkinson to be postmaster at Piedmont, Mo., in place of J. L. Wilkinson. Incumbent's commission expires May 26, 1932.

Jordan W. Schaaf to be postmaster at St. Marys, Mo., in place of E. S. Lawbaugh, deceased.

Harry H. Forman to be postmaster at Shelbyville, Mo., in place of H. H. Forman. Incumbent's commission expires May 19, 1932.

MONTANA

Wedsel J. Hartman to be postmaster at Broadview, Mont., in place of W. J. Hartman. Incumbent's commission expires May 22, 1932.

Oswald M. Johnson to be postmaster at Chinook, Mont., in place of O. M. Johnson. Incumbent's commission expires May 22, 1932.

Arnold D. Ferris to be postmaster at Sidney, Mont., in place of A. D. Ferris. Incumbent's commission expires May 22, 1932.

Maurice D. Holmes to be postmaster at White Sulphur Springs, Mont., in place of M. D. Holmes. Incumbent's commission expires May 22, 1932.

NEBRASKA

Frank G. Smith to be postmaster at Ashton, Nebr., in place of F. G. Smith. Incumbent's commission expires May 17, 1932.

Louis H. Deaver to be postmaster at Cody, Nebr., in place of L. H. Deaver. Incumbent's commission expires May 17, 1932.

J. Ned Allison to be postmaster at Gering, Nebr., in place of J. N. Allison. Incumbent's commission expires May 26, 1932.

Claude A. Sheffner to be postmaster at Hay Springs, Nebr., in place of C. A. Sheffner. Incumbent's commission expires May 17, 1932.

Given G. Reber to be postmaster at Naper, Nebr., in place of G. G. Reber. Incumbent's commission expires May 26, 1932.

Frank A. Bartling to be postmaster at Nebraska City, Nebr., in place of F. A. Bartling. Incumbent's commission expires May 17, 1932.

Nettie E. Jollensten to be postmaster at Ogallala, Nebr., in place of N. E. Jollensten. Incumbent's commission expires May 17, 1932.

William M. Baskin to be postmaster at Stapleton, Nebr., in place of W. M. Baskin. Incumbent's commission expires May 26, 1932.

NEW HAMPSHIRE

Ralph E. Messer to be postmaster at Bennington, N. H., in place of R. E. Messer. Incumbent's commission expires May 19, 1932.

Ruth G. Hicks to be postmaster at Canaan, N. H., in place of R. G. Hicks. Incumbent's commission expires May 29, 1932.

Mina S. Roberge to be postmaster at Cascade, N. H., in place of M. S. Roberge. Incumbent's commission expires May 29, 1932.

James P. Farnam to be postmaster at Hanover, N. H., in place of J. P. Farnam. Incumbent's commission expires May 16, 1932.

Effie P. Gibson to be postmaster at Kingston, N. H., in place of H. A. Reynolds, resigned.

NEW JERSEY

William G. Z. Critchley to be postmaster at Allendale, N. J., in place of W. G. Z. Critchley. Incumbent's commission expired February 16, 1931.

Andreas H. Fechtenburg to be postmaster at Harrington Park, N. J., in place of A. H. Fechtenburg. Incumbent's commission expired February 16, 1931.

NEW YORK

Clayton M. Card to be postmaster at Amenia, N. Y., in place of C. M. Card. Incumbent's commission expires May 16, 1932.

Ethel M. Bluestone to be postmaster at Canaseraga, N. Y., in place of E. M. Bluestone. Incumbent's commission expires May 29, 1932.

Berton G. Johnson to be postmaster at Cooperstown, N. Y., in place of B. G. Johnson. Incumbent's commission expires May 16, 1932.

Elmer C. Wyman to be postmaster at Dover Plains, N. Y., in place of E. C. Wyman. Incumbent's commission expired March 1, 1932.

Clinton H. Card to be postmaster at Fredonia, N. Y., in place of C. H. Card. Incumbent's commission expires May 16, 1932.

Clarence E. Snyder to be postmaster at Glenfield, N. Y., in place of C. E. Snyder. Incumbent's commission expires May 26, 1932.

William L. Froehley to be postmaster at Hamburg, N. Y., in place of W. L. Froehley. Incumbent's commission expires May 26, 1932.

Mary A. Blazina to be postmaster at Harrison, N. Y., in place of M. A. Blazina. Incumbent's commission expires May 5, 1932.

Volney P. Hyde to be postmaster at La Fargeville, N. Y., in place of V. P. Hyde. Incumbent's commission expires May 14, 1932.

George W. Millicker to be postmaster at Mahopac Falls, N. Y., in place of G. W. Millicker. Incumbent's commission expired December 21, 1929.

George B. Bradish to be postmaster at Malone, N. Y., in place of G. B. Bradish. Incumbent's commission expires May 14, 1932.

Warren C. Edgar to be postmaster at New Hamburg, N. Y., in place of W. C. Edgar. Incumbent's commission expires May 25, 1932.

Ralph F. Spaulding to be postmaster at Piermont, N. Y., in place of R. F. Spaulding. Incumbent's commission expires May 25, 1932.

George A. Hager to be postmaster at Watertown, N. Y., in place of G. A. Hager. Incumbent's commission expires May 5, 1932.

NORTH CAROLINA

Ida L. Dennis to be postmaster at Fuquay Spring, N. C., in place of N. B. Hester. Incumbent's commission expired January 5, 1932.

James W. Stanton to be postmaster at La Grange, N. C., in place of J. W. Stanton. Incumbent's commission expires May 17, 1932.

James M. Thrasher to be postmaster at Stoneville, N. C., in place of G. B. Fagg, resigned.

Fronie L. Perry to be postmaster at Wingate, N. C., in place of F. L. Perry. Incumbent's commission expired January 5, 1932.

NORTH DAKOTA

Anton A. Ficker to be postmaster at Amidon, N. Dak., in place of A. A. Ficker. Incumbent's commission expired December 17, 1931.

William H. Lenneville to be postmaster at Dickinson, N. Dak., in place of W. H. Lenneville. Incumbent's commission expired March 1, 1932.

Olaf A. Bjella to be postmaster at Epping, N. Dak., in place of O. A. Bjella. Incumbent's commission expired February 17, 1932.

Benjamin L. Anderson to be postmaster at Grenora, N. Dak., in place of B. L. Anderson. Incumbent's commission expires May 12, 1932.

Ora J. Goshorn to be postmaster at Rhame, N. Dak., in place of O. J. Goshorn. Incumbent's commission expires April 13, 1932.

John W. Campbell to be postmaster at Ryder, N. Dak., in place of J. W. Campbell. Incumbent's commission expires May 5, 1932.

Arthur T. Graf to be postmaster at Streeter, N. Dak., in place of A. T. Graf. Incumbent's commission expires May 29, 1932.

Austin R. Johnson to be postmaster at Wildrose, N. Dak., in place of A. R. Johnson. Incumbent's commission expires May 19, 1932.

OHIO

Ralph B. Troyer to be postmaster at Continental, Ohio, in place of R. B. Troyer. Incumbent's commission expires May 5, 1932.

Irvin F. Sherman to be postmaster at Deshler, Ohio, in place of I. F. Sherman. Incumbent's commission expires May 5, 1932.

Earl W. Starkey to be postmaster at Flushing, Ohio, in place of E. W. Starkey. Incumbent's commission expires May 23, 1932.

Strawder W. McNeill to be postmaster at Frankfort, Ohio, in place of S. W. McNeill. Incumbent's commission expires May 29, 1932.

David J. Thomas to be postmaster at Niles, Ohio, in place of D. J. Thomas. Incumbent's commission expires May 16, 1932.

Mabel E. Dierker to be postmaster at Pemberville, Ohio, in place of M. E. Dierker. Incumbent's commission expires May 16, 1932.

Ernest H. Ruffner to be postmaster at Williamsburg, Ohio, in place of E. H. Ruffner. Incumbent's commission expires May 16, 1932.

OKLAHOMA

Chester P. Keil to be postmaster at Fort Towson, Okla., in place of C. P. Keil. Incumbent's commission expires May 22, 1932.

Thomas H. Gillentine to be postmaster at Hollis, Okla., in place of T. H. Gillentine. Incumbent's commission expired March 26, 1932.

John H. Durnil to be postmaster at Picher, Okla., in place of J. H. Durnil. Incumbent's commission expires May 16, 1932.

Leslie C. Mendenhall to be postmaster at Seiling, Okla., in place of L. C. Mendenhall. Incumbent's commission expires May 22, 1932.

Louis G. Scott to be postmaster at Stroud, Okla., in place of L. G. Scott. Incumbent's commission expires May 26, 1932.

Howard E. Sowle to be postmaster at Vici, Okla., in place of H. E. Sowle. Incumbent's commission expires May 16, 1932.

Fred Godard to be postmaster at Wellston, Okla., in place of Fred Godard. Incumbent's commission expires May 16, 1932.

OREGON

Fitzhugh G. Lee to be postmaster at Junction City, Oreg., in place of F. G. Lee. Incumbent's commission expires May 16, 1932.





James W. Dunn to be postmaster at St. Benedict, Oreg., in place of J. W. Dunn. Incumbent's commission expires May 16, 1932.

William C. Foster to be postmaster at Tillamook, Oreg., in place of W. C. Foster. Incumbent's commission expires May 16, 1932.

PENNSYLVANIA

William H. Harper to be postmaster at Avondale, Pa., in place of W. H. Harper. Incumbent's commission expires May 17, 1932.

Nelson O. Smith to be postmaster at Blawnox, Pa., in place of N. O. Smith. Incumbent's commission expires May 25, 1932.

Leon E. Mayer to be postmaster at Boyertown, Pa., in place of L. E. Mayer. Incumbent's commission expires May 26, 1932.

George H. Houck to be postmaster at Cairnbrook, Pa., in place of G. H. Houck. Incumbent's commission expired February 22, 1932.

George A. Frantz to be postmaster at Confluence, Pa., in place of G. A. Frantz. Incumbent's commission expires May 22, 1932.

Mertie T. Hallett to be postmaster at Devon, Pa., in place of M. T. Hallett. Incumbent's commission expires May 25, 1932.

John L. Elder to be postmaster at Ebensburg, Pa., in place of G. D. Kinkead, deceased.

John P. Rodger to be postmaster at Hooversville, Pa., in place of J. P. Rodger. Incumbent's commission expires May 26, 1932.

Gertrude Klinefelter to be postmaster at Jonestown, Pa., in place of Gertrude Klinefelter. Incumbent's commission expires April 30, 1932.

Wellesley H. Greathead to be postmaster at McConnellsburg, Pa., in place of W. H. Greathead. Incumbent's commission expires May 25, 1932.

Margaret V. Roush to be postmaster at Marysville, Pa., in place of M. V. Roush. Incumbent's commission expires May 17, 1932.

Isaac A. Mattis to be postmaster at Millersburg, Pa., in place of I. A. Mattis. Incumbent's commission expired March 12, 1932.

George W. Schell to be postmaster at Myerstown, Pa., in place of H. C. Koller. Incumbent's commission expired December 22, 1930.

William Percy to be postmaster at Scottdale, Pa., in place of William Percy. Incumbent's commission expires May 22, 1932.

Martin T. Weaver to be postmaster at Strasburg, Pa., in place of M. T. Weaver. Incumbent's commission expires May 23, 1932.

George N. Turner to be postmaster at Toughkenamon, Pa., in place of G. N. Turner. Incumbent's commission expires May 25, 1932.

Jerold J. O'Connell to be postmaster at Valley Forge, Pa., in place of J. J. O'Connell. Incumbent's commission expires May 23, 1932.

Cornelius L. Corson to be postmaster at Willow Grove, Pa., in place of C. L. Corson. Incumbent's commission expires May 29, 1932.

PORTO RICO

Carlos F. Torregrosa to be postmaster at Aguadilla, P. R., in place of C. F. Torregrosa. Incumbent's commission expires May 12, 1932.

Jose Mayol to be postmaster at Arecibo, P. R., in place of Jose Mayol. Incumbent's commission expires May 12, 1932.

SOUTH DAKOTA

C. Albert Zeitner to be postmaster at Mission, S. Dak., in place of C. A. Zeitner. Incumbent's commission expires May 26, 1932.

William R. Amoo to be postmaster at Morristown, S. Dak., in place of W. R. Amoo. Incumbent's commission expires May 22, 1932.

Edna L. Brown to be postmaster at Timber Lake, S. Dak., in place of E. L. Brown. Incumbent's commission expires May 26, 1932.

Goodwin L. Hansen to be postmaster at Wasta, S. Dak., in place of G. L. Hansen. Incumbent's commission expires May 22, 1932.

TENNESSEE

Anthony R. Atkerson to be postmaster at Columbia, Tenn., in place of A. R. Atkerson. Incumbent's commission expires May 26, 1932.

Herschel H. Tatlock to be postmaster at Covington, Tenn., in place of H. H. Tatlock. Incumbent's commission expires May 16, 1932.

Samuel W. Ingersoll to be postmaster at Decherd, Tenn., in place of S. W. Ingersoll. Incumbent's commission expires May 16, 1932.

James Rogers to be postmaster at Dyer, Tenn., in place of James Rogers. Incumbent's commission expires May 16, 1932.

William G. Leach to be postmaster at Huntingdon, Tenn., in place of W. G. Leach. Incumbent's commission expires May 19, 1932.

Lonnie A. Jernigan to be postmaster at Manchester, Tenn., in place of L. A. Jernigan. Incumbent's commission expires May 19, 1932.

Alvin L. Henderson to be postmaster at Tracy City, Tenn., in place of A. L. Henderson. Incumbent's commission expires May 16, 1932.

TEXAS

Herbert D. F. Nienstedt to be postmaster at Burton, Tex., in place of H. D. F. Nienstedt. Incumbent's commission expires May 16, 1932.

John L. Johnson to be postmaster at Caddo Mills, Tex., in place of J. T. Watson, resigned.

Mike O. Sharp to be postmaster at Denison, Tex., in place of M. O. Sharp. Incumbent's commission expires May 12, 1932.

Ralph C. Owens to be postmaster at Dickinson, Tex., in place of Minnie Owens. Incumbent's commission expired January 25, 1932.

Frances C. Elam to be postmaster at Edgewood, Tex., in place of F. C. Elam. Incumbent's commission expires May 16, 1932.

Azro C. Oyler to be postmaster at Edinburg, Tex., in place of A. C. Oyler. Incumbent's commission expires May 26, 1932.

Charles W. Ford to be postmaster at Gatesville, Tex., in place of C. W. Ford. Incumbent's commission expires May 5, 1932.

William A. Reese to be postmaster at Groveton, Tex., in place of W. A. Reese. Incumbent's commission expires May 16, 1932.

E. Leon Donner to be postmaster at Hereford, Tex., in place of E. L. Donner. Incumbent's commission expires May 19, 1932.

Thomas C. Hood to be postmaster at Lyford, Tex., in place of T. C. Hood. Incumbent's commission expires May 12, 1932.

Robert W. Bourland to be postmaster at Marathon, Tex., in place of R. W. Bourland. Incumbent's commission expires May 12, 1932.

Dunn R. Emerson to be postmaster at Marlin, Tex., in place of D. R. Emerson. Incumbent's commission expires May 12, 1932.

Carroll T. Coolidge to be postmaster at Pasadena, Tex., in place of C. T. Coolidge. Incumbent's commission expires May 5, 1932.

Charles A. Quails to be postmaster at Post, Tex., in place of C. A. Quails. Incumbent's commission expires May 23, 1932.

Edgar W. Hargett to be postmaster at Richards, Tex., in place of E. W. Hargett. Incumbent's commission expires May 12, 1932.

Jesse P. Smith to be postmaster at Smiley, Tex., in place of J. P. Smith. Incumbent's commission expires May 12, 1932.

Blanche L. Mullen to be postmaster at Taft, Tex., in place of W. C. Sparks, jr. Incumbent's commission expired January 25, 1932.

Humphrey M. Fowler to be postmaster at West, Tex., in place of H. M. Fowler. Incumbent's commission expires May 16, 1932.

UTAH

Boyd J. Barnard to be postmaster at Bingham Canyon, Utah, in place of B. J. Barnard. Incumbent's commission expires May 6, 1932.

Mattie S. Larsen to be postmaster at Castle Dale, Utah, in place of M. S. Larsen. Incumbent's commission expires May 16, 1932.

William S. Anderson to be postmaster at Moroni, Utah, in place of W. S. Anderson. Incumbent's commission expires May 23, 1932.

Hans P. Ipson to be postmaster at Panguitch, Utah, in place of H. P. Ipson. Incumbent's commission expires May 23, 1932.

John O. Anderson to be postmaster at Salina, Utah, in place of J. O. Anderson. Incumbent's commission expires May 29, 1932.

VERMONT

George E. King to be postmaster at Barton, Vt., in place of G. E. King. Incumbent's commission expires May 29, 1932.

Reginald W. Buzzell to be postmaster at Newport, Vt., in place of R. W. Buzzell. Incumbent's commission expires May 12, 1932.

Casper W. Landman to be postmaster at South Londonderry, Vt., in place of C. W. Landman. Incumbent's commission expires May 17, 1932.

Cecile M. Beaton to be postmaster at South Ryegate, Vt., in place of C. M. Beaton. Incumbent's commission expires May 29, 1932.

Lester K. Oakes to be postmaster at Stowe, Vt., in place of L. K. Oakes. Incumbent's commission expires May 17, 1932.

Claude C. Duval to be postmaster at West Burke, Vt., in place of C. C. Duval. Incumbent's commission expires May 17, 1932.

VIRGINIA

Fitzhugh L. Davis to be postmaster at Altavista, Va., in place of W. F. Bowman, deceased.

Robert L. Olinger to be postmaster at Blacksburg, Va., in place of R. L. Olinger. Incumbent's commission expired March 8, 1932.

Samuel T. Ranson to be postmaster at Bremo Bluff, Va. Office became presidential July 1, 1931.

George A. Chrisman to be postmaster at Christiansburg, Va., in place of G. A. Chrisman. Incumbent's commission expires May 12, 1932.

Hugh T. Arwood to be postmaster at Disputanta, Va., in place of H. T. Arwood. Incumbent's commission expired February 9, 1932.

WASHINGTON

Julia Enger to be postmaster at Toledo, Wash., in place of Julia Enger. Incumbent's commission expires May 29, 1932.

William F. Cantrell to be postmaster at Toppenish, Wash., in place of W. F. Cantrell. Incumbent's commission expires May 26, 1932.

Rose M. Illy to be postmaster at Uniontown, Wash., in place of R. M. Illy. Incumbent's commission expires May 26, 1932.

Robert J. Robertson to be postmaster at White Salmon, Wash., in place of R. J. Robertson. Incumbent's commission expires May 17, 1932.

WEST VIRGINIA

Lawrence Barrackman to be postmaster at Barrackville, W. Va., in place of Lawrence Barrackman. Incumbent's commission expires May 10, 1932.

Henry A. Russell to be postmaster at Berkeley Springs, W. Va., in place of H. A. Russell. Incumbent's commission expired January 9, 1932.

WISCONSIN

Elizabeth Croake to be postmaster at Albany, Wis., in place of Elizabeth Croake. Incumbent's commission expired February 17, 1931.

Orestes K. Hawley to be postmaster at Baldwin, Wis., in place of O. K. Hawley. Incumbent's commission expires May 26, 1932.

Castor H. Kuehl to be postmaster at Brillion, Wis., in place of C. H. Kuehl. Incumbent's commission expires May 26, 1932.

Earl H. Herbert to be postmaster at Coleman, Wis., in place of E. H. Herbert. Incumbent's commission expires May 26, 1932.

Frank M. LeCount to be postmaster at Hartford, Wis., in place of F. M. LeCount. Incumbent's commission expires May 26, 1932.

Edward H. Moore to be postmaster at Lakemills, Wis., in place of E. W. Brown, resigned.

Frederic D. Keithley to be postmaster at Land O'Lakes, Wis., in place of F. D. Keithley. Incumbent's commission expires May 23, 1932.

Norma E. McNutt to be postmaster at Oxford, Wis., in place of N. E. McNutt. Incumbent's commission expired January 31, 1932.

Charles L. Calkins to be postmaster at Rhinelander, Wis., in place of C. L. Calkins. Incumbent's commission expires May 17, 1932.

WYOMING

Elizabeth L. Murphy to be postmaster at Edgerton, Wyo., in place of E. L. Murphy. Incumbent's commission expires May 29, 1932.

Glenwood C. Long to be postmaster at Lingle, Wyo., in place of J. A. Woods. Incumbent's commission expired January 31, 1932.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 12 (legislative day of April 11), 1932

UNITED STATES MARSHALS

Charles D. Jones to be United States marshal, division No. 2, district of Alaska.

Rolla Duncan to be United States marshal, district of Montana.

Valentine J. Peter to be United States marshal, district of Nebraska.

APPOINTMENTS BY PROMOTION IN THE REGULAR ARMY

John Jacob Bethurum Williams to be major, Field Artillery.

Bradford W. Kunz to be captain, Infantry.

Thomas Randall Horton to be first lieutenant, Infantry.

John Mitchell Willis to be lieutenant colonel, Medical Corps.

POSTMASTERS

ALASKA

William J. Shepard, Cordova.

CALIFORNIA

George R. Walker, Angel Island.
John W. Calvert, jr., Azusa.
William M. Laidlaw, Crockett.
Zylpha Potter, Hughson.
Leslie M. McClary, Lomita.
Frank N. Lawrence, Mount Shasta.
Frederick S. Lowden, Orland.
Hannah C. Dybo, Port Chicago.
Robert H. Frost, Sausalito.
Homer C. Bolter, Vacaville.

CONNECTICUT

Cyrus I. Byington, Norwalk.

IDAHO

Frank Dvorak, Aberdeen.
Eva M. Coates, Bellevue.
Austin A. Lambert, Hailey.
Ned Jenness, Nampa.
Robert N. Molloy, Orofino.
Albert E. White, Payette.
Lester J. Holland, Shelley.

IOWA

Patience Felger, Afton.
Eugene Owen, Allison.
William W. Jamison, Brighton.
J. Tracy Garrett, Burlington.
James T. Bevan, Cascade.
Lloyd S. Meyers, Columbus Junction.
William E. Clayman, Conrad.
James W. Duckett, Corwith.
William M. Young, Defiance.
Icea B. Wilcox, Dumont.
Chester A. Baker, Farley.
John F. Dicus, Griswold.
Howard B. Gillespie, Guthrie Center.
Roscoe I. Short, Hazleton.
Wesley Seufferlein, Lake City.
Charles E. L. See, Laurens.
Wilbert W. Clover, Lohrville.
Emil R. Nordstrom, Mediapolis.
Clarence C. Stoner, Nora Springs.
Solomon T. Grove, Plover.
Frank T. Best, Pomeroy.
George R. Hughes, Shell Rock.
Hazel A. Coltrane, Stockport.
Charlie C. Clifton, Thompson.
Clair A. Sodergren, Wayland.
Joseph McClelland, Wellman.

KANSAS

Chauncey J. Nichols, Arcadia.
Oscar E. Utter, Cherryvale.
Charles E. Schul, Grenola.
Frank W. Brady, Lebanon.
Harold H. Brindley, Peabody.
Edgar F. Brungardt, Victoria
Leslie I. Burdick, Wimona.

MAINE

Fred E. Jones, Brownville.
Alvin H. Perley, Charleston.
Gustavus A. Young, Island Falls.
Arthur Donkus, Lisbon.
Frank G. Thompson, Milo.
Lawrence H. Allen, South Windham.
Lyman E. Stinson, Stonington.
Carleton E. Young, Winterport.

MARYLAND

William A. Brown, Cecilton.
Lloyd T. Hayden, Centerville.
Samantha E. Wilson, Mardela Springs.
George E. Lane, Queenstown.

MASSACHUSETTS

William P. Lovejoy, Barnstable.
Walter B. Currier, South Acton.
Nancy S. Harley, South Hanson.

MICHIGAN

Laurence C. Snyder, Blanchard.
Edwin L. Groger, Concord.
James R. Flood, Crystal Falls.
James P. Madson, Highland.
Ralph M. Powers, Jonesville.
Frank T. Swarthout, Laingsburg.
Arthur G. Stone, Niles.
Frank N. Green, Olivet.
Henry S. Smith, Wolverine.

MINNESOTA

William F. Priem, Bellingham.
Carl E. Skog, Evansville.
Charles J. Johnson, Garfield.
Henry O. Halverson, Gonvick.
Charles A. Anderson, Greenbush.
Hans P. Becken, Hanska.
Samuel S. Michaelson, Montevideo.
Emily F. Peake, Remer.
Selma O. Winter, St. Hilaire.
Albert J. Anderson, Spicer.
Tallof T. Hamrey, Trail.
Josephine E. Brockman, Triumph.
Alfred Gronner, Underwood.
Alice K. Hill, Upsala.
Milda Rieman, Vergas.
Mary A. Bradford, Verndale.
Jennie M. Wurst, Watkins.
Edwin Nelson, Wendell.
Jacob J. Thomas, Young America.

MISSISSIPPI

James C. Ellis, Bucatunna.
Willie M. Windham, Lena.

NEBRASKA

Harry C. McClellan, Arlington.
Walter G. Mangold, Bennington.
Eva R. Gilbert, Broadwater.
David F. Stevens, sr., Cozad.
John C. Oaks, Seward.
Floyd M. Ritchie, Table Rock.

NEW JERSEY

Ellen E. Showell, Absecon.
John B. Buzby, Clayton.
Charles E. Bishop, Elizabeth.
Caroline A. Cowan, Haworth.
Frank McMurtry, Mendham.
Howard G. Pearce, Point Pleasant.
Rachel E. Berger, Ringoes.
Belle H. Smith, Springfield.
Alfred T. Kent, Summit.
William F. Bodecker, Tenafly.

NEW YORK

Thomas C. Richardson, Auburn.
Lewis A. Brunnemer, Blue Point.
Benjamin S. Look, Campbell.
Celia M. Arnold, Chautauqua.
Leon Pralatowski, Cold Spring.
George A. Matthews, Eden.
L. Frank Little, Endicott.
Rosa H. Warner, Hampton Bays.
Claude H. Preston, Heuvelton.
Frank W. Thornton, Holland.
Walter N. Durland, Hurleyville.
John J. Cole, Jamesport.
William P. McConnell, Marlboro.
J. Arthur Haight, Peekskill.
Glenn D. Clark, Prattsburg.
Elmer Ketcham, Schoharie.
Herbert J. Crandall, Silver Creek.
Amy B. Slack, Speculator.
Luther J. Shuttleworth, Springville.
Charles J. Ryemiller, West Sand Lake.
M. Clifton Seaman, Woodmere.

NORTH CAROLINA

Walter G. Gay, Farmville.
McForrest Cheek, Franklinville.
Vera N. Scarborough, Grifton.
James A. Wyche, Hallsboro.
Clarence M. Pool, Marion.
George W. Cox, Raeford.
James E. Wallace, Stanley.
John K. Brock, Trenton.

OHIO

Elizabeth A. Krizer, Bremen.
Fred M. Hopkins, Fostoria.
Olive G. Randall, Hubbard.
Ray Phillips, Leavittsburg.
Harry E. Griffith, Mount Gilead.
La Bert Davie, New Lexington.
Charles R. Finnical, Newton Falls.
Alfred Jenny, Orrville.
Austin H. Bash, Strasburg.
Ben J. Filkins, Wakeman.

OREGON

Elmer F. Merritt, Merrill.
Thomas G. Hawley, Multnomah.

SOUTH CAROLINA

Trower Cravens, Beaufort.
Carrie R. Goodman, Clemson College.
Frank W. Welborn, Fountain Inn.

SOUTH DAKOTA

John V. Drips, Belvidere.
Frank B. Sherwood, Cottonwood.
Clyde J. Bowell, Edgemont.
Elmer R. Hill, Newell.
Robert G. Andis, Presho.
Fred J. Seals, Spearfish.
Guy M. King, Wessington.
Volney T. Warner, Woonsocket.

TEXAS

William J. Ott, Cuero.
Joe P. Luce, Graford.
Lillie M. Ragsdale, Richardson.
Raymond G. Hirth, San Juan.
William M. Willis, Timpson.
Minerva M. F. Cowart, Turkey.

UTAH

Arthur L. Hartvigsen, Santaquin.
Charles Boyer, Springville.
James A. Lyman, jr., Wendover.

VERMONT

Charles A. Robinson, Milton.
Lewis H. Higgins, Newfane.
Dwight L. M. Phelps, Richmond.
Sheridan P. Dow, Sheldon Springs.

VIRGINIA

Connally T. Rush, Abingdon.
George E. Joyce, Bassetts.
Roscoe C. Travis, Bowling Green.
Henry G. Norman, Cedar Bluff.
Lucius M. Manry, Courtland.
Waverly S. Barrett, Dendron.
Hattie C. Barrow, Dinwiddie.
Alvis T. Davidson, Faber.
Ludema Sayre, Fairfax.
Thomas T. Weddle, Floyd.
Daniel E. Davis, Forest.
William T. Oakes, Gladys.
Henry A. Storm, McLean.
Dorsey T. Davis, Nathalie.
A. Ewing McMichael, Nokesville.
Lindsay T. McGuire, North Tazewell.
Louis S. Haden, Palmyra.
Frank M. Brown, Veterans' Administration Home.
John L. Jeffries, Vienna.
Richard D. Holland, Windsor.
Benjamin A. Dratt, Woodford.

WEST VIRGINIA

Blanche L. Kemper, Hastings.
Epson Cook, Macdonald.
Benjamin Gorrell, Williamstown.

WISCONSIN

Fred J. Scheinpflug, Boscobel.
Eva Jensen, Cambridge.
John S. Farrell, Green Bay.
Edward C. Quilling, Menomonie.
Frank I. Conner, Sun Prairie.

WYOMING

William G. Haas, Cheyenne.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 12, 1932

The House met at 12 o'clock noon.

The Rev. S. B. Dougherty, pastor of the Memorial United Brethren Church, Washington, D. C., offered the following prayer:

O God, our Father, we thank Thee that Thou art the God of mercies and exigencies. We thank Thee that Thou doth send us out in the time of turmoil to proclaim and not to complain, and we pray that Thou wilt be with us in this session to-day; that in these days that test the caliber of our faith Thou wilt put the holy music into our lives like that which came from the organ under the touch of the great Mendelssohn; that Thou wilt give confidence in these days so that we shall go forth under the inspiration of that mighty lure and power so that service and joy shall drop from our hearts like the golden column from the stems of shaken lilies; and we pray, O God, that Thou shalt give us mastery over the fear that besets us, so that we shall rise above all of the challenging tasks and the defeats of life to gain a new victory. Bless this august body in its deliberations this day. Give clarity to their thinking and conviction to their action, so that we together shall be brought under the mastery of Almighty God, our Master, to go forth and bring the hand of the Great Physician to the fevered pulse of the world. And in His name we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8506. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6477. An act to further extend naturalization privileges to alien veterans of the World War residing in the United States; and

H. R. 9575. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 209. An act granting an increase of pension to Mary Willoughby Osterhaus;

S. 215. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.);

S. 222. An act authorizing adjustment of the claim of B. F. Hart;

S. 439. An act for the relief of A. C. Messler Co.;

S. 824. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands, nations, or tribes of Indians residing in the State of Oregon;

S. 826. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 848. An act for the relief of Albert A. Marquardt;

S. 902. An act for the relief of Willie B. Cleverly;

S. 941. An act relating to the review of cases tried in the district courts of the United States without a jury;

S. 1009. An act for the relief of George Edwin Godwin;

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands;

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia;

S. 1421. An act for the relief of Little Rock College, Little Rock, Ark.;

S. 1469. An act to authorize certain officers of the United States Navy and Marine Corps to accept such decorations, orders, and medals as have been tendered them by foreign governments in appreciation of services rendered;

S. 1624. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928;

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State;

S. 1858. An act for the relief of Harriette Olsen;

S. 2060. An act for the relief of Otto Schluter;

S. 2236. An act to reimburse the William L. Gilbert Clock Co. for revenue erroneously paid;

S. 2246. An act for the relief of Lawrence Dowling;

S. 2259. An act for the relief of Mathie Belsvig;

S. 2395. An act authorizing the conveyence of certain land to school district No. 15, Lincoln County, Mont.;

S. 2671. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation, in the State of Oregon;

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.;

S. 2986. An act to amend the act of March 13, 1924 (43 Stat. L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder;

S. 3014. An act to provide for the commemoration of the landing of Ponce de Leon in the State of Florida;

S. 3344. An act for the relief of Maggie Kirkland;

S. 3440. An act for the relief of Nick Wagner;

S. 3504. An act for the relief of Lyman L. Miller;

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes;

S. 3639. An act for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes;

S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion at Portland, Oreg., during the month of September, 1932;

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho;

S. 3886. An act to authorize the purchase to tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration;

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States;

S. 4166. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes;

S. 4195. An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation; and

S. 4252. An act to authorize telephone service in Government-controlled buildings on Public Health Service stations.

PROHIBITION—A NATIONAL IDEAL

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIMMONS. Mr. Speaker, pursuant to the permission just given me by the House, I present for printing in the RECORD a statement that I made over station WJSV on Thursday last.

STATEMENT OF HON. ROBERT G. SIMMONS, OF NEBRASKA, REGARDING PROHIBITION, APRIL 7, 1932

Ours is an ordered freedom. Our self-centered wishes can not interfere with the interests of others. Civilization and progress bring new duties and responsibilities. The freedom of the individual must constantly give way to the general good as our civilization becomes more complex.

Civilized man never has had complete liberty. Man may think what he pleases—beyond that his every act is circumscribed. Man can not speak or write his thoughts if by so doing he transgresses the rights of others. We can not park a car or cross a street as we choose. We earn money and acquire property, yet the law tells us how we shall dispose of that which we have. I may own my home—yet it is a crime to set it on fire.

The Constitution of the United States does not guarantee personal liberty to the individual. It guarantees not the personal liberty of the individual, but the "general welfare" of the people. Governments always have had and always will have the right and

power to control or suppress any traffic which harms a people or hinders progress.

Intoxicating liquor has been used by men in some form since the beginning of recorded history, but parallel with the record of its use is the record of its destructive effects and the record of the fight of civilized man to overcome and check its ravages.

The battle to control the use of liquor in America began with the Colonies. Given the right of self-government in limited form, the early settlers in America turned first to efforts to control and regulate the liquor traffic and its use.

The Revolutionary War came and with it freedom from England and the rights of the Colonies to govern themselves. Three great movements in America already under way began concurrently in the United States to take on national importance. The colonists were agricultural, depending on Europe for industrial products. The question was, Should America have industrial freedom as well as political freedom? Early in our national life we adopted the policy of encouraging American industry behind a tariff wall.

The destinies of the new Nation were in the hands of all the people. Education was limited, illiteracy general. The question was, Should America's destinies be decided by a people illiterate or a people educated? The answer was clear and the development of the public-school system followed.

The next question was, Should America be governed by a people drunk or a people sober?

The third great contest in America was that between the Government and the liquor traffic. The movement was first one to limit the use and then control the traffic, developing into an effort to regulate and finally a determination to prohibit the use of intoxicants.

The three movements developed in America, each contributed to the other; the full success of each one depended on the success of the other. They are distinctly interdependent now.

This statement has to do with the development of the contest with intoxicants, the present situation, and our future position.

The first movements were movements to regulate and control the use of intoxicants. Liquor drinking was almost universal—the manufacture and sale was generally an independent, small business proposition. Gradually the liquor industry developed and the battle lines became more distinct.

In 1794 the Government, under Washington, levied a small tax of some 7 cents per gallon on whisky. Western Pennsylvania was then the frontier of America. The situation then was similar to the situation now, agriculturally. Corn grew abundantly, the price was low, the markets far removed, transportation by ox team or river barge slow and costly. Corn from western Pennsylvania could be marketed at a greater profit as whisky than as corn. The distillers of what is now Pittsburgh organized and refused to pay the tax and defied the Government, and what is known as the whisky rebellion was the first big conflict between the organized four States to enforce the law. It cost the infant Republic well over $1,000,000 to establish the supremacy of Government over the liquor traffic. Lives were lost, but the Government won. The whisky rebellion was the first big conflict between the organized liquor industry and the Government. From that day to this the liquor industry has been in rebellion, fighting every effort to tax, regulate, control, or prohibit their business.

The liquor industry never willingly gave ground. They first resisted the right to tax their product, they resisted laws prohibiting sales to certain classes, they resisted the Sunday and early closing laws, they resisted laws limiting the number of saloons.

As laws developed the liquor interests entered the political arena, influenced and controlled elections, officeholders, and the administration of the law. Graft and corruption was the result. Illicit sales, evasion of laws, the bootlegger, all appeared early in the contest.

The contest was always between the greed of those who sold or wanted to sell the liquor on the one hand and society trying to defend itself and its members against the ravages of intoxicants on the other. Plan after plan was proposed to control the traffic and was fought by the liquor interests.

Finally prohibition and not control became the ideal. The prohibition movement began with the right of local communities to prohibit the sale in their midst. Local option failed because it was both too local and too optional. County option was tried and failed and for the same reason State prohibition failed. There was no effective way to prevent the shipment of liquor from wet territory into dry territory. The bootlegger, encouraged by the liquor manufacturer, defied every law to prohibit and prevent the expansion of his business.

The liquor interests throughout all this development consolidated their forces and continued to fight the onward movement. Graft and corruption continued; the bootlegging of liquor into dry territory continued. The Federal Government, by the Webb-Kenyon law, attempted to prevent the interstate shipment of liquor. The opposition to law enforcement continued. Government dispensaries by States were tried out and failed.

Finally, but one of two alternatives was left. The Federal Government had to police the borders of the dry States to prevent shipment from the wet States or prohibit the traffic everywhere. National prohibition came by the deliberate act of 46 of the 48 States of the Union. In the 46 States ratifying the eighteenth amendment live 98 per cent of the people of the United States, and those 46 States comprise 99¾ per cent of the area of the country. National prohibition came only after every other method to combat the liquor traffic had been tried out and failed. It came because there was no other alternative. It came not as the result of a desire of one part of the country to impose its will on another but rather as the result of a need for the greater part of the United States to defend itself from those who would not permit the Nation to be part wet and part dry. National prohibition came because it was the ultimate ideal and end of the whole controversy.

National prohibition came as the inevitable result of the growth of a great ideal and standard in America—the ideal and standard of a people and a nation free from the influence and blight of the liquor traffic.

The ideal was not an accomplished fact when prohibition was adopted; it is not an accomplished fact now; it may never be completely achieved, but it is the ultimate end and purpose of the American people.

The fact that laws have penalty provisions clearly shows that it was predetermined that they would be violated. Prohibition laws are no exception. But because a law is violated should it be repealed? To answer that question "yes" as to all laws means anarchy.

The wealth diverted from the purchase of liquor to the purchase of health and happiness in America reached into the billions annually. Two groups began to fight to again have those funds paid for intoxicants. The liquor interests had lost a business of about $6,000,000,000 a year in gross sales. That business they wanted back.

Certain interests sought a way to relieve big business from taxation by again having liquor taxes paid into the Public Treasury. These two groups, big business and liquor, systematically started out to break down the determination of the American people to make prohibition a success.

Those opposed to prohibition have called upon the millionaires to help them, holding out the hope that liquor taxes would relieve them of burdensome corporation and income taxes. Here is an openly admitted plan to shift the cost of government from the pockets of the rich to the backs of the poor.

It is a campaign to break down prohibition organized not to get a drink of liquor to a man who wants it—but to get the money from the man who buys it. Getting the money from the drinker and not the liquor to him is the primary aim. It is a campaign of greed, aimed to deliver to the liquor interests the money now being spent for luxuries and necessities of life.

In order to accomplish this purpose a great campaign of misrepresentation has been carried on. The benefits of prohibition have been minimized, its evils magnified. Ignoring the known fact that these evils have always been with us—graft, corruption, crime—all are charged to prohibition. Even the great name of Lindbergh has been hauled through the wet mire by those who would accuse prohibition of all crimes and misdemeanors.

During all of this debate no wet has contended that the use of liquor has ever added to the happiness of a home or the comfort of a family. It has always been a force that tears down, debases, and destroys. The wets have been tearing down the sentiment of the American people which called for good-faith enforcement of the law. They talk of crime and corruption, of evils in government. But they offer nothing in the place of prohibition that has not already been tried out and found wanting. They have united on no program of control—they criticize but do not build.

What assurance can they give the American people that crime, graft, and corruption will not follow any new plan that is offered? The liquor interests never have obeyed a law that interfered with their business. What assurance can be given that they will obey a law now? What assurance can be given that the old evils of the saloon with all its attendant procession of crimes will not return if legal selling of intoxicants is again permitted? Women and children suffered most from the ravages of the saloon. What assurance can they give that that suffering will not again accompany the legalized sale of liquor? What assurance can they give that the bootlegger, the blind tiger, and the speak-easy will disappear? What assurance can they give the mothers and fathers of America that their children will not be tempted by liquor? Where will they get the customers for their business if not from America's boys and girls?

President Hoover, four years ago, stated, "I do not favor the repeal of the eighteenth amendment, I stand for the efficient enforcement of the laws enacted thereunder."

There was a clear-cut statement, a declaration both of principle and purpose. The Nation approved it. He further stated, "Our country has deliberately undertaken a great social and economic experiment, noble in motive and far-reaching in purpose. It must be worked out constructively."

Those opposed to the dry views of the President attempted to nullify the effect of his declaration against repeal of the eighteenth amendment by starting an argument over the phrase describing prohibition as a "social and economic experiment." The wets tried to make it appear that in the mind of the President, prohibition was a transitory thing, as easily disposed of as the chemist's experiment in a test tube.

President Hoover repeated the statement that prohibition was a "great social and economic experiment," in his address of acceptance of the nomination for President. In that same acceptance speech he said, "I especially value the contribution that the youth of the country can make to the success of our American experiment in democracy."

In January, 1929, President Hoover wrote to Dr. W. O. Thompson, of Ohio State University, and in reference to our Government said, "Our great American experiment has demonstrated that the people will, of their own initiative, take care of progress * * *."

The wets talk of repeal of the eighteenth amendment. They know there will be no repeal within the lifetime of the generations

now living. Repeal is a false hope, and everyone knows it. This agitation, if successful, will result not in repeal but in law disobedience, in nullification, and the breaking down of our constitutional form of government.

If by personal liberty it is intended that man shall have the right to drink what he pleases, when and where he pleases; if the Federal Government has not the right to take that liberty from an individual—then the State government has no right to deny that individual the liberty he claims. But where is the man who will claim that the liquor business shall be subject to neither State nor Federal control? The wets do not claim that—at least not yet!

There is need now that the people think this issue through. The ultimate issue will be: Repeal the eighteenth amendment and return to the saloon, or maintain the eighteenth amendment and have prohibition.

Two years ago the cry was for light wines and beer, no hard liquor, and no saloons. Now the cry is, "Repeal the eighteenth amendment, restore the power to the State, but do not go back to the old-fashioned saloon."

Old-fashioned or new-fashioned—restore the legalized sale of liquor and you will restore the legalized evils of the saloon. The saloon by another name will be there with its evils of debauchery, vice, poverty, and crime.

Our civilization is the result of man's constant fight against those things which tear down and destroy. This is a struggle for good order, good morals, for home, and human happiness. The issue is not new. There is need for united action in the maintenance of a great ideal. Every law which runs counter to tradition and habit, every law the violation of which offers a profit, every law which attempts to control either appetite or passion, will be opposed so long as man is human, will not be completely enforced. But the need to fight for the orderly processes of government will always be present. Our national ideals must be maintained!

REREFERENCE OF A BILL

Mr. HALL of Mississippi. Mr. Speaker, I request unanimous consent of the House to have the bill (H. R. 10351), which has been referred to the Committee on Irrigation and Reclamation, transferred to the Committee on Indian Affairs. It appears that the Committee on Irrigation and Reclamation is without jurisdiction of the subject matter. I desire to say this procedure is entirely agreeable to the chairman of the Indian Affairs Committee, and also to the ranking minority member thereof, as well as to the chairman and ranking minority member of the Committee on Irrigation and Reclamation.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ECONOMY IN GOVERNMENT

Mr. HALL of Mississippi. Now, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of economy in Government.

The SPEAKER. Is there objection?

There was no objection.

Mr. HALL of Mississippi. Mr. Speaker, in these parlous times economy in government, Federal, State, county, and municipal, has become a paramount issue. It is not only engaging the attention of the Congress and of the administration but of people throughout the Nation. It is not only being discussed in the halls of Congress and at Cabinet meetings but in city clubs and crossroad country stores. In fact, it is a chief topic of conversation almost everywhere.

Clutched in the viselike grip of one of the most poignant economic depressions in the history of the country, the folks back home are seriously questioning the need for an annual Federal Budget exceeding $4,000,000,000. They are wondering why there is a Treasury deficit approximating $2,000,000,000 and why it is necessary for us to boost taxes more than $1,000,000,000. They are becoming tax conscious and demanding greater economy in operating the Federal Government.

It is the general view that the cost of Federal Government is much too high, and that retrenchment is imperative. In this I concur. Moreover, I concede that Congress is largely responsible for the present status quo. It is a fundamental rule of business that receipts must exceed expenditures if an enterprise is to continue in existence for any length of time. Nor can it be gainsaid that incoming revenue must exceed outgoing appropriations in government. The Federal Government is not living within its income. We are appropriating more money than our tax collectors are fetching in.

However, much of our extravagance is the result of trying to keep up with the Joneses. During the golden era of superprosperity, which terminated with a deafening crash in September, 1929, everybody was indulging in a mad orgy of spending. It was inevitable that Congress should catch the fever and go off on a money-appropriating rampage that vied with war-time expenditures.

Our sagacious financiers and captains of industry thought they had found the pot of gold at the rainbow's end. They thought they had discovered a new economic system which forever had spiked even the semblance of panic or depression. Our President guaranteed us lavish prosperity, not only for four years, but for all time. A golden stream flowed constantly from the stock market in Wall Street. Bell hops and street cleaners became millionaires overnight. We were sitting on top of the world. Nobody thought about economy in government then. We had more money in the Treasury than we knew what to do with. The Congress even reduced taxes to keep the inrushing revenue from bursting the Treasury vaults.

Then came the crash. At first we could not believe our own eyes. We stood stock-still for a couple of years, waiting for prosperity to come around the corner. Finally, it dawned upon us that we were in the throes of a violent panic; that we would have to get down to hardpan and start all over again. Taxes became a galling burden and people demanded greater economy in government.

I reiterate that the cost of Federal Government is too high, and I favor cutting expenditures to the bone. At the same time, however, I am aware that there must also be greater economy in State, county, and municipal government before the rank and file will be afforded much relief from taxes. The cost of the State and local governments now aggregates the staggering sum of $10,000,000,000 a year. So instead of looking continually to Washington for tax relief the folks back home should cooperate in lowering the cost of State and local government.

There has been a great deal of talk recently about effecting greater economy in the Federal Government through the reorganization and consolidation of the various departments and bureaus, so as to eliminate the duplication and overlapping of activities. I am reminded of the city boy who after hiring out to a farmer was sent to grease the wagon. About an hour later he came back smeared with axle grease. "Well, sonny, did you get it greased?" inquired the farmer. "Yes, indeed," replied the boy, "all except them henkies the wheels turn on; I couldn't get to them."

During the past decade this question of reorganizing the Government structure has engaged the attention of both the Congress and the administration, but, up to now, precious little except talking about it has obtained. In other words, we have done everything except the actual reorganization, and we have been unable to get to that. Scant saving has resulted from reorganization in the past. Most of it, in fact, has consisted of marching employees out of the back door of one department into the front door of another. While I am convinced that hundreds of millions of dollars a year could be saved by eliminating needless boards and commissions, reorganizing the whole structure and coordinating the work, I realize that this is no easy task.

It seems to me that we are endeavoring to maintain the organization virtually intact, and, at the same time, put the requisite economy into effect. Obviously this can not be done unless the pruning knife is wielded, efficiently and effectively. The paramount question is, Who will do the wielding? In my opinion the practical solution of this problem has begun when representatives of both branches of Congress met the President and his representatives last week.

If good faith prevails all around, if the interest of the whole Nation is uppermost in their consideration, not gestures for political purposes only, much economy can be realized. It should not require any extended time for these representatives to evolve a reduction schedule and submit it

to Congress. I believe a large majority of the Congress feel about it as I do. We only crave an opportunity—wisely suggested—to do our share in relieving as far as possible in this direction the burdened American taxpayer.

We must approach this important subject wisely. Nothing will be accomplished if the Executive refuses to cooperate with the special Economy Committee delegated by the House to draft and submit a reorganization plan. If he insists upon carte blanche authority to do the reorganizing himself, I have small hope of any constructive action. I never have, and I do not now favor delegating a function of Congress to any other branch of the Government. I furthermore believe Congress should be courageous enough to discharge faithfully the duties imposed upon it by the Constitution.

Meantime we must bear in mind that the House Appropriation Committee, under the chairmanship of the distinguished gentleman from Tennessee [Mr. BYRNS] already has lopped off of the annual supply bills passed to date $118,000,000. And the Senate is making further reductions, estimated to bring the total up to at least two hundred millions.

Of course I am aware that our eminent Secretary of the Treasury, Mr. Mills, insists that one hundred and twenty-five millions is the maximum amount that can be saved through reduction of the regular appropriations. However, I think the chairman of the House Appropriations Committee knows as much about cutting appropriations as Mr. Mills, and, besides, the Secretary of the Treasury could do a lot more toward balancing the Budget by getting busy and trying to collect at least part of the nine hundred and seventeen millions of past-due taxes that are now tied up in litigation.

THE BEER BILL

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for four minutes to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, there was filed at the Clerk's desk to-day a petition to discharge the Committee on Ways and Means from the further consideration of the bill, H. R. 10007, commonly called the O'Connor-Hull beer bill. That bill, with which the House is quite familiar, I am sure, is the result of the action of both of the so-called wet groups of the House, Republican and Democrat, and was approved unanimously by both groups. At a meeting of the executive committee of both groups it was decided to file the petition to-day and ask for the necessary 145 signatures. It is contemplated to have a vote in the House on April 25 or May 9, probably on the latter date.

The bill provides for a tax of 3 cents per pint, estimated to raise $500,000,000 per annum. It abolishes the saloon. It provides that the beer shall be sold only in bottles, not to be drunk on the premises except in a dining room of a hotel, restaurant, or club. It provides against the shipment from any wet State into a dry State. It provides against the shipment into any local subdivision of a State which does not desire the sale of the beer, thus assuring local option. It also makes available 150,000,000 bushels of domestic barley or corn, and prohibits the importation of any grain into the country for use in the manufacture of this beer. This provision should help utilize some of the surplus agricultural products.

There are other provisions in it which makes it the most thorough and well-considered bill that has ever been suggested to Congress.

Of course, the bill modifies the Volstead Act by permitting beer which contains 2.75 per cent alcohol by weight. That percentage has been established as nonintoxicating in fact.

The petition is now at the desk and anybody in sympathy with modifying the Volstead Act to that extent will sign the petition. All wets should and we are sure will sign the petition.

Mr. UNDERHILL. Has the Committee on Ways and Means passed upon it?

Mr. O'CONNOR. The Committee on Ways and Means has been requested to grant a hearing. The bill has been in that committee since March 2, and therefore the 30 days has expired. That committee has not yet seen fit to grant a hearing or take any action on the bill, so under the rule we are presenting the petition. We, therefore, ask all Members to sign the petition so that the matter can come to a vote in the House.

LEGISLATIVE APPROPRIATION BILL

Mr. SANDLIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes. Pending that motion I suggest to the gentleman from Colorado [Mr. HARDY] that we divide the time equally to-day for general debate and fix the time later.

Mr. HARDY. That is satisfactory to me.

The SPEAKER. The gentleman from Louisiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the legislative appropriation bill; and pending the motion, asks unanimous consent that the time for general debate be divided equally between himself and the gentleman from Colorado. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is it the intention of the gentleman to occupy the entire day in general debate?

Mr. SANDLIN. It is.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11267, the legislative appropriation bill, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. SANDLIN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, I am not going to discuss the pending bill. That will be done later by the gentleman from Louisiana [Mr. SANDLIN], who is the chairman of the subcommittee which has prepared and presented it here for your consideration. I have asked for the floor at this time to further show what the Committee on Appropriations has done up to this time, and also what the House has done with regard to reductions in the estimates submitted by the President. This bill, the legislative appropriation bill, carries a reduction under the Budget estimates of $2,293,973. Two million dollars of that is arrived at by the determination of the subcommittee not to proceed with the work of building an addition to the Library during the year 1933.

I presume that my friend from Nebraska [Mr. SIMMONS] will say that that is another one of those deferred appropriations for which the committee is not to take credit as a reduction; but as a matter of fact, this, like the other reductions that have been made, has been made with the idea that the work is to be deferred during the year 1933. Under those circumstances, I am sure it will appear to every Member of the House, with the possible exception of my friend, that it would be foolish to make an appropriation for work during the year 1933 when there is no intention, so far as the committee is concerned, and I think so far as Congress is concerned, that the work shall be carried on.

The total reductions under the present estimates of the bills that have passed, and this pending bill, amount to $117,388,100.56. I shall file in the RECORD a statement showing just how much these reductions have been with respect to the various bills; but I call the attention of the House

and the country to the fact that the Committee on Appropriations have reduced the President's estimates in this large sum of $117,000,000 plus, and to say that in my judgment when the other three bills have been reported it will be found that there has been a reduction of $150,000,000 and perhaps more below the estimates submitted by the President. These reductions have not been made in a haphazard way. There is not a subcommittee which has reported these bills which has not sat for days and weeks, and sometimes for months, conducting hearings with respect to every single item in the bill. There is not an item in this bill or in any other bill which has been reported which has not been very carefully investigated by the subcommittee, and these subcommittees have made these reductions, and they have been approved by the general committee, with the idea and belief that they will be sufficient for the purposes for which they are made, and that there will be no necessity for any deficiency appropriation to take care of any of these reductions next session, unless something extraordinary shall occur. I am not saying anything about reductions which we are told are in contemplation at the other end of the Capitol, but I am speaking now with reference to reductions that have been made by the House Appropriations Committee and made unanimously by the Members on both sides of the aisle on that committee, and which have been adopted by the House. I feel that this subcommittee which has reported this bill with a reduction of 28 per cent below the appropriations for 1932 submitted has done a wonderful job, and I take this occasion to heartily commend every member of the subcommittee, of which the gentelman from Louisiana [Mr. SANDLIN] is the chairman, for the work they have done in the interest of the public and in the interest of the United States Treasury.

Something has been said with reference to the deferring of appropriations. I say again that there has not been in the mind of a single member of that committee the idea that we are reporting appropriations for which deficiencies will have to be made next December. Every member of that committee, Democratic and Republican, took up these investigations with only one purpose in view, and that was to reduce the estimates to the very limit, but at the same time not to deprive any essential activity of the amount of money necessary to carry on in a proper way. I am sure the members of the committee will join with me when I say that I do not think that we failed in that endeavor. It may be that there have been some estimates which have cut too deep, but in those cases I am sure that the departments by the exercise of proper economy and good business judgment can get by; and if they should come up here next December and ask for deficiencies, the committee will demand a strict account as to how they have spent the money which has been placed at their disposal.

There is nothing else I wish to say except to call the attention of the House to these reductions, and I ask unanimous consent that I may file this statement as part of my remarks showing where these reductions have been made with respect to the different bills that have been reported.

The CHAIRMAN. Is there objection?

There was no objection.

First deficiency:	
Budget estimates	$139,330,162.75
As passed House	125,159,042.75
Under Budget estimates	14,171,120.00
Agriculture:	
Budget estimates	186,243,405.00
As passed House	175,408,814.00
Under Budget estimates	10,834,591.00
Interior:	
Budget estimates	56,705,352.33
As passed House	50,446,432.33
Under Budget estimates	6,258,920.00
State, Justice, Commerce, and Labor:	
Budget estimates	$129,784,136.89
As passed House	124,215,992.33
Under Budget estimates	5,568,144.56
Treasury and Post Office:	
Budget estimates	1,082,575,905.00
As passed House	1,059,773,163.00
Under Budget estimates	22,797,742.00
Independent offices:	
Budget estimates	1,041,395,041.00
As passed House	985,931,431.00
Under Budget estimates	55,463,610.00
Legislative:	
Budget estimates	22,517,842.00
As reported to House	20,223,869.00
Under Budget estimates	2,293,973.00
Total amount of decrease under Budget estimates	117,388,100.56

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. STAFFORD. Has the gentleman's estimate of $117,000,000 plus of savings taken into consideration the reductions that the Senate is proposing to the various general appropriation bills that the Senate is considering?

Mr. BYRNS. No; this reduction of over $117,000,000 applies solely and alone to the reductions that have been made here in the manner that I have stated.

Mr. STAFFORD. So the prospect is, if the policy of the Senate is adhered to, that the reductions will be much greater than the amount forecast by the gentleman.

Mr. BYRNS. They will be, if the Senate carries out its announced purpose, because I say to the gentleman, and I speak only for myself as one member of the committee, that so far as I am concerned, I am prepared to accept any reduction that the Senate makes. [Applause.]

Mr. COLTON. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COLTON. I have been very much interested in testimony given this morning in a public hearing before the Committee on Expenditures in the Executive Departments. It was developed, for instance, that in the Bureau of Investigation in the Department of Justice there are over a thousand cases to be investigated by the Bureau of Investigation. If this proposed reduction in another body is made, instead of being able to investigate those cases they will have to discharge some of their personnel after July 1. That bureau is a paying bureau to the Government; its fines and recoveries are more than its expenses.

If we make the proposed reduction we are going to curtail a very necessary activity, not only in the matter of investigating these cases—and some of those investigations are needed—but in the matter of receipts to the department. In other words, we are curtailing our receipts. That is false economy. Just ruthless cutting is not economy.

I wondered if the gentleman in this statement that he is making has taken into consideration the curtailment of necessary activities? Are we not practicing wrong economy in many instances?

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman two additional minutes.

Mr. BYRNS. I take it that the gentleman refers to the appropriation carried in the Interior Department appropriation bill.

Mr. COLTON. No; I have reference now to the Department of Justice. The same thing is true of the Interior Department, however.

Mr. BYRNS. That bill, like the Interior bill, is now pending in the Senate; and I expect the gentleman will have to make his argument over there.

I do not think there is any such curtailment in the bill as it passed the House. The gentleman probably has looked into it particularly and knows better than I do.

If the Senate, as I just said, upon its own responsibility arbitrarily reduces any appropriation in the amount of 10 per cent, I feel, especially under all the circumstances and conditions, that the House ought to accept it.

Mr. COLTON. I will say to the gentleman that, for one, I was very much startled at the testimony which developed this morning. Here is an activity of the Government actually paying a return, and yet it is going to be so hampered that it may not do necessary investigative work. I do not think we ought to cut irrespective of needs and service rendered.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. Certainly.

Mr. SNELL. I did not understand what the gentleman said about a deficiency this morning. The other day when he was discussing that I understood him to make the positive statement that if he were chairman of the Appropriations Committee next December there would be no deficiency appropriations.

Mr. BYRNS. I said with respect to the reductions made by the Appropriations Committee and the House that there would be no deficiencies unless the departments were able to present us an air-tight case showing it was necessary and that they had practiced proper economy. I did not intend for that statement to apply to anything that might be done at the other end of the Capitol.

Mr. SNELL. But I thought the gentleman made the statement the other day—I did not look at it in the RECORD—that there would be no deficiencies if he were chairman of the Appropriations Committee.

Mr. BYRNS. I do not know how it appears in the RECORD.

Mr. SNELL. It was a very positive statement that the gentleman made at that time.

Mr. BYRNS. I was referring to those estimates which have been reduced by the Committee on Appropriations of the House and also by the House itself.

Of course, the gentleman understands that if another body undertakes to say in advance of hearings that it is going to reduce all appropriations 10 per cent, I could not take the responsibility of saying there would be no deficiencies.

Mr. SNELL. I did not understand it to apply to reductions made by another body; but as far as the House reductions were concerned, I understood the gentleman to say definitely there would be no deficiencies.

Mr. BYRNS. I want to say that there will be none unless the departments can absolutely show beyond the shadow of a doubt that unexpected emergencies have arisen.

Mr. SNELL. I did not understand that exception.

Mr. BYRNS. That unexpected emergencies have arisen, or that, even with the practice of the most rigid economy, they have not been able to keep within the amounts allotted them.

Mr. SNELL. That has always been their argument when they come before the committees for deficiencies.

Mr. BYRNS. There will have to be unusual circumstances to warrant a deficiency.

Mr. SNELL. I am glad the gentleman takes that position, and I hope that he will continue in it.

Mr. BYRNS. I shall certainly adhere to that position. [Applause.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. KOPP].

Mr. KOPP. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD on the subject of reduction of salaries of Members of Congress.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KOPP. Mr. Chairman, the bill that will make the appropriation for the salaries of Members of Congress is now before us. During the consideration of this bill the question will arise whether the salaries of Members of Congress shall be reduced. I am heartily in favor of such a reduction, and by that I mean a substantial reduction.

During a time like this, when there is universal distress, we must be willing to make a sacrifice. While considering our salaries the condition of the country can not go unheeded.

As we are the legislative body we fix our own salaries; and, that being the case, we must be specially careful to be fair and just. We should make our salaries too low rather than too high. All doubt should be resolved against ourselves. That is the only tenable rule when we pass upon matters in which we ourselves are interested.

In my judgment the reduction should be not less than 25 per cent. Such a reduction would restore the salary that was established 25 years ago. In this emergency we must be willing to do our part.

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Chairman, the legislative appropriation bill now before the House carries the appropriations for the salaries of Senators and Members of the House.

During this session of Congress efforts have been made to economize in the expenditures in the various departments of the Government.

It must be apparent to everyone that with the large deficit in the Treasury rigid economies must be put into effect in every branch of the Federal Government.

The people throughout the country are overburdened with taxation and Government expenses must be reduced.

Throughout the country to-day business has not been restored; many farmers, by reason of the low prices of their products, are unable to pay their taxes and labor is out of employment.

With these conditions, it seems to me Members of Congress should make a substantial contribution to the economy program of reducing governmental expenditures by a reduction of their own salaries. I believe a 25 per cent reduction of the salaries of Members of Congress should be approved by the House.

Again I repeat, Government expenses must be reduced.

Mr. SANDLIN. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, I favor any one of the bills pending before the committee which will result in the payment of the balance due on the adjusted-compensation certificates. Some of these bills provide for payment by Treasury certificates, some in cash, and others by the exchange of 4½ per cent tax-exempt bonds. They all serve the same purpose.

The ex-service men are earnestly desirous of receiving the balance due on their certificates, and I am glad to support any one of the measures that will result in the payment of the balance due.

The Veterans' Administration estimates that the total net amount due the ex-service men on their certificates, on October 31, 1931, after deducting loans and interest, amounts to $2,185,705,921.17.

I favor the payment of the balance due on these certificates because I think it is fair and just to the ex-service men of the Nation. They offered their lives to their country and served it faithfully and courageously during the World War and brought back the flag in triumph.

There have been four arguments urgently pressed against the enactment of this legislation:

First. That Congress has already made generous appropriations for the benefit of the ex-service men;

Second. That it would be too great a strain upon the Federal Treasury to pay the balance due on these certificates at the present time;

Third. It is urged that the money received through the payment of the balance due on these certificates would not be used for useful purposes; and

Fourth. That the ex-service men do not want them paid now.

The first is that Congress has already been generous in enacting legislation and making appropriations for the benefit of the ex-service men.

This argument was advanced in the House by the gentleman from North Carolina [Mr. BULWINKLE] on Saturday,

April 9, 1932, before the Ways and Means Committee of the House was to begin on Monday hearings on the various bills pending before that committee.

The speech was well timed. The figures were placed in the hands of a well-beloved Member. He has an excellent war record. The psychology was perfect. The figures were given publicity to defeat favorable action by the committee and by Congress on the pending bills.

We do not challenge the accuracy of the figures given nor the legislation reviewed as having been enacted for the benefit of the ex-service men and for the veterans of all wars.

True, Congress made generous appropriations for the conduct of the World War and has purchased and maintained hospitals for the disabled; has given the soldiers the option to take out insurance at a minimum rate; has provided for vocational rehabilitation of those disabled in their country's service; has made appropriations for disability compensation and for pensions; and has enacted other legislation, including loans to the extent of 50 per cent on the adjusted-compensation certificates.

I supported all of these measures.

Let us strip the figures given and the facts stated by the gentleman from North Carolina [Mr. BULWINKLE] to the waistline and examine them a little more critically.

Almost 5,000,000 men joined the colors during the World War. About half of them were thrown across the seas. Thousands, if not millions, of those boys who upheld our ideals have not been hospitalized, have received no disability compensation, and draw no pensions. They have received no compensation nor benefits other than their pay of $33 per month received by them as private soldiers. They were induced—in fact, circumstances compelled them—to allot $15 per month out of their pay for the support of their dependents. Additional amounts averaging $7 per month were deducted to pay the premiums on their insurance. Nothing remained, not even cigarette money, out of their monthly pay check at nightfall of the day it was received. At most it did not exceed $11 per month.

Upon their return home Congress, in 1924, appreciating that this compensation was entirely inadequate, enacted legislation providing for the issuance of adjusted-compensation certificates, and the ex-service men were given an additional sum of $1.25 per day for service overseas and $1 per day for service at home, payable 20 years thereafter and for the most part in 1945.

Now, what did the private soldiers receive, some of whom saw service at Chateau-Thierry July 15 to 18, 1918, when the enemy was checked, Paris saved, and the whole tide of the war was changed? Some of them swept down the Woevre Valley in the St. Mihiel offensive under the command of the gallant General Pershing, and still others were transferred to the Argonne, where they fought through wire entanglements, slept in the trenches, went over the top, and brought the war to an unexpected but triumphant close in the signing of the armistice on November 11, 1918.

For this hazardous, patriotic service the private soldier who saw service overseas received $1.25 in adjusted-compensation certificates, payable in 1945, in addition to the $33 per month. This makes a total of $2.35 per day for overseas services. If you deduct the $15 for support of dependents at home, or 50 cents per day, and $7 for premium on insurance, or approximately 25 cents per day, this leaves $1.60 per day, all told, paid to the private soldier for his services. We pay the charwomen who keep the House Office Building more than that.

What were the civilians getting at home in the meantime? From $4 to $12 per day. Wages of all kinds in every line, and salaries of all kinds, both in and out of the Government service, were high. Have we forgotten that? Is it not true?

The proposal to pay these ex-service men now only advances the date of payment on these certificates from 1945 to the date of the enactment of this legislation. In other words, Congress would cancel or remit the interest on these certificates for the period between that date and the date the certificates would be due in 1945.

Does any business man believe that this is too much of a concession to those who braved every danger to assist in snatching victory from defeat?

The amount of compensation they received was very small for the dangers they braved, the hardships they underwent, and as compared to the enormous sums made by those engaged in civil pursuits during the time these ex-service men were in camp or in the trenches fighting on foreign soil.

In adjusting our foreign-debt settlements we canceled or remitted $10,705,618,006.90 to the various foreign governments. In our settlement with Italy we charged no interest for 5 years, during the next 5 years we charged one-eighth of 1 per cent, the next 5 years one-fourth of 1 per cent, and graduated the interest up to a maximum of 2 per cent during the last 7 years. Shall we be more generous to the citizens of Italy than to the ex-service men of our Nation who snatched victory from defeat on foreign soil?

We remitted approximately 26 per cent to the citizens of France on their indebtedness. It is urged we made these settlements on their debts in accordance with their ability to pay. Of course, no economist can tell the ability of a nation to pay over a period of 62 years. Italy has already increased her navy and enlarged her army, necessitating additional expenditures by our Government.

France has sufficiently recovered to contest with our Nation the possession and control of a large part of the gold supply of the world.

If we cancel or remit interest to every foreign government in the world, we can certainly afford to be equally as generous to the ex-service men of our own country.

I appeal with confidence when I ask you to consider the present plight of our own depressed country and ask you what is the ability, in these troublous times, of our ex-service men to meet obligations that are pressing them upon all sides. Is not their condition as appealing as the condition of the foreign countries when they successfully appealed to Congress to cancel or remit interest?

Again, the remission of interest to the ex-service men is so slight, as compared with the services rendered and the dangers encountered and the hardships endured by them, that I have but little patience with those who urge it against the ex-service men of our country and then voted to make these foreign-debt settlements.

Even in December Congress voted to further postpone, extended over a period of 10 years, the interest due on these generous settlements, amounting to the sum of $252,000,000.

Second, it is urged that it will be too great a strain upon the Federal Treasury to make payment of the balance due on these certificates at the present time.

The question uppermost in the minds of the members of the committee is how we are going to finance this payment.

My reply is that it can be done easily through the issuance of bonds or through payment in Treasury certificates or Federal reserve notes, and I want to invite your attention to a bill, H. R. 6584, which I have introduced as an alternate measure, which provides for the exchange of 4½ per cent tax-exempt bonds at par in exchange for these certificates. These bonds would be due in 1945, should readily be absorbed at par, and result in the ex-service men receiving in cash the balance due on these certificates.

I do not believe that the payment of the balance due on these certificates through the issuance of Treasury certificates or bonds would endanger the financial stability of the Nation. We are the strongest, richest, and most stable government in the world. During the World War we issued more than $25,000,000,000 in bonds, and surely the issuance of $2,000,000,000 additional at the present time, payable in 1945, when these certificates are due for the most part, for the purpose of paying them now, would not endanger the financial security of this country. In my judgment, it would relieve it through increasing the purchasing power of the consuming masses of the people.

The payment of the balance due on these certificates would do more to relieve the depression than any other legislation we could enact at this time. Conditions have gone from bad to worse for two years and a half. The crash

on the stock market came in the latter part of October, 1929. Since that time Congress has applied every remedy. No sign of recovery has appeared. More than 4,000 banks failed in 1931. Since December Congress has enacted much legislation in an effort to restore prosperity, but confidence has not been restored.

The prices of farm products are at ruinously low levels. Taxes are not being paid. Farm mortgages are being foreclosed. Obligations of all kinds are not being met. Every kind of business, great and small, is at a standstill. It is estimated there are between six and eight million people unemployed throughout the country. There is no class of business that shows any sign of recovery.

If the balance due on these certificates, amounting to the sum of $2,185,705,921.17, were paid, the volume of money would be increased and the relief would reach practically every family and would favorably affect every class of business in the country. The deposits in the banks would be increased, obligations would be paid, the unemployment situation would be relieved, the purchasing power of the great consuming masses of the people would be restored, and it would result in a general revival of business throughout the country. More food for families and more feed for livestock would be purchased. This would increase the demand for farm products.

The third objection raised to the payment of these certificates is that the money would not be spent wisely. This argument was used when Congress was considering legislation providing for loans to be made to the veterans up to 50 per cent of the value of their certificates. An authoritative statement was made by General Hines, Administrator of Veterans' Affairs, that less than 6 per cent of the money received from the proceeds of these loans was improvidently expended.

Surely these ex-service men will never find themselves in greater need of financial assistance than now. It is estimated there are from six to eight million people unemployed, many of them ex-service men. Families are being evicted from their homes for the nonpayment of rent. Taxes are not being paid on farm lands and farms are being sold by the thousands under foreclosure proceedings.

This legislation is not only in the interest of the ex-service men but is for the purpose of reviving business conditions throughout the country. We need a greater volume of money in circulation. Money is timid and is being hoarded. The volume of the circulating medium is insufficient. When money is scarce, like any other commodity, agricultural or manufactured, its exchange value is high. This legislation would bring every dollar out of hiding and would result in reviving business and restoring prosperity throughout the country.

Congress has enacted legislation in an effort to quiet the financial storm that is raging. The reconstruction finance bill was passed authorizing loans to be made to railroads and banks in an effort to stabilize conditions. Everyone knows what a bank failure means to a community. A failure in any line of business leaves in its path the wrecked fortunes of many innocent families. This bill also provided $50,000,000 for loans to farmers, and $125,000,000 was appropriated to assist the farm land banks, and other legislation is being prepared having for its purpose the bringing back of prosperity. However, I do not believe that any legislation will reach so many people, so many different families, affect so many different communities, and be of more general benefit to the country than the enactment of this legislation providing for the payment of the balance due on these certificates at this time.

Fourth. It will be urged that the ex-service men do not want payment made at the present time of the balance due them, and I have no doubt that the resolutions adopted at the Legion convention at Detroit will be quoted over and over until they are threadbare. Everyone knows what pressure was brought to bear upon those in charge of the resolutions.

In my judgment these resolutions do not express the sentiment of the ex-service men of the Nation. I do not believe I exaggerate when I say that in my judgment the sentiment is almost unanimous among the ex-service men of my State for the payment of the balance due them on these certificates. If a vote were taken I believe that less than 1 per cent of them would vote against such a payment. The last expression, that of the State convention held at Enid, Okla., was overwhelmingly in favor of the payment of the balance due them on these certificates.

Finally, it is urged that the ex-service men should be as patriotic now as in time of war and not request payment of the balance due on these certificates.

In reply permit me to suggest that the people of the Nation should be as generous to the ex-service men now as when we bade them goodbye with tears in our eyes as they entrained in their country's service to die or bring back the flag unsullied and in triumph. [Applause.]

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield two minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, back in the days of 1917 and 1918 some of the noblest women in the world entered the nursing service of the United States Army, and many of them suffered, perhaps, as great hardships as the soldiers themselves in combat units.

Quite a number of these same women are in Washington to-day attending the meeting of the Red Cross, and I notice several now in the gallery. I recognize one nurse in particular, who had a fine service record, Miss Lucia Freeman, of North Carolina, and I take great pleasure in introducing her to the Members of the House of Representatives. [Applause, the Members rising.]

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. LANKFORD].

Mr. LANKFORD of Virginia. Mr. Chairman, I have listened with a great deal of interest to the speech just made by the gentleman from Oklahoma [Mr. HASTINGS], and also to the speech of the gentleman from Georgia [Mr. PARKER], yesterday. I want to take this opportunity to say a word about the demand for the payment of the soldiers' bonus. I have a small button of the American Legion that I am very proud of, and will always be proud of it. I think we all want to do what is best for the welfare of the veterans. No veteran can say that he has not been well provided for when we are spending practically a billion dollars a year for veterans at this time. I want to say that when the time comes that we can pay the bonus, I am going to vote for it and work for it, but I am not going to vote for it at a time when it will embarrass and, perhaps, disrupt the financial condition of this country, as I believe it would do now.

Mr. Chairman, I ask unanimous consent to include in my remarks a resolution passed by two Norfolk posts of the American Legion, of one of which I was once commander.

The CHAIRMAN (Mr. DELANEY). The gentleman from Virginia asks unanimous consent to include a resolution in his remarks. Is there objection?

There was no objection.

The following is the resolution:

Resolution

At the Tidewater Post, No. 35, meeting the resolutions were introduced by W. Garland Jones. They were passed with only 1 or 2 dissenting votes, and were identical in import with that passed by the Post 67 executive committee. The text follows:

Whereas we are in full accord with the position taken by the 1931 national convention of the American Legion held in Detroit, Mich., expressing disapproval of any further cash payments on the adjusted-service certificates at this time; and

Whereas we recognize that there are some advantages in certain legislation providing for such payments now pending before the Congress of the United States, but believe that such advantages are outweighed by the detrimental effects which the enactment of such legislation would have upon the best interests of our country under existing conditions; and

Whereas we are primarily interested in the welfare of disabled veterans and the maintenance of adequate governmental provision for the widows and orphans of veterans: Now, therefore, be it

Resolved by Tidewater Post, 35, of the American Legion, Department of Virginia, That our Representative in Congress be, and hereby is, requested as follows:

1. To vote against any legislation providing for further cash payments on the adjusted-service certificates at this time; and

2. To oppose any reduction in the rate of compensation or disability allowance now being paid disabled veterans or their dependents; and

3. To work for the reduction in rate of interest charged veterans on their loans so that the same will be no higher than the cost of the money to the Government; and

4. To support any programs designed to make adequate provision for disabled veterans and the widows and orphans of veterans; and

Resolved, That by the adoption of this resolution we are not to be understood as necessarily opposing a further cash payment under favorable circumstances in the future, if at such subsequent time the financial condition of the National Government will permit; and

Resolved further, That copies of these resolutions be sent to the Hon. MENALCUS LANKFORD, Representative in Congress of the second district of Virginia; and also to National Commander Henry L. Stevens, jr., and to Department Commander Adam T. Finch, with the request that other posts be urged to take similar action.

Mr. LANKFORD of Virginia. That resolution sets forth that if it is going to embarrass the financial condition of the country they do not want it paid at this time.

Now, that was not what I rose to speak about. I rose to speak on another subject. I hesitate to do it, because I am thoroughly in accord with the plan to economize, and I am going to support the economy program. I am going to support it loyally, but we do not want in a state of hysteria and excitement to do certain things that will have a detrimental effect on our welfare, to adopt a remedy that is worse than the cure.

I hope some members of the Economy Committee are on the floor, because what I wish to say now is intended especially for them. I have heard a suggestion that the Shipping Board operations are to be suspended. At first blush one might think that is a good thing, and especially it might appeal to gentlemen who represent the interior parts of the country. But the fact is that if American ships are taken from the seas and American shipping is wiped out, the people will pay far more for their freight in a year to and from foreign ports than the present cost of the operations of the fleet itself. I have some figures here which I would like to bring to your attention. No appropriation was made this year for the Shipping Board operations other than the cost of operating the board itself, at about $400,000. This ship operation cost is paid out of the sale of ships and out of returns coming in, and instead of about seven millions, as I have seen it stated in the press, I am advised that it is actually less than $5,000,000 for the operation of 125 ships of the Shipping Board during the next year. That means a great deal in the matter of employment for people of this country. This is not a time when we want to cut thousands of men out of employment and reduce the consuming power of the country. We should keep that up and increase it as far as possible. If we can do that without hurting the Budget, it seems to me that that is the reasonable thing to do. The pay roll for 4,000 men engaged in operating these American ships would amount to $6,000,000. What does that mean with respect to employment, and what does it mean also in respect to consuming power?

The wages for stevedores would amount to $6,500,000, and that is another tremendous employment feature and also a large item in the purchasing power for people who would otherwise be thrown out of work. Surely the Members of the House do not want those wages paid to foreign seamen and have our men thrown out of work, but that is exactly what would happen if we abandon the fleet operation. Then there is the matter of fuel oil, and you gentlemen from the coal and oil sections of the country will be interested in this. The fuel oil consumed by these ships will amount to $2,750,000. That oil will be purchased in foreign ports if foreign ships are allowed to carry our trade. The repairs in American shipyards amount to $1,650,000, and you gentlemen know as well as I do that if foreign ships are operated and carry our trade, they will have their repairs made in foreign shipyards. Subsistence, stores, and equipment amount to $1,187,500. That is another item of business and supplies furnished by this country and by the material men of this country. Then there is other cargo expense, mostly labor, amounting to $350,000. The total business done by the operation of these ships, in wages paid and purchasing power, amounts approximately to $20,000,000. Is it wise, to save the expenditure of $5,000,000 for the operation of the ships, to lose an expenditure of $20,000,000 in this country in the employment of labor, to say nothing of the protection given American exporters and importers from excessive freight rates, which these American-owned ships afford.

The gentleman from Oklahoma [Mr. HASTINGS] mentioned the tremendous importance, and it is the main argument I understand in favor of the payment of the bonus, of distributing money throughout the country. This distributes that much money, $20,000,000, and I have taken this opportunity to bring this to your attention and ask you to consider it carefully before we do away with the operation of American ships, protecting our commerce on the seas, protecting our nationals from the high rates which would be imposed if our shipping were turned over to foreign nations. As it is now, we can protect that because our ships hold down the rates, but if we get rid of them, you will see the rates immediately rise, and it will cost the American people much more than the $5,000,000 annually now being spent to maintain them. [Applause.]

Shipping Board now operating 125 steamers in essential routes.
Fleet Corporation expense of operation less than $5,000,000, and no appropriation requested in 1933 Budget.
Shipping Board Lines disburse following money:

Sea wages (4,000 men)	$6,000,000
Stevedore wages	6,500,000
Fuel (mostly oil)	2,750,000
Repairs	1,650,000
Subsistence, stores, and equipment	1,187,500
Other cargo expense (mostly labor)	350,000
Total wages and purchasing power, approximately	20,000,000

Fleet Corporation expense includes $1,336,000 paid back to Government for hull insurance.

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman, Congress has been in session for four months and during that time has passed the President's moratorium bill on foreign debts owing us in the sum of $252,000,000 and the $2,000,000,000 Reconstruction Finance Corporation act for big business of the country, and it is about time that something was done for our farmers and working people. Do all you may for the great and powerful and enact all the laws they desire, but there will never be any prosperity in this country again until it returns to the farm. Agriculture is the leading industry in our country and the business upon which all others depend. The farmers of the United States produce the necessities of life, the food that we eat, and the clothes that we wear, and they can not continue to exist and produce these necessities at less than cost. Any other business would have been compelled to quit long ago at that rate. When the farmers receive a fair price for the products of their toil there is a general wave of prosperity throughout the land, but when depression hits the farmer it strikes all business institutions and all our people suffer. The time has arrived when something must be done. We can not longer delay and see our chief industry destroyed.

We now have the greatest depression that ever spread over our fair land. There is a remedy and prosperity can be brought back. If this administration now in control of the affairs of government could see and know the necessity of assisting agriculture instead of giving all its time and our money to the big business institutions of the Nation, that prosperity that we have heard so often was "just 'round the corner" would soon be here. This depression has not altogether been brought upon us by the aftereffects of the war, as some of the big politicians say, but it has largely been caused by a failure to comprehend the situation and needs of the times by those in charge of our Government. The people are sick and tired of that old, worn-out song of "better times coming" and now we must gird ourselves anew for the big battle that is impending in behalf of the people. The

farmers work just as hard as ever, they are as patriotic as any of our citizens, and are entitled to a price for their products that will enable them and their families to enjoy some of the comforts of life as well as the bare necessities.

My colleagues, none of you have ever seen agriculture in the deplorable condition that now confronts us. I know you will hear certain politicians say that we should not talk about the present crisis now with us, but the truth should always be told. The farmers are more in debt than ever before and have less with which to pay. Their taxes are increasing and their income decreasing. Never in your time or mine have we seen farm products sell as low as last fall. Those prices should never come again. There is not a surplus of wheat or cotton, as we hear and read so much about. There is no surplus of wheat in this country until every man, woman, and child has sufficient wheat bread to eat to ease the pangs of hunger, and no surplus of cotton until they have sufficient clothing to keep them warm. The trouble is that the hungry and naked can not find work with which to earn money to buy these things. Never before have we seen so many men and women traveling the highways and byways looking for work to earn a living for their loved ones. If those who want work had something to do at reasonable wages, there would be no surplus of farm products. With their burdens increasing and their purchasing power decreasing, the load is now greater than they can bear. There is always a limit to human endurance, and the burden has been piled so heavily on the backs of our farmers that something must be done, and done now. There is a way out. When we talk of such conditions that we now face, a remedy should be suggested. I believe Congress wants to do something, and the plan I offer will afford a simple, workable, and effective remedy.

A short time ago the Oklahoma delegation in Congress, after discussing agriculture with farm leaders and other Members of Congress, prepared a bill in line with and approved by the National Farmers Union of the United States for the relief of this industry. The bill is easily understood and simple of operation. If enacted into law, it will require no extra appropriations, as we already have the machinery of Government to administer the act. The bill is H. R. 7797, introduced by me in the House of Representatives, January 15, 1932, and is supported by the Oklahoma delegation. Briefly the bill abolishes the Farm Board and transfers the activities of the farm marketing act to the Secretary of Agriculture. I am opposed to the abolishment of the farm marketing act, but believe it can be more economically and efficiently administered by the Department of Agriculture, where we have experts in all branches of farm activities. During the past year, I believe all will agree that the Department of Agriculture would have done as well as the Farm Board. No man can justify the enormous and extravagant salaries paid and authorized by the Farm Board. There is no need for a separate board for farm activities. That is what the Department of Agriculture was organized for and that is a part of its business. To say that it can not be done is but to approve the management of the Farm Board with its reckless and useless expenditures. For the benefit of Congress and the country I will list some of these salaries, as taken from the Senate hearings before the Committee on Agriculture.

Salaries

7 members of the Farm Board (each per annum)	$12,000
General counsel (per annum)	20,000
14 assistants to general counsel, with total salaries of	58,860
President and general manager of the Grain Stabilization Corporation (per annum)	50,000
187 employees of this corporation (per month)	34,039
Pay roll of Farm Board in Washington—Nov. 30, 1931 (per annum)	968,780
Pay roll of Farm Board in the field—Nov. 30, 1931 (per annum)	67,660
Vice president and assistant general manager of the Farmers National Grain Corporation (per annum)	32,500
Treasurer Farmers National Grain Corporation (per annum)	30,000
977 employees—Oct. 31, 1931 (per month)	195,789
Vice president and general manager of the American Cotton Cooperative Association (per annum)	$75,000
Vice president in charge of sales (per annum)	35,000
Vice president and secretary (per annum)	15,000
Monthly pay roll of this association	70,000

I believe all will agree that these are excessive salaries to be paid with 30-cent wheat and 5-cent cotton.

Mr. Chairman, in my judgment the principal part of the bill under discussion is that portion which provides a plan for the farmers to receive at least cost of producing that part of their crops consumed in this country. The farmers are entitled to a reasonable profit in addition to this price, but the price will have to be paid on the average cost of production throughout the country. In some sections the cost is more than in other sections, but that principle of the bill is indorsed by the National Grange and the American Farm Bureau Federation. Among other recommendations in the resolutions of the National Grange, the Farmers Educational and Cooperative Union of America, and the American Farm Bureau Federation, is the following:

In securing for American farmers cost of production on those portions of their crops sold for consumption in our own Nation; nothing less is a remedy for the agricultural marketing problem.

I indorse that statement, and that is what this bill, H. R. 7797, does. It directs the Secretary of Agriculture to ascertain and make public that part of its domestic production of the major crops—wheat, cotton, wool, beef, pork, dairy and poultry products, and any other major agricultural products which are needed for domestic consumption—known as the salable part. This amount can not be purchased at less than the average cost of production, as determined and proclaimed by the Secretary of Agriculture. The bill provides that the surplus can be sold when the world price is equal to or greater than the cost of production. The bill provides a plan for purchasers to be licensed by the Secretary of Agriculture, as they were during the World War and afterwards. The sale of the so-called surplus can be arranged, if so desired, as can interchange among the farmers themselves. There had to be a start, and the bill can be amended as desired to meet the different needs. The bill also prevents speculation on the exchanges, as has been indulged in by the grain and cotton organizations under the Farm Board.

Mr. Chairman, the Department of Agriculture each year makes an estimate of domestic consumption and of surplus products of the farm. It also makes estimates of cost of production of these crops, and in cooperation with the different State agricultural departments and the county agents the act can be administered without additional appropriations. There will be none of the high and unreasonable salaries.

If this bill had been in effect last year, the farmers would have received $1.09 per bushel for their wheat, 89 cents per bushel for their corn, 54 cents per bushel for their oats, and 16 cents per pound for their cotton.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. SWANK. Yes.

Mr. GARBER. I have received numerous requests to support the bill the gentleman has introduced. I am wondering whether hearings have been held upon that.

Mr. SWANK. They have.

Mr. LANKFORD of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SWANK. Yes.

Mr. LANKFORD of Georgia. If I understand the gentleman correctly, he hopes to control the matter of production by a licensing system as set up in his bill.

Mr. SWANK. The bill proposes to formulate a plan, as it states, whereby the farmers will receive at least the cost of producing that part of their crops consumed in this country.

The following table shows the production of wheat, corn, and cotton, the farm value and exports for the past five years in the United States, and the value of the total agricultural exports:

	Quantity	Farm value	Exports
WHEAT			
1927 bushels	878,374,000	5979,813,000	190,578,000
1928 do	914,876,000	887,184,000	142,301,000
1929 do	809,176,000	843,030,000	140,432,000
1930 do	859,965,000	517,407,000	153,316,000
1931 do	892,271,000	393,600,000	131,536,000
CORN			
1927 bushels	2,763,093,000	1,997,730,000	14,364,000
1928 do	2,818,901,000	2,119,046,000	41,387,000
1929 do	2,614,132,000	2,042,898,000	9,787,000
1930 do	2,081,048,000	1,378,874,000	10,280,000
1931 do	2,556,863,000	920,142,000	3,317,000
COTTON			
1927 bales	12,955,000	1,209,885,000	7,524,000
1928 do	14,478,000	1,801,706,000	7,957,000
1929 do	14,828,000	1,217,829,000	6,650,000
1930 do	14,243,000	674,044,000	7,035,000
1931 do	16,918,000	564,192,000	7,123,000

Value of total agricultural exports

1927	$1,907,864,000
1928	1,815,451,000
1929	1,847,316,000
1930	1,495,164,000
1931	1,038,000,000

Our total exports have dwindled under our unreasonable tariff laws from the enormous sum of $8,228,016,000 in 1920 to the sum of $3,843,181,000 in 1930 and $2,423,759,000 in 1931. Our agricultural exports have decreased from $3,861,511,000 in 1920 to the sum of $1,038,000,000 in 1931.

The Census of Manufactures for 1929 shows the cost of material to be $38,293,534,000, the value of the products $70,137,459,000, leaving the value added by manufacture $31,843,925,000. This shows the great profits of manufacture and at the same time that the more the farmers produce and the harder they work the less they receive.

Mr. Chairman, we need more money in circulation, and there are bills pending in Congress that will have that effect and will also be a boon to agriculture. Trusts and combinations of capital to control prices to the consumer must be destroyed. Do these things and enact this bill, H. R. 7797, and you will bring agriculture back to where the farmers can make a living. I am a great believer in cooperative marketing, as the record will show, and this bill will strengthen this work, but I want the profits to go to the farmers themselves and not so much of their hard-earned money paid out in such high salaries.

With a wheat crop of almost the same amount in 1927 and 1931 the farm value of the crop in 1931 was only a little more than one-third the value of the 1927 crop. The corn crop in 1927 was about the same as in 1931, yet the farm value in 1927 is more than twice the value of the 1931 crop. The cotton crop of 1927 was more than 1,000,000 bales less than in 1930 and was worth twice as much. The 1927 crop was 4,000,000 bales less than the 1931 crop and the farm value was more than two times the value of the 1931 crop. Something is wrong when such conditions prevail. The table shows a reduction in our agricultural exports. We can not have an insurmountable tariff wall around the United States like we have now and have a foreign market for our farm products. One of the reasons for the present plight of American agriculture is the Hawley-Smoot tariff law enacted in the Seventy-first Congress. That law enables the American Steel Corporation, that controls the steel industry in this country, and the manufacturers to control the prices of agricultural implements. These prices are twice as high as in 1914, and in many instances more than that. The farmers have to pay the price for their farming tools because they are not organized and they have to take for their products what they can get. The farmers are the only business men who have nothing to say for what they sell and nothing to say about the prices they pay. Enact this bill and you will provide them with a living wage.

Mr. Chairman, I plead for our farmers and working people and for the small business man. With a prosperous agriculture there will be work for all at good wages, which is necessary for the general welfare of our people. [Applause.]

Many individuals and organizations throughout the entire country have indorsed the bill.

SOME INDORSEMENTS OF BILL H. R. 7797

Farmers Educational and Cooperative Union of America; Farmers Union Local No. 340, Garvin County, Okla.; a petition of 19 farmers, R. F. D. No. 4, Wynnewood, Garvin County, Okla.; a petition of 20 farmers and business men of Lindsay, Garvin County, Okla.; a petition of 28 farmers, R. F. D. No. 1, Maysville, Garvin County, Okla.; a petition of 31 farmers and business men of Byars, McClain County, Okla.; a petition of 65 farmers and business men of Wayne, McClain County, Okla.; a petition of 16 farmers and business men of Blanchard, McClain County, Okla.; Banner Farmers Union Local No. 747, Cleveland County, Okla.; a petition of 25 farmers of Crescent Township, Logan County, Okla.; Farmers Union Local No. 280, Logan County, Okla.; a petition of 16 farmers and business men of Mulhall, Logan County, Okla.; Farmers Union, Payne Center Local No. 375, Payne County, Okla.; Farmers Union of Payne County, Okla.; Farmers Union Local No. 395, Payne County, Okla.

A letter dated Yale, Okla., February 15, 1932, from J. B. MacClain, Farmers Union special agent, said that after a round of local meetings in Payne and Pawnee Counties, Okla., he reported more than 1,000 members for the bill.

Farmers Union, Burns Flat Local No. 317, Washita County, Okla.; Farmers Union, Pleasant Valley Local No. 382, Okfuskee County, Okla.; Farmers Union Local No. 67, Okfuskee County, Okla.; mass meeting at Okemah, Okfuskee County, Okla.; Farmers Union Local No. 273, Okfuskee County, Okla.; mass meeting at Weleetka, Okfuskee County, Okla.; a petition of 11 farmers and business men of Stonewall, Pontotoc County, Okla.; a petition of 8 farmers of Sparks, Lincoln County, Okla.; Farmers Union Local No. 691, Pottawatomie County, Okla.; Farmers Union of Greer County, Okla.; Farmers Union, City View Local No. 598, Greer County, Okla.; mass meeting at Hollis, Harmon County, Okla.; the Community Builders, Carter, Beckham County, Okla.; the Forrest Hill Murray Club, R. F. D. No. 1, Howe, Le Flore County, Okla.; Farmers Union, Big Bend Local No. 10, Osage County, Okla.

Mr. SANDLIN. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. HART].

Mr. HART. Mr. Chairman, I listened this morning with great interest to the address of the gentleman from Oklahoma on the bonus bill. In that connection I desire to ask unanimous consent to insert in the RECORD a telegram received from the Saginaw members of the American Legion, and include it as a part of my remarks.

Mr. KELLER. How many telegrams do you wish to insert?

Mr. HART. One telegram.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The telegram referred to follows:

SAGINAW, MICH.

L. S. RAY,
Vice Chairman Veterans of Foreign Wars,
National Legislative Committee, Washington, D. C.:

We as veterans and citizens of Saginaw, Mich., respectfully request that Senators and Congressmen of Michigan vigorously support H. R. 1 immediately.

PETER SIMON,
Commander Post No. 1566
(And 906 other signatures).

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. KARCH].

Mr. KARCH. Mr. Chairman, this Nation has reached its zero hour. I do not rise, sir, in this Chamber of lawmakers to-day to exhort, but to issue a solemn warning to the rulers of this Nation.

This Chamber has just been the scene of a historic battle. The echoes of that strife are still reverberating through the aisles and corridors of this Capitol—symbol of the people's liberty.

We have just refused, in this body, to approve a measure which sought to place upon the backs of the masses all the burden of balancing the Budget.

Mr. Chairman, I warn this body that unless work is provided through proration of the available amount of employment to all the toilers of this Nation the Budget of this country will never be balanced.

Unless relief in the form of honest toil is provided for nearly 40,000,000 of our people who seem to be destitute, and thousands of whom seem to face starvation at this very hour, your task will not be to save this Nation by balancing the Budget, but it will be to save this Nation to have a Budget to balance. Those people are not destitute. They will not starve so long as this Nation stands—and are we going to balance the financial budget of human rights, Mr. Chairman, and when that is done the Budget will be easy to balance.

The press of this country—that portion of the press which is frank and honest with the people—is to-day carrying the tales of depleted or exhausted charity chests. Starvation faces thousands in this land of plenty. They shall not starve. Suffering, fear, worry, sacrifice; insufficient clothing, food, housing seem to be doing a deadly work among our law-abiding citizens.

Those citizens are not going to be driven to desperation by suffering and fear while this Government stands! If they should be faced with the grim specter of starvation while a few roll in their wealth and shut out, with velvet hangings, the sordid scenes of this night of want, what do you think those starving millions will do? I ask each and every Member of this body to search his or her conscience and to answer the question honestly: "If my family and I were starving this day and I could find no work, no charity, what would I do?"

I do not want to see my fellow citizens shot down in the streets because they are rioting for bread, and we are not going to permit such scenes, for, in this land of plenty, men do not have to fight and to die for bread. They will be given work by which to honestly earn it in orderly progress.

I do not want to see my fellow citizens turning out by thousands to hear the propaganda of communism preached to them, so, sir, we are going to restore their rights, their opportunities for honest toil, their respect for their Government, and then the seeds of communism will fall upon barren soil.

With charity funds exhausted, with a fourth winter of want and unemployment facing us after the brief coming summer, with the banks still hugging their credits in fear to their breasts, with the wealthy still fighting to put the burdens on the poor, with the rulers of this country seemingly hopelessly lost in the gloom of indecision, secrecy, and fear of the money power, what are we to do? Something must be done.

Do I alone warn you, ladies and gentlemen of the House, that something must be done? Why, Mr. Chairman, the fateful words of Mr. Justice Brandeis have scarce ceased echoing in the solemn precincts of the Supreme Court chambers above where we sit at this moment.

Hear him:

> Existing conditions threaten even the stability of our capitalistic system. * * * Misery is widespread in a time not of scarcity but of overabundance.

Greed, my friends, is the most stupid, blind, unreasoning, cruel, inhuman, useless, false, and sordid of any evil emotion that claims to masquerade as the intelligence of man. It is stupid, for it does not realize that it feeds upon itself. It is blind to the consequences of its own results. It is unreasoning because of its very selfish nature. It is cruel beyond expression because it closes its eyes in smug content in order not to see the suffering it inflicts. It stops its ears in its own selfish pleasures to the wails of agony it causes.

Greed is inhuman because it does not want to know of the woe it causes. It is useless because it never brings one thrill of true happiness to the victims it uses as its tools—and we are all more or less victims of it—but it uses those who serve it, destroys them, and fills the graves of suicides. Greed is false because it binds its victims to the fact that no man or woman possessing all the money in the world could possibly be happy, safe, or contented in the midst of millions of fellow humans who are hungry, ragged, and suffering. Happiness does not lie that way.

Greed is sordid, because it brings ruin upon all who pander to it, kills those whom it seems to bless, causes the innocent to suffer, brings its own penalties, and ends in disaster and black night for nations and men who practice it.

Greed and selfishness, Mr. Chairman, are born of one and the same emotion—fear. Fear that there will not be enough gold, enough fame, enough social prominence, enough social power, enough political honor and power, enough food, clothing, houses, and lands to supply everybody. So some mortals seem to drop all considerations of humanity, justice, the golden rule, common honesty, self-respect, sense of duty to country, to society, and to their fellow men and devote their every effort to being cowards, to grabbing every dollar and every avenue of power they can possibly secure by hook or crook without regard to ethics or to moral law.

Having accumulated more money, more goods, more power than they can possibly use, these individuals awaken to the awful fact that they are the victims of greed. Like some deadly, enslaving drug habit, fear drives them on and on, while greed feeds upon them and becomes drunk with its own seeming power. And, my friends, the only possible antidote, the only possible way in God's world for those victims of greed to be cured is to begin giving—giving to their fellow men—to begin to have some regard for their fellow humans, to begin to think about the welfare of their country, to find their security and their happiness in the security and the happiness of their brothers. If they do not do this, utter misery is their portion until they do.

The Apostle Matthew tells us, Matthew vii, 20, that false teachers and leaders are to be known by the fruits of their teachings. The fruits of the teachings and the leadership of these czars of finance and these emperors of industry whose greed has resulted in the seeming concentrated control of wealth and power are the present depression, with its train of unemployment, hunger, crime, fear, suffering, and the peril to this Government.

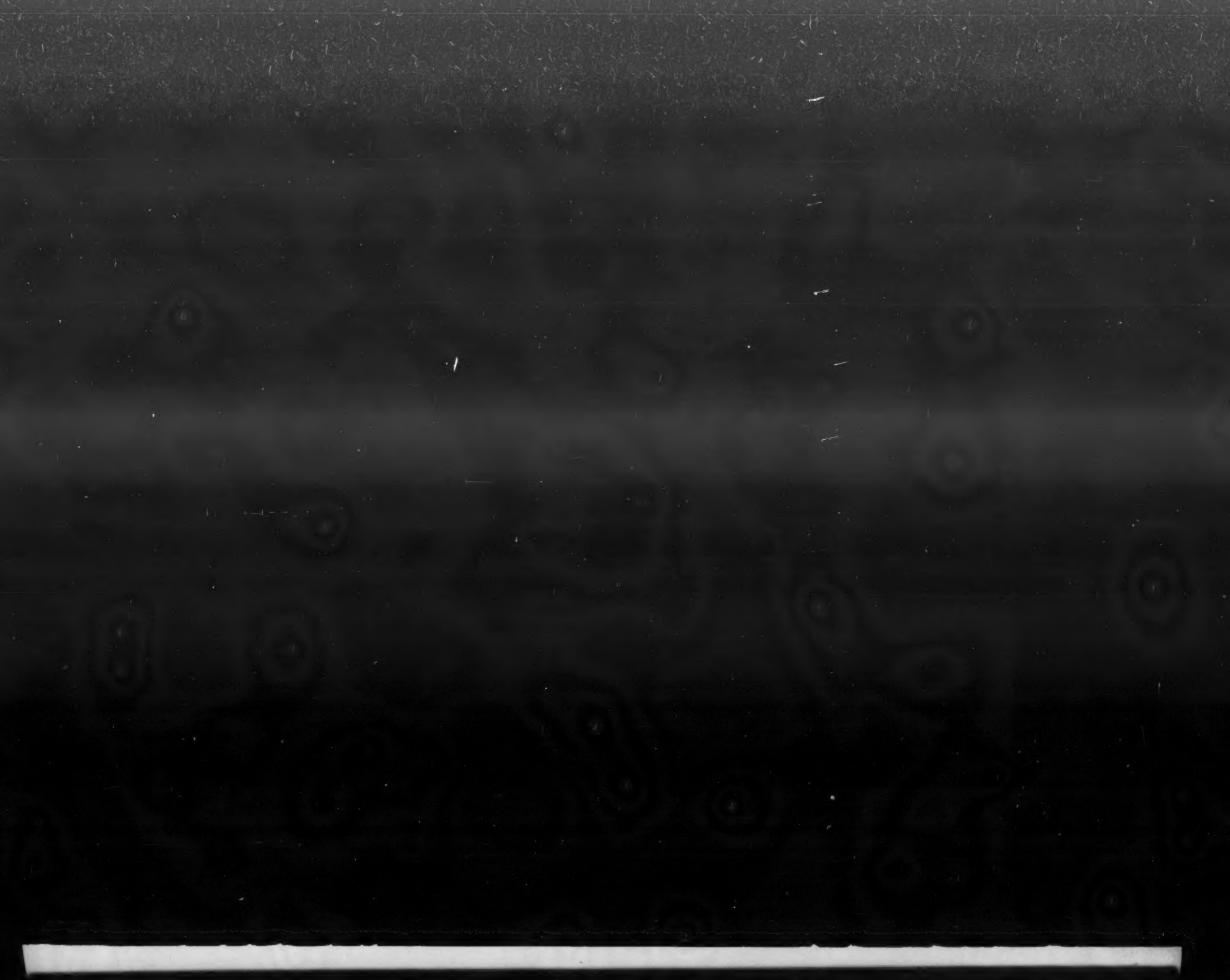
This whole miserable situation, Mr. Chairman, is the result of financial and industrial cowardice and greed, political cowardice and greed, and we find the very men who were used by this fear and this greed, and who, therefore, are responsible for the fruits thereof now crying that it is not they but the people—the masses—who are, through fear and hoarding, causing the panic.

These leaders have for 30 years, through both political parties, been telling this Nation that they should be allowed to control business, industry, government. We have allowed them to do it, and they have brought us to this tragic hour of hunger, suffering, and national disaster.

And as they still rush to raid the Treasury for the relief of banks, railroads, for the relief of everybody but the poor and needy, Mr. Chairman, these false leaders shriek in their fear that nothing must be done by the Government for the masses; the "block system" is the thing; let the poor take care of the poorer while the wealthy go to Florida where they can not be bothered by charity gatherers. Eighty-seven per cent of all the charitable funds contributed in this country, Mr. Chairman, are contributed by the wage earners.

At this point, Mr. Chairman, I wish to call to the attention of this House the sad story of Dives and Lazarus:

> There was once a man who was rich, and arrayed himself in purple and fine linen, and who every day lived in pleasure and luxury; and there was a beggar, named Lazarus, who, covered over with sores, was laid before his gate, and he longed to be fed with the broken pieces which were thrown from the rich man's table; but, instead, the dogs came and licked his sores. By and by, however, the beggar died, and he was conveyed by the angels to Abraham's bosom. The rich man also died and was buried. And in the spirit land, being in torment, he looked up and saw Abraham afar off, and Lazarus in his bosom. And, shrieking out, he said, "Father Abraham, have pity upon me and send Lazarus to dip the tip of his finger in water and cool my tongue, for I am in torture in this flame!"
>
> "Son," said Abraham in reply, "remember that you exhausted your pleasures during your lifetime, and Lazarus in the same way



his suffering, but now here he is comforted while you are agonized. Besides all this a huge chasm lies between us and you, so that those who might desire to go from here toward you can not do so; neither can they come to us from where you are."

"Then I beg of you, father," replied the other, "to send him to my father's house, for I have five brothers, that he may also entreat them, so that they also may not come into this place of torment."

"They have Moses and the prophets," replied Abraham, "let them listen to them."

"Not so, Father Abraham," was his answer, "but if some one would go to them from the dead, they would change their minds."

"If they will not listen to Moses and the prophets," was his reply, "neither will they be persuaded even if one were to rise from among the dead." (Luke xvi, 19 to 31, inclusive.)

Mr. Chairman, every one of our financial, industrial, and political leaders has known and knows now what ought to be done; but the same fear, the same cowardice that produced this crisis seems to have so gripped those leaders over the results of their false teachings that they have not the courage to do what they know is the right thing to do.

That same fear, that same cowardice would continue to cower behind the moneybags, the bank grills, the political smoke screens until starving men, women, and children should fall at the very gates of the rulers and of those Dives if we were to permit it.

Every Member of this body knows deep down in his heart what must be done, and I believe we have the courage to do what the czars of finance, the emperors of industry, the Pharaohs of politics, and the Dives of this country fear to do; that is, to take this situation in hand, disregard political expediency, campaign chests, and personal fears, and act to save this Nation.

My colleagues, you have the vision, the courage, the love of your fellow men, and the high ideals of government and human fellowship to do this. We can do it. It must be done.

I condemn no man because he is wealthy, Mr. Chairman, but I do condemn the greed which leads such men to cling to their wealth while their fellow men hunger. I condemn no man because he has power, Mr. Chairman, but I do condemn the selfishness which causes him to use that power for his own purposes to the injury of his fellow men instead of well and wisely for the good of his fellows as well as of himself.

But I warn this body that unless we get back nearer the precept of the Golden Rule the ruin of this Nation is sure and certain.

I want to warn the wealthy of this country that no matter how they may try to close their ears to them, the precepts uttered by the Man of Galilee from the slope of a mount nearly 2,000 years ago are still the same living, inescapable truths to-day they were then. They have always been true. They always will be true.

"Blessed are the merciful, for they shall secure mercy." And he who, wallowing in his wealth, closes his eyes to the suffering and the want in this country would find no mercy should the pent-up rage of a trampled people break forth.

"Blessed are the kind-hearted, for they shall inherit the earth." But I warn those to think to find happiness and security in the power that money seems to bring, in the luxury that they revel in, that they shall inherit—and not that before long—not the earth, but woe and misery unless we cease to harden our hearts to the pleas of the multitude of millions of hungering, suffering, ragged, and starving to give them work by which they can earn food and clothing.

Mr. Chairman, we will never balance the Budget, we will never stabilize this Nation, peace and security will not again hover over our people until we have scourged want and worry from this land by providing work for those who are willing to toil for their bread.

The time has passed—too long passed—when we can cure this danger-fraught situation with false words, false promises, false gestures. We have got to get down to fundamental facts, to action based on justice instead of on special privilege; to action based on courage instead of on fear of the frowns of wealth; to statesmanship based on human values instead of on political expediency and the desire for the favor of the money power if we are to save this Nation in the crisis it faces.

Are we facing in this crisis a situation heretofore unknown to the world, Mr. Chairman? Are my strictures on greed too stringent, and are we to look to some new condition in the affairs of the human family upon which to lay the blame for this tragic situation which faces us? Listen, then, to this:

Let me say in conclusion that it is not the small offenders and it is not the common people who destroy the institutions of government anywhere, but in all countries, in all times, and in all nations it has been the unscrupulous and the dishonest rich, and the professional and semiprofessional class that courts this favor, who destroyed the institutions of their country. It is the class that clothe robbery with respectability, bribery with pretense, and corruption with patriotism.

Does that sound like it is spoken to-day of the conditions we have found revealed to us within the past three years? Well, Mr. Chairman, those words were spoken by former Gov. John P. Altgeld, of Illinois, 32 years ago.

Let me remind you, my countrymen, that neither the poor people nor the great toiling masses of the earth have ever destroyed a government. All the great governments and institutions of the past were destroyed by the rich and powerful, who shut their eyes to injustice, and, through selfish greed inaugurated policies that pulled down the pillars of state, and while thus engaged in bringing ruin upon their country they made a Pharisaical pretense of patriotism. These things are happening now in our land.

Is that spoken here to-day of present conditions by me? Mr. Chairman, that pronouncement was made 33 years ago by former Governor Altgeld. Was his vision prophetic? Was his vision of the forces of destruction at work on the foundations of our Government too radical?

And I solemnly warn the wealthy that, despite whatever they may think of their security, if constructive, humane action is not taken to relieve the situation in this Nation, their wealth is going to be a curse unto them. The power they have so selfishly wielded for their own profit will turn upon them to rend them. They will have built for themselves another Frankenstein. It will not mean much, my friends, to be a Member of this Congress if we do not act and act soon.

I say to you that the people of this country will not, can not be subjugated by gold! They can not be reduced to a miserable serfdom by the will of greed and the power of money.

The liberty of this free people is not the property of politicians to barter for the favors of the rich.

The happiness of this free people is not the chattel of the rich to be bartered for the fleshpots of luxury for the few.

Why, Mr. Chairman, there is just as much money in this country as there ever was. Where is it? There is just as much food, clothing, land, power of production in this country as there ever was. Where is it? There is just as much credit in this country as there ever was. Where is it?

What has become of all these elements of happiness, health, and plenty for our people? They have been hoarded by the few, sir. They have been garnered into the storehouses of greed, and unless they are released, unless the resources of this country are permitted by those who hoard them to flow for the good of all, those storehouses are going to be looted, those misers are going to be riven by the wrath of a hungry and angry people. And we are not going to permit this tragic situation to come to that pass, Mr. Chairman.

Let no man mistake the long-suffering patience of a law-abiding people for crass cowardice, sir. Mark you, the man who makes that mistake too long will pay an awful penalty for his folly!

The laws of right are eternal laws,
The judgments of truth are true.
My greed-blind masters, I bid you pause
And look on the work you do.
You bind with shackles your fellow men;
Your hands with his blood are wet.
And the God who reigned over Babylon
Is the God who is reigning yet.

The Members of this body and of the Senate can not be blind to the protests which are pouring into their offices from their people. If the Dives are willing to draw the velvet at their windows, loll amid the cushions of their luxuries, blind and deaf to the forces that are gathering, let us not be. Let us who scan the face of the skies also be wise and read the signs of these times aright. We hear the rumble. We sense the mounting resentment of a suffering people; and let me warn you that the will of that people aroused is a terrible thing to contemplate.

This whole miserable, sordid, dangerous condition has come about because our leaders and our rulers seem to have abandoned any and all pretense of the Golden Rule. At the root of every revolution has been the canker of a great social wrong. How the money czars and the industrial emperors of this country could be so stupid and blind as they have listened to the clatter of falling crowns and scepters throughout the world during the last 15 years is to be explained only by the fact that greed and lust for power blind their victims and make them not to hear.

It has become evident, Mr. Chairman, that the administration intends to wait and to keep on waiting. For what? It is now up to the thinking men and women of this Congress, irrespective of party or place, to act as a unit in relieving this condition which confronts this country in its hour of peril or we will all live to rue the day we failed in our duty.

Why, Mr. Chairman, it is not possible and it is not true that the civilizing influences of 2,000 years of Christianity should be abolished in 15 years by the will of a greed-minded few.

It is not possible and it is not true that the unreasoning greed which seems to be power shall hurl this civilization from its place in the consciousness of men and replace the Golden Rule with the law of the jungle.

It is not possible, Mr. Chairman, that we who make the laws can be so blind we will see that the very structure of law and social amity demolished by the will of less than the one-hundredth part of our people—a few who are willing to be used by greed and selfishness.

And, whether you believe it or not, men and women of this House, the last people in the world who want to see this Government go down are the very ones who have the most of worldly possessions in this country. Where would their Liberty bonds and their other tax-exempt securities be, Mr. Chairman, if this Government should fail its people? Why, sir, they would not be worth their weight as waste paper. So any talk, any threats that if we do not heed the demands of these czars of finance and these emperors of industry they will let this country crash is the bluff of greed. The day this Government should crash, that day would the empire of wealth and the kingdom of industry crash, the wealth of the very greed that threatens such a thing would disappear.

God reigns, Mr. Chairman, and right is still mightier than riches. Humanity is still of greater value than much gold. Good will toward men, justice to all, mercy for the suffering, regard for the rights of men—just a grain, Mr. Chairman, of the essence of the Golden Rule will banish this gaunt specter of want and woe and peril for our people if we will but see.

I can not and I will not believe, sir, that we will longer dally with words and quibble with phrases while our people sit in the highways begging for work, for bread.

Let us strike the blindfold of false power from our eyes and see clearly. Let us have done with financial voodooism and go back to the paths of sanity and justice. Let us put behind us every temptation to pander to the false power of gold and turn to the real power of good government. We must do it, Mr. Chairman, and I believe we will do it; for, after all, in the heart of every man, far down below the love of self and pelf, lies the divine spark of human kindness, of humanity for man.

So let us then awaken; let us face this crisis; let us refuse longer to be blinded by false values; and let us, without delay, move to force the rulers to restore the balance, the peace, and security of this Nation by constructive economic action.

Mr. HOLADAY. I yield five minutes to the gentleman from Nebraska [Mr. BALDRIGE].

Mr. BALDRIGE. Mr. Chairman, I have asked for five minutes to fully explain a bill that I introduced yesterday in regard to the Federal Farm Board and the handling of wheat.

Senator GORE introduced a bill which contained two fundamental ideas: The first was that wheat should not be sold at a price less than 81 cents on the market. The second part of his bill, in my estimation, is an attack on the Farm Board, which would cripple the Farm Board to such an extent that it could not exist.

I do feel that if there is an attack on the Farm Board it should be made an out-and-out attack and not an attack through the back door.

I think the fundamental thing is to have the Farm Board get rid of its wheat. When the Farm Board was first established the sole purpose was to export the surplus wheat. That was the only reason for the Farm Board to buy any wheat. Instead of doing that the Farm Board has taken the wheat and stored it all over the country. At the present time they have 154,000,000 bushels.

In my bill I have made it compulsory for the Farm Board to export this wheat and not to allow them to sell it in this country, unless at a price of 81 cents or better.

Mr. MAY. Will the gentleman yield?

Mr. BALDRIGE. I yield.

Mr. MAY. Can the gentleman tell us what the cost per bushel per year of storage and preservation of this 150,000,000 bushels is?

Mr. BALDRIGE. Yes. On November 1, 1931, the Farm Board had lost because of the drop in price of wheat they had purchased and on account of the storage charges, $110,000,000. I can not tell you how much a bushel it amounts to, but that is the figure. Storage, I believe, amounts to 18 cents a bushel.

That information is taken from the hearings. To-day the Argentine is selling between 6,000,000 and 7,000,000 bushels of wheat a week on the foreign markets. If our Farm Board should take the surplus wheat and sell it on the foreign markets, five or six million bushels a week, within six or seven months we would be rid of our surplus wheat. They would have to take a loss to do that. The loss would be approximately 20 cents a bushel in addition to the loss they have already taken on 150,000,000 bushels. Therefore the loss would be $30,000,000 which they would have to take in addition to what they have taken.

Why has not the Farm Board done that before? The reason is that they are afraid of investigation by the Senate or by the House, and they do not want to be called upon to defend a loss.

The only sensible thing for the Farm Board to do is to take the loss; and if they take the loss under the authorization and by the direction of Congress, then there can not be any trouble and there can not be any fear on the part of the Farm Board of an investigation.

If we could get rid of this surplus wheat in six or seven months, think of what it would do toward helping the farmers.

The Farm Board started out with an attempt to take care of surplus wheat for three years. They stopped in the middle of the 1931 crop because they found that they could not handle it. The Farm Board should complete that transaction. They started out to take the surplus wheat, and they should carry it out.

There is to-day an additional 150,000,000 bushels of wheat held by the farmers on the farms. The Farm Board has $90,000,000 to-day. If they would take that $30,000,000 loss on the export of wheat, as I have just explained, it would still leave them $60,000,000.

With that, and with the money they could get from the banks and the Reconstruction Finance Corporation, they could buy the wheat that is now held on the farms and export that wheat. They must not sell any more wheat on our

present-day market, because when they do so they place a blanket which will absolutely cover the whole country on the price of wheat.

Mr. LUDLOW. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. LUDLOW. The gentleman made some inquiry a while ago as to what the wheat is costing in storage. It was developed in the testimony before the Agricultural Committee that it is costing 18 cents a bushel per annum.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MAY. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. MAY. Can the gentleman tell us how long this wheat has been in storage up to this time?

Mr. BALDRIGE. The Farm Board started to buy wheat—I think about two years ago. Of course, they have been selling wheat but selling it on our own market. The other day, in Kansas City, there was a large purchase of wheat coming up. Our farmers in Nebraska and in the Middle West were anxious to make that sale, but the Farm Board came along and sold it, and that put a damper on the whole situation. They should sell that wheat in European markets. They must get rid of this surplus, and the only way to do it is to take a courageous stand and realize that we must take our loss. A $30,000,000 loss on wheat is undesirable but it would jump wheat 20 cents a bushel, and $30,000,000 would be a very small loss when you compare it with what would happen in this country if wheat would advance 20 cents a bushel.

Mr. McGUGIN. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. McGUGIN. Does the gentleman's bill also authorize the Farm Board to sell this wheat abroad on credit?

Mr. BALDRIGE. No. There is nothing like that in the bill. There is no provision in the bill for credit. The bill simply provides that the Farm Board shall be compelled to sell wheat abroad.

Mr. McGUGIN. Let me suggest to the gentleman that if we are going to get rid of this wheat abroad we must sell it on credit. I am advised that the Farm Board has already passed one sale to Greece because they could not extend credit.

Mr. BALDRIGE. I will say to the gentleman that the Argentine is now selling 6,000,000 or 7,000,000 bushels of wheat every week and getting cash for it.

Mr. LUDLOW. Will the gentleman yield further?

Mr. BALDRIGE. Yes.

Mr. LUDLOW. Carrying out the gentleman's thought, every three years the wheat that is in storage eats itself up in storage and interest charges.

Mr. BALDRIGE. The gentleman is correct. I think that is the solution of this wheat situation. Make them get rid of it no matter what loss they take. If the statement goes out that the Farm Board will sell no more wheat in this country and will still buy the surplus on the farms, then watch what happens to the price of wheat, and when the price of wheat goes up the price of corn, hogs, cattle, and everything goes up.

Mr. ARENTZ. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. ARENTZ. Is it not wrong to advocate the selling of this wheat at any price and then ask the Farm Board to step in and buy more wheat, so that they can hold it over the American producers? If the Farm Board is to get out of it at all, it should get out of it altogether.

Mr. BALDRIGE. The trouble is that we have approximately 150,000,000 bushels of wheat held on the farms of this country. The Farm Board promised to step in and take the 1929, 1930, and 1931 crops. They stopped in the middle of the 1931 crop. They should complete that transaction and then sell that wheat out of the country.

Mr. ARENTZ. And then still hold that as a threat over the American producers?

Mr. BALDRIGE. No. That would not happen, because they would not sell any wheat in this country.

Mr. ARENTZ. I am not talking against the Farm Board, but in view of the surplus wheat now on hand, it would seem to me that if the Farm Board purchased 150,000,000 bushels in addition, the sword of Damocles would be held over the heads of the American producers, and that sword might drop at any moment. In addition to that, it seems to me that the price of wheat would be depressed to a further extent.

Mr. BALDRIGE. The gentleman may be right. But what I am insisting through this bill is that the Farm Board shall sell this wheat in foreign countries and not in our own country, and the 150,000,000 bushels of wheat still on our farms should be sold in foreign countries.

Mr. MANLOVE. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. MANLOVE. I appreciate the gentleman's remarks and his proposal to dispose of surplus wheat now in the hands of the farmers of this country. It seems to me the Farm Board is not to blame for stopping their purchase of last year's crop right in the middle of it, as the gentleman has suggested, but that they did so simply because of the avalanche of dissatisfaction that was raised by reason of the fact that they were taking that crop of wheat. I will ask the gentleman if there is much encouragement for the Farm Board to go out and buy another crop of wheat in face of the disappointment they met at the hands of the people in buying and holding up the market on last year's crop.

Mr. BALDRIGE. The only reason I mentioned that was because they promised the farmers to buy that wheat. This bill does not compel the Farm Board to buy this wheat. The only thing this bill compels is the exporting of the wheat, and in my remarks I mentioned the fact that personally I think they should complete the transaction and pick up the 1931 crop; but that is not necessary, and I think the Farm Board and the Congress are the ones to decide that question. That is not a part of my bill.

My bill does only two things. It first carries out the purpose of the Gore bill, which provides they shall not sell wheat in this country under 81 cents, and then whatever wheat they have here they must export to European countries.

Mr. MANLOVE. May I say to the gentleman I believe the Farm Board would be glad to carry out that program, provided they were not faced with so much discouragement on the part of the people generally throughout the country.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. SHALLENBERGER. Does the gentleman propose that this purchase of the 1931 wheat shall be at the market price or at a price fixed by the board? In other words, are they going to benefit the farmer by raising the prices, or are they simply going to take the wheat off the market?

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. BALDRIGE. Let me make this statement: I feel that if the Farm Board issues a statement that there will be no more wheat sold in this country unless the price reaches 80 cents and that they will start to export five or six million bushels of wheat a week, the price will then jump 20 cents, and from 60 cents the price will be around 80 or 81 cents a bushel, and when it reaches 81 cents a bushel, then they can start to sell in this country. Eighty-one cents a bushel is the figure in the Gore bill and that is why I put it in my bill.

Mr. SHALLENBERGER. I think the gentleman is quite correct in stating that the wheat can be sold for cash if they will take the market price.

Mr. BALDRIGE. Yes.

Mr. SHALLENBERGER. Wheat is the one thing that there is always a cash market for in the world market at a cash price. Of course, if we want to establish a different

price, then we have to make terms, but it can always be sold for cash.

Mr. BALDRIGE. Let me close by making this statement.

Mr. MANLOVE. Will not the gentleman get more time because he is making a very constructive argument?

Mr. BALDRIGE. I do not care to ask for any more time, because I have had more than my allotted time.

I want to close by making this statement: This is not an attack on the Farm Board. This question has been talked over with the members of the Farm Board. I have not the privilege of saying how they feel about it, but I do not think they can possibly come in and object. This is a compromise measure to meet the Farm Board situation and to meet the farmer's situation. It is a reasonable, logical thing to do. We should take our loss and get rid of the wheat. If we have made a mistake, let us take the punishment and wipe the slate clean, and that is what this bill seeks to do, and I hope the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES] will give us a hearing on this measure.

[Here the gavel fell.]

Mr. MANLOVE. Mr. Chairman, I would like to ask that the gentleman's time be extended two minutes.

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MANLOVE. I can assure the gentleman we are all very much interested in his argument. The gentleman proposes that the Farm Board shall export wheat at the rate of five or six million bushels a week, or whatever can reasonably be absorbed in the foreign market.

Mr. BALDRIGE. Yes.

Mr. MANLOVE. The proposition that presents itself to me is whether or not the exporting of that wheat to the foreign market, Liverpool, for instance, might not in itself create such a further congestion in the market as to reflect on our market at home practically to the same extent as if the wheat were sold in the American market. Can the gentleman give us the relative prices in the foreign market and in the home market and give us any assurance that such exportation of American wheat would not act as a deterrent on the price, similar to the way in which it would operate if the wheat were sold here?

Mr. BALDRIGE. The best way I can answer the gentleman is this. Of course, nobody knows what effect this will have on the foreign market. The wheat people say that five or six million bushels of wheat marketed in this way will not upset the market. When I say the wheat people, I mean the wheat people I have talked with, who know their business.

The answer to the second part of the gentleman's question is that the Liverpool price at the present time, as I understand, is about 20 cents below our price in Chicago. This is why I said that if we would ship our wheat abroad, we would take a 20-cent loss in addition to what they have already lost, and a 20-cent loss on 150,000,000 bushels of wheat would be $30,000,000.

Mr. MANLOVE. I thank the gentleman.

Mr. PARSONS. Will the gentleman yield?

Mr. BALDRIGE. Yes.

Mr. PARSONS. What is the price of wheat in France and in Germany?

Mr. BALDRIGE. I am sorry, but I can not answer that question.

Mr. PARSONS. It has been generally reported that it was $1.76 and $1.86 a bushel last year.

Mr. STRONG of Kansas. But they have a much larger tariff over there than ours.

Mr. BALDRIGE. Their tariff is really what controls that price.

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman, I want to discuss the matter of having negotiable instruments that pass through banks accompanied by documents of title to real or personal property given a preferential status.

On December 8 I reintroduced a bill which I introduced in the last Congress, being now bill H. R. 48. Some of you may have received letters from your shippers in favor of this bill. It reads as follows:

Be it enacted, etc., That upon appointment of a receiver of any national bank the transferor of a negotiable instrument transferred to such bank for collection shall be a preferred creditor in the amount of the liability of such bank, if such negotiable instrument (1) is drawn against the delivery of an accompanying document of title relating to real or personal property; (2) has been transferred to such bank after the enactment of this act; and (3) has been collected, either in whole or in part, by such bank. The provisions of this act shall not apply to any case where the transferor is a depositor in the bank and the proceeds of collection have been credited by the bank to his accounts.

Mr. LUDLOW. Is this the same bill that the gentleman introduced in the last Congress?

Mr. STRONG of Kansas. Yes.

Now, from my State and some other States I have had letters from those who have shipped carload lots of potatoes, apples, melons, grain, or other products and who are in the habit of accompanying those carload-lot shipments by a bill of lading attached to a draft that is sent those who have contracted to purchase the same.

For instance, a man selling potatoes in Michigan to a party in Kansas. He does not know the party except that the man is willing to pay the price for the potatoes when delivered. He draws a bill of lading, attaches a sight draft, and gives it to his local bank. The local bank sends it to the Kansas bank and the Kansas bank makes the collection and then closes its doors before payment is made the shipper. Now, under the present law, if the bank does not pay out, the shipper loses the potatoes. The bill of lading of this car has been delivered, and the man to whom they were shipped has paid the bank. The bank fails, and the proceeds of the car of potatoes are held to be the assets of the bank.

When the bill of lading was delivered that carried title to the car of potatoes, if the man had drawn out the money from the bank and then passed it back across the counter to pay the sight draft, he would have been a preferred creditor, because the decision of the court is that assets of the bank were increased by the amount of the collection. But that is never the way this is done. The bank in Kansas receives the draft and bill of lading attached, and it calls up the party to whom the potatoes are shipped and says, "I have a sight draft against you of so much," and the man who received the potatoes says, "All right; I will come over and fix it up." He does so, and writes out a check for the amount, say $250, on his account in this same bank and gives it to the banker, and the banker charges his account. He leaves it there as funds belonging to the shipper in Michigan; but if the bank fails, the receiver steps in and says, "The assets of the bank have not been increased; you have taken a check for it, but the same funds are there," whereas if they had issued the check and taken the money and then put it right back in the bank, that would have increased the assets of the bank.

Mr. LUDLOW. The services of the bank are simply the services of a collector.

Mr. STRONG of Kansas. Absolutely so. Yet all over my country they have been shipping goods in that way, and found out that they have lost their property.

[Here the gavel fell.]

Mr. HARDY. I yield to the gentleman five minutes more.

Mr. GARBER. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. GARBER. I shall be glad to support the gentleman's bill. I think it is a good amendment to the law in relation to transactions of this character.

Mr. STRONG of Kansas. It is simply an outrage that the proceeds of goods shipped by a noncustomer of the bank should be counted as the assets of the bank that acts as a collector. The man in Michigan never saw the party to whom he sold the potatoes, and never had any business relations with him except through the shipment of the carload of potatoes, was not a depositor of the Kansas bank and simply used the bank in Kansas as a collector.

Mr. HARDY. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. HARDY. I wish to say that I have had more inquiries about this bill the gentleman speaks of than any other bill before Congress, except perhaps tax questions and the bill authorizing the payment of the soldiers' adjusted compensation. A good many business men have written me who have been stuck by the failure of the bank before they received the proceeds.

We ship out of Colorado to near-by States, and we know that a good many banks have gone broke. I can not understand why the gentleman, with his large influence in the Committee on Banking and Currency, can not get the committee to take the question up and have a hearing on it and bring it before the House.

Mr. STRONG of Kansas. I took it up and had a hearing last year. I expected the Comptroller of the Currency, of course, to support the bill; but, unfortunately, he told me that he could not do so, although the bill was drawn with his approval, so far as its phraseology is concerned. He is opposed to the principle of the bill, I believe, simply for the reason that he wants to hold in the banks all the possible proceeds from any source that he can in order to increase the amount to be distributed to depositors. That is natural and I do not blame him for that so much, but here we have made it impossible for the banks to be safely used as a collecting agency. A man now, to be safe, has to ship his goods and draw through the express company.

A man wrote me from Florida that he had sold real property for a thousand dollars and had sent the deed with a sight draft attached to a bank, as requested by the man who was buying the property. This man paid up the thousand dollars by giving a check on his own funds in the bank. The bank failed before it remitted the funds, and the man who sold the property never got a cent. That is not just. It does not promote commerce between the States; it hinders commerce. We all know that our commerce is over 90 per cent between the States and that the remainder only is foreign commerce. We ought to protect the 90 per cent of commerce between the States. Of course, if we pass a bill guaranteeing bank deposits, such a bill may not be necessary.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. LUDLOW. If it is any comfort to the gentleman, I might say that I have received letters from many of the leading business firms from my city and State strongly in support of this bill, and I think it is founded on sound principles and ought to pass.

Mr. STRONG of Kansas. I thank the gentleman. I have never sent out any propaganda about it. I introduced the bill at the request of different organizations of shippers who are selling goods and shipping them to distant points and have tried to protect the proceeds by drawing a sight draft with a bill of lading of the car containing the goods shipped attached. I have not asked a single one of them to send out any propaganda. I am going to ask the chairman of the Committee on Banking and Currency as soon as the pressing legislation pending before our committee is over to report out this bill, and then I ask you all to get behind it and write it into the statute and protect the shippers in my State and in your State who sell goods and who want to sell them in other States to people he does not know by permitting him to protect himself by shipping them, drawing a sight draft with a bill of lading attached carrying title to the goods.

Mr. MORTON D. HULL. Under what authority can Congress legislate on paper of that kind?

Mr. STRONG of Kansas. Because it has authority over national banks and interstate commerce.

Mr. MORTON D. HULL. The gentleman is legislating in respect to commercial paper?

Mr. STRONG of Kansas. When a bank takes a sight draft with a bill of lading attached carrying title to property and collects the proceeds of the draft and fails to remit the same before failing such funds should be preferred. I have one case in the last month where a bank held the money for five weeks and then failed and the man lost his money.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from Montana [Mr. EVANS].

Mr. EVANS of Montana. Mr. Chairman, there is pending in the Committee on Ways and Means House Joint Resolution 314, introduced by myself, providing for an import duty of 5 cents per pound on copper, to which I invite your attention; other similar bills are pending, and there is now under consideration in the Senate a bill that has already been approved by the House of Representatives which provides that the United States Tariff Commission shall investigate and ascertain the difference in cost of production of foreign and domestic articles placed in competition with one another in the markets of this country. The bill further provides that if such an investigation shows that the difference in cost of production is not equalized by a duty imposed on a given competing foreign article the commission shall then report that fact to the President and to Congress with the recommendation that such duty be imposed.

Every item in a tariff bill should be judged on its individual merit and not with the log rolling tactics so common in the preparation of tariff measures in the past. The pending tariff measure contains provisions which make possible such procedure. Sincere friends of the copper industry in the United States feel that such a policy is eminently proper and are confident that if the copper industry is judged on such a basis it will be awarded the benefits of protection from relentless foreign competition which have been bestowed by the Congress in the past on industries which merited it far less, if, indeed, at all.

As a result of long and minute investigations into all phases of the subject western Members of Congress, together with other citizens vitally interested in saving the copper industry from disintegration, have arrived at the conclusion that but one avenue presents itself by which a solution of the problem favorable to the domestic industry can be achieved. This is through the medium of a tariff on the metal. Consequently, there are to-day pending before the Congress several bills, any of which if enacted into law would place a tariff on imports of copper.

If this tariff duty is levied, it will simply result in American copper, mined and smelted by American labor and transported by American carriers, being used by American manufacturers in fabricating wares for the American market instead of the present condition whereby raw copper, produced in foreign lands by underpaid foreign labor, is often used. The manufacturers of the finished product wrought from copper are protected by tariff imposts which makes it no more than fair that those who produce the basic red metal itself should be afforded similar treatment. Such a plan, which also provides for a 5-cent tax per pound on copper articles actually imported, is not a measure which would result in an embargo on foreign copper. It is estimated that a 9-cent per pound tax would be necessary before such a denial of importation would ensue. It is interesting to note that the contemplated tariff would result in revenue accruing to the Federal Government to the extent of at least $10,000,000 per annum.

American producers could expand their activities, supply the home market, and compete in the world market with any surplus that might be built up by increased activity. It would also make possible the profitable working of such domestic mines which the high cost of production, low grade of ore, and low price of the metal now forbids.

Even if foreign competitors induced their Governments to levy tariffs in retaliation, the effect upon selling any surplus we developed abroad would be negligible by virtue of the fact that the foreign markets for copper are not those of foreign producers, and no nation which is not itself a producer of the metal would raise such a barrier at the peril of its consumers.

At present, or under any scheme of restricted output arrived at among the international magnates controlling

production, the idea of a need for dumping our surplus abroad is fantastic. To the contrary, copper produced by indentured African labor and South American peon labor is being dumped in our market, stagnating our industry and giving birth to bread lines, with their consequent deplorable correlaries.

During the past two years the chief producers of copper in the world have unsuccessfully attempted to perfect an agreement whereby all the principal fields would restrict their output. Such a combination in artificially restricting production would result in the surrender of part of the American market to foreign producers and would in substance maintain the status quo, with all its unenviable effects on capital, labor, and the general public in this country. Our production of copper has steadily dropped from 65 per cent of the world production in 1916 to 40 per cent in 1930. Such restriction of production would render our mining conditions only more chaotic, which is patently undesirable when 75 per cent of the industry is already inactive.

According to the United States Department of Commerce, the United States in 1929 became an importing nation in so far as copper affected by the proposed tariff is concerned. In 1927 we exported 128,399 net tons, in 1928 we exported 110,850 net tons, in 1929 we imported 54,322 net tons, and in 1930 we imported 94,487 net tons. Thus the balance in trade in copper has turned against us while the number of our miners and smelter men have been reduced.

Destruction of the copper industry, for years one of the major industries of the United States, would mean that new "ghost cities" would appear in the copper-producing areas. Cities like Butte, Jerome, Globe, and Anaconda would have little excuse for existence were it not for the copper industry. Should it be destroyed, countless millions of dollars invested, not only in the mines and their related works but in small businesses, homes, public buildings, roads, streets, and so forth, would be counted lost. Thriving mining cities would become deserted camps, of value only for curious tourists and writers for Sunday newspaper supplements. Inhabitants of these cities, deprived of their livelihood, would perforce bundle their belongings up and depart for other fields of endeavor, thus increasing the already flooded labor market in other industries. Entire States would find their machinery disrupted and their means of maintenance and normal growth impeded if not altogether destroyed. As most finished products manufactured from copper are at present protected, a tariff on the metal itself would not result in raising the cost of manufactured articles to the American consumer. To-day there exists no serious competition on our market by foreign manufacturers in the field of articles made from copper.

Opposition to a copper tariff comes from two sources: Foreign producers seeking to capture our market with their cheap copper, and American owners of copper mines in foreign lands profiting because of low production costs and rich ore selfishly, and at the expense of their fellow countrymen, insist that no such bill become law. Many of these latter, or strong protectionists in other instances, regularly exert their influence in favor of tariffs on many sorts of articles, particularly those fabricated from raw copper.

The entire theory of protection is faulty if it does not apply to copper. All American industries should enjoy the usufructs flowing from protection or none. Favoritism by legislation renders a body blow to continuance of the system of government which employs it.

Too often the same financial interests which control American copper mines are found to also control foreign mines. Sometimes the temptation for increased profits results in closing of high cost of production mines in this country and operation of the low cost of production mines abroad. It is ironical that this results in some instances to-day in profits wrung from the foreign low-cost-of-production mines being used, in part, as a dole issued by the international producers to sustain those thrown into the ranks of the unemployed in this country.

The domestic ore is generally termed "low grade," and many of our mines have been closed in recent years because of this fact. Our average of 23 pounds to the ton discloses as much as any other one factor the cause of our ruinous position in the copper-producing world when compared with African ore running as high as 88.4 pounds to the ton, with South American ore running as high as 41 pounds to the ton, or with ore such as is produced in the new fully equipped Frood mine in Canada, which, aside from running 88 pounds to the ton in copper, produces, in addition, 44 pounds of nickel and $4 worth of gold, silver, and platinum to the ton.

Suspension of activity in the copper industry results in curtailment and in some cases of shutdowns of allied industries. For example, the lumber industry. In Montana a huge percentage of the lumber produced in our woods and sawmills is used as timbering and for other purposes in our mines. When the mines are not in operation, or when their work is below normal, this fact is reflected in a corresponding degree in the lumber industry. Consequently, when mines are closed and miners are laid off, we find lumberjacks and mill workers out from the pay rolls, and railroad workers, smelter men, electricians, and workers in scores of other trades are affected adversely. Business men see sales reduced and farmers have no market for their produce. Thus, in States in which the population is small and copper mining is the principal industry, conditions disadvantageous to that industry work hardships on the entire citizenry and throw the economic machine completely out of gear.

The Federal Government, States, and municipalities are experiencing great difficulty in collecting sufficient taxes to balance their respective budgets. Huge public debts are being piled up, and no man can truthfully say how and when these obligations can be met if the ailing major industries, interlocked in their economic interests, are not revived. This condition is becoming increasingly aggravating. A tariff on copper, sufficiently high to remove this disadvantage in production costs, would alleviate this situation, put men to work, set the wheels of industry turning, and make possible the proper functioning of governmental agencies in the affected regions without injury to any American institutions.

In this country we have striven to maintain a high standard of living based on high wages. Obviously, wages paid in producing the product must be figured in any computation of the cost of production. In this country most copper mining is conducted under a contract system whereby the miners are paid on a sliding scale according to the price of the metal per pound. When copper went up to 13 or 15 cents a pound, wages climbed; when it sank to 6 cents, wages fell. At present if a miner is fortunate to secure work at all, he can expect to earn as much as $4.25 a shift or perhaps a trifle better. On the contrary, the foreign worker, often but a step removed from semisavagery, is paid but a bagatelle when compared with the American miner. In northern Rhodesia the daily cash wage paid to native miners averages from 19 cents for unskilled to 58 cents for skilled labor, with a total daily cost to the operators, including allowances in kind, of 35 and 75 cents, respectfully. In the Katanga district the wages are even lower. These figures are taken from a report of the United States Tariff Commission, which in turn quotes from the Northern Rhodesian Blue Book. Thus the commission is able to report that, on the basis of available data, the mine labor cost in Africa approximates 1.61 cents per pound of copper, as compared with 3.08 in the United States. While the differential between domestic and South American or Canadian copper-mine-labor costs are not so great, it still is nothing short of staggering. It must also be recalled in this connection that the lowest cost is beyond peradventure the cost upon which all others in competition must stand or fall.

The magazine Fortune recently completed a survey of the copper situation as it faces the world. This survey discloses that African copper can be laid down refined in New York or London for 6.93 cents per pound. When the mine costs of American producers are examined, it is clearly shown that such competition is ruinous to American producers of the metal. Mine costs for our principal mines per pound of copper are as follows: Kennecott, 7.18 cents; Magma, 7.94 cents; Calumet & Hecla, 8.62 cents; Miami, 10.24 cents; Copper

Range, 11.83 cents; Anaconda, 8.63 cents; Utah, 8.80 cents; Inspiration, 8.94 cents; Calumet & Arizona, 10.45 cents; Granby Consolidated, 12.59 cents. Five or six cents per pound tariff would equalize the difference between foreign and domestic production costs of copper and still not constitute an embargo. It will succor one of its major industries from a perilous foreign competition and render a real service to the thousands of workers and their families.

Tariff legislation is intended to accomplish two chief objectives. It is expected to provide a revenue and to protect domestic industries from the dangers of cheap foreign competition. It is designed to secure the home market for the home product and to provide the American workman and his family with a standard of living above that of similar workers in foreign lands. Such a policy, if successful, results in more happiness, greater efficiency, and increased progress in this country. Congress exists to remedy ills that afflict our citizenry whenever possible; it does not exist to aid in the exploitation of foreign resources and peoples at the expense of our own. The copper industry and its dependents ask nothing more than that its case be judged fairly and impartially. It is confident that if such an investigation is made by Congress that it will promptly be extended the service which a tariff will render. [Applause.]

Mr. HARDY. Mr. Chairman, I yield three minutes to the gentleman from Vermont [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, I take this opportunity to ask the chairman of the subcommittee some questions for my own information. As I understand it, no attempt is made in this bill to reduce the salaries of Members of Congress?

Mr. SANDLIN. My understanding is that the Committee on Economy will secure a rule the purpose of which will be to reduce the salaries of all Government employees and attach it as a rider to this bill. This bill itself carries no reductions either for the Members of Congress or for Government employees.

Mr. GIBSON. So eventually it will come in as a part of this bill?

Mr. SANDLIN. I understand the rule will be brought in, and the purpose of the rule will be to attach to this bill a general reduction in salaries for all employees, including Members of Congress.

Mr. GIBSON. I thank the gentleman for the information. I have just returned from a short trip, but one which brought me into contact with all classes of people. There seems to be one insistent demand on the part of the people, and that is for a reduction of Government expenses. They will hold us strictly responsible for results. I was very glad indeed to be assured by the statement of the chairman of the committee [Mr. BYRNS] and to find that we have made splendid progress in that direction by cutting under the Budget estimates by $117,000,000. The whole committee is entitled to congratulations of the House and of the country. But there is one particular thing that the people are insisting upon, and that is a reduction of Federal salaries in the higher brackets particularly. It seems to me that we could set a very good example and show our good faith in dealing with the situation by first reducing the salaries of Members of Congress. To do so will meet the hearty approval of the American people and at the same time not leave us open to the charge of taking bread from the table of the poor man, the lower-paid employees.

Mr. HARDY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman, I am going to make a short talk on the guaranty of bank deposits, which has been a very important question for years, and it is certainly very pertinent right now. We would not be in all the trouble we are in now if people were not afraid to put their money in the banks. They are hoarding it. In turn, the bankers are afraid and they are refusing to make loans; they are hoarding. The reason the people will not put their money in banks is because so many of them have failed and they have lost their money. Certainly a nation like this should provide some system by which the people could put their savings in the banks and get them whenever they want to use them.

Various schemes have been provided. In my own State we created a State fund. We charged all the banks a certain fee to be paid into that fund so as to pay the depositors when a bank failed. It turned out that every bank, good or bad, got the benefit of this guaranty of bank deposits. The unsound, or improperly managed, went in on the same terms as the sound bank. If such a bank failed and its depositors were not paid, they went to this fund and got their money. That was well and good so long as the fund lasted, but the fund became exhausted and the system failed.

Mr. PARSONS. Will the gentleman yield?

Mr. STRONG of Kansas. Certainly.

Mr. PARSONS. Of course, you could not compel the national banks to pay a fee to State funds to guarantee their deposits.

Mr. STRONG of Kansas. No.

Mr. PARSONS. Because the people are apparently under the impression that national banks are backed by the Federal Government, does not the gentleman think that that had a great share in the failure of the guaranteed bank deposits law in Nebraska?

Mr. STRONG of Kansas. I can not say how it worked in Nebraska, but it failed in my State because so many banks failed that the fund was exhausted.

Mr. WOODRUFF. Is it not a fact, however, that while perhaps the State authorities can not compel the national banks to contribute to a State fund, the National Government can, through the affiliation of State banks with the Federal reserve bank system compel, or at least induce, the State banks to participate?

Mr. STRONG of Kansas. Yes; and may I say that the chairman of the Banking and Currency Committee of the House [Mr. STEAGALL] introduced a bill to use the profits of the Federal reserve system as a guaranty of national-bank deposits.

On the floor of the House I asked him the question as to what would become of the State banks. Of course if we guaranteed the deposits only of the national banks, the State banks would have to go out of business.

I want to say frankly that it is very regrettable that we have two banking systems in the United States.

Mr. WOODRUFF. I agree with you.

Mr. STRONG of Kansas. We should have but one. However, there are several times as many State banks as there are national banks, and members would not vote for legislation to destroy State banks. So the two systems are going to continue side by side.

Mr. STEAGALL has prepared another bill, which is under consideration by a subcommittee of our Banking and Currency Committee, and at 3 o'clock they are going to meet to hear the report of this subcommittee.

Mr. WOODRUFF. The gentleman has just stated that the Congress could not legislate State banks out of existence.

Mr. STRONG of Kansas. I did not say they could not. I said I did not think Congress would do so because every Congressman has two or three times as many State banks in his district as he has national banks; and we are greatly interested in the people back in our districts, as you know.

Mr. WOODRUFF. I will say to the gentleman that I agree with him because I do not believe Congress does have the authority to directly legislate a State bank out of existence.

Mr. STRONG of Kansas. Oh, no; not that.

Mr. WOODRUFF. But I think Congress can, by making the national banking laws, with guaranties to depositors of national banks so attractive that automatically the State banks would be compelled to take out a national charter or go out of existence.

Mr. STRONG of Kansas. That is so.

Mr. HASTINGS. Will the gentleman yield?

Mr. STRONG of Kansas. Certainly.

Mr. HASTINGS. If Congress were to pass an act providing for the guarantee of national bank deposits, it would

have the effect of making every State in the Union enact uniform legislation for the guaranty of bank deposits; the State banks would voluntarily insure their depositors.

Mr. STRONG of Kansas. That is what I want to talk about, if you gentlemen will let me do so.

Mr. WOODRUFF. I do not want to take up all the gentleman's time; but is it not possible for Congress to enact legislation that will guarantee bank deposits, not alone in national banks but in any State bank that is affiliated with the Federal reserve bank?

Mr. STRONG of Kansas. Yes; we could do that with the member banks of the Federal reserve system.

Mr. WOODRUFF. As a matter of fact, is not that a desirable thing to do?

Mr. STRONG of Kansas. But there are thousands of State banks that can not afford to join the Federal reserve group.

Mr. WOODRUFF. I presume that is true; but, on the other hand, are those thousands of little banks that the gentleman speaks of a real contribution to the banking structure of the United States, in view of what has happened in connection with the bank failures of the past three years?

Mr. STRONG of Kansas. Not only to the banking structure of the United States but they are a great necessity to the little communities they serve, and very few Congressmen would vote to put them out of existence.

Now, I want to go on to the proposition that I rose to discuss.

Mr. HASTINGS. If the gentleman is good-natured, he will allow me one-half a minute.

Mr. STRONG of Kansas. A fat man is good-natured, because he is too fat to fight and too fat to run, or does not want to.

Mr. HASTINGS. I want to say to the gentleman that for 10 years I have introduced a bill—and have reintroduced it at the present session—requiring each bank that is a member of the Federal reserve system—because they are the only banks over which we have any jurisdiction—to insure its own deposits up to 25 per cent of its general deposits. In time, that would result in every bank guaranteeing its own deposits without contributing to a fund.

Mr. STRONG of Kansas. I hope I can get to the matter I want to discuss. I have been studying this matter of bank deposits for several years, and I have never found a satisfactory manner in which it could be done. A gentleman came into my office a couple of weeks ago with a copyrighted proposition—a Mr. A. Mehrbach, of East Orange, N. J. He wanted Congress to pass a law to compel every depositor to pay to his bank one-tenth of 1 per cent a year of his deposits for the purpose of providing a bonded protection for the deposits of that bank. Well, I turned it over in my mind, and I could not see how Congress could pass a law compelling depositors to pay to a bank a part of the necessary amount to guarantee his bank deposits. However, I evolved this thought: Suppose Congress passed a law—and I would like to have you think this over critically and tell me what is wrong with it now or at any other time—compelling every national bank and member bank of the Federal reserve system to insure its deposits and then permitting them to charge their depositors not to exceed one-tenth of 1 per cent a year to pay for that service. That would enable the national banks to secure that service by securing a bonded guaranty of its deposits, as my friend from Oklahoma suggests.

Mr. HASTINGS. That will be unnecessary, because it would increase the deposits one-third or one-half and increase the earnings of the bank. If the gentleman will permit one more suggestion, if you have school funds, State funds, city funds, or any other public funds deposited in a bank, the bank has to guarantee them. What is the difference in principle of guaranteeing your general depositors and guaranteeing your State or your school or other public funds?

Mr. STRONG of Kansas. Well, I am talking about a plan that would pay for the service rendered. I want to go a little further into it. The national banks would not have to charge this one-tenth of 1 per cent. If they wanted to furnish the protection without any cost, they could do so; but if they did make a charge, they could not charge over one-tenth of 1 per cent. Now, let me use this illustration: Here is a State bank on this corner and a national bank on that corner. The national bank comes out one morning and says, "According to a new law passed by Congress we have secured bonds for the protection of our depositors, and the charge will be one-tenth of 1 per cent." The State bank the next morning would say, "We will do that, too." They would have to do it in order to meet the competition, and it would not be long before all of the State banks would voluntarily say they would do it.

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. DELANEY. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. DELANEY. Who will do the insuring?

Mr. STRONG of Kansas. The bonding companies, approved by the Comptroller of the Currency of the United States.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. The gentleman states that bonding companies would insure these funds. Has the gentleman contacted any bonding company in this connection?

Mr. STRONG of Kansas. No. But I am sure that could be done, for where there is business, companies will organize to do it, and a nice business could be built up.

Mr. WOODRUFF. Has the gentleman contacted any bonding company to ascertain if they would be willing to do that?

Mr. STRONG of Kansas. I have some information on this subject in my office, and if the gentleman will come there, I am sure I can convince him that that can be done.

Mr. WOODRUFF. The reason I ask that is that I believe all people who deposit their funds in banks for safekeeping would gladly forego even a greater part of the interest they now receive from those deposits than the one-tenth of 1 per cent the gentleman mentions, if they could be assured that their money would be there when they came for it.

Mr. STRONG of Kansas. I think that is true.

Mr. PARSONS. Just one suggestion: One of the reasons we had so many bank failures before the crash was dishonest banking, dishonest men who got away with the funds. They would spend a year or two in the penitentiary, at the longest, and after they came out they would have a nice, comfortable fortune on which to live during the remainder of their days. So the gentleman would have to do something with the penal laws to take care of such a situation, otherwise the bonding companies would have great losses every five years.

Mr. STRONG of Kansas. I think this proposition will take care of that. Let me use this illustration: My friend from Michigan is the owner of a bank and I am the owner of a bank, although I have never owned any bank stock. His bank is one that has experienced men behind its counters and is sound. My bank has been a little extravagant in its loans, it has some frozen paper, and the men in it are not as competent as the men in my friend's bank. Both banks go to a bonding company and say, "We want to be bonded; we want to have our deposits bonded."

The bonding company go through his bank and say, "All right; we will grant you a bond to protect your deposits," and then they come to my bank and say, "Here, STRONG, you have a lot of bad paper. You have got to get your directors together and get rid of this paper within six months. You have also got to employ a competent banker behind the counter."

So without the State or the Nation or any politics being involved in the matter, the bonding departments of the bonding companies on a straight business basis will compel the banks to clean up in order to get their bonds.

Now, I just want you to think this over. It is very simple. Pass a law to have the national banks procure a bond guar-

anteeing their deposits, the bonding companies to be approved by the Comptroller of the Currency, and then provide that they shall not charge over one-tenth of 1 per cent for the service. This will bring in the State banks as well as the national banks, and the bonding companies will look after the securities of the bank, and we can all put our money in the bank, if we ever have any, and when we want to pay out our money for taxes or for our living expenses we can go to the bank and find it there.

Mr. HASTINGS. I am glad to know that the gentleman from Kansas and myself thoroughly agree, except I do not authorize them to charge the one-tenth of 1 per cent. I think the guaranteeing of deposits will bring out of hoarding a sufficient amount of money to justify the banks in going to the additional expense of paying a premium on 25 per cent of the deposits, and the reason I put it at 25 per cent of the deposits is because the report of the Comptroller of the Currency for 1927 showed that over a period of years the average recovery from failed banks was 74.74 per cent.

Mr. STRONG of Kansas. I agree with the gentleman from Oklahoma, but with this suggestion: It would work all right to compel the big banks to pay this expense of guaranteeing deposits, but what about the little banks? There are a lot of little banks in my country, as well as in other States, that can hardly make a living and, perhaps, they could not stand the expense of bonding their deposits. So I would let them charge for the bonding cost.

Mr. McCLINTIC of Oklahoma. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. McCLINTIC of Oklahoma. If I understood the gentleman correctly, he proposes a charge of one-tenth of 1 per cent to take care of the bond. Does the gentleman have any assurance we could get that kind of protection for the price named?

Mr. STRONG of Kansas. I have. The gentleman who has copyrighted the plan I suggested a while ago has gone to a large expense and has made a very intensive study and wide research into the matter and assures me that it can be done.

Mr. GLOVER. Will the gentleman yield?

Mr. STRONG of Kansas. I yield.

Mr. GLOVER. Does not the gentleman think there ought to be a distinction made between depositors who deposit their money on time deposits where they draw interest and depositors who simply put their money in the banks for safety? Ought not the fellow who is drawing a certain per cent on his money when it is deposited on time be the one that would bear the expense and let the bank take care of the matter with respect to the other depositor who has his money in the bank?

Mr. STRONG of Kansas. I think the man who gets compensation for leaving his money there surely ought to be able to bear the expense as well as the man who gets no compensation for it.

Mr. HASTINGS. Does the gentleman's bill except such deposits? My bill does not take into consideration the interest-bearing deposits.

Mr. STRONG of Kansas. I may say that I have not as yet introduced a bill. Out of consideration for my friend and chairman, the gentleman from Alabama [Mr. STEAGALL], I am going to wait until his bill comes forth, and if it is satisfactory I am going to vote for that bill and forget mine; but I want you to think about this proposition, and I may introduce my bill to-morrow just to have your attention to this plan. [Applause.]

[Here the gavel fell.]

Mr. HOLADAY. Mr. Chairman, I yield the gentleman from Kansas four additional minutes.

Mr. WOODRUFF. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. The gentleman knows, of course, that savings banks pay interest on deposits and that runs usually from 3 to 4 per cent.

Mr. STRONG of Kansas. Yes.

Mr. WOODRUFF. If a bank finds itself in a position where it can not bear the expense of bonding, such as the gentleman has outlined, can it not, by reducing the amount of interest it pays on deposits, carry the expense in that way and charge it to the depositors? I think the depositors would be delighted to pay that.

Mr. STRONG of Kansas. But what difference does it make whether it charges it in that way or makes a charge of one-tenth of 1 per cent?

Mr. WOODRUFF. I do not know that it makes any difference, but the thought I have in mind is this: Notwithstanding the enthusiasm of the gentleman who has copyrighted the idea which the gentleman from Kansas has given us to-day, and I think it is a fine one, I do not believe you can find a bonding company that will bond a bank's deposits for one-tenth of 1 per cent of the deposits; and if that is true and it is not possible to do that, I think the depositors of the country would be glad to pay more than that amount in order to get this security.

Mr. STRONG of Kansas. I would, if I ever had any money to put in the bank.

Mr. WOODRUFF. So would I.

Mr. PARSONS. If it only cost one-tenth of 1 per cent or even if it cost fifteen-hundredths of 1 per cent, would it not be better for the Federal Government to undertake that guarantee, inasmuch as they have the matter of inspection and auditing of the banks of the country, and could they not do that out of this fund that is proposed in the Steagall bill?

Mr. STRONG of Kansas. They probably could, yes.

Mr. PARSONS. And then if there is any profit made out of it, let that profit come to the Federal Government.

Mr. STRONG of Kansas. You would find that would amount to an immense sum of money; when you take a mass collection of little fees paid in by a nation of 125,000,000 people, it amounts to a tremendous sum. I do not know whether the banks could stand this or not, but I have just proposed this for you to think over and to debate in the cloakrooms, because sometime you may need to be informed about it. I think there is nothing more important, outside of the stabilization of the purchasing power of the dollar, than providing a guaranty for the savings of the people of this Nation when they want to put them in the banks of the country. [Applause.]

Mr. PARSONS. According to the figures, down to 1928, there have only been $45,000,000 losses to the national banks in this country.

Mr. STRONG of Kansas. That is true.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FITZPATRICK].

Mr. FITZPATRICK. Mr. Chairman, I understand that the Economy Committee is to bring in a report reducing the salaries of Federal employees. I am opposed at this time to Congress enacting any legislation of that kind.

In 1929 the depression started. At that time our country was supposed to be in great prosperity, but what has happened in the last 25 or 30 years in this great country? We have had great inventions, mass production, great efficiency, so that 75 per cent of the people of the United States can produce more than we can consume or more than for which we can find a market. The business interests of this country took advantage of the great inventions and improvements and made great profits out of them, and through those inventions thousands of men were thrown out of employment throughout the country.

What have the legislative bodies been doing? Nothing to meet these conditions.

I want to say that the only solution for unemployment in this country is to reduce the hours of labor, so that these hundreds of thousands of people can go back to work, where only 75 per cent are doing it to-day. [Applause.]

I understand they want to balance the Budget. The patriotic cry throughout the country is, "Balance the Budget." I understand that in 150 years the Budget has been balanced only about twelve times. In 1918, during the war, we reached about $20,000,000,000 above the Budget, and right after the war we owed $26,000,000,000. What did

these patriotic people who now cry "balance the Budget" do? I will tell you what they did.

Instead of making returns to the Federal Government and getting them out of the $26,000,000,000 in the red, they paid a bonus to their officers of 50 per cent and in some cases 100 per cent, and Uncle Sam could not get the money. They were not interested at that time whether the Budget was balanced or not. But now throughout the country they are crying, "Balance the Budget."

This is the wrong time for Congress to attempt to cut off the supply of money that would go out to the people throughout the United States and bring results.

I can not see why Representatives from the farming districts should advocate a reduction of salaries of Federal employees. It reduces the purchasing power of the people who receive the money, and where the farmer to-day is not receiving a fair price for his wheat, he will get less when this goes into effect. If they have the interest of the farmer at heart, they would be against the reduction of salaries, so that the purchasing power of the people would be greater and the people would receive a living wage.

I say to you gentlemen that it is a great mistake for Congress at this time to adopt any rule or law that would cut down the salaries of the underpaid Federal employees in our country. [Applause.]

Mr. HART. Will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. HART. Does the gentleman think that adding to the taxes of the farmer will be in his interest?

Mr. FITZPATRICK. No; but just as soon as you pass this cut corporations throughout the country are going to reduce the wages of their employees, and thus further reduce the purchasing power of those who buy farm products.

Mr. HART. They have already done it.

Mr. FITZPATRICK. No; not all of them have cut, but they will if the Government cuts, and that is what they are waiting for.

Mr. CONNERY. The gentleman does not know that the General Electric Co. cut the wages of their employees last week, after that company had made about $50,000,000, and they are now waiting to cut them again.

Mr. FITZPATRICK. I am just going to touch on that. Last week in the city of New York there was a directors' meeting of the American Telephone & Telegraph Co. Mr. Gifford, the chairman of the President's emergency committee, is president of that corporation. A Mr. Blanchard attended that meeting and protested because during the last three years they had contributed $333,413 to the emergency fund, the unemployment fund, and had charged that up to operation, so that it would be charged to the consumers. What did Vice President Page say? He said that it would cost the consumer only half a cent a month. On the other hand, they have laid off more people in percentage to the number they employ than any other corporation in the country, and during the year 1931 they paid a 9 per cent dividend and turned $58,000,000 into the surplus fund. That is patriotism for you, and that is the kind of patriotism they are clamoring for.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. McCORMACK. I call the gentleman's attention to the fact that the Economy Committee was organized for the purpose of reorganizing departments in the bureaus and wiping out bureaucracy as much as we could in the Federal Government, and the first thing they bring in is a cut in salary of those in Federal employ.

Mr. FITZPATRICK. The trouble is that we have Members of Congress who to-day enjoy large private incomes, who are wealthy, so that $10,000 a year means nothing to them; it will not take care of their social needs in the city of Washington. We have other men in Congress who, because of the prestige they obtain in that way, can add to their professional incomes many thousands of dollars a year. We still have other men who live on the $10,000 they receive; but the trouble is with them that some of them are suffering from the "ghost what ain't." I think it would do them good to read Ellis Parker Butler's story of Ghosts What Ain't. They are afraid that the people back home will not support them if they do not vote to cut their own salaries, not only the Federal employees' salaries but their own. They are conjuring up an imaginary enemy. You can talk to these men in the cloakroom and in the lobby and they will tell you that they do not want to have their own salaries reduced but that they are afraid that the people back home demand it. I say to you that the majority of the people back home believe that you are worth $10,000 a year. Do not make this a rich man's Congress; let us make it a people's Congress. [Applause.] And I say that the man who will vote to lower the salary of the Federal employee is doing an injustice not only to himself but to all of the American people.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. RANKIN. If this Congress would pass a bill now pending before the Committee on Ways and Means to reinflate the currency and pay off these adjusted-service certificates and restore the buying power of the people of the country and restore the value of commodities, we would get enough revenue to carry on without these things.

Mr. FITZPATRICK. I realize that the men who made money during the war are against that now. When they were paying bonuses two years ago men on the Republican side of the House walked up and down here with a copy of the tariff bill, and how they would stress the first line, which stated that it was for the benefit of labor and for the benefit of our country that they were raising the tariff. And now this is your answer to the American workingman and working woman—we will reduce your wages now that we have got our tariff.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. DELANEY. Does the gentleman know that the Government is now discharging men who have been receiving salaries around $48 a week and hiring them back at $36 a week, keeping them for a short time, and then discharging them again and hiring them back at $24 a week?

Mr. FITZPATRICK. They are doing that in every department through Executive order. Since Congress went into session we have not paid one cent to try to help the unemployment situation in our country.

Mr. BOYLAN. Does the gentleman think that the time has now arrived when the American people expect a Congressman to live in furnished rooms in Washington and eat at 1-arm-chair restaurants?

Mr. FITZPATRICK. No; they expect the Members of Congress to live decently and respectably, and I say it is going to be hard on a Congressman to receive less than $10,000 a year. You are going to make this a rich man's club.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. LaGUARDIA. We are now faced with a practical parliamentary situation. There is only one thing to do, and I know the gentleman from New York will go along. To-morrow or the next day when the rule comes up, let us get together and vote down the rule, and any time any iniquitous reduction comes along, let us vote that down, and we will have a fight here.

Mr. FITZPATRICK. Yes; let us represent the American people and keep up the high standard of living in our country. We are to-day probably the greatest country in the world, and are we now going to drag it down? I am speaking from experience. I know what it is to toil.

Mr. HOGG of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. HOGG of Indiana. If the captains of American industry earn salaries of $1,000,000 a year or more, how much did Thomas Edison earn a year?

Mr. FITZPATRICK. He is gone now, and I am not going to mention his name. He is out of the picture.

Mr. HOGG of Indiana. I do not believe that I made my question clear. If the captains of industry take from the American people $1,000,000 a year as personal salary, how much do you think, upon that basis, that Thomas Edison would have been worth?

Mr. FITZPATRICK. About a billion dollars a year or more.

Mr. REED of New York. I would like to do a little more than merely ask a question.

Mr. FITZPATRICK. I can not yield for more than a question.

Mr. REED of New York. I will not take up your time and I think you will be satisfied with what I have to say. Within the last 10 days quite a large number of employees came into my office to pay their respects, and to say that the employers had consistently refused to discharge men or reduce their wages, but said that if the Federal Government sees fit to cut the wages of its employees then they would have to take a cut.

Mr. FITZPATRICK. The newspapers seem to control the Members of the House. I recall around the 15th or 16th of February a gentleman from the other side made a speech in favor of reducing salaries. The same day, the same afternoon, in the Willard Hotel, a Member of the Senate and three Members of the House spoke against the reduction of salaries, and the next day on the front page of the metropolitan papers in big headlines there appeared "Senator So-and-so in favor of reducing salaries," but nothing appeared about the speeches against such reductions. That is all you are getting; you are not getting the whole truth.

Let me follow this further and say to you to-day that the trouble is that Members of the House think if they speak in favor of big business or the capitalistic interests of our country they are statesmen, but if they say one word in favor of the toiling masses they are demagogues; they are socialists; they are communists! Would to God we had more people to-day who would speak in favor of the common people. [Applause.] That is what we need in our country, not men who advocate the balancing of the Budget only. As I stated before, where are those men who, making millions and millions of dollars, will not, when we owe $26,000,000,000, turn part of it over to the Federal Government?

Now is the wrong time to send a message to the country that we are going to cut down the salaries and reduce the wages of Government employees, because it is going to react unfavorably from one end of our country to the other.

Mr. SIROVICH. Will the gentleman yield for a question?

Mr. FITZPATRICK. Certainly.

Mr. SIROVICH. As a matter of fact, the Democratic Party has always been in favor not only of living wages but saving wages, so that a man or a woman can save for his old age; and if we bring about a reduction in salaries to-day we not only remove saving wages but remove living wages.

Mr. FITZPATRICK. We will; but let us hope the Democratic Party will stand up on that. [Laughter.] I hope they stand by that. I mean that.

Mr. SIROVICH. I am sure we will.

Mr. FITZPATRICK. They are going to call it a nonpartisan measure when it comes in, but I want to tell you that that will make no difference to the American people.

Mr. MEAD. Will the gentleman yield?

Mr. FITZPATRICK. Yes.

Mr. MEAD. You do not expect much opposition to that argument coming from this side, because it has always been basic with the Republican Party that they are the advocates of high wages and good living conditions.

Mr. FITZPATRICK. As far as the presidential election is concerned, if we can get prosperity back to our country I do not care who they elect. [Applause.] I want to see my country prosperous.

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman two additional minutes.

Mr. CONNERY. The gentleman, I think, will grant, speaking to this side of the House particularly, that the Democratic Party will succeed as long as it has the courage to be Democratic.

Mr. FITZPATRICK. Absolutely; and when it fails it is going down to defeat; and I am reminded of what a distinguished gentleman from this side of the House said only a few days ago, when we had the anti-injunction bill before us—that he was proud of the Democratic Party; that it had always championed the cause of the people. I hope that that gentleman, when this bill comes in, will act and not talk, and vote in favor of the people and not in favor of reducing salaries; and I hope this side of the House, the gentlemen who advocated a tariff for the protection of the working people of our country, will carry out their pledge and vote against any reduction in salaries at this time.

Mr. ARENTZ. May I call attention to the fact in connection with this question respecting salaries now that we should think back over the long period between 1914 and 1919 when Government salaries remained absolutely static, and yet costs were ever increasing until when we got into the war a 1-room apartment cost half the wages a man was paid in the departments?

Mr. FITZPATRICK. But gradually the change came about, and after a long, long time the Federal employees got an increase, which they now want to take away. The capitalists of the country do not increase wages voluntarily; increases are forced on them; and we must think of the effect on the country of any action which we may take in reducing salaries.

I know whereof I speak. I remember as a boy toiling 11½ hours a day in a mill for 75 cents a day. I worked down in the mines for 90 cents a day for years, and I realize the conditions. When I speak I speak with a knowledge of such conditions; and if any man appreciates our flag or our country it is I, because it gave me a chance and an opportunity. I do not want to see it go back. I am not in favor of socialism. I am not in favor of communism. God forbid that they should ever arrive, that the time should ever come when we would become instruments of the state. I always want to have the state remain the instrument of the people. Yet if we get socialism it will not come from the working men and women of the country, but it will come from the capitalists.

I hope this salary cut is defeated.

Mr. HOLADAY. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Chairman, when we view the proposition of making a cut in public expenses, which means a cut in public salaries, I hope it will be viewed from the standpoint of the great mass of the people. Viewing it from that standpoint, it seems to me it is our imperative duty to make a reduction in public expenses. None of us wants to go back to the pre-war standard of living; but what are the facts? The 27,000,000 farm people of this country are to-day living on a standard which is 50 per cent below the standard of living between 1910 and 1914.

When we are dealing with the question of public salaries and public expenses, we can not deal with them without realizing that we must go back upon the people of this country and tax them for the revenue to meet these expenses.

What have we done within the last few months? Well, one thing we have done is to increase the postal rates of this country 50 per cent. The 8,000,000 unemployed and the 27,000,000 farmers who are living on a standard 50 per cent below the standard of living between 1910 and 1914 are to-day called upon to pay that increase. We have levied a tax upon lubricating oil. When the Ways and Means Committee brought in its substitute bill for the manufacturers' sales tax, it went along with special sales taxes and taxed and taxed until it did not have the courage to go any further, and yet it was $243,000,000 short. We all know that the next step was a Federal tax on gasoline, a stamp tax on checks, and a tax on electricity to be consumed by the people.

The Ways and Means Committee turned to the House and said, "Rather than do this, let us cut the expenses of this Government $243,000,000." I do not know how you are going to cut the expenses of the Government of the United

States unless we reduce the current expenses, which is bound to affect adversely us who are on the public pay roll. We are now right up against the situation where we must do either one of two things, go back upon the people of this country and tax them more or cut the expenses of government.

We hear it said that this is going to be an excuse for the cutting and slashing of wages in private industry. Well, let us see about that. The Government of the United States, as you know, has made no cut during the last two years. The President of this country, the Congress of this country, the Department of Labor, and every branch of this Government have tried to keep up the wages of this country. No one can honestly say the Government has not done its best to maintain the wage scale of this country during the last two years. This has been a faithful and worthy effort upon our part. Yet what are the facts? The gross wage check of this country on December 1 last was 49 per cent less than it was two years before that time. That, of course, included those who were out of employment and those whose wages had been cut. I merely offer that to suggest that reducing or not reducing public expenses does not keep up wages on the outside. It takes something more than precedent to keep up wages.

Let us look a little further. All over this country corporations and industries are being taxed and taxed. Most of them are fighting with their backs to the wall, with depreciated income. What are they doing? In order to make their expenses come within the range of their depreciated income they are laying off labor.

I submit it is better for labor and the country to cut the taxes. Let me offer a concrete illustration. In my district the M., K. & T. Railroad Co. in one county is now paying $153,000 a year in taxes. In 1914 it paid $52,000 a year. It has no more property in that county than it had then. In 1914 it employed 1,200 men in the shops, while to-day it employs 600 on less than one-third time. Yet it must continue to pay its taxes. Would it not be better for labor if the taxes of that company were reduced and it could spend its money for labor instead of taxes?

Let me offer this suggestion: That there is probably not a thing in America to-day standing as a heavier weight over the hopes and aspirations of labor than taxes, because taxes must be paid first and every dollar spent for taxes is one dollar less to be spent for labor. You say they are State taxes. All right. We can not sit here in Washington and say to the school districts, the towns, and townships in the States, "You and your employees must take a cut, but we on the Federal pay roll shall be special privileged and make no concession to the depression and despair of the people of this country. Those are the facts with which we are confronted. No one wants to cut public salaries, but we are either going to cut them and cut the expenses of this Government or we are going back and further pick the pockets of the American people. The bill proposed provided for a reduction of 11 per cent of that part of a Federal salary in excess of $1,000. The first thousand dollars of every Federal salary is left untouched. That is certainly a modest reduction.

In my humble opinion, this Government of the United States is in greater peril to-day than it has ever been in its history, barring not a single war. If we were at war to-day the Government of the United States could turn to the country and ask for aid and all would come to its aid. Forty-eight governors would arise at once and offer the support of the States. Every city and every municipality would arise and offer their support.

Every individual would pledge his allegiance to his country. Capital, labor, and finance alike would pledge their aid to their country. Our country to-day is in despair. Our Government is a bankrupt institution. What could be a more bankrupt institution than one which went behind $3,000,000,000 in two years and is to-day going behind $7,800,000 a day. Such is the distress of this country. The Government at Washington turns to the country and asks for help in this hour of distress, and what is the answer from 48 governors? "Give us money, give us money; give us more and more." What is the answer from the municipalities? Aid to the Government? No. "Give us more and more money; take our obligations off our hands." It turns to capital and industry and what is the answer? "Give us help from the Federal Treasury." Turn to any source and what is the answer? "We demand money from the Federal Treasury."

Alas, alas! Poor America to-day, the Government at Washington, if you please, stands virtually without a friend that will come to her aid. But, on the contrary, they are all asking for more and more. If this country goes down at this time and this Government fails, it is because the people of this country are thinking only of their own personal interests and are not willing to make the sacrifice to aid their Government in its hour of economic distress.

A government that is spending $2,000,000,000 a year more than it takes in is entitled to the help of its people and to expect the people not to increase further the burden upon the Government.

I may be wrong in this matter, but, in conclusion, I simply say that, so far as I am concerned, I am convinced that as sure as God reigns in heaven and the devil rules hell, this Government is going to fail unless the people of this country will come to the aid of the Government and not expect the Government to keep them up at this time. [Applause.]

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. McCORMACK. Will the gentleman yield?

Mr. McGUGIN. Wait until I make one final statement.

In my judgment, the cause of the economic distress of our Government at this time is largely because the people of every class and every faction have come to Washington and asked for money from the public Treasury, and Congress has been more political than practical and has granted the demands. In my judgment, it is up to this Congress to determine whether or not it is going to stand up and preserve and defend the integrity of the Government or whether it is going to barter away its integrity for political advantage in the coming election. If the Republic of Washington, Lincoln, Roosevelt, and Wilson is to survive, this bankrupt Government must be supported by the people and not be broken down by all the ills of the Nation being placed upon the shoulders of the Government at this, the weakest moment of its life.

I now yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman realizes that our present predicament is due to a credit collapse, does he not?

Mr. McGUGIN. In part.

Mr. McCORMACK. In the main, is it not?

Mr. McGUGIN. No; I am not going to concede that.

Mr. McCORMACK. We have $11,000,000,000 of the gold of the world to support our credit structure, have we not?

Mr. McGUGIN. I can not concede that a government with $64,000,000,000 of income has any business with a public expense of $15,000,000,000 under any circumstances.

Mr. McCORMACK. The gentleman talked about the action of the several States and municipalities of the country.

Mr. McGUGIN. Yes.

Mr. McCORMACK. Is not one of the main factors in bringing about our present condition underconsumption?

Mr. McGUGIN. One of the main factors in the present condition of nearly every city and municipality in the country is that they bonded themselves to death and went ahead on a war-time inflated basis in making expenditures and in many instances are now asking the Government at Washington to take over their debt.

Mr. McCORMACK. From a business angle, is not our present condition due to underconsumption?

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield seven minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I have signed the petition lying on the Speaker's desk calling for Congress to declare

2.75 per cent beer nonintoxicating because it will be a real revenue raiser that will be very popular and will cause no hardship to our citizens, also because the Wickersham Commission in their report recommends same.

I wish to state to Congress at this time that in that same Wickersham investigation in the Senate Document, No. 307, volume 9, part 3, Seventy-first Congress, third session, that statements were made by James J. Forester, consultant, casting a stigma upon certain residents of Pennsylvania, namely, Poles, Italians, Russians, and Slavs. Mr. Forester said:

I spent 12 days investigating conditions in the anthracite coal fields of Pennsylvania. However, most of my investigation was made in Scranton and surrounding borough. This, because I was told everywhere I went that Scranton and suburbs were really the center of the hard-coal mining industry and that anything I would get there would be fully representative and typical of the entire region. I found whole communities—distinctive Italian communities, distinctive Polish communities, distinctive Russian communities, distinctive Slavish communities, and distinctive other non-English-speaking foreign communities—where English is not spoken at all, and others where the English language is the exception.

Wanting to learn as much about these people and their habits as possible in the limited time I had, I talked to a number of business men, professional men, and English-speaking working men about them, and all with whom I talked, without a single exception, said that most of these foreigners (Lithuanians excepted) have neither fear of nor respect for law; that while fairly honest in paying debts for things purchased, they have no scruples whatever about how they get the money with which to pay. This, those I talked with say, accounts to a large degree for the making and selling of liquors by these people as outlined in the memoranda I have already heretofore given you, much of which I am convinced by personal visit and observation is true.

Now ladies and gentlemen, I wish to protest in the most effective manner at my disposal that this stigma is unwarranted and also un-American.

The different classes of people mentioned in the above statement belong to the very best class of citizenship in Pennsylvania, and I am proud to call them friends of mine.

I can not conscientiously represent the people from Pennsylvania and allow a public record of this kind to go unchallenged. It is not fair, it is not just to those good people who are law-abiding citizens and pay their honest debts with the money they earn honestly. Their children are being educated in our schools and colleges and are a credit to the various professions that they are following.

It is a disgrace that a public document should be allowed to have inserted therein such an insult to any race of citizens and I again reiterate my protest.

I consider this attack upon these people from my home an insult to all the citizens living in the great commonwealth of Pennsylvania.

It is an indictment against decency and honesty and should never have been allowed to be printed.

The first statement Mr. Forester made proves that the evidence he presented is untrue. He said he spent 12 days in the anthracite coal fields. To cover that area properly it would take a year of the hardest kind of work to get a proper report.

It comes with bad grace when a commission of that kind would send out a publicity seeker at the expense of the reputation of some of our most respected citizens.

Mr. CONNERY. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. CONNERY. If this gentleman that made the report the gentleman refers to could talk Polish and French and German and Italian and read their newspapers, he would perhaps find out that these people are perhaps better Americans than he is.

Mr. BOLAND. There is not any question about that. The gentleman from Massachusetts has the right idea about these races of people in my district. The very first part of this man's statement proves that it is untrue and is false. He states that he spent 12 days in the anthracite field to investigate conditions in order to make this report. Gentlemen, it would take a year of the hardest kind of labor to make any kind of decent report covering such a wide area.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BOLAND. Yes.

Mr. LaGUARDIA. In this "thorough" investigation that the commission made of the coal fields did they offer any constructive suggestions to better the economic condition of these men who are giving their lives to produce this coal?

Mr. BOLAND. None whatever. They offered no suggestions of any kind. The only thing that this Wickersham Commission did was to place a stigma upon various races of people that should not be placed upon them.

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. BARBOUR].

Mr. BARBOUR. Mr. Chairman, I have not heretofore attempted to discuss the proposition of wage cuts. I have listened to the speeches that have been made on the subject, but I am not ready to subscribe to the theory that drastic wage cuts are necessary to restore prosperity. I really believe that we can help conditions more throughout the country if we stop continually talking about conditions being so bad. When it goes out day after day from these Halls to the country that conditions are worse than they have ever been before and that we must cut the pay of charwomen to relieve those conditions, what can we expect the effect will be on the people generally who, we know, are patriotic, hopeful, and looking forward to better times?

I, for one, would like to see less talk here in Congress about conditions being so terrible. Of course, conditions are not good, but I do not think they are as bad as many Members have from day to day pictured them, or anywhere near as bad.

Mr. CONNERY. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. CONNERY. Does not the gentleman think conditions are bad where they are paying girls 5 cents an hour in the city of Fall River, Mass.?

Mr. BARBOUR. Of course, such conditions are bad, and I am not in sympathy with any such thing, but I do not think it is going to help the condition for Members of Congress to stand on the floor and say that the country is in such bad shape that we must cut the wages of charwomen and the wages of employees in the lower brackets. We can improve conditions without resorting to measures of that kind, and a further cutting of wages would not tend to improve the deplorable condition the gentleman from Massachusetts speaks of.

Now, if we reduce wages, particularly those in the lower brackets, what is going to happen? It has been pointed out that it will be a precedent for a general wage reduction throughout the United States in industry, and I have no doubt that there are some who would be willing to see something of that kind brought about. But it will not help to restore prosperity to the country. It will have just the opposite effect.

The President of the United States has never advocated a cut in wages of Government employees, but he has striven to keep up wages in industry.

Another thing that will happen—and I want to bring this home to Representatives from the agricultural sections—if we cut the wages, especially in the lower brackets, of Federal employees, and it is followed by a general wage reduction in industry, then to that extent the purchasing power of the people is reduced, and the market for agricultural products will be further depressed and curtailed. It is decidedly against the interest of the farmer to have a general or any wage reduction, because the farmer is already suffering from contracted markets due to the reduced purchasing power of the people.

Mr. LANKFORD of Virginia. Would not that apply to industry as much as to the farmer?

Mr. BARBOUR. Exactly; if you curtail the purchasing power of the people, they are to that extent not going to be able to buy the products of the farm and factory, and it is going to have a further depressing effect upon the country.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. COCHRAN of Missouri. The gentleman stated that the President had not made any recommendation for cuts in salaries.

Mr. BARBOUR. Not to my knowledge.

Mr. COCHRAN of Missouri. The President has made a recommendation for staggering employment. What is that?

Mr. BARBOUR. As far as I know, the President has never directly advocated a reduction of wages in the Federal Government or in private industry.

Mr. COCHRAN of Missouri. He has advocated it in another way.

Mr. BARBOUR. I am talking about a direct recommendation for a cut in wages.

Mr. COCHRAN of Missouri. If you give men staggering furloughs without pay, that must be considered as a wage reduction.

Mr. BARBOUR. They would have less time employment, but the wage scale would remain the same.

Mr. COCHRAN of Missouri. But there is no limit on the staggering furloughs that have been proposed.

Mr. BARBOUR. I am not talking about the staggering-furlough proposition. At the present time it is only a suggestion. We can meet the question when it comes definitely before us. I am talking about the single proposition of cutting wages, and I say that to my knowledge the President has never advocated that the wage scale be reduced. If we are going to cut wages, if we have to cut in order to economize, then I do not favor going into the lower brackets. It seems to me that a 10 per cent cut in wages over $2,500 per year——

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HARDY. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BARBOUR. If we have to cut wages we should not go below $2,500 a year. If we place a 10 per cent cut on all wages over $2,500 a year, we will not be curtailing the purchasing power of the people to the same extent that we would if we extended it all the way down to $1,000 a year, and we will not to the same extent be establishing a precedent for private industry.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. CONNERY. I know how the gentleman feels with reference to the personal side of cutting a Congressman's salary. It is not a popular thing to vote that your own salary should not be cut, but I am sure that the gentleman from California does not want this House of Representatives made a rich man's club.

Mr. BARBOUR. I certainly do not; but I say to the gentleman from Massachusetts that I feel, as I am sure he feels, that if it was merely a question of cutting the salaries of Members of Congress alone in order to help to improve conditions, I am ready to vote for a reasonable cut right now.

Mr. CONNERY. I could not agree with the gentleman, for the simple reason that we might be driving men out of Congress who are representing the people of the United States and putting in their places representatives of the big interests.

Mr. BARBOUR. I am willing to agree with the gentleman from Massachusetts that it would have that effect; but if it is necessary to relieve conditions, to help ease the tax burden, I am willing to take my share of the cut. If we should make a cut above $2,500 a year, then not so great a hardship would be worked on the people who are drawing small salaries in the Federal Government. If we add to that a reasonable cut in retirement pay that certain officials of the Federal Government are also drawing in addition to their Federal salaries, nobody will be seriously hurt. If we have to have a cut, I think such a plan as I am suggesting for your consideration is better than a straight cut down to the $1,000 brackets, because it would cut the people who are better able to stand it. It could not to the same extent be used as a precedent for cutting wages in industry, and it would not to the same extent curtail the purchasing power of the people. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. It seems to me this is one of the most important issues which has come before the House in this session of Congress. In questioning the gentleman from California [Mr. BARBOUR], as I just remarked, the matter of cutting a Congressman's own salary is a delicate situation to talk about on the floor of the House for the reason that one is immediately put in the position by the newspapers of the country, or before the Nation, and back in his own district, of having it said of him that he does not care anything except for his own salary, that he does not want his own salary cut. I remember sitting on the floor of this House when we increased our salaries from $7,500 a year to $10,000. I listened to gentleman like the distinguished gentleman from Connecticut [Mr. TILSON], and other Members of the House on both sides, at that time speak in favor of increasing salaries and giving their reasons why they favored such an increase. Many Members of the House said at that time, if I remember correctly, that the only reason they stayed in Congress was not due to their salaries, for they could not live on $7,500 a year and keep up two homes, one in their districts and one here. Further, if they had children, it became increasingly more difficult to come anywhere near meeting their expenses. The only reason some of them stayed in Congress, giving up lucrative law practices and other lines of business, was for the honor that came to them and to their families and children. A child was able to say that his father was a Member of the House of Representatives and served his country in the Congress of the United States.

That argument does not appeal to the big newspapers of the country; it does not appeal back in the farm States to those who come in and say, "Well, the postmaster in this town is getting his salary and he gets it all the year around, and the rural letter carrier is getting a certain salary, and you fellows in Congress get $10,000, and why don't you cut your salaries?" Those people little realize that when the time comes, when they begin to cut salaries of Members of the House of Representatives, they are liable to be starting a proposition that will take thousands of dollars out of their own pocket and make them pay taxes they never would have had to pay otherwise, because Members of this House would be obliged to retire from Congress and their places would be taken by rich men who would not represent the workers of the country but who would represent only their masters, the big moneyed interests, and would vote accordingly. It is a delicate proposition to talk about your own salaries. When members of the American Federation of Labor went around to your door, to your door, to your door, and yours, speaking against pay cuts, their representatives told me that almost every Congressman interviewed said, "I will be willing to cut my own salary, but I would not think of cutting the wages of a charwoman; I do not believe in a cut in any salary below $5,000 or $2,500."

In reply to this the labor men said, "Well, that may be; we are glad to hear it; but we do not want a rich man's club in the House of Representatives; we want somebody who knows what labor is fighting for; we want somebody to represent the working people of the United States, not Wall Street, not just the big financial interests of the United States."

So I say to you do not vote to cut your own salaries, not for your own sakes but in justice to the people you represent in the Congress.

May the day never come when this will be a rich man's club.

I have always been proud to be a Member here, and I know that you are. I have always felt that regardless of where a Member came from he had a sincere and honest desire to legislate for the people of the United States. But if you have to leave Congress—and you have to leave Congress, and you, and you, because you can not live on $10,000 a year and you will not be crooked—what is the House of Representatives coming to eventually? It is the people's

forum, where a Representative stands up and fights for the 90 per cent of the people of the United States who are not rich and who have not big incomes; and I hope when the time comes you will vote against any reduction of your own salary, that you will have the courage to do so for the sake of the people. I have made these statements on this floor before, and I repeat them again.

The General Electric Co., in my own city, laid off a thousand people during the last few months, after making a profit last year of $50,000,000. The gentleman from New York referred to the American Telephone & Telegraph Co. That company has laid off 50,000 people, the organization of Mr. Gifford, the President's chairman, representative on the Unemployment Commission, yet that company made a profit of $51,000,000 last year.

I saw some pay checks of the General Electric Co. in Lynn last week when I went home for two days. One of them was for a week's pay. Of course, it did not mean that the man was working all the week, but it represented all the work he had that week; and the amount of that check was $2.75.

Edwin S. Smith, commissioner of labor and industries of the State of Massachusetts, made a report a few days ago that in the city of Fall River girls are being paid as low as 5 cents an hour. The pay of many of the girls is $5 a week.

We have had three or four cuts in the big industries in the United States, and they are just waiting to see what Congress will do. Do not believe, gentlemen, that this cry for wage cuts is coming really from the working people of the United States. It is not coming from the people back on the farms; it is not coming from working people in the industries, but it is a clever piece of propaganda which has been put out by newspapers of the United States, backed by the men who know how to put out this propaganda, under the plea that we must cut governmental expenditures and must cut them to the bone if we are to balance the Budget, if we are to bring prosperity back to the United States.

Yet with all that we have thousands of people in the United States actually hungry, and millions of them out of work. The only solution which the Economy Committee and your experts on Government expenditures seem able to find is the age-old proposition, "Cut the wages of those who can not afford to take any cut. Cut the wages of the weak. They can not protest. They live in Washington. They do not vote back in my district. They live in Washington. Let us cut their wages and then we will please the big fellows in New York, in Chicago, and in the big financial centers," who are waiting for the chance to sit down with their board of directors, around a mahogany table, the directors getting $10 gold pieces for being present at the directors' meeting, and then say, "Gentlemen, we have good news for you to-day. Congress has cut the wages of all Federal employees."

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CONNERY. The statement is made, "The Congress of the United States has reached a point of sanity. During the consideration of the tax measure, when they were voting to put a surtax on the rich and to kill the sales tax, they were a wild, angry mob, but now that they are coming around to the point where they are taking care of the big interests of the country, they are a sane, respectable, and deliberative organization, the finest and greatest deliberative body in the world. And, gentlemen, the Congress has seen fit to cut the wages of charwomen, and have been noble enough to cut their own salaries and everybody in the Government. The President has kindly consented to work for $1 a year." Well, I have the opinion—and these are my own remarks and not the remarks of the president of the board of directors—that the President of the United States would not put himself in the position of other dollar-a-year men who served so patriotically during the World War that they took everything except the Capitol before they left Washington.

I know the President is not that kind of a dollar-a-year man and I do not like to see that slogan raised again. I do not believe the President of the United States should work for $1 a year. I think he should work for $75,000 a year and put his time and effort into taking care of the 90 per cent of the people who can not afford to take wage cuts.

Mr. BOYLAN. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BOYLAN. The gentleman said the Congress had provided these things. The gentleman does not mean that these efforts are going to be successful, does he?

Mr. CONNERY. Oh, no. I certainly hope not.

Mr. BOYLAN. The gentleman is giving us the impression that these efforts are going to succeed. I think the gentleman should dissipate that impression.

Mr. CONNERY. I wanted the gentleman from New York to know how the president of the board of directors of one of these big concerns would feel if this Congress were so foolish that it would put through these pay cuts. Now, to get back to the president of this board of directors. He says, "Congress has cut the wages of the charwomen and of all Government employees, so it behooves us, although we are paying dividends; we made $50,000,000 last year and we are paying dividends to our stockholders, but it behooves us now to take advantage of this move on the part of this great deliberative body and cut wages some more, and then the people will eventually come to realize that all their labor organizations are for naught; that life, liberty, and the pursuit of happiness are only words in the Declaration of Independence; that the Constitution of the United States is merely a piece of paper, and that the only ones who are going to be represented in the Congress of the United States will be that little group of men who control 96 per cent of the wealth of this great United States." [Applause.]

Now, I have great faith in this House. During the consideration of the tax bill they said we were a mob because we voted to put up the surtaxes; that we were a mob when we defeated the sales tax; that we were a mob when we wanted to do something which would prevent the burden of taxation from being taken from the shoulders of the rich and placed upon the poor.

Mr. MAY. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. MAY. When did they arrive at the conclusion that the Members of this House were all jackasses?

Mr. CONNERY. They arrived at that conclusion the day we passed the Swing amendment to put the surtaxes up to 65 per cent; and I do not know what they are going to call the Senate before they get through with those surtaxes over there.

In the interest of the people of the country, in the interest of the working men and women who have faith in their country, the people who believe that the American flag is the most beautiful emblem of liberty in the world, the people who believe that they have been given an opportunity in coming to these shores to raise their families under decent living conditions and who think that the United States Government is the best government in the world, I hope that the House will defeat these pay cuts proposed by the Economy Committee.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CONNERY. As chairman of the Committee on Labor, we had hearings on the Lewis bill, offered by the gentleman from Maryland [Mr. LEWIS]. We had hearings on prevailing rates of wages since the Christmas recess. We had people come in from all parts of the United States and give us their testimony as to how they were living, as to what relief legislation they favored.

We had one picture painted before us of a man who worked for a contractor down on the Mississippi River. He worked for this contractor 10 days and got 12½ cents an hour. He paid 45 cents a week for ice water, he lived

in a tent and paid for his tent hire, and he bought his food from the commissary, and at the end of the 10 days, when he was discharged, he owed the contractor $1.05.

Mr. LaGUARDIA. Was that 50 years ago?

Mr. CONNERY. That was this year; now.

Mr. LaGUARDIA. In this country?

Mr. CONNERY. In this country.

I got a letter last week from a gentleman in Louisiana who stated he had been working for a contractor. The Government of the United States took away the contract from the contractor and the Government is doing the work itself on flood control, and where the contractor was paying 20 cents an hour the Government is now paying 12½ cents an hour.

Gentlemen, those of you who have children can feel with satisfaction that your children at least have good food, good clothing, and a warm bed; but there are thousands and thousands of children in the country to-day who have poor food, scanty clothing, and who live in tenements and shacks with a few scanty sticks of furniture, and their fathers and mothers are facing the gaunt spectre of unemployment and in many cases actual hunger.

When you cut wages, remember you are not just cutting Government wages. You affect the wages of all industry throughout the United States, because as soon as you cut the big industrial corporations are going to cut their workers again and again, and I am pleading to you to-day for these little girls and these little boys with rickets, diseases brought about by undernourishment, dying, starving, in the homes of the United States, and I am asking you to fight these pay cuts and beat them so that the Constitution of the United States and the Declaration of Independence, again, will stand for life, liberty, and the pursuit of happiness, and a chance for little children like that to get decent food, decent clothing, decent homes, so that we may be proud of the country in which we live. [Applause.]

Mr. FULBRIGHT. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. FULBRIGHT. May I ask the gentleman whether he thinks a general cut in the wages of all employees throughout the country would mean a reduction in the price of farm commodities?

Mr. CONNERY. If you do not give them the purchasing power to buy, it does not make any difference whether you have any farm commodities or not, they can not buy them. That is the way it is now.

[Here the gavel fell.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, I hope the House will vote in favor of a salary reduction of at least 10 per cent with, say, an exemption of $2,300. It would have a fine psychological effect, would tend to renew confidence of the people in the Government.

The saving would amount to considerable and would be regarded by the people as a real contribution by Congress toward retrenchment and economy. England has done it and has balanced her budget, with the result of better business, better credit, and less unemployment. The pound has advanced from $3.40 to $3.70.

Most of the cities, towns, and municipalities have reduced salaries in accordance with reduced receipts from their taxes. The people desire it; let their will be supreme.

I am strongly of the opinion that we have got to reduce the salaries of employees, even if we do not like it—and none of us do like it—for most us are poor men. But it would have a splendid psychological effect on the country. The country has lost confidence in their Government. There is no doubt about that. It would tend to restore confidence in the Government by the people. While the saving would be considerable, it would be a contribution by Members of Congress.

Mr. MAAS. Will the gentleman yield?

Mr. STOKES. I yield.

Mr. MAAS. Is not that making the Federal employees the victim of political expediency? You are not discussing the merits of it, you are saying it is for political psychology, for reelection—I do not impute that motive to the gentleman, but that is all it will do.

Mr. STOKES. Every man, woman, and child in the country to-day is giving up something, even if it is only food. We have got to do our share and give up something as well as the other people of the country.

Mr. SIROVICH. Does not the gentleman think it would be wise to raise the standard up instead of pulling it down?

Mr. STOKES. We will be contributing so much.

Mr. SIROVICH. If the gentleman finds a man in the gutter, he will pull him out instead of lying down with him. [Laughter.]

Mr. STOKES. I want to say one word more, and I am through. England has done this, England has cut her salaries right and left, and she has balanced her budget. What is the result? She has less unemployment, better business, her credit is coming up, the pound sterling has risen from $3.20 to $3.70. In a matter of this sort why should we let England get ahead of us? I think I have faith in you, faith in the American people, and in that God who has never deserted us. [Applause.]

Mr. HARDY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Chairman, the real question before Congress is whether or not the expenses of this Government will be reduced. That is the basic question that we must decide. I am frank to confess to you that I do not know of any way that these expenses can be reduced much below the figures in the appropriation bills that have been so far reported and those to be reported hereafter unless we either reduce the number of employees that are drawing salaries from public funds or reduce the salaries of those that are on the public pay roll.

Salaries must always be considered on a comparative basis. When this country was prosperous, when salaries in private business had been advanced to the highest point that we had ever known in this country, the expenses of our Government increased. More and more people were placed on the public pay rolls and the salaries of those on the pay roll were increased. Their leave of absence, vacations, sick leave, retirement, and pension provisions were all increased.

Then there came the day when we were not experiencing in this country the prosperity we had heretofore enjoyed. You talk about the effect that salary cuts may have on wages. It is idle not to take notice of the fact that wages in all private lines have already been reduced. They have been reduced 20 per cent, 30 and 40 per cent, and in some instances more than 50 per cent.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. FITZPATRICK. Can the gentleman tell us what the difference was between the salaries of Federal employees and people in private life two or three years ago?

Mr. HOLADAY. During war time, when we were at the height of our prosperity, I am frank to say to my friend from New York that people in private industry were drawing more than those in Government service, but we must remember that there are certain additional advantages in the Government service, and they stand out to-day perhaps as they never have stood out before. The people in the service of the Government have steady employment. In my district, and I live in a county in Illinois that ranks second or third in the production of coal, the conditions are better perhaps than in any other coal-mining county in Illinois, because the principal mines there are owned by the United States Steel Co., and that company consumes its own coal and does not sell on the open market. Yet about one-third of the miners in that district have been laid off.

Mr. McCORMACK. Why?

Mr. HOLADAY. Because there is no demand for the coal.

Mr. McCORMACK. Why is not there a demand for the coal?

Mr. HOLADAY. Because the purchaser, the manufacturer, is not buying.

Mr. McCORMACK. Why does he not want it?



Mr. HOLADAY. Because he can not find a market for his product.

Mr. McCORMACK. Why can not he find a market for his product?

Mr. HOLADAY. Because the purchasers have not the money.

Mr. McCORMACK. And one of the reasons why they have not got the money is lack of employment and reduction of wages, is it not?

Mr. HOLADAY. I am glad the gentleman asked that question. Let us follow out his theory. If the gentleman's theory is correct, then the thing that this Congress should do is to double immediately the number of people on the Government pay rolls and double their salaries?

Mr. McCORMACK. Oh, no.

Mr. HOLADAY. Then we would have great prosperity. That is the logical conclusion of the gentleman's theory.

Mr. McCORMACK. As long as the gentleman undertakes to state what is the logical conclusion of my theory, permit me to say——

Mr. HOLADAY. That is the logical conclusion that I draw from it.

Mr. McCORMACK. Oh, very well.

Mr. FITZPATRICK. We appropriated $132,000,000 about four weeks ago for road construction. What for? To put people to work.

Mr. HOLADAY. I do not know why the gentleman voted for it. I did not vote for it.

Mr. FITZPATRICK. But that was the argument here on the floor.

Mr. HOLADAY. I suppose that is the theory, but here is the thing that we must consider. My friend from New York asked the question, When a man is in the gutter, do you want to lift him up or do you want to get down beside him? The answer to that of course is plain, but the next question is, how are you going to lift him up?

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes; if the gentleman can tell me the answer to that.

Mr. SIROVICH. I shall be very glad to give the answer to it. In 1928 before our Civil Service Committee, at the height of the greatest prosperity of our country, a bill was introduced which unanimously passed the committee increasing the living wages of American working people, working for the Government. President Coolidge signed it. It carried about $18,000,000, giving the American men and women who work for the Government an increase of $180 a year. When these people came before our committee, they cried. Some of the men said that they had no shoes, that they had to wear one suit of clothes the year round, that they had to go to the dispensary when sick, that in hospitals they had to go in with the charitable service cases. That was during the height of prosperity. Now here in times of adversity, with conditions worse if that is the way they were in times of prosperity, how will they be if you reduce their salaries more?

Mr. HOLADAY. I do not know to whom the gentleman refers, or the bill. But, gentlemen, the question is, Do you want to reduce the cost of government? If you think that it is a bad economic policy to undertake to reduce the cost of government, if that is your honest belief, then I have no quarrel with you. That is your theory of economics.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. BARBOUR. Would the gentleman be willing to reduce the river and harbor appropriations by $20,000,000?

Mr. HOLADAY. I would.

Mr. BARBOUR. If we do that, we would not have to cut these salaries in the lower brackets anyway.

Mr. HOLADAY. I am frank to state my personal opinion. I do not favor the reduction of salaries in the lower brackets.

Mr. BARBOUR. What is the maximum that the gentleman would exempt?

Mr. HOLADAY. I would exempt up to $2,000 or $2,500.

Mr. SIROVICH. Would the gentleman be good enough to accept a cut of $20,000,000 in the enforcement of the prohibition law, which is not enforced? [Applause.]

Mr. HOLADAY. I do not remember just what the total amount appropriated is.

Mr. SIROVICH. It is about $50,000,000 to $60,000,000 a year.

Mr. HOLADAY. I know the gentleman and I do not entirely agree upon the wet and dry question, but I am willing to apply the same cut to the law enforcement division that I urge for any other department.

Mr. SIROVICH. I am talking as one who never drinks; but I think that if you would cut off half of the enforcement money for prohibition, we would not have any debate here at all.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HARDY. I yield the gentleman five additional minutes.

Mr. MAAS. Is not the gentleman afraid that if we launch upon a policy of cutting salaries now we are serving notice on the country that we have so completely lost confidence in the future of the country that it will start a panic in itself?

Mr. HOLADAY. No; I do not believe that, because I think private industry has already cut its salaries. I look at the question this way, gentlemen. We have millions of people who are out of employment or who have had their income reduced. Is it right that because a man is drawing his pay from public funds he should not accept a cut? The public to-day is demanding that there be a reduction in the expenses of our Government; and I am just pointing out to you that I do not know of any way—I wish I did—but I do not know of any way we can reduce those expenses unless we reduce the number of people on the public pay roll and the salaries we are paying.

Mr. MAAS. How much of the Federal Budget goes into salaries anyway? Does the gentleman know?

Mr. HOLADAY. I do not know off-hand.

Mr. MAAS. It is from 12 to 18 per cent, not over 18 per cent at the present time. Why not have the Government cease performing so many paternalistic functions for the people? There is a real chance to effect savings.

Mr. HOLADAY. I am glad the gentleman asked that question. Let us consider the facts for a moment. About 55 per cent of all the money appropriated goes to pay war debts and interest, pensions, compensation, and hospital care of the veterans of our wars, 55 and a fraction per cent. Do you want to reduce the pensions? Do you want to reduce the hospital facilities? No one seriously urges that.

Mr. CONNERY. I understand that the Economy Committee is going to come in with a proposition to take off the $50 a month from arrested T B cases; they are going to cut that out and reach into other soldier legislation on the ground of economy.

Mr. HOLADAY. I do not know just what they are going to propose.

Mr. CONNERY. They are going to bring in a lot of recommendations cutting down on aid to disabled men and other aid to veterans.

Mr. MAAS. What we are trying to do is to restore prosperity.

Mr. HOLADAY. That is what we hope to do.

Mr. MAAS. Has the gentleman ever heard of a period of prosperity when salaries were low?

Mr. HOLADAY. I do not know that I have. [Laughter.]

Mr. MAAS. Does the gentleman think he ever will?

Mr. HOLADAY. But is it going to bring prosperity to the nine men that are on a low wage to tax them to maintain the high wage of the tenth man?

Mr. CONNERY. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. CONNERY. The banks have a lot of money on hand, and the example I am going to cite came out during the testimony taken before the Ways and Means Committee.

The banks have a lot of money on hand, but you can not get a loan from a bank unless you give them your right eye, your right ear, your nose, and a lot of other things besides.

Mr. HOLADAY. I agree with the gentleman on that.

Mr. CONNERY. I am glad the gentleman agrees with me. The situation in my State is such that a contractor having contracts to build a number of houses could not get a loan from the banks with which to construct those houses. Do you think that the cutting of Federal salaries is going to make the banks lend any more money or help bring back prosperity?

Mr. HOLADAY. I do not know that it will have any particular effect one way or the other on the banks making loans; I do not see why it should. But, coming back to the question of the gentleman from Minnesota, about 55 per cent of the appropriations goes for war debts and interest, pensions, hospitalization, and so forth; but the gentleman does not want to reduce that. About 16 per cent goes for national defense, about 9 per cent for public works, rivers and harbors, public buildings, roads, and so forth. Some cuts can be made there. Personally, I think the amount that goes for salaries is much greater than the amount that has been mentioned.

Mr. HARDY. Will the gentleman yield?

Mr. HOLADAY. Certainly.

Mr. HARDY. I think the salary roll is about $1,350,000,000 a year.

Mr. HOLADAY. That runs to about 33 per cent.

[Here the gavel fell.]

Mr. HARDY. I yield the gentleman five additional minutes.

Mr. McMILLAN. Will the gentleman yield?

Mr. HOLADAY. Certainly.

Mr. McMILLAN. I want to call the attention of the gentleman to a statement appearing in a magazine entitled "The Post Office Clerk," the April, 1932, issue, which says:

> Twenty-six per cent of these employees receive less than $1,200 per annum, 57 per cent less than $2,000 per annum, and 95½ per cent less than $3,000 per annum. Only 4,736 out of this vast salary list receive from $5,000 upward, and this includes Cabinet officers, bureau chiefs, and a few scientists who are at the top of their respective professions.

Now, referring to the question asked by the gentleman from California—and I understand the gentleman is willing to exempt employees under $2,000—how many men will be affected and how much money will be saved by a reduction of this kind.

Mr. HOLADAY. If every time a reduction is proposed, we are to be met with the objection that that particular reduction will not amount to very much, considered in the sum total—and that assertion will be correct—we will not effect any savings, because the amount that is spent for any particular activity of the Government is not a large percentage of the whole. The only way we can get any material reduction in expenses is to make some reduction all down the line, not only in salaries but, for instance, in public improvements. Admitting that most of them are necessary and desirable, a great many of them can be postponed. Then I have a little private hobby in connection with savings on the publications the Government is printing. If we would save it all, it would not amount to very much, considered with the whole, but all of these savings together will, when summed up, amount to a considerable sum.

Mr. MAY. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. MAY. I would like to ask the gentleman if it is not a fact that last week we had under consideration the Vinson amendment to an appropriation bill proposing to abolish the positions of the members of the Farm Board and put the duties of the Farm Board under the Department of Agriculture, thus bringing about a saving of $125,000 a year on salaries there, and I would like to ask the gentleman how he voted on that proposition.

Mr. HOLADAY. I am perfectly willing to state I come from a farming district. I voted for the amendment to reduce the sum total. I voted against the Vinson amendment. I do not believe that here on the floor, without any mature deliberation, it is always safe to vote for the consolidation of departments simply on the statement that money will be saved. However, I am not so sure that after we have gone along a year or so there may be effected some consolidation whereby the Farm Board and its duties may be carried over into the Agricultural Department and the work of that board that is profitable and desirable carried on at a less expense.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. FULBRIGHT. At the present time, with the present price of farm commodities, a dozen eggs will purchase two postage stamps under the rates fixed in the recent revenue bill. Does the gentleman believe the Farm Board will be able to stabilize prices along about that level?

Mr. HOLADAY. In Illinois we produce a better grade of eggs and we can get more postage stamps for a dozen eggs.

Mr. SIROVICH. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. SIROVICH. In order that I might not be accused of asking an unfair question, I want to say that for four years I have been president of a large national bank in New York City and have investigated with other banking men the great bankruptcies that have been going on for years, and we find that $1,200,000,000 has been lost in bankruptcies, for which the creditors have received only 7 cents on the dollar. Therefore I am of the opinion that if you reduce the salaries of the working people of our country you will thereby diminish their ability to buy more and thus you will have more bankruptcies than ever before.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I have enjoyed very much listening to my distinguished friend, Mr. HOLADAY, who has just addressed the committee. There is no Member of the House for whom I have a higher feeling of respect than I have for the gentleman who has just finished. That the gentleman has a very fine disposition was evidenced by his willingness to yield to every Member who sought to interrogate him. [Applause.] However, I am sorry that I can not agree with him. I can not agree with him for the reason that he so frankly admitted was one of the main causes of our present economic distress, the lack of purchasing power on the part of the general public. I think the gentleman from California [Mr. BARBOUR] hit the situation on the nub when he said the present depression centered around purchasing power.

We hear a lot of talk about overproduction, and it is true; but the opposite of overproduction, underconsumption, is equally true. Overproduction never exists where there is a sufficient demand on the part of the general public to consume that which is either produced on the farm or manufactured in industry. Therefore, if overproduction exists—and everybody concedes that it does—it is because of underconsumption, and the reason for underconsumption is the lack of purchasing power, occasioned, in the first instance, by the fact that millions of our workers are unemployed and the fact that millions of others are employed part time; and, in the second instance, by the sharp reduction in wages that has taken place in industry.

It is now proposed to decrease the wages of those in the Federal service. It is proposed to do so at a time when fear permeates the entire country! When the main obstacle to the starting of our return to normalcy is fear; fear that properly exists in the minds of practically every person in the United States dependent upon a position for a livelihood; fear not only of the workers but fear in the minds of the farmers; fear in the minds of their families; fear of economic slavery far worse than the slavery of old, because in those days the master took care of the slave; fear of a condition of economic slavery on account of either unemployment or fear of unemployment.

On the part of those who are part-time employed, fear that to-morrow they may report to their place of employment and be informed that their services are no longer

required. Fear in the minds of those who are fortunately employed full time, in not knowing what day or what minute they are going to receive notice that their services, at least temporarily, are no longer required.

Back of this is the home; back of this is the family; every member having fear implanted in his or her mind.

We are faced with a psychology of fear, and before we start any return to normalcy fear must be supplanted by a feeling of confidence. Oh, how I would like to see the American Legion or the President of the United States conduct a great drive, a great victory drive, to try to remove fear from the minds of the American public, calling upon our employers to advise those in their service that for at least a period of six months they need have no fear of being displaced in their employment, and for a period of six months or a year there will be no further reduction in wages, a great campaign throughout the country with 4-minute speeches, as we had during the war to sell Liberty bonds, trying to drive fear, that properly exists at the present time in the minds of the people, out of their minds and to try to bring back a feeling of confidence.

With this great feeling of fear prevalent throughout the country it is now proposed by the Federal Government to reduce the wages of those who are in its employ. Such an act will not confine itself to those in the employ of the Federal Government. It will extend beyond those who are in the actual employment of the Government. It will result in a psychological condition, as a result of which the present fear will become aggravated, and instead of improving it will tend to aggravate existing conditions and add to the feeling of fear that exists in the minds of the public at large.

We do not have to fear for our country. We are going to come out of this depression. America always comes back. I can not agree with my friend from Kansas [Mr. McGUGIN], although I admire him for his courage, who, in substance, said that the country is going to hell. America had its depression in 1831. We had it in 1873, we had it in the nineties, and we have had two touches of it since 1900, but America has always come back, and America will come back again. [Applause.] We will come back when we drive out fear, but we will never drive out fear by bringing about a sharp reduction in the wages of those in the Federal service and by further wage reductions of those in private employ.

For 12 years we have been trying to drive out bureaucracy in this country; bureaucracy which has made rapid progress since the early years of the nineteen hundreds; bureaucracy which the framers of the Constitution never intended; bureaucracy which, when finally consummated, is the enemy of democracy and representative government such as we enjoy; bureaucracy which we all realize is the opposite of our form of government and the framework of the government as established by the founders of our country. That is the place for us to hit, and now is the time for the Economy Committee to render a real service, not only to those of this generation but to the generations of Americans to come, through a reorganization of departments and bureaus and the elimination of the bureaucratic tendencies and the highly centralized form of government that exists in the Federal Government to-day.

Mr. McGUGIN. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. McGUGIN. Of the 30 bureaus for which we appropriated last week, 29 required $37,000,000, the thirtieth bureau being the Veterans' Bureau that handles all matters relating to veterans. So, from the standpoint of economy there is not much to be hoped for as far as the elimination of bureaus or commissions is concerned, is there?

Mr. McCORMACK. We have over 60 departments and independent bureaus. Everybody recognizes that bureaucratic government is destructive of our dual system of government.

Mr. McGUGIN. I grant that.

Mr. McCORMACK. Everybody realizes that the people of different sections have different economic questions and problems. The people of the South have different problems from the people of the North, East, or West, and the best way of administering and of carrying out of American public opinion is through the several States, and these bureaus in constantly encroaching upon the duties and responsibilities of the States and in extending their jurisdiction are doing so at the expense of the several States, resulting gradually in a destruction of our dual system of government, the State being submerged in the highly centralized Federal Government, a condition that exists purely as a result of bureaucratic tendencies that started about 30 years ago.

Mr. McGUGIN. As a principle of government that is true, but so far as the cost is concerned it is only about $37,000,000.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BLANTON. Will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BLANTON. The gentleman from Kansas [Mr. McGUGIN] seems to think that the independent offices that we considered last week are the only bureaus we have. Compared with the bureaus in the departments, the independent offices are too insignificant to mention. If the gentleman from Kansas will examine each one of the 10 departments of government, he will find they are honeycombed with useless and unnecessary bureaus and that these bureaus are enlarging their personnel all the time at tremendously high salaries.

Mr. McCORMACK. And there are laws being passed giving them powers which extend the bureaucratic system that already exists.

Mr. BLANTON. And two-thirds of them right now could be abolished without hurting the business of the Government at all.

Mr. McCORMACK. I agree that many of them could be abolished and that we should abolish them. The Economy Committee has an opportunity to render a real public service. They are only hitting the surface, when there is opportunity for rendering a real service that the American public demands and will always appreciate. They would be rendering a service that would bring results, and which would be the means of preserving our principles of government as intended by the framers of the Constitution.

Mr. CONNERY. A member of the Committee on the Merchant Marine, Radio, and Fisheries informed me that his committee is going to report a bill combining several bureaus in the Shipping Board and saving about a million dollars. There is one answer to the gentleman.

Mr. McCORMACK. Now, I only have a minute or two left, and I want to say that salary reduction is not the solution; it will result in a further diminution of the purchasing power. We have an opportunity in Congress now to accomplish something the American people have been looking forward to for the last 10 or 12 years; to take bureaucracy out of the Government. Few realize the extent that this bureaucratic system has developed in the past 25 years, but everyone realizes that it has affected representative government. We have the opportunity now, with public opinion behind us, to strike a blow at this sinister, insidious system which has crept into our Government, and let us remove it for all time. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, ladies and gentlemen of the committee, I hope I shall not disappoint you by not discussing the question of the reduction of salaries, or the necessary reduction of the expenses of the Government. I want to talk to you this afternoon about a question that to my mind will bring back prosperity to the country, and that of itself will solve many of the problems now unsolved. If we had real prosperity in the United States like we had in 1928 and prior thereto, and like we had following the World War, we would have no trouble at all in balancing the Budget, because the sources of revenue would be replenished and the income would be sufficient to pay the expenses of the Government, which we must admit are now out of all reason.

I want to take a few minutes of time on the discussion of the subject of cash payment of the soldiers' adjusted-service certificates, commonly known as the bonus certificates. If I felt that the payment of these certificates under the provisions of the Patman bill would result in a further paralysis of business in this country or retard the recovery of the country, I would not appear before you on the floor in favor of the passage of that bill. But I am as much convinced as I am that I live to-day that the payment of adjusted-service certificates by the issue of currency will bring back prosperity to this country.

It has been admitted that so far as our country is concerned the law requires only a deposit of 40 per cent gold against the Treasury currency.

The statement of March 1, 1932, of the United States Treasury shows that we have in gold and gold bullion in the United States Treasury $3,440,927,648.42. Against that we have issued in gold certificates outstanding and Federal reserves notes a total of $3,195,969,779.02, together with a gold reserve of $156,000,000, making a total of $3,351,969,779.02.

Now, if 40 per cent of that amount only is required to secure these Treasury notes, then the other 60 per cent that is not required to secure them would equal the sum of $2,011,181,867.51.

So we have, in fact, in the Treasury of the United States gold in the amount almost equal to the proposed issue of currency, whereas the law requires only 40 per cent gold and 60 per cent good faith.

I am one of the Members of this House that happens to be optimist enough to believe that this country, in the midst of this depression—I am optimist enough to believe that the people of the United States and their good faith are sufficient for 60 per cent of all its obligations. [Applause.] Our whole credit structure must rest upon the faith of the people in their own Government.

There is another feature of this proposal, and that is this: According to figures obtained this afternoon from the office of General Hines, Director of Veterans' Affairs, there was heretofore loaned to veterans on certificates $1,358,000,000, approximately. There is in the fund for the redemption of these certificates at maturity, to-day, a little bit in excess of $1,000,000,000. That is not idle talk at all. That is a statement from the Director of the Veterans' Bureau this afternoon. So that as a matter of fact the Government has in the Treasury in a fund a sufficient sum to balance the account against outstanding loans and has more than $2,000,000,000 in gold on which to issue currency with which to take care of the remaining 50 per cent unpaid on these adjusted-service certificates. What will be the effect of it? We passed a bill here during the winter known as the Reconstruction Finance Corporation bill. We authorized the issue of indebtedness against the Treasury of $2,000,000,000, and when we did that we set up a bureaucracy that started with 800 employees in one building in Washington and $150,000 annual rent, to be paid in advance. What are they doing? They are loaning the money to the banks, the insurance companies, to the railroad companies, while two and a half million soldiers in America are starving, waiting for the payment of a debt honestly due them and unpaid by the Government. What will be the effect of issuing this currency?

When it is issued under the provisions of the Patman bill or the bill in the Senate it will go to two and a half million spots in the United States and go into the pockets of the young man on the farm, the young man in the factory, the young man in the office, the young druggist, the merchant, the farmer; it will go all over this land and become a real circulating medium, while these great loans to these gigantic corporations go into the banks and find their way back into the money centers and get out of circulation within a short time after they are advanced.

Mr. LANKFORD of Georgia. Does the gentleman from Kentucky think the payment of the bonus would do as much in bringing back prosperity as the foreign-debt moratorium and the Reconstruction Finance Corporation act?

Mr. MAY. I think it would do infinitely more. As an old lawyer used to say down in my district, there will be more to pay for fat and flour when this bonus is paid than there will be with all that the Reconstruction Finance Corporation has advanced.

Mr. WOLCOTT. May I suggest to the gentleman that in computing the amount in the Veterans' Bureau as a credit against these loans he should add to that nearly $20,000,000 which the Government has made on the difference between the rate of interest which the Government paid for the money and the rate of interest that the service men paid.

Mr. MAY. That is correct. The rate of interest at which the Government obtained the money was 2 per cent and the rate of interest at which they loaned it to the soldier is 4½ per cent, a difference or a profit of 2½ per cent. Not only that, but $750,000,000 has been laid up in this insurance fund already on hand. Think of a Government charging its heroic defenders in time of danger usury.

Mr. KELLER. I do not see why we should not pay that difference. Does the gentleman?

Mr. MAY. It is nothing but equity and fairness that it should be paid to the soldiers, but they are not even asking for the return of the excess interest. They are merely asking for the crumbs that fall from the tables of the rich man.

Mr. KELLER. We ought to give it to them anyhow.

Mr. MAY. Each man is entitled to a fair, square deal. I would like to illustrate what this means to my home county, and I take that county because the population and the figures are about even. My home county has a population of 40,000 people, including women and children. It has living within it holders of adjusted-service certificates to the number of 800. It has been stated on the floor of the House and the RECORD shows that the average amount of the adjusted-service certificates is $1,000. The remaining unpaid 50 per cent of the $1,000 would mean $500 to each of 800 soldiers in my home county, or $400,000, which would go into circulation immediately.

Based on a population of 40,000 people, that means $10 to every man, woman, and child in my county put out in this one administration of public funds, and that beats any loan to the Pennsylvania Railroad Co. from the Reconstruction Finance Corporation. What else? A great deal has been said here about the earning capacity of the people. There are three things that all economists agree upon. First, the prosperity of any country depends upon the purchasing power of the people of that country. Second, whoever controls the money of any nation controls its commerce and business. Third, whoever controls the commerce and business of any nation controls and dominates its government. That is the condition of America to-day. You talk about a square deal. These soldiers waded in muck and stood in the trenches and starved in the fields of France, bleeding and dying for the flag of this country at a dollar a day, with most of it taken for insurance and other expenses, while at the same time the $4 carpenter was receiving $10 a day wages, the $6 a day bricklayer was receiving $15 a day wages, and these dollar-a-year patriots that we had during the world war were receiving a dollar a year, but on the side they had contracts with dummy corporations organized to take advantage of the cost plus 20 per cent proposition, and the 20 per cent ran into millions of dollars. Then after the war had been won by these heroes for whom I speak, and they came marching triumphantly home to receive the plaudits of a grateful country, they were given the glad hand for a time and the Congress awarded them these certificates as a small compensation for their sacrifices and their heroism. At the same time this Government gave back to railroad companies, rich contractors, and great corporations billions of glittering gold, and not a word of protest. Now, when it comes to the question of the Government keeping faith with our soldiery, a storm of protest comes, not from the plain people of America, but from the great banks, trust companies, and other big interests.

The howl against the payment of the adjusted-service certificates to-day is coming from those sources, not from

the farmer or the workingman of this country. It is coming from the money centers in Wall Street and the other places in this country where money is hoarded. Ah! They talk about prosperity. If it is left to me to extend the hand of helpfulness to the great, gigantic interests of this country—and I want to see them prosper—or to the poor and humble, I will every time reach down to the hand of the man who served the flag of the United States in obedience to the edict of this Congress over the bayonets and machine guns of the Germans and over the trenches and barbed wire of "no man's land" and carried back and planted above the Speaker's desk the Stars and Stripes victoriously as the emblem of this country. [Applause.]

Mr. CONNERY. What is the gentleman's reaction to the effort of the big metropolitan newspapers who are going to teach the service men patriotism, saying to the service man, "You must be patriotic; you must not put your hand into the Public Treasury."

Mr. MAY. I would like to answer that, Mr. Chairman, in the language of soldiers themselves, soldiers from my own district in the mountains of Kentucky. The largest coal-operating company in that district—and it is almost exclusively a coal field—has shut down its works and discharged 1,400 employees, in the town of Jenkins, a town having a population of about 7,000. This morning I received a telegram from a group of World War veterans gathered in that town.

[Here the gavel fell.]

Mr. SANDLIN. I yield the gentleman one additional minute.

Mr. MAY. The telegram reads as follows:

JENKINS, KY., *April 12, 1932.*

Hon. A. J. MAY,
Member of Congress, Washington:

We, the undersigned veterans of the World War of this immediate section of Kentucky, tenth congressional district, do hereby subscribe our names in favor of the proposed legislation favoring payment in full of bonus. Reasons: Certain legion posts with chosen groups are endeavoring to misguide officials relative to the exact status and well-being of the majority of the veterans throughout this section of eastern Kentucky. Ninety per cent of the veterans of eastern Kentucky are now merely existing and living under conditions that are deplorable, many without employment due to depressed condition, with no relief in sight. We believe in our Government and feel that it is capable of meeting this just demand of its defenders. We believe that if it can release millions daily to the capitalists and financiers of New York through Reconstruction Finance Corporation whereby the veteran can not hope to be benefited and yet legislate laws whereby the deficit can be budgeted, then it is also capable of constructive legislation in favor of the veteran to whom it is justly indebted. We are depending upon you as our Representative to voice and vote our sentiments and each individual veteran of eastern Kentucky will closely follow your actions during this movement.

THE VETERANS,
By W. H. MCDONOUGH.

Mr. Chairman and gentlemen of the committee, that telegram shows the patriotism of the soldiers of our country. That expresses their loyalty and devotion to their country, but from the cohorts of avarice and greed there comes not the consolation of the message "Ask and ye shall receive, knock and it shall be opened unto you." Nay, verily. I think a stanza from the poem, The Moneyless Man, by the immortal Stanton, of Kentucky, adequately expresses the attitude of the opponents of this legislation. Stanton said:

Go, look in the banks, where Mammon has told
His hundreds and thousands of silver and gold;
Where, safe from the hands of the starving and poor,
Lies pile upon pile of the glittering ore!
Walk up to their counters—ah, there you may stay
'Til your limbs grow old, 'til your hairs grow gray,
And you'll find at the banks not one of the clan
With money to lend to a moneyless man!

No, Mr. Chairman, "They ask for bread and are given a stone." [Applause.]

Mr. SANDLIN. I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman, this morning after four days of rainfall the sun shone, the birds were singing, and all nature seemed to lift its head, as it were, with the joy and gladness of a new bright day, and I know we all felt cheerful; I know I was glad that I was permitted to live another day. I went on with a bright, optimistic spirit until I came in and sat down here and heard some of the speeches this afternoon.

In particular I noted the speech of my distinguished friend from Kansas, Mr. MCGUGIN. I hope he is here. But the optimistic spirit that filled me sank into my very boots. In fear and trembling I looked around as he said, "The Government is failing; we are sinking fast." In a moment I expect to see sheriffs entering the door to take possession of the Speaker's mace, or anything of value that any of the Members had, but we have survived it, the Government still lives. Ah, here comes the gentleman [Mr. MCGUGIN]! The golden halo of optimism of a better and brighter day gave way to fear and trembling; I feared for the safety of the Republic. He said, "We were on the verge of a precipice"; everything was dark and gloomy, and no doubt the winds were whistling over the prairie lands of Kansas. [Laughter.] It seemed as if hope was everlastingly lost. Yet, on account of the esteem and regard in which I hold the gentleman, I wondered if he was willing that that pessimistic note he sounded should go out over the broad fields of his native State; and deep down in my heart I felt that he was not, because I know he is a man of strength and ideals, that he would like to inspire his people with confidence that things are going to get better and brighter. If we do not sound that psychological note here and send it throughout the country, how are our people going to take heart?

It has been said that the Congress ought to take a cut in its salary. Why, we have taken a cut! If any man sitting in this House now can perform this job of being a Congressman, support a home in his native town, live half way decently in Washington, and do it on $10,000 a year, I would like to have him stand up and be identified for the RECORD.

Mr. MCGUGIN. You can count me in that class without my standing up. [Applause and laughter.]

Mr. BOYLAN. Of course, these rich lawyers from Kansas can afford to do that; but I am speaking of those who try to live on the mere salary received here.

Mr. MCGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. MCGUGIN. I am very glad to let the RECORD show that I am living within the salary which I receive here.

Mr. BOYLAN. But are you?

Mr. MCGUGIN. I am also managing my own home in Coffeyville and paying some on my debts.

Mr. BOYLAN. I do not like to be personal, but I do not think the gentleman would be able to do that and support a family, too. [Laughter.] Perhaps the gentleman is a bachelor.

Mr. MCGUGIN. My family is limited to my wife, but she has not yet sued me for divorce on the ground of nonsupport. [Laughter.]

Mr. BOYLAN. I think the gentleman is a wonder. [Laughter.] If he could, I would like for him to put in the RECORD how he does it; I think we would all be delighted to know.

Mr. DELANEY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. DELANEY. The fact the gentleman admits that he is now paying off his debts would indicate that he has not been able to live within the salary he is receiving.

Mr. BOYLAN. That is exactly what it shows, unless he can offer some further explanation.

Mr. MCGUGIN. The debts were of longer standing than my tenure in office here.

Mr. BOYLAN. I wish the gentleman did not have any debts. I dislike to see anybody burdened with debts.

Mr. MCGUGIN. Please do not hate me, but just hate the debts.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Possibly the debts which the gentleman says he is paying off may be a part of the debts he incurred in being elected to Congress.

Mr. BOYLAN. I do not know what the gentleman's election statement may show about that, so I will not ask him that question. When the Department of Justice bill was before this House I showed a way of saving money. I proposed an amendment that we cut the prohibition-enforcement appropriation $3,000,000. It could have been done without any trouble, but there was no responsive answer here. But lo and behold, gentlemen, in another body, to my amazement, yesterday they went and cut that sacred appropriation—just imagine their temerity in slashing that sacred item—$1,000,000.

Mr. McGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. McGUGIN. In keeping with the statements of the gentleman from New York and the gentleman from Massachusetts, that we abolish bureaus of various kinds, that would mean that salaries would be cut 100 per cent, so I can not understand why gentlemen should object to an 11 per cent cut when they are suggesting cuts that would amount to 100 per cent.

Mr. BOYLAN. We are already cut. That is the argument I make. We are already cut. You take the white-collar population, for instance, in which class we find Government employees. They are in that class, as the gentleman knows. After the war and in the days of the great prosperity of our country the salaries of per diem men and of artisans were increased, but the salaries of white-collar men were not increased proportionately. The gentleman well knows that, because it is a matter of record. Therefore they did not get the benefit of the high wages during the prosperous times, and even now, in addition to that low wage, you want to cut them further.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Does the distinguished gentleman know that in some of the department stores in New York City many working girls have been put on a commission basis, and they do not even earn as much as 10 cents with which to pay their car fare in going to and from their work? So I believe that if you continue to reduce the salaries of our employees, you will eventually find them admitted to the hospitals because of starvation.

Mr. BOYLAN. That is very true. The doctor has had wide experience. He is familiar with hospital conditions in the city of New York, and he speaks intelligently when he makes these statements to the House.

Now, about the question of budgets. We hear so much about budgets everywhere. These Federal employees are living on a budget too. Remember, gentlemen, their budget is not of one year's duration. Many of them are buying little homes in Maryland, Virginia, or out toward the District line. They probably paid $500 or $600 down as a first payment, and they are probably paying $50 or $60 a month in order that they may eventually own that little home. Now, if you are going to cut them 10 or 11 per cent or 5 or 2 or any per cent, you are disorganizing their budget. The great Congress of the United States ought to set an example to our people. We are everlastingly saying we must balance our Budget, yet you want to throw the budgets of these white-collar workers, the Federal employees of the Government, out of alignment. How can they meet their obligations if you cut their salaries?

The way certain men get on this floor and talk about the Federal employees, to my mind, is unfair. It is really disgraceful. They insult the splendid men and women who have given up their lives to the Federal service. They have adopted the Federal service as a career, and yet we have here men who are constantly saying, "Reduce salaries; abolish positions."

That seems to be a favorite pastime, but to my mind it is ridiculous for the Congress of the United States to be stooping to this pettifogging, cheeseparing policy of reducing the salaries of scrub women, stenographers, telephone operators, and little clerks—men and women—who are trying hard to keep body and soul together. [Applause.]

Mr. McGUGIN. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. McGUGIN. Are there any scrub women on the Federal pay roll drawing in excess of $1,000 a year?

Mr. BOYLAN. If they are not, I do not see how they can live.

[Here the gavel fell.]

Mr. SANDLIN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. LANKFORD of Georgia. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. LANKFORD of Georgia. I find that a great many of the people from my district who are on the Federal pay roll each month send back a considerable portion of their salaries to fathers and mothers in order to help keep brothers and sisters in school, to help fathers start a little crop and keep the farm from being sold by foreclosure, and I have no doubt that is true as to people on the Federal pay roll who come from the districts of other Members of Congress.

Mr. BOYLAN. The gentleman is correct. I know of many such cases.

Mr. SIROVICH. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. SIROVICH. Some reference was made to the American Telephone & Telegraph Co. It might be interesting to know that in our Committee on Patents Congressman DIES, who was one of the members of the subcommittee investigating patents, ascertained that the installation of the dial system by the American Telephone & Telegraph Co. resulted in the dismissal of thousands of girls and that that installation was made for one purpose, and that was to increase the dividends of that corporation. Could it not be possible that a moratorium could be had on patents so that when any patent is given to the Commissioner of Patents it should not be granted where men and women are dislocated from their work only to increase dividends?

Mr. BOYLAN. I think the distinguished gentleman as chairman of the Committee on Patents should suggest and bring in some such legislation from his committee.

Mr. CONNERY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. CONNERY. Along the lines of the statement of the gentleman from Georgia [Mr. LANKFORD], the whole question in the mind of the gentleman from New York, I am sure, is that the people of this country respect their Government and are looking to their Government for confidence and for leadership.

Mr. BOYLAN. Absolutely.

Mr. CONNERY. And if we cut these salaries, they will say that even the Congress of the United States has no faith in the future of our country.

Mr. BOYLAN. Absolutely; that was the keynote of my remarks. [Laughter and applause.]

Mr. DELANEY. Will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. DELANEY. I think I can answer the comment of the gentleman from Georgia by saying that it is a well-known fact that in Washington, in some instances, there are as many as four or five girls living in one room in apartment houses, and this is how they are able to send some money back to their homes. They are living four or five in one room, which is insanitary, and I may say, very unhealthful.

Mr. LANKFORD of Georgia. If the gentleman will permit, I have one instance from my district where a young lady is sending some money home to her father and mother. Her sister and brother-in-law lost their positions in Georgia and they came up here and have been unable to get work. She has given up her room and the three are living in one apartment and she is taking care of her sister and brother-in-law and still is sending some money home to her father and mother.

Mr. BOYLAN. I think the cases cited by the gentleman are absolutely correct, and this brings me to another fact that I would like to take up with you. On account of the great economic depression existing families are compelled to

double up. Married sons and daughters have to live with their parents or vice versa in order to save the rent of apartments. In the city of New York we have suffered a great real-estate depression on account of this practice, and yet the poor people were unable to do anything else. They had to try to get along the best they could during these hard times.

Mr. CONNERY. The gentleman from New York has been a valued Member of this House for a long time and remembers the speeches that were made when we raised the salary from $7,500 to $10,000.

Mr. BOYLAN. Yes.

Mr. CONNERY. Does not the gentleman from New York believe it would be one of the worst things that could happen to labor throughout the United States to have the membership of this House reduce their own salaries?

Mr. BOYLAN. Absolutely. I really believe, if you ask me my opinion, we should increase our salaries to at least $25,000 a year instead of making any reduction. Everyone knows we can not live on the $10,000 salary we receive, and if we are trying to live on it I wager we are living in furnished rooms and eating in 1-arm restaurants. You can not live decently on this small sum.

[Here the gavel fell.]

Mr. BOYLAN. I have yielded practically all my time for questions, and I would now like to have a few minutes for myself.

Mr. SANDLIN. I will yield the gentleman further time on condition the gentleman will not yield his time to anyobdy else.

Mr. BOYLAN. I do not like to be discourteous and refuse to yield.

Mr. SANDLIN. I yield the gentleman five additional minutes.

Mr. BOYLAN. The chairman of the subcommittee has been very kind.

Now, there has been some talk here about the independent offices. I am a member of that subcommittee, and I want to rise in defense of our committee. It has been said here this afternoon that all these bureaus ought to be abolished. Let us look at them and find out whether they ought to be abolished or not. Remember, every one of these bureaus was created by an act of Congress.

We have the Arlington Bridge Commission. Certainly you can not say that that bridge could be put up by itself. You needed a commission to see that it was properly erected, and it cost something like $17,000,000 to erect it.

We have a Board of Mediation and a Board of Tax Appeals. Surely you could not say we could do without the Board of Tax Appeals.

We have the Civil Service Commission. If you are going to abolish that commission, who is going to take over its work?

Then we have the Employees' Compensation Commission, doing a splendid work. They pass on the cases of those who are injured and entitled to Federal compensation and decide upon the proper allowance to be paid them.

For the Federal Farm Board I hold no brief. I believe it ought to be abolished.

The Federal Oil Conservation Board is a very good board. You gentlemen from the oil States know that it has been of benefit or has tried to be of benefit to the oil producers.

Then there is the Interstate Commerce Commission. If you are going to throw them in the basket, who is going to do their work? Surely this is a necessary commission.

Then we have the National Advisory Committee for Aeronautics. What about them? The members of this committee, which is composed of some of the best airplane engineers in the country, give their time to this work without compensation. Surely, in our efforts to promote and develop the airplane industry and develop safety in the carriage of passengers, we can not abolish this board.

Mr. McCORMACK. Does not the gentleman believe that the elimination of overlapping and unnecessary activities would be a good thing?

Mr. BOYLAN. Absolutely I do; that would be a splendid suggestion.

Now, here is the Smithsonian Institute; certainly you are not going to abolish that, founded by a distinguished Englishman and an institution that has done so much for the scientific development of the country.

Then what about the Supreme Court Building Commission; we are building a new home for the Supreme Court, and we could not abolish that until it is completed.

Therefore, in conclusion I wish to protest with all the vehemence of my soul against any Federal pay cut. I say now that our employees are woefully underpaid. But aside from that I say that it is bad psychology to send out from Washington the news that we are in favor of reducing the style of living; that we are in favor of cheapening our people; that we are in favor of a lower living standard; that we are in favor of reducing our people to the very depths of privation and want. Here is this great rich Government of the United States—we throw back our heads and throw out our chests when we talk about the wonderful and powerful and great United States, and yet this United States is proposing to pare down the salaries of its little underpaid employees. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, much has been said with respect to the proposals to reduce the salaries of Federal employees. I am not particularly interested in the discussion of that question at this time, but more concerned about saying just a word by way of explanation of the manner in which this question will be brought to you for your consideration.

Your Economy Committee appeared before the Committee on Rules and asked for a special rule making in order the proposal of the Economy Committee as an amendment to the pending appropriation bill. The gentleman from New York [Mr. LaGuardia], who has been consistently opposing every suggestion of reduction of pay of the Federal employees, invited the attention of the committee to the fact that a rule would soon come up for consideration and urged you to vote down the rule if you are opposed to the proposal of reducing pay.

I wish to invite your attention to the fact that probably this proposal does come in such a manner as to be fairly subject to criticism, not of the subject matter but of the procedure. The method provided for consideration by the rule is new and probably without precedent, but you must remember that we are dealing with a condition that is new and probably without precedent.

I am sure that the consideration that prompted the Economy Committee in asking that the consideration of the proposal be taken up in the manner as suggested was that it gives the House assurance that consideration of legislation of this type will be had in both Houses of the Congress at this session.

Now, criticism has been indulged in, directed at the Economy Committee and others who have been going along with that committee, for bringing here at the beginning a proposal to reduce the salary of the Federal employees.

Will you permit me to remind you that if Congress is to undertake legislation along this line, the House must attack the problem at some point. There must be a beginning, and what better beginning could the Congress make than to begin with the membership of this body itself, carrying along with it every other employee of the Government throughout the country. This committee has proposed by way of justification of seeking to reduce the pay of others that we take, first, a reduction of our own salaries.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. COX. In a moment. I, of course, am not elated over reducing my own salary, nor do I find pleasure in the support that I give to the proposal that social justice demands a reduction of the salary of every person in the country who is on the Federal pay roll.

Congress is not going to be able to stop reductions of salaries by arbitrarily holding up the salaries of officeholders and of other Federal employees. The argument is made here that no class of Federal employees is drawing more than represents a rightful sum necessary to sustain life. I remind you that the salaries of Federal employees at the present time are out of line with the salaries paid in every other department of life. There is a demand which comes up from every part of this country that Congress, in the interest of equalizing conditions and giving manifestation of a sympathy for the distress of the people everywhere, take some move along this line. This is not a partisan proposal. This legislation that is being advocated is not the proposal of the Democratic Party, but it is a report that comes from the Economy Committee. It is not the recommendation of the Democratic members of that committee alone, but as well of the Republican members of that committee, for they have contributed to the conclusion that the committee has drawn; and if there is to be economy legislation in this Congress in fulfillment of the expectations of the people, then Republicans and Democrats must join together in behalf of adopting legislation which is just and right.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. CONNERY. What is the idea of tacking it onto an appropriation bill?

Mr. COX. I just explained to the gentleman that the reason that moved the Economy Committee to ask that this measure be tacked on as an amendment to the appropriation bill is to insure consideration in both the legislative branches of this Congress, and it promises bringing the question to issue at an early date.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. SIROVICH. Suppose the House votes down the rule of the Rules Committee and refuses to accept it?

Mr. COX. Of course, in the exercise of its power and judgment, the House may see fit to vote down the rule. There may be some who will vote against the rule, because of the manner in which the proposal comes here; but if the House should vote down the rule, I take it that the Economy Committee, in carrying out the mandate of this House, in an honest endeavor to bring about something in the way of economy, will bring in its own bill and let it take its own chances in riding through both branches of Congress.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. O'CONNOR. Is it not a fact that this Economy Committee, given a higher privilege than any committee of this House, including the Rules Committee, segregated from its general program of economy this salary measure, and came before the Rules Committee, passing the buck to the Rules Committee, and asked for a separate vote on this salary reduction under the pretext of insuring a vote on it in the Senate. We should vote down the rule and make them be brave enough to bring it up under a separate bill.

Mr. COX. Members of this House who are in earnest in their endeavor to measure up to their responsibility in respect to a reduction of salaries of Federal employees can find no reasonable exception to the rule that will be proposed here.

There may be those who will criticize the rule, and yet in the end who will vote for it, because the rule in so far as it sets a precedent is subject to fair criticism; but in the end you will find that those voting against it are those who mean to give no support to the impulse and the endeavor that finds manifestation in this House in the interest of economy legislation—certainly economy legislation so far as the reduction of the pay of Federal employees is concerned.

Mr. McCORMACK. Is the gentleman in a position where he can advise us as to the character of the rule under which the amendment will be considered?

Mr. COX. To do that would take too much of my time. It will be in the RECORD, and the gentleman can see it to-morrow. I will be pleased to furnish him with a copy of the rule. The whole proposition is, Were we in earnest when wet set up the Economy Committee, and are we in earnest in our insistence that this Government must reduce its expenditures?

If we attack the problem at all, what better place could we take hold than at the place where our own salaries and the salaries of others in the Federal employ are involved? You talk about the charwoman, the rural carrier, the post-office clerk, and others not drawing sufficient pay. Do not forget that they have a position that is certain and sure, and a paymaster that meets every pay roll on the first of every month. There are millions and millions who have no job—walking the streets, hungry, and in anguish—for whom there is no certainty of the morrow. I tell you, when we come here pleading for this special-privilege class, as the Federal employees are, and as you and me, let us not forget the millions whose condition is tragic and who are entitled to have somebody come here and speak for them in this House of the Congress of their country. [Applause.]

[Here the gavel fell.]

Mr. SANDLIN. I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, before the World War the practice in connection with determining wage scales in the United States was vastly different from the method adopted during the war and in the immediate postwar period. The general theory in practice before the war was often referred to as the supply-and-demand theory. Labor in relation to its compensation was generally, although perhaps unconsciously, viewed as a commodity, although even prior to the war considerable progress was being made in the establishment of definite principles and accepted standards in connection with establishing wage rates.

After our entrance into the war, and by agreement between capital and labor, the general practice was adopted of maintaining the pre-war purchasing power of wages by occasional changes in rates of pay in proportion to fluctuations in the cost of living. An exception to this practice was the adoption of the so-called living-wage principle of the National War Labor Board, the board created by President Wilson, who recognized the living-wage standard as being mandatory in their findings.

When the war was over, the pre-war wage agitation was renewed with great vigor by certain interests, while the recognition of advanced wage principles and theories was further advocated by labor and others interested in the wider expansion of the industrial democracy which progressed so well during the war.

After the industrial and financial depression of 1920–21 a serious conflict resulted between these two divergent schools of thought, and the situation grew worse until 1923. At that time it was fairly well established that a policy of wage deflation and a general reduction in costs had failed to reestablish trade and industry and place the country on a prosperous basis. A new industrial policy with a new constructive program was initiated by a group of leading industrialists and public officials. This group took issue with those who adopted the false slogan of a return to normalcy and contended that the road to progress and prosperity did not lie in that direction. Normalcy in 1923 could not possibly mean the normalcy of 1913. Production had increased, labor had become more efficient, higher wages had been made possible, and the consuming capacity of our people was to parallel the productivity of the Nation.

These new proposals were enthusiastically applied, and although European countries were in an impoverished condition the United States came forth from the depression to enjoy its greatest prosperity. We believed that old wage theories and standards were therefore scrapped, along with the crude machinery and obsolete methods of a bygone age, and we further assumed that the productivity principle of wage determination was to become dominant. However, no definite plan of a permanent nature had been established, with the result that the advance in productivity outdistanced

the progress of wage standards; consumption therefore lagged behind production, and a depressed market set in to presage the coming day of reckoning.

We are back again in the midst of the troublesome controversy of 1920–21, and selfish interests are again demanding with renewed and unprecedented fervor the supply-and-demand wage standards. The hysteria of to-day has even impressed itself upon those in charge of the administration of the affairs of our Government, and instead of looking forward to prosperity they again turn for remedy to the impractical and yet all too popular back-to-normalcy policy.

I can not agree with a program that requires the Government to donate grain to its poor, to make huge loans to its banks and railroads, to build highways and buildings that men might work, and at the same time further increase the depression by reducing the purchasing power of its own employees.

Ninety-eight per cent of all the wages to Federal employees goes to buy the very essential necessaries of life, and when we consider the average wage of a Federal employee, which is now but slightly over $1,400 a year, we must then readily realize the fallacious theory governing those favoring salary reduction.

We now have approximately 20,000,000 people living on private or public charity; perhaps 50,000,000 of our people are below the comfort level, and with their economic wants illimitable they could very readily consume all the surpluses that now aggravate the existing situation. There are would-be consumers in the United States for all the wheat, wool, cotton, steel, and other goods that can not, because of existing conditions, be produced. There is no lack of purchasing power or money to buy these goods. It is not, however, in the hands of those who have the capacity and the need to consume. The remedy lies in the adoption of the same policies adopted by the United States in 1923, which holds to the theory of higher wages, which increases purchasing power, uninterrupted employment, which requires a lessening of the hours of service, prices so established and regulated to insure the proper expansion of markets, and a system of taxation which prevents the menacing accumulation of wealth. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield to the gentleman from Missouri [Mr. LOZIER] such time as he may desire to use.

Mr. LOZIER. Mr. Chairman, some reactionary newspapers, speaking the language of big business, and seemingly insensible to our national covenants, disapprove the action of the House in passing the Hare bill, which provides for early and complete Philippine independence. They advance the specious argument that the inhabitants are not yet qualified for self-government and that the withdrawal of our sovereignty will precipitate political, social, and economic chaos in the islands.

The Filipinos have been administering their domestic affairs for approximately 30 years and while their political agencies can not be compared with ours in numbers or magnitude, still in building a governmental structure in 7,000 islands, organizing and consolidating the several activities, and initiating orderly representative government, both national and municipal, the Filipinos have had no easy task, because they have had to build a new government from the ground up. Under conditions prevailing in the Philippines, it has, relatively speaking, required as much ability for the Filipinos to conduct their little government as was necessary for the American people to administer their big government.

I think no one will challenge the statement that the Filipinos have administered Philippine affairs as ably, efficiently, and honestly as our own government activities have been handled during the same period. When the volume of business and the resources of the two peoples are considered, the Filipinos have made no more mistakes and blunders in supervising the domestic affairs of the Philippines than were made in the management of our own domestic affairs.

It is affirmed by some that if self-government be granted the Philippines, an oligarchy or small governing group, generally designated as the cacique or moneyed class, for their own enrichment, will exploit the masses and inaugurate an orgy of graft, corruption, and special privilege. The same argument was advanced by the English Government and people against granting self-government to the American colonists. And it may be of interest to advert to the fact that of the 3,000,000 people in the thirteen original States probably less than 200,000 voted on the question as to whether or not our Federal Constitution should be ratified.

Of course, the government of the new Filipino Republic will not be 100 per cent perfect and efficient. Neither is ours. Manifestly they will make mistakes; so have we. Obviously they will from time to time encounter serious difficulties, but our national life has not been free from trials and tribulations.

The Filipino has read history with understanding and profit. He realizes that with nations, as with individuals, tact, discretion, poise, prudence, patience, and perseverance are essential to success. The Filipino possesses these qualities, and for a generation he has given the world a concrete and convincing demonstration of his capacity to efficiently manage his own domestic affairs. Giving him control of his international problems will not require any very considerable enlargement of his political and governmental faculties.

The Filipino race is passing through a process of rapid expansion and stabilization. The controlling currents of their being are set strongly toward the higher, nobler, and better things of life. Their master passion is for liberty of action to create their own governmental institutions and develop a culture and civilization suitable for their needs and environments. Their potential capacity for self-rule will be tremendously augmented when they cease to be a dependency and become a self-governing state. With the birth of the Filipino Republic, new capacity, new life, and new power will come to the Filipino race.

In the last 30 years the Filipinos have been in too close contact with the American people not to have imbibed their spirit and passion for self-government. They have been apt students, great imitators, and have learned our ways with remarkable ease and rapidity. They have developed an unusual aptitude for politics and demonstrated extraordinary capacity for mastery of governmental details. Those of us who look upon the Filipino as intellectual dwarfs or incompetents are the victims of misrepresentation, baseless propaganda, or blind, ill-founded credulity.

Our duty as a liberty-loving and self-respecting Nation will never be fully discharged as long as our flag flies over the Philippine Islands; as long as we supervise the enactment and administration of their laws; as long as we bar them from the path of freedom and self-determination; as long as the humblest Filipino in his mountain hovel has, in a political sense, a single link of an American chain clanking to his rags.

Great and learned men may argue against granting independence to the Philippines. Selfish and sinister interests profess great alarm over adverse economic conditions, which they assert will plague the islands if the tie between them and the United States is severed. This fear is unfounded; and, moreover, no self-respecting race will barter freedom for a few paltry dollars or a more favorable trade balance. The cause of 13,000,000 Filipinos is being misrepresented in order to defeat their aspirations for self-determination. The fulfillment of our solemn pledge to the Filipinos may be delayed but it can not be defeated. Those who plead for Philippine independence may die, "but the breath of liberty, like the words of the Holy Man, will not die with the Prophet but survive Him."

There is every reason to believe the Filipinos will not only prize but preserve their independence. No outlaw nation, however strong and unscrupulous, will ever take from them this pearl of great price. A virile race of 13,000,000 forward-looking people, wearing the ineffaceable scars of 300 years of unremitting oppression, when transformed into a self-governing commonwealth, will appreciate their new privileges, duties, and obligations, zealously guard their free

institutions, and exercise that vigilance that in all ages and lands is the price of liberty.

For Freedom's battle once begun,
Bequeath'd from bleeding sire to son,
Though baffled oft is ever won.

When the age-long struggle of these 13,000,000 progressive people for self-government is consummated, when they drop their last shackles and throw off their last fetters, who shall place a limit to their unchained strength or curb their swiftness in their forward race for national vigor and aggrandizement?

Men will maintain the cause of liberty although their heads be on the block and the shadow of the sword ever athwart their paths. The ax of tyranny, however keen its edge, holds no terror to the patriot who fain would breathe the air of freedom and live under governmental institutions he has had a voice in creating.

Protected by the sacred aegis of justice, these brown-skinned islanders will prove apt pupils in the school of government and preserve their liberties by the enactment and efficient administration of wholesome laws.

Who doubts the patriotism of the Filipino people? Who will challenge the sincerity of their aspirations for freedom and self-determination? Who will take the responsibility of condemning this generous race to decades of alien rule? Who will assert that these brown-skinned millions should enjoy less liberty than we Americans, who have led the world in the art and science of free government?

Let us face the Philippine problem as becomes a powerful, just, generous, and self-respecting nation. Let us no longer be insensible to our national covenants and national obligations. May we never again advance the specious argument that the Filipino is incapable of self-government. Let us free ourselves from the baneful and sinister influences that seek to prolong our Philippine adventure. Let us go about this task of liberating the Philippines—not grudgingly but joyously—as we would perform a righteous task and as becomes a mighty republic in dealing with a feeble folk.

We can not reconcile our denial or delay of Filipino independence with the principles on which our Government is founded. I am unwilling to believe the people of the United States are insensible to their obligations to the Filipinos. I believe an overwhelming majority of the American people are at all times actuated by lofty ideals and principles of universal justice. To this high sense of duty and to this exalted conception of justice I now appeal. [Applause.]

Mr. SANDLIN. Mr. Chairman, there being no further requests for time I ask that the Clerk read the bill for amendment.

The Clerk read down to and including line 7, page 2.

Mr. SANDLIN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, and had come to no resolution thereon.

PARTICIPATION BY THE UNITED STATES IN THE NINTH PAN AMERICAN SANITARY CONFERENCE (S. DOC. NO. 80)

The SPEAKER laid before the House the following message from the President, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed.

To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State, to the end that legislation may be enacted authorizing an appropriation of $3,500 for participation by the United States Government in the Ninth Pan American Sanitary Conference to be held in Buenos Aires, Argentina, in 1932.

HERBERT HOOVER.

THE WHITE HOUSE, *Washington.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. LARRABEE, for an indefinite period, on account of important official business.

Mr. MURPHY (at the request of Mr. CABLE), on account of sickness.

AMENDMENT OF THE LEGISLATIVE APPROPRIATION BILL

Mr. COX, from the Committee on Rules, presented the following privileged report, to be printed under the rule:

House Resolution 190

Resolved, That after the adoption of this resolution it shall be in order in the consideration of H. R. 11267, the legislative appropriation bill, for the chairman of the Economy Committee, or any member of the Economy Committee acting for him, by direction of that committee, to offer an amendment to said bill notwithstanding the provisions of clause 2, Rule XXI, or clause 7, Rule XVI, and one motion to amend that amendment shall be in order, and it shall also be in order to offer one amendment by way of substitute for the original amendment, to which one amendment may be offered, and no further amendments shall be entertained by the chair. The provisions of clause 7, Rule XVI, or clause 2, Rule XXI, shall not apply to said substitute amendment. In addition to the motion to recommit provided for in clause 4, Rule XVI, and clause 1, Rule XVII, the chairman of the Economy Committee, or any member of the Economy Committee acting for him, by direction of that committee, may make one motion to recommit said bill, and such motion shall be in order any rule of the House to the contrary notwithstanding.

Mr. SNELL. Will the gentleman yield?

Mr. COX. Yes.

Mr. SNELL. Will the gentleman state when it is expected to bring up this rule?

Mr. COX. The member of the committee handling this rule is not present. It was not offered for any other purpose than printing.

Mr. SNELL. I appreciate that, but I would like to know when it is expected to bring up the rule?

Mr. COX. I am told it will not be called up until Thursday of this week.

Mr. SNELL. As I understand the program, Calendar Wednesday business will be in order to-morrow?

The SPEAKER. That is the Chair's understanding.

Mr. SNELL. And this rule will not come up until Thursday?

The SPEAKER. If considered at all, it will not be considered until Thursday.

THE REVENUE BILL OF 1932

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. LARRABEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my views on the manufacturers' sales tax and other phases of the tax bill proposed by the Ways and Means Committee, as reported in a news story appearing in the Hancock Democrat, Greenfield, Ind., March 11, 1932:

WASHINGTON, March 11.—Congressman WILLIAM H. LARRABEE, of New Palestine, to-day declared himself to be opposed to the proposed tax bill now pending in the House of Representatives.

He declared he would vote against the four provisions of the bill that are intended to raise $745,000,000 of the total of $996,000,000 revenue expected from the enactment of the measure as now drawn, charging them to be unfair to the man of ordinary means and a serious threat to the man who has a job, as well as a gigantic obstacle to the vast army of unemployed and a blockade in the pathway of business attempting to struggle back to normalcy.

"It is my honest opinion that if this bill becomes a law it will do more harm than good," Larrabee declared.

The four items in the bill, which the Representative of the old sixth district will oppose are:

The proposed 2¼ per cent tax on practically all manufactured goods, expected to raise $595,000,000; the proposed 10 per cent tax on all theater and amusement tickets, costing 25 cents or

more, which is expected to raise $60,000,000; the 4 cents per gallon tax on all lubricating oil, which is intended to raise $25,000,000, and the proposed tax on telephone and telegraph messages, expected to bring in another $35,000,000.

"Such taxation," Larrabee said, "will place an unjust and unbearable burden of taxation on the shoulders of those who are unable to pay, and will relieve those who have plenty with which to pay, and who should and must be made to bear the burden."

"The additional taxation is required to balance the Budget of the Federal Government and pay off the gigantic deficit that has accrued there during the past three presidential administrations.

"There is no question but that the Budget must be balanced and that we must pay this deficit which mismanagement of public affairs during the past three administrations has brought upon us.

"But we can not expect the little fellow, the man who owns a modest home or who lives in a small and modest home; who has an ordinary job, or who did have an ordinary job; the farmer who is already too heavily burdened with taxes; and those who have been forced into the ranks of the vast army of those whose only sustenance is charity, to bear the burden of balancing the Budget and paying off the deficit.

"That task belongs on the shoulders of the man with plenty, the ultrawealthy, who has reaped a rich harvest of revenue during the past years of prosperity, while aided by administrations working on the special-privilege theory. There is where it must rest, through heavy increases in the upper brackets of the income-tax schedules, increases in the inheritance and estates taxes.

"I would not force him to pay it all in one year, as the pending sales tax bill expects the little man to do. The deficit was not all accumulated in one year. It came over the years of the past three administrations. Accordingly, I favor a bond issue, to be retired as the increased revenue from the increased income tax, inheritance and estates tax becomes available.

"Increases in these three tax laws, as I have suggested, would go a long ways toward halting and breaking up the trend toward centralization of wealth in the hands of the few, one of the strongest contributory factors to the present panic," the Congressman declared.

"The proposed tax law is a tax on poverty. It is a penalty levied against the poor man and the one of ordinary or moderate means. It places greater obstacles in the path to better times for the great army of unemployed.

"It is self-evident that to invoke the sales tax will only result in decreased consumption, decreased production, and with that comes increased unemployment.

"To invoke the proposed tax on theater and amusement tickets will result in thousands of smaller theaters throughout the country 'going dark.' When they close their doors thousands more will be added to the ranks of the unemployed. I am reliably informed that approximately 250 theaters have closed in Indiana during the past 14 or 15 months. What is to be expected by increasing their burden?

"The automobile industry, the one industry on which thousands of people in the old sixth district alone depend for their daily bread, either directly or indirectly, would perhaps suffer as much or more than any other from this proposed law.

"In addition to placing a two and one-quarter tax on the purchase price of an automobile, it would add a like tax to the price of all parts and supplies needed for the upkeep of the car, and also add a 4 cents per gallon tax on every gallon of oil used in the car.

"Taxation on long-distance telephone messages, and on telegraph messages, as proposed, is a threat against the job of every man or woman employed by these utilities. It will surely result in decreased use of these lines of communication, decreased revenues for the utilities, and when the revenue falls the roll of employees will be cut.

"Farmers in the sixth district and growers and canners of packed or canned foods are rightfully making a bitter protest against the phase of the tax bill which would place a 2¼ per cent tax on all canned foods, on lard, sausage, and cooked meats.

"This taxes both the products the farmer sells and the products he must buy for his own use. There may be farmers in some places who can stand this, but there are not many in my district who are able to do so.

"Perhaps the seriousness of the situation can more clearly be cited by pointing out that through the invoking of the four items of the proposed law, which I oppose, and which would raise $745,000,000, a new tax burden of $6 is immediately thrown upon the shoulders of every man, woman, and child in the Nation. Figured on this basis, enactment of the proposed law would heap upon the people of the old sixth district alone a new tax bill of $1,153,402.

"Of course, if the people of one county, one district, or one State buy more heavily of the taxed products than those of another territory, it will make some change in the figures.

"Under the expected average of $6 tax on each person, it is interesting to note that the additional new tax bills that would be heaped upon the various counties in which we are interested are not such insignificant sums:

"Fayette County, $115,438; Franklin County, $66,968; Hancock County, $99,630; Henry County, $211,428; Rush County, $116,472; Shelby County, $159,312; Union County, $35,280; Wayne County, $328,854; Madison County, $497,328; and Marion County, $2,535,996.

"Of course, the proponents of this bill tell us that the wealthy, with greater buying power, will absorb the big end of the tax by buying more; but the fact remains that the jobless, the poor, those of moderate means, and all those unable to stand additional taxation are hit just as hard under this plan as those who have plenty with which to buy and those whose wealth acts as an absorber of the shock of such taxation.

"The people of the sixth district, which I now represent, and those of the eleventh district, which I hope to represent after March 4, 1933, may rest assured that I will vote against this or any other measure so unfair and unjust to the common people," the Congressman said in closing.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.; and

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892";

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ended June 30, 1918;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122); and

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal.

ADJOURNMENT

Mr. SANDLIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 13, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Wednesday, April 13, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Continue hearings on bills for cash payment of adjusted-compensation certificates.

MILITARY AFFAIRS

(10 a. m.)

House caucus room

H. J. Res. 355, to repeal certain, and to amend other, provisions of the law granting retirement privileges to officers in the Army and Navy, etc.

IRRIGATION AND RECLAMATION

(10 a. m.)

H. R. 10748, providing for the liquidation of bonded and other outstanding indebtedness of the farmers' irrigation district, Nebraska.

MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

To continue general inquiry into American merchant marine, United States Shipping Board, and Merchant Fleet Corporation affairs.

RIVERS AND HARBORS

(11 a. m.)

Hearing on waterway project in Florida.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 9591. A bill to extend the period of time during which final proof may be offered by homestead entrymen; without amendment (Rept. No. 1040). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUMNERS of Texas: Committee on the Judiciary. H. R. 10590. A bill to prohibit the misuse of official insignia; with amendment (Rept. No. 1044). Referred to the House Calendar.

Mr. SUMNERS of Texas: Committee on the Judiciary. S. 2682. An act to amend section 5 of the Criminal Code; without amendment (Rept. No. 1045). Referred to the House Calendar.

Mr. COX: Committee on Rules. H. Res. 190. A resolution making in order certain amendments to H. R. 11267, the legislative appropriation bill; without amendment (Rept. No. 1046). Referred to the House Calendar.

Mr. PARKER of Georgia: Committee on Military Affairs. S. 1690. An act to make provision for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes; without amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 11290. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; without amendment (Rept. No. 1038). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 3611. A bill for the relief of George Caldwell; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House.

Mr. LOZIER: Committee on Claims. H. R. 5270. A bill for the relief of Estelle M. Gardiner; with amendment (Rept. No. 1041). Referred to the Committee of the Whole House.

Mr. MICHENER: Committee on the Judiciary. H. R. 10625. A bill to permit the United States to be made a party defendant in certain cases; without amendment (Rept. No. 1042). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. H. R. 7128. A bill for the relief of Della O'Brien; with amendment (Rept. No. 1043). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9800) granting an increase of pension to Sarah J. Lake; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3605) for the relief of Alvah Holmes Mitchell; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 10351) approving and confirming contract for apportionment of waters of Ahtanum Creek, Wash., between Yakima Indian Reservation and lands north thereof, dated May 9, 1908; Committee on Irrigation and Reclamation discharged, and referred to the Committee on Indian Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWEENEY: A bill (H. R. 11291) to amend the act entitled "An act to amend the act of March 3, 1913, entitled 'An act to regulate the officering and manning of vessels subject to the inspection laws of the United States,'" approved May 11, 1918; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. CHRISTOPHERSON: A bill (H. R. 11292) to provide for the reorganization and consolidation of the various departments and establishments in the executive branch of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. NELSON of Maine: A bill (H. R. 11293) to validate certain records and naturalization certificates of certain courts in the State of Maine; to the Committee on the Judiciary.

By Mr. JAMES: A bill (H. R. 11294) to provide for the conveyance of the Portage Entry Lighthouse Reservation, Mich., to the State of Michigan for public-park purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREE: A bill (H. R. 11295) authorizing pursers or licensed deck officers of vessels to perform the duties of the masters of such vessels in relation to entrance and clearance of same; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BUCKBEE: A bill (H. R. 11296) to repeal section 7 of the postal act approved May 29, 1928; to the Committee on the Post Office and Post Roads.

By Mr. HOWARD: A bill (H. R. 11297) for the relief of the Winnebago Indians residing in school district No. 17,

Thurston County, State of Nebraska; to the Committee on Indian Affairs.

By Mr. McLEOD: A bill (H. R. 11298) to designate the city of Detroit, Mich., as a port of entry for antiques; to the Committee on Ways and Means.

By Mr. WILSON: A bill (H. R. 11299) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes," approved May 15, 1928; to the Committee on Flood Control.

By Mr. LEA: A bill (H. R. 11300) to provide for the payment to veterans of the present value of their adjusted-service certificates; to the Committee on Ways and Means.

By Mrs. OWEN: Resolution (H. Res. 191) favoring an expression on Mother's Day of our love and reverence for motherhood; to the Committee on the Judiciary.

By Mr. MOORE of Kentucky: Resolution (H. Res. 192) for the consideration of H. R. 10602, to further restrict immigration into the United States; to the Committee on Rules.

By Mr. FISH: Resolution (H. Res. 193) providing for the consideration of House Joint Resolution 282; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Maine, memorializing Congress to impose a tax upon all imported products equal to the difference between par of exchange and current quotations of exchange of those countries which, by going off the gold basis, have depreciated their currencies; to the Committee on Ways and Means.

Memorial of the Michigan State Senate, memorializing Congress to use the emergency powers of tariff adjustment in favor of American-grown cane and beet sugar; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. UNDERWOOD: A bill (H. R. 11290) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee of the Whole House on the state of the Union.

By Mr. ARNOLD: A bill (H. R. 11301) granting an increase of pension to Frances F. Shick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11302) granting an increase of pension to Bethel Ferren; to the Committee on Pensions.

By Mr. BARTON: A bill (H. R. 11303) granting a pension to William T. Martin; to the Committee on Invalid Pensions.

By Mr. CARDEN: A bill (H. R. 11304) granting a pension to Rosa Miller; to the Committee on Invalid Pensions.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 11305) granting an increase of pension to Mary L. Eden; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H. R. 11306) granting a pension to Emma A. Schmidt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11307) granting a pension to Earl R. La Master; to the Committee on Pensions.

By Mr. DOMINICK: A bill (H. R. 11308) for the relief of the Palmetto Cotton Co.; to the Committee on Claims.

By Mr. FISH: A bill (H. R. 11309) for the relief of Albert Lawson Terwilliger; to the Committee on Military Affairs.

Also, a bill (H. R. 11310) for the relief of Charles A. Lewis; to the Committee on Claims.

Also, a bill (H. R. 11311) granting a pension to Anna E. Cahill; to the Committee on Pensions.

By Mr. FREE: A bill (H. R. 11312) granting a pension to Clara E. Jamison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11313) granting an increase of pension to Carmen B. Evans; to the Committee on Invalid Pensions.

By Mr. GARBER: A bill (H. R. 11314) granting a pension to Melissa Roby; to the Committee on Invalid Pensions.

By Mr. GILLEN: A bill (H. R. 11315) for the relief of Fred Julian Bryant; to the Committee on Military Affairs.

By Mr. HOGG of Indiana: A bill (H. R. 11316) granting an increase of pension to Mary L. Sparrow; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 11317) granting an increase of pension to Emeline Petty; to the Committee on Invalid Pensions.

By Mr. JACOBSEN: A bill (H. R. 11318) for the relief of John M. Norton; to the Committee on Military Affairs.

By Mr. JOHNSON of Missouri: A bill (H. R. 11319) granting a pension to Virginia J. Potter; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11320) to correct the naval record of John R. Porter; to the Committee on Naval Affairs.

Also, a bill (H. R. 11321) to correct the naval record of Willard A. Freeman; to the Committee on Naval Affairs.

By Mr. LONERGAN: A bill (H. R. 11322) granting a pension to James H. Devlin; to the Committee on War Claims.

By Mr. MAGRADY: A bill (H. R. 11323) granting an increase of pension to Jennie F. Rohrbach; to the Committee on Invalid Pensions.

By Mr. MAJOR: A bill (H. R. 11324) granting an increase of pension to Mary F. Jarrard; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 11325) granting an increase of pension to Martha E. Holmes; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 11326) granting a pension to Hallie Weeks; to the Committee on Invalid Pensions.

By Mr. PARKER of New York: A bill (H. R. 11327) granting an increase of pension to Julia A. Johnson; to the Committee on Invalid Pensions.

By Mr. PEAVEY: A bill (H. R. 11328) granting an increase of pension to Sarah A. Dearborn; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 11329) for the relief of Louis C. Runyon; to the Committee on Military Affairs.

By Mr. STEWART: A bill (H. R. 11330) granting an increase of pension to Teresa Brown; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5874. By Mr. BOHN: Petition of Escanaba (Mich.) Chamber of Commerce, favoring a tariff on copper; to the Committee on Ways and Means.

5875. By Mr. CONNERY: Petition of veterans and citizens of Orrville, Ohio, favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5876. Also, petition of veterans and citizens of Akron, Ohio, favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5877. Also, petition of citizens of Lawrence, Mass., favoring the Keller bill, H. R. 9891, granting pensions to railway employees; to the Committee on Interstate and Foreign Commerce.

5878. By Mr. CULLEN: Petition of Colorado Local, No. 1, National No. 14, of the Railroad Employees National Pension Association, of Denver, Colo., with a membership of 2,600 representative railroad employees, urging through their duly elected officers each and every Senator and Congressman of the Seventy-second Congress to give their full support to House bill 9891, as it provides an equitable pension and will retire and will relieve the unemployment situation which is paramount at this time; to the Committee on Labor.

5879. By Mr. DAVENPORT: Petition of members of the Kirkland Presbyterian Church, Kirkland, N. Y., supporting the principle of national prohibition and the eighteenth amendment, and asking that any change be made only fol-

lowing the regular procedure provided for in the Constitution; to the Committee on the Judiciary.

5880. By Mr. GARBER: Petition of citizens of Woodward, Okla., urging payment of veterans adjusted-compensation certificates; to the Committee on Ways and Means.

5881. Also, petition of the Meyer Sheil Post, No. 92, of Alva, Okla., urging the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5882. Also, petition of the Oklahoma wheat growers associations of the eighth district of Oklahoma, urging legislation that will strengthen and make more effective the agricultural marketing act; to the Committee on Agriculture.

5883. Also, petition of citizens of the eighth district of Oklahoma and others, urging the payment of adjusted-service compensation to the veterans of the World War; to the Committee on Ways and Means.

5884. Also, petition of citizens of the United States, urging passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5885. By Mr. HOGG of West Virginia: Petition of Huntington Chapter, No. 2, Disabled American Veterans of the World War, favoring the full payment of the balance due on the adjusted-service certificates; to the Committee on Ways and Means.

5886. Also, petition of various citizens of Wirt County, W. Va., requesting the payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5887. Also, petition of Huntington Central Labor Union, favoring the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5888. By Mr. JAMES: Petition of Knights of Columbus of Torch Lake Council, No. 2713, of Lake Linden, Mich., through Oliver Barile, A. J. Beaudry, and H. J. Trainod, favoring a tariff on copper; to the Committee on Ways and Means.

5889. By Mr. JOHNSON of Washington: Telegram of the Chehalis (Wash.) Chamber of Commerce, urging enactment of pending legislation providing for Federal regulations of motor busses and trucks engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

5890. By Mr. NOLAN: Petition adopted by the County Board of Hennepin County, requesting immediate payment in full of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5891. By Mr. KINZER: Resolution of the Kennett Square Rod and Gun Club, of Kennett Square, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5892. Also, telegram of Lancaster County Sportsman Association, Lancaster, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5893. Also, resolution of Mastersonville Rod and Gun Club, of Mastersonville, Pa., opposing proposed 1-cent tax on shotgun shells; to the Committee on Ways and Means.

5894. By Mr. MILLARD: Petitions signed by Fred J. Elder, Frank Pierson, and 71 citizens of Tarrytown, N. Y., protesting against the proposal to pay the full value of the adjusted-service certificates to veterans of the World War; to the Committee on Ways and Means.

5895. By Mr. MURPHY: Petition of E. M. Long, adjutant Columbiana Council, Salem, Ohio, and 69 other members of that council, asking for the passage of the widows and orphans pension bill; to the Committee on Pensions.

5896. By Mr. NIEDRINGHAUS: Petition of 10 business and professional men of St. Louis, Mo., opposing any salary reduction in the salaries of the Federal employees; to the Committee on Expenditures in the Executive Departments.

5897. By Mr. PARKER of Georgia: Petition of H. A. Bacon, county school superintendent of Liberty County, Hinesville, Ga., and 32 other World War veterans of Liberty and Long Counties, urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5898. Also, petition of J. Ed Fain, post commander, and John W. Sheppard, post adjutant, Evans County Post, No. 60, American Legion, Claxton, Ga., urging payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5899. Also, petition of Grady A. Miller and Thomas L. Waters, of Pembroke, Bryan County, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5900. Also, petition of Mrs. R. J. Exley, commander Women's Auxiliary of Disabled Veterans of World War, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5901. Also, petition of Dewey Ulmer, commander Disabled Veterans of the World War, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5902. Also, petition of R. H. Thompson, commander Georgia Alexander Mincey Post, No. 116, American Legion, Sylvania, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5903. Also, petition of Alex R. Fawcett, district commander, American Legion, first district of Georgia, Savannah, Ga., urging the payment of the balance due veterans of the World War on their adjusted-service certificates; to the Committee on Ways and Means.

5904. By Mr. PERSON: Petition of 40 members of the American Legion, sixth congressional district of Michigan, favoring the immediate cash payment of the balance of the adjusted-compensation certificates; to the Committee on Ways and Means.

5905. By Mr. RAINEY: Petition of Carl M. Mayer, and nine other jewelers of Austin, Tex., protesting against the 10 per cent tax on jewelry; to the Committee on Ways and Means.

5906. Also, petition of J. M. Elmore, of Kane, and 19 other citizens of central Illinois, protesting against the cent-a-shell tax; to the Committee on Ways and Means.

5907. Also, petition of George F. Batty and nine postal workers of Greenfield, Ill., protesting against salary cuts; to the Committee on Appropriations.

5908. By Mr. ROBINSON: Petition signed by M. L. Dunlap, of Ackley, Iowa, and 10 other employees of the Illinois Central Railroad living at Ackley, Iowa, urging the passage of House bill 9891, the railway employees national pension bill; to the Committee on Interstate and Foreign Commerce.

5909. Also, petition signed by B. M. Strayer, post commander, Eugene Clark Post, No. 1623, Veterans of Foreign Wars, and 30 other veterans of the World War living in Waterloo, Iowa, urging the passage of House bill 1; to the Committee on Ways and Means.

5910. By Mr. RUDD: Petition of the Richmond Hill Republican Club, Richmond Hill, Long Island, N. Y., opposing the payment of the soldiers' bonus at this time; to the Committee on Ways and Means.

5911. Also, petition of Railroad Employees' National Pension Association, Denver, Colo., favoring the passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5912. Also, petition of Democratic Veterans Organization of Kings County, N. Y., favoring the passage of the Patman bill, H. R. 1, for payment of adjusted-service certificates; to the Committee on Ways and Means.

5913. By Mr. SANDERS of New York: Petition of Francis Dalton Post, No. 282, American Legion, of Lima, N. Y., urging immediate cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

5914. By Mr. SINCLAIR: Telegram from William Wooldridge, on behalf of Veterans of Foreign Wars Post, No. 753, Minot, N. Dak., favoring immediate cash payment of ad-

justed-compensation certificates; to the Committee on Ways and Means.

5915. Also, resolution of the George Taylor Post, American Legion, Mohall, N. Dak., favoring immediate payment of the balance of the bonus; to the Committee on Ways and Means.

5916. Also, petition of C. W. Deardurff and 41 others, of Raub, N. Dak., favoring the bonus bill; to the Committee on Ways and Means.

5917. Also, resolution of the Board of County Commissioners of Grant County, N. Dak., favoring payment in full of adjusted-compensation certificates to veterans; to the Committee on Ways and Means.

5918. Also, resolution of the American Legion Post, No. 45, Carson, N. Dak., favoring payment of balance due on soldiers' bonus certificates; to the Committee on Ways and Means.

5919. By Mr. SMITH of Idaho: Petition signed by 35 residents of Buhl, Idaho, protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

5920. Also, resolution adopted by the Charity Grange, No. 294, of Grangeville, Idaho, urging the enactment of legislation for the disposal of the wheat now held by the farm marketing board by sale on the European market; to the Committee on Agriculture.

5921. By Mr. SMITH of West Virginia: Resolution of New River and Winding Gulf Mining Institute, protesting against the passage of the Davis-Kelly coal bills; to the Committee on Interstate and Foreign Commerce.

5922. By Mr. STEWART: Petition of Board of Commerce and Navigation, State of New Jersey; Delaware Waterfront Commission; South Jersey Port Commission; city of Trenton, N. J.; and Wilmington Harbor Commission, opposing the inclusion of the rivers and harbors work now carried on by the Corps of Engineers in House bill 6665 or House bill 6670; to the Committee on Expenditures in the Executive Departments.

5923. By Mr. THOMASON: Petition of the United Citizens' Civic League of El Paso, Tex., urging a duty on copper; to the Committee on Ways and Means.

5924. By the SPEAKER: Petition of Hidalgo County Central Committee of the American Legion, Hidalgo County, Tex., requesting that the full text of statement made by Henry L. Stevens, national commander of the American Legion, to President Hoover relative to the stand of the Legion on the full payment of the adjusted-service certificates be made public; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 13, 1932

(Legislative day of Monday, April 11, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 9575) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1769. An act to authorize pay patients to be admitted to the contagious-disease ward of the Gallinger Municipal Hospital;

S. 2078. An act to amend an act approved February 20, 1896, entitled "An act to amend an act entitled 'An act to punish false swearing before trial boards of the Metropolitan Police Force and Fire Department of the District of Columbia, and for other purposes,' approved May 11, 1892";

S. 2496. An act to permit construction, maintenance, and use of certain pipe lines for petroleum and petroleum products in the District of Columbia;

S. 3222. An act to amend an act approved March 3, 1917, known as the District of Columbia appropriation act for the year ending June 30, 1918;

S. 3634. An act to amend section 600 of the act of March 3, 1901 (31 Stat. 1284; D. C. Code, title 5, sec. 122);

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 483. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild;

H. R. 4515. An act extending the limit of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8506. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.;

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.; and

S. J. Res. 4. Joint resolution to provide for the naming of Montgomery Blair Portal.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bankhead	Black	Bratton
Austin	Barbour	Blaine	Brookhart
Bailey	Bingham	Borah	Bulkley

Bulow	Glass	La Follette	Sheppard
Byrnes	Glenn	Long	Shipstead
Capper	Goldsborough	McGill	Shortridge
Caraway	Gore	McKellar	Smoot
Carey	Hale	McNary	Steiwer
Connally	Harrison	Metcalf	Thomas, Idaho
Coolidge	Hastings	Morrison	Thomas, Okla.
Copeland	Hatfield	Neely	Townsend
Costigan	Hayden	Norbeck	Trammell
Couzens	Hebert	Norris	Tydings
Cutting	Howell	Nye	Vandenberg
Dale	Hull	Oddie	Wagner
Dickinson	Johnson	Patterson	Walcott
Dill	Jones	Pittman	Walsh, Mont.
Fess	Kean	Reed	Waterman
Fletcher	Kendrick	Robinson, Ark.	Watson
Frazier	Keyes	Robinson, Ind.	White
George	King	Schall	

Mr. SHEPPARD. I wish to announce that the senior Senator from Louisiana [Mr. BROUSSARD] is necessarily detained from the Senate.

I further desire to announce that the senior Senator from Virginia [Mr. SWANSON] is absent in attendance upon the disarmament conference at Geneva.

I also wish to announce that the senior Senator from Missouri [Mr. HAWES] is necessarily detained from the Senate by illness.

Mr. BYRNES. I desire to announce that my colleague the senior Senator from South Carolina [Mr. SMITH] is necessarily detained by serious illness in his family.

Mr. GEORGE. My colleague the senior Senator from Georgia [Mr. HARRIS] is still detained from the Senate because of illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

INSURANCE CORPORATIONS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 3584) to require all insurance corporations formed under the provisions of Chapter XVIII of the Code of Law of the District of Columbia to maintain their principal offices and places of business within the District of Columbia, and for other purposes, which was, on page 1, after line 5, to strike out the remainder of the bill and insert:

That any corporation now or hereafter formed or organized under any provision of law in force and effect in the District of Columbia to engage in an insurance business shall maintain its principal office within said District and shall keep its books, records, and files therein, and shall not remove from said District either its principal office or its books, records, or files without the permission of the Commissioners of the District of Columbia first had and obtained: *Provided, however*, That nothing herein contained shall be construed to apply to the books, records, and files of any such corporation, which books, records, and files relate solely to the business transacted by the said branch office agency.

Any corporation violating any of the provisions hereof shall forthwith forfeit its charter, which forfeiture shall operate as a revocation of its license to do business within said District.

Any officer, agent, or employee of any such corporation who shall violate any of the provisions hereof shall be guilty of a misdemeanor and upon conviction shall pay a fine of not less than $300 or be imprisoned for not more than 90 days, or by both such fine and imprisonment. All prosecutions hereunder shall be upon information filed in the police court of the District of Columbia in the name of the District of Columbia by the corporation counsel thereof or any of his assistants.

Mr. CAPPER. I move that the Senate concur in the amendment made by the House of Representatives.

The motion was agreed to.

INVESTIGATION OF COTTONSEED INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolutions 136 and 147 (71st Cong.) the twelfth interim report of the commission regarding its investigation of the cottonseed industry, covering the period from November 9, 1931, to February 10, 1932, inclusive, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry and ordered to be printed under authority of Senate Resolution 292 (71st Cong.).

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a memorial of the Legislature of the State of Maine, favoring the imposition of an import duty on pulp, paper, and lumber products equal to the difference between par of exchange and current quotations of exchange of those countries which, by going off the gold basis, have depreciated their currencies, which was referred to the Committee on Finance. (See memorial printed in full when presented by Mr. HALE on the 12th instant, p. 8004, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by Cary Post, No. 28, the American Legion, of Eskridge, Kans., favoring the payment of adjusted-compensation certificates of World War veterans (bonus), which was referred to the Committee on Finance.

He also laid before the Senate a letter from James L. Norman, of Duluth, Minn., relative to the nomination of Lewis L. Drill, of Minnesota, to be United States attorney, district of Minnesota, and making certain allegations in connection therewith, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from Victor F. Ramos, of New York City, N. Y., with a related paper, making certain suggestions relative to relieving the business depression and social difficulties, which, with the accompanying paper, was referred to the Committee on the Judiciary.

He also laid before the Senate a letter from Miss Dolly Breitenbaugh, of Lees Summit, Mo., submitting a design for the national flag, which was referred to the Committee on the Library.

Mr. ASHURST presented a telegram, in the nature of a memorial, from Chee Dodge, of Gallup, N. Mex., remonstrating against reduction in compensation of Federal employees, which was referred to the Committee on Civil Service.

He also presented a telegram, in the nature of a petition, from Olive G. Garrett, legislative chairman William P. Kern Post Unit, No. 17, of Superior, Ariz., praying, on behalf of the Superior Legion Auxiliary, for the imposition of an import duty on copper, which was referred to the Committee on Finance.

He also presented a telegram, in the nature of a petition, from Harry Bringhurst, president Standard Insurance Agency (Inc.), Phoenix, Ariz., favoring amendment of the bankruptcy law placing insurance premiums in an equal position with other claims now set forth as entitled to priority, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the directors of the Arizona Industrial Congress, Phoenix, Ariz., favoring the repeal of the recapture clause of the transportation act, which was referred to the Committee on Interstate Commerce.

Mr. SHORTRIDGE presented a resolution adopted by Madera Post, No. 11, American Legion, of Madera, Calif., opposing the passage of legislation granting an immigration quota for the Japanese, or any other modification of existing law which would in effect abandon the second basic principle of the act of 1924 excluding aliens ineligible for citizenship, and opposing the further immigration of Filipinos, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Contra Costa County (Calif.) Federation of Women's Clubs, indorsing the Geneva convention for the limitation of manufacture and control of the traffic in narcotic drugs, which was ordered to lie on the table.

He also presented a resolution adopted by the Women's Commission of the Church Federation of San Francisco, Calif., favoring the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. ODDIE, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 4080) to regulate the manufacture and sale of stamped envelopes, reported it without amendment and submitted a report (No. 553) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 3223) relative to the qualifications of practitioners of law in the District of Co-





lumbia, reported it with amendments and submitted a report (No. 554) thereon.

Mr. STEIWER, from the Committee on Expenditures in the Executive Departments, to which was referred the joint resolution (S. J. Res. 135) creating a joint commission concerning the coordination and economical administration of the executive departments and independent establishments of the Government, reported it without amendment.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. METCALF, from the Committee on Education and Labor, reported favorably the nomination of W. Harry King, of South Dakota, to be a member of the Federal Board for Vocational Education for the unexpired term of three years from July 17, 1931, vice Claude M. Henry, deceased.

Mr. ODDIE, from the Committee on Post Offices and Post Roads, reported favorably sundry nominations of postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 4376) granting a pension to Juana Bentley (with accompanying papers); to the Committee on Pensions.

By Mr. DALE:

A bill (S. 4377) granting an increase of pension to Denise Maheu (with accompanying papers); and

A bill (S. 4378) granting an increase of pension to Marcia O. Seaver (with accompanying papers); to the Committee on Pensions.

A bill (S. 4379) for the relief of Yvonne Hale; to the Committee on Foreign Relations.

By Mr. KEAN:

A bill (S. 4380) for the relief of Patrick Henry Walsh; to the Committee on Claims.

A bill (S. 4381) authorizing the President to transfer and appoint Lieut. Morris Smellow, United States Navy, to the grade of passed assistant paymaster, with the rank of lieutenant, in the Supply Corps of the United States Navy; to the Committee on Naval Affairs.

By Mr. BLAINE:

A bill (S. 4382) for the relief of Wayne Bert Watkins (with accompanying papers); to the Committee on Naval Affairs.

By Mr. McKELLAR:

A bill (S. 4383) granting a pension to James R. Wood (with accompanying papers); to the Committee on Pensions.

By Mr. FESS:

A bill (S. 4384) granting an increase of pension to Rebecca A. Paugh (with accompanying papers); to the Committee on Pensions.

By Mr. PATTERSON:

A bill (S. 4385) granting a pension to Lula Rogers; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 4386) for the relief of Anthony J. Lynn; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 4387) for the relief of E. L. Trenholm; to the Committee on Claims.

By Mr. ROBINSON of Indiana:

A bill (S. 4388) granting a pension to Cyrus N. Deffendall (with accompanying papers); and

A bill (S. 4389) granting a pension to William A. Spores (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 143) for the admission, free of duty, of equipment for the games of the Tenth Olympiad; to the Committee on Finance.

By Mr. TYDINGS and Mr. BINGHAM:

A joint resolution (S. J. Res. 144) proposing an amendment to the Constitution of the United States exempting certain States from the operation of the eighteenth amendmen and laws enacted pursuant thereto; to the Committee on the Judiciary.

REVENUE AND TAXATION—AMENDMENT

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 10236) to provide revenue, equalize taxation, and for other purposes, which was referred to the Committee on Finance and ordered to be printed, as follows:

On page 233, after line 2, insert the following:

"(—) That a surtax shall be levied, collected, and paid upon all articles except such as are not mined, manufactured, or grown in commercial quantities within the United States, whether now on the free or dutiable list, imported from a country, including its dependencies, that has changed its monetary standards within three years prior to the passage of this act or may hereafter make such change, approximately equal to the difference between the value of the currency of the country from which such articles were shipped and the value of the currency of the United States on the date on which such articles were shipped."

POLICY OF SENATE IN REDUCTION OF APPROPRIATIONS

Mr. McKELLAR submitted the following resolution (S. Res. 197), which was ordered to lie on the table:

Resolved, That it is the sense of the Senate that the Committee on Appropriations, in its consideration of the bill (H. R. 9699) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1933, and for other purposes, should observe the policy adopted by the Senate in the cases of the Interior Department, and the State, War, Commerce, and Labor Departments appropriation bills, and report the said bill back to the Senate with amendments providing an aggregate reduction of 10 per cent in the amount of the appropriations contained in the bill as received from the House of Representatives.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States submitting a nomination was communicated to the Senate by Mr. Latta, one of his secretaries.

PRECONVENTION ACTIVITIES—CAMPAIGN EXPENDITURES

Mr. TRAMMELL obtained the floor.

Mr. ROBINSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Indiana?

Mr. TRAMMELL. I yield.

Mr. ROBINSON of Indiana. Mr. President, a few days ago a story was carried by the Associated Press with a Norfolk, Nebr., date line of April 7, under the heading "Murray Says Roosevelt Men Are Buying Votes." I read it:

Gov. William H. (Alfalfa Bill) Murray, of Oklahoma, in a campaign address here to-day charged $50,000 has been brought into Nebraska to buy Democratic convention delegates for Roosevelt.

"You Nebraska Democrats," the Oklahoman shouted, "have a national committeeman named Arthur Mullen who brought $50,000 here from the East to buy convention delegates for Gov. Franklin D. Roosevelt, of New York. Well, you can sell out to Roosevelt if you want to, but you will never elect him."

That is a very serious charge, Mr. President, and unquestionably it should be investigated. It is made by a distinguished Democrat who is a candidate for his party's nomination for the high office of President of the United States.

If he will be kind enough to answer a question, I should like to ask the junior Senator from Iowa [Mr. DICKINSON] what progress has been made with reference to having this resolution adopted authorizing a thorough investigation of campaign expenditures in the campaign that is now before us.

Mr. DICKINSON. Mr. President, in response to the question of the junior Senator from Indiana I will state that the resolution is in the hands of the Committee on Privileges and Elections. It is my understanding that its consideration has been delayed by reason of the Heflin-Bankhead contest which is still pending before that committee. I had a

talk with the chairman of that committee, and he thought they would reach this resolution last week, but evidently they did not get to it. I can not advise the Senator now just when it will be reached.

Mr. ROBINSON of Indiana. May I also invite the attention of the junior Senator from Iowa, since he is the author of the proposed resolution, to a remarkable state of affairs in New York with reference to the County Trust Co.?

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. The Senator from Florida has the floor. Does he yield to the Senator from Oklahoma?

Mr. THOMAS of Oklahoma. Will the Senator yield to me for the purpose of permitting me to ask the Senator from Indiana a question?

Mr. ROBINSON of Indiana. In just a second. When I conclude this statement I will be glad to answer the question of the Senator from Oklahoma.

It has been charged, Mr. President, by Mr. P. J. Mara and Mr. P. S. Kenny that they signed notes aggregating $70,000, which, they were told, according to their statement, they would not be required to meet. I quote the New York Herald Tribune of March 26, and read this paragraph:

Mr. Mara and others in the Tiger Room group are emphatic in their declaration that Mr. Raskob is tight-fisted. Several of them insist that none of the notes was indorsed by Mr. Raskob at their request and that some of the signers were unknown to him, and that they signed these notes after being told they would never have to meet them——

Mr. TRAMMELL. Mr. President——

Mr. ROBINSON of Indiana (reading):

And that the signing of them was just——

Mr. TRAMMELL. Mr. President——

Mr. ROBINSON of Arkansas. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. ROBINSON of Arkansas. It is not in order for the Senator from Florida to yield to the Senator from Indiana to engage in a political discussion during the time the Senator from Florida has the floor.

The VICE PRESIDENT. Under the rule——

Mr. ROBINSON of Indiana. Mr. President, the Senator from Florida yielded to me.

Mr. ROBINSON of Arkansas. A point of order, Mr. President.

Mr. TRAMMELL. I refuse to yield farther.

The VICE PRESIDENT. Let the Chair rule.

Mr. ROBINSON of Arkansas. I rise to a point of order.

The VICE PRESIDENT. Under the rule the Chair will hold that no Senator can yield except for a question, if the point is made, and the Chair sustains the point of order.

Mr. TRAMMELL. Mr. President, I was about to say when the Senator from Arkansas interposed that I did not know the Senator from Indiana was about to enter the political field and make a speech. If I had known that, of course I would not have yielded to him. So far as what the Senator is saying is concerned, it has been carted around through the press for the last two or three months, and he is bringing nothing of any interest or of any particular information to the Senate or to the country. So I object to him making a speech in my time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Florida yield to a question?

Mr. TRAMMELL. I yield for a question only.

Mr. ROBINSON of Arkansas. Does the Senator from Florida recognize the right of the Senator from Indiana to take the floor in his own time when he can obtain an opportunity to do so?

Mr. TRAMMELL. I shall be very glad to have him do that.

Mr. ROBINSON of Indiana. Mr. President, I shall speak later in my own time.

The VICE PRESIDENT. The Senator from Florida has the floor.

Mr. THOMAS of Oklahoma. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oklahoma?

Mr. TRAMMELL. I yield for a question.

The VICE PRESIDENT. The Chair must state again that under the rule the Senator having the floor is supposed to yield only for a question.

Mr. THOMAS of Oklahoma. Mr. President, I ask the Senator from Florida if he will yield for the purpose of my making one statement, and I ask unanimous consent of the Senate that I may make that statement?

The VICE PRESIDENT. Does the Senator from Florida yield for that purpose?

Mr. TRAMMELL. I yield, so far as I am concerned, if no other Senator objects, under the rule.

The VICE PRESIDENT. Is there objection on the part of the Senate? The Chair hears none.

Mr. THOMAS of Oklahoma. Mr. President, Governor Murray has denied the accuracy of the statement just referred to by the junior Senator from Indiana.

Mr. TRAMMELL. Mr. President, I think that settles that dispute.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. TRAMMELL. I yield to the Senator from Utah for a question.

Mr. SMOOT. What I desire to say is on the subject matter about which the Senator is going to speak. I wanted to call particular attention to certain facts affecting the appropriations for Howard University.

The VICE PRESIDENT. Does the Senator from Florida yield for that purpose?

Mr. TRAMMELL. I yield, if it is a relevant matter.

Mr. SMOOT. It is a relevant matter.

Mr. TRAMMELL. If the Senator desires to ask me if I am familiar with certain information, I will allow him to ask the question, and then I will see whether or not I am familiar with it.

Mr. SMOOT. I want to call attention to the appropriations that have been made for Howard University since 1928. The question is now before the Senate, and I thought the information ought to be given to the Senate.

Mr. TRAMMELL. In reply to the Senator, I will state that I am not familiar with all those data, and I should be very glad to have them brought to the attention of the Senate.

Mr. SMOOT. Mr. President, I want the Senate to understand that there is no one more interested in Howard University than am I, but I am advocating certain reductions in its appropriations at this time because I believe they are not absolutely necessary. Here is what, during recent years, we have done for Howard University by way of appropriations for that institution:

In 1928 the appropriations for salaries amounted to $150,000, in 1929 they were $160,000, in 1930 they were $225,000, in 1931 they were $350,000, and in 1932 they were $450,000. That is the salary part of it.

Now, as to general expenses, in 1928 the appropriations for such purposes were $68,000, in 1929 they were $80,000, in 1930 they were $95,000, in 1931 they were $160,000, and in 1932 they were $225,000.

I will now refer to the appropriations for buildings since 1926. For the medical building there was appropriated $370,000; for the dormitory for young women, $190,000; for the chemistry building, $390,000; for the educational classroom building, $460,000; for the girls' dormitory, $559,000; and toward the construction of the library, $400,000.

I call those figures to the attention of the Senate now to show that there has not been a request made by the officials of Howard University, so far as I know, from 1926 that has

not been granted. I say now that if we were in a more prosperous position and if the financial conditions were different in the United States from what they are, I never would ask the Senate to eliminate the $400,000 item, including $300,000 for the construction and completion of a heat, light, and power plant at Howard University.

That is all there is in this controversy. I want the Senator from Colorado to know that Howard University has been well taken care of, and I am very thankful that I have had an interest and part in doing so.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Colorado?

Mr. COSTIGAN. Since the Senator from Utah has addressed me, I hope the Senator will permit me to reply.

Mr. TRAMMELL. The Senator from Utah merely made the observation that Howard University has been well taken care of, and that he was glad he had taken part in doing so. I do not see why that should call for a reply at this time.

Mr. COSTIGAN. If the Senator declines to yield, I shall speak in my own time; but it does seem to me appropriate, under the circumstances, that the reply be made at this moment.

Mr. TRAMMELL. I can not yield except for a question; the President of the Senate has so held. I do not care to lose my place on the floor. I should like to yield, so far as I am concerned, but I do not desire to do so now, and I shall not speak very long.

Mr. President, I am opposed to the amendment which has been suggested by the Senator from Colorado to restore the different items of the appropriation for Howard University. I am unable to understand or appreciate why the Senate should pare all the appropriations provided in this bill according to the recommendations of the committee—and I have stood by the committee upon its recommendations in every instance, and in every instance the recommendations of the Senate committee for reductions have been adopted by the Senate—until we reach the items affecting Howard University. It is sought now to restore, as I have the figures, a total sum of $525,000 in appropriations for Howard University. I have been unable to see why there is any reason or how there can be any proper demand for an exception in these particular appropriations. As has been demonstrated by the figures offered to the Senate by the Senator in charge of the bill, Congress has dealt most generously with Howard University during the years gone by. I know of no beneficiary of Government appropriations that has had its contributions multiply so rapidly as has Howard University.

According to the figures presented by the Senator from Utah in charge of the bill, in 1928, four years ago, there was appropriated only $160,000 for the pay of teachers and the maintenance of the faculty of this university. In this bill, however, it was sought to obtain $450,000 for that purpose, and the committee did not make any recommendation whatever to reduce the salary item; in fact, they propose to allow the salary item to stand at $450,000, when only four years ago the appropriation for that purpose was but $160,000. That means an increase of 300 per cent allowed for salaries, and yet some of my friends in the Senate think that that is not sufficient generosity on the part of Congress toward this university and desire to have other items restored which the committee has proposed shall be reduced.

The committee reduced the item of $300,000 for a heat, light, and power plant, and they struck out the item of $100,000 for the completion and equipment of the library. These recommendations are in keeping with the policy of the Senate to have reductions made in all appropriations; they are in keeping with the policy of the Senate when it adopted a resolution providing that we should in the aggregate eliminate 10 per cent from the appropriations provided in the Interior Department appropriation bill.

Mr. LONG. Mr. President, will the Senator pardon a question?

The PRESIDING OFFICER (Mr. Pess in the chair). Does the Senator from Florida yield to the Senator from Louisiana?

Mr. TRAMMELL. I yield.

Mr. LONG. As a matter of fact, the recommendations of the committee in this particular instance go far beyond the policy adopted by the Senate, because the committee reduced all the other items. The appropriations in the bill were supposed to be reduced 10 per cent from the total figures contained in the bill as passed by the House, whereas the committee have left to Howard University, as I understand, everything. They have not cut off any amounts allowed by the House.

Mr. TRAMMELL. They have not left everything, but they have left the item of $450,000 for salaries just as it was. The committee also left $225,000, just as it was, for general expenses. The only thing the committee has sought to eliminate is the appropriation for new construction.

Mr. SMOOT. That is all.

Mr. LONG. Further, as I understand, even the R. O. T. C. units in military schools that are being operated in the several States are now in danger of having the amounts they have been receiving cut out, while Howard University has been left practically everything.

Mr. TRAMMELL. I think that no one who believes in making these lavish appropriations for Howard University—and I do not believe in them—could complain because Congress, under the present condition which prevails throughout the country, withholds funds for the purpose of new construction and entirely new expenditures; and that is all that this means.

The Senate Appropriations Committee in substance has said: "We believe that as far as new construction is concerned, we should not build this lighting plant or heating plant, and we should not spend any more money for the purpose of building a library at the present time." That is a policy like to that which is being applied in all directions.

Take the question of the authorization of Government buildings throughout the States: For the present, at least, that has been suspended. The Budget has not recommended any appropriations for new construction even of buildings which have heretofore been authorized. Take the governmental activities in every direction: As far as new enterprises and new construction are concerned, no funds whatever are being appropriated. I think we all realize that we have to retrench, and we have done so in regard to practically all the other items in this bill. In most of the instances the other items did not cover expenditures for new projects or for construction but provided for the maintenance or the sustaining of some particular bureau or some particular operation which was already in existence. Yet we have trimmed those items in the aggregate 10 per cent or more; but when it comes to the question of Howard University, some seem to want to make this a favorite item, a favorite beneficiary of the Government, by allowing the appropriation to remain just as it was in the House bill.

In most of the instances where we have pared the appropriations heretofore, the appropriations have been reduced to an amount less than the appropriations of 1931, and in many instances less than the appropriations of 1930; but in this instance the fund for salaries at Howard University is increased from $160,000 in 1931 to $450,000. Why can not those who want to be so generous to Howard University be satisfied with an increase in the appropriation for the maintenance of the faculty of practically 300 per cent over what it was in 1931?

The same thing is true in regard to the general expense fund. That is materially increased over the amount which was allowed in 1931, and very materially increased over the amount which was allowed in 1930.

So I do not think anyone could be accused of not being generous toward Howard University even if he did support the recommendation of the committee that for the present, at least, an appropriation be not made for the purpose of constructing these new buildings or for the purpose of a heating plant. That is the question involved.

Of course, as a matter of policy, I think the policy is all wrong of selecting one school in the entire United States and making Federal appropriations for its maintenance and support. That is the position I have maintained since I have been a Member of the Senate. Some four or five years ago I opposed the bill which authorized the appropriations for this university because I thought that it was at least in violation of the spirit of the Constitution of the United States for Congress to select one school, a private school, not a Government school, and make appropriations for that school. There are ample schools in the States to take care of the education of the negroes.

It is said that these appropriations have been made for years. That is true. I find that along about the time the first appropriation was made for Howard University it was not directly authorized by Congress, but certain funds were provided for the Freedmen's Bureau, and that bureau without any direct authorization used $10,000 toward this institution—a private institution, so incorporated by Congress, and it remains a private institution—and again I want to say the only private school in the United States that is given Federal funds.

That was criticized in Congress by some Members upon the ground that it had not been authorized, and that this bureau, before using $10,000 of the public funds for that purpose, should have obtained the sanction of Congress. Anyway, the appropriations have been made. I have never favored one of them. This one institution has been selected as a favorite institution. It has been selected as the exception throughout the entire United States, with all of which policy I am in disagreement. I do not believe it ever should have been done. I do not think it should be done at the present time; but that involves the general policy of such appropriation. Dealing specifically with the situation which confronts us, it is a question as to whether or not this body is going to indorse the specific recommendation of the committee to eliminate, as the committee recommends, appropriations for the erection of new buildings and the installing of a new heating plant.

I do not see how anyone, even with the wildest imagination, can say that another library building is absolutely essential, and that they have to have such new building. That represents about $400,000 of this money. As to the heating plant, the committee deemed it advisable to recommend that that item be stricken out, feeling as it does that the supply of heat will be furnished in the method in which it is now being obtained by the university, and that no suffering will be involved there. I do not see how we can make an exception and appropriate $525,000 more than the amount recommended by the committee for this particular item.

What does $525,000 mean? There is more or less discussion upon the question of retrenchment here and there and everywhere. Almost every day we read in the press about salary slashes, salary reductions. I think a good many of the Members of Congress favor some reduction. Personally, I do not believe that we should reduce salaries of $1,000, $1,200, $1,500, $1,600, or $1,800. I think most of those who are drawing salaries of only those amounts at the present time have but scarcely enough to live upon. As to the salaries in the higher brackets, as I have previously stated upon this floor, I favor reducing them, and will vote for a measure to substantially reduce the salaries in the higher brackets. Some Members of the Senate, however, and a considerable number in the House say that a reduction of salaries should start from $1,000; in other words, that in the case of a person getting only eleven or twelve hundred dollars a year, something should be trimmed off his salary.

I do not agree with that policy; but, if that policy should be adopted, in order to make up the $525,000 which it is sought to have restored to this bill it would be necessary to reduce by approximately $100 each the salaries of something like 5,000 Government employees who are receiving only $1,200 a year. That is a way in which we might obtain the funds—by picking out about 5,000 Government employees who are making $1,200 a year and taking $100 a year off their salaries and give it to Howard University.

So far as I am concerned, I do not believe in such a policy. Nor do I believe in taxing the people for this unnecessary expenditure of $525,000. I do not believe in squeezing down on every other enterprise and cutting to a ridiculously low point the salaries of the employees of the Government, and using that money lavishly in connection with one particular item, namely, the item of putting up a school library. That is what this proposal involves.

I am hopeful that the action of the committee will be sustained, and I think it should be. I can not quite appreciate why anyone should want us to make an exception in this instance. If there were suffering on the part of some destitute people, if we were doing something for the 8,000,000 of people who are unemployed, if we were helping to sustain their unfortunate families, satisfy their hunger, or provide shelter and comfort for them, then we could ignore the recommendation of the committee. We could do something for them. But as I have thought about this item and this effort to restore $525,000—let the Senate understand it and the country understand it; $400,000 of it is for the purpose of providing a library building—as I have thought of that item, I have tried in reviewing the past, as far as this session of Congress is concerned, to find a single instance where Congress has appropriated a single dollar for the relief of the destitute and the starving of this country. I do not know of any that has been appropriated—not a dollar.

The question has been up in both Houses. In this House we had a difference in regard to measures that were pending; but in the final outcome not one dollar has been appropriated to assist the unemployed, nor to assist those who are in destitute circumstances throughout America. Yet some come here and seek to have $400,000 of the money of the taxpayers of this country used for the purpose of erecting a library which at best can not be considered, under the circumstances, as other than an extravagant expenditure for something that is not needed at this time, or certainly not absolutely essential.

I hope the recommendation of the committee will be sustained.

Mr. CONNALLY obtained the floor.

The PRESIDING OFFICER. The Chair will state, for the information of the Senate, that the amendment of the Senator from Colorado [Mr. COSTIGAN] is not in order at this time except by unanimous consent. Is there objection to considering it at this time?

Mr. SMOOT. Mr. President, I would just as soon have it considered now as at any time.

The PRESIDING OFFICER. The Chair hears no objection.

Mr. CONNALLY. Mr. President, in connection with the consideration of the Interior Department appropriation bill, I desire to call to the attention of the Senate and of the country a matter which I think is quite vital at this time, and relates to the administration by the Interior Department of the public lands, particularly the public lands having oil deposits.

In the New York Times of last week a Washington dispatch under the date line of the Associated Press, on April 4, carried the following notice, which I want to call to the attention of the Senate.

The dispatch is as follows:

OPENS PUBLIC LANDS TO OIL PROSPECTORS—WILBUR ISSUES ORDER CONDITIONAL UPON UNIT OPERATION IN EVENT OF DISCOVERIES—CLOSED SINCE MARCH, 1929—POOLING OF ENTIRE FIELDS IS THE BEST BASIS FOR THE HANDLING OF CONSERVATION, SECRETARY SAYS

WASHINGTON, April 4.—The public domain of 180,000,000 acres was thrown open to oil prospectors to-day on condition that if petroleum is found any pool discovered must be operated as a single unit.

An order to that effect was sent to the General Land Office by Secretary Wilbur. It went into force immediately, permitting oil prospecting on public lands for the first time since March 13, 1929.

Authority to require that drilling in Government-owned lands be under the unit-operation plan was given the Interior Department by the last Congress. Under it the output of a field is divided in proportion to holding.

"Unit operation of the oil pools," said Secretary Wilbur, "offers the most substantial reliable basis yet developed for constructive handling of oil conservation."

The department has had two years of experience with unit operation in Kettleman Hills, Calif., where one of the richest oil fields in the world was discovered three years ago. As the Government owned approximately 65 per cent of the area the Interior Department entered into an agreement with other owners for unit operation.

Secretary Wilbur said that "while there are opportunities for constructive legislation in regard to State compacts and pro rata agreements, if the principle of unit operation can be established, that principle will be more effective than any other measure in conserving the national resources in oil and gas."

The object of Secretary Wilbur's order was described as to protect the rights of all with permits through requiring the operation of fields as units.

Under the stipulations that go with the order, Secretary Wilbur said, the bona fide prospector will find no difficulty but the speculator will receive little encouragement.

"The plan will also insure that every permittee on a structure have an equal opportunity to recover the oil and gas underneath his land under conditions which will protect the Government and will insure against wasteful methods and overproduction, with its unnecessary losses," he said.

In his order to the Land Office Secretary Wilbur provided that a 60-day preference period be given permittees and applicants whose claims were pending on March 13, 1929, and were rejected.

One of President Hoover's first official acts was to order public lands closed to oil prospecting. Later the Interior Department rejected about 5,000 applications which were pending at the time.

A number of applicants whose claims were rejected banded together and took the question to court. The suit finally reached the Supreme Court, where the order was sustained.

Mr. President, the President of the United States, shortly after he took office, issued, on March 12, 1929, an order withdrawing public lands from oil prospecting. That measure was taken in the interest of conservation of oil resources. The order of the Secretary of the Interior discontinuing that policy and throwing open to oil prospectors all of the public domain at this particular time arouses in my mind several questions.

Why should the public lands be opened now to oil prospecting, when the United States is being almost drowned in a flood of domestic oil, at a time when the great oil-producing States—California, Oklahoma, Texas, and other oil States—are in the depths of depression because of an overproduction of petroleum? Yet, in the face of that condition, we are to have it aggravated by the action of the Secretary of the Interior in stimulating other oil production on the Federal lands.

Mr. President, the States have found it necessary to enact stringent laws of proration, arbitrarily cutting down the production of oil wells, in order to prevent the absolute destruction of the domestic-oil industry of the United States. So, upon the ground of conservation alone, sound public policy would require that the President and the Secretary of the Interior continue, at least for the present, the policy adopted in 1929.

The best way on earth to conserve oil reserves is to keep them in the ground. Nature made a reservoir in the bowels of the earth that is superior to any artificial reservoir ever constructed by the genius or inventive talent of man; and if the Federal Government, if the Department of the Interior, if the President of the United States really want to conserve the national oil resources, particularly the resources lying under the surface of Federal lands, the policy initiated two years ago ought to be continued at this time.

So I ask the question, Why has this policy been abandoned? What sort of influences have been brought to bear upon the Secretary of the Interior? Why has a Cabinet officer revoked an order issued by the President himself two years ago? I want to inquire what pressure has been brought to bear upon the Secretary of the Interior to cause the vacation of the former order and the adoption of a new order.

If it was sound in 1929 to discontinue the exploitation of Federal lands for oil, it is more sound to-day, because the oil industry is to-day in immeasurably worse condition than it was in 1929. If it was in the interest of conservation to shut down production at that time on the public land, it is still more necessary now, in the interest of conservation, because we are wasting oil in many areas now by overproduction.

I should like to ask the senior Senator from Utah [Mr. SMOOT], in charge of the pending bill, whether he can give any information to the Senate as to why the Secretary of the Interior has reversed the policy of the administration with reference to oil lands of the United States.

Mr. SMOOT. Mr. President, the Secretary has never consulted me in relation to the matter, and I have never asked the question of him; so I am totally unprepared at this time to answer the question.

Mr. CONNALLY. I thank the Senator from Utah. I very much regret that he has not said something to the Secretary of the Interior about it, because I know that the influence of the Senator from Utah would have tremendous weight with the Secretary.

Mr. SMOOT. I do not know as to that.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TYDINGS. We all know that there is pending before this body at this time a bill which has for its reputed purpose the helping of the American producer of oil. Assuming that the bill would carry out the theory of its backers, it strikes me that the opening of 1,800,000 acres of new oil land would, in effect, if oil were discovered there in large quantities, destroy any benefits which that bill would bring to the oil producers. While that is pending here, if the Congress is going ahead to limit the supply through a tariff or proration or what not, it does strike me to be at the other end of the stick for large areas to be thrown open, only to swell the internal flood.

Mr. KING. Mr. President, will the Senator from Texas yield to me?

Mr. CONNALLY. I shall answer the Senator from Maryland and then yield.

Mr. KING. Very well.

Mr. CONNALLY. I thank the Senator from Maryland for his observation. I agree with him entirely that if the Congress is to undertake to benefit the domestic-oil producer by an excise tax on imported oil, for the main purpose of securing revenue, but for the incidental protection it entails, that action would be practically nullified, it would be practically offset, by opening up millions of acres of public land to oil exploitation at the present time.

I now yield to the Senator from Utah.

Mr. KING. Mr. President, if I may be permitted to make a short statement——

Mr. CONNALLY. I shall be glad to have the Senator consume such time as he desires.

Mr. KING. Mr. President, I regret having to take a position different from that occupied by my friend from Texas, whose judgment upon all public questions commands respect, if not complete approval. In my opinion, the fundamental question involved in the discussion is different from that presented by my friend. If it were a question de novo, and it were conceded that the executive department had the authority to lock up the public domain, regardless of the enactments of Congress, the question might assume a different aspect. I am unwilling to proceed upon the postulate that the public domain is subject to the will of the President or the Secretary of the Interior. The Constitution of the United States confers upon Congress plenary power to dispose of the public domain and to make all needful regulations for the control and disposition of the same. Neither the President nor the Secretary of the Interior has the power, under the Constitution, to dispose of the public domain or to withdraw it from entry or nullify by proclamation or otherwise congressional enactments. Many years ago Congress dealt with the minerals upon the public domain and enacted laws under which mineral lands might be lawfully occupied and title thereto acquired. Senators are not unfamiliar with the mineral laws enacted by Congress which in effect were an invitation to American citizens to explore the public lands with a view of discovering minerals thereon. These laws provided that certain mineral lands might be located as lode claims, and still others as placer claims.

There were later enactments dealing with coal lands and other mineral-bearing lands, but the legislation to which I have referred contemplated that the mineral lands were subject to entry and acquisition by American citizens. Under the treaty of Guadalupe-Hidalgo, as well as under the Louisiana Purchase, a vast empire became a part of the United States. Many of these lands contained valuable mineral deposits, and Congress, as I have indicated, provided by law for the acquisition of these lands by individuals. Thousands of intrepid and courageous men went into the mountains and deserts searching for the mineral treasures locked up therein. It is needless to say that a great majority of those who searched failed to obtain rewards and gave their lives in a vain endeavor. There were, of course, many who uncovered precious metals and various minerals of value. Under the laws of Congress they obtained title to these mineral lands and by their efforts contributed to the wealth and prosperity of our country.

A few years ago there was a movement to modify the mining laws enacted by Congress so that the public domain containing oil might be brought under a leasing system. No one contended that the sole authority to deal with the oil lands was not with Congress. It was sought, however, to provide a Federal leasing system under which oil lands might be occupied and exploited. Accordingly, in 1920, a leasing act was passed, but it was declared—and I do not have the act before me and speak only from memory—that its purpose was to develop the oil lands upon the public domain.

The law provided a method under which individuals could enter upon such lands and obtain leases for the same. Congress did not confer upon the executive department unlimited discretion or authority to deal with these lands. It was not even suggested that the law was enacted to prevent the development of the oil lands within the public domain; but, upon the contrary, the purpose of the act was to provide for the development of oil fields. Permits and leases were to be granted to individuals, not as a matter of grace but as a matter of right, to explore the public domain, to discover oil, and remove the same therefrom. The executive department was not given, as I have stated, unrestricted authority to deal with these lands. The Secretary of the Interior did not have the right to withhold permits or to deny leases where the provisions of the law were complied with by applicants for permits and for leases. Under the law permits were issued by the Secretary of the Interior, and leases were given to a large number of individuals who opened up oil fields in some of the western public-land States.

I repeat, no one contemplated when the leasing act was under discussion, that it conferred upon the President or the Secretary of the Interior absolute authority to deny permits or to refuse leases. They were not given the power to lock up the public domain, but the bill, as I construe it, was a command that permits and leases should be issued to persons who in good faith sought to develop oil deposits within lands belonging to the United States.

I voted against the law because I was unwilling to augment bureaucratic authority and to confer upon the executive department the limited authority which the act provided. Two or three years ago there was a great hue and cry about oil conservation, and the President instructed the Secretary of the Interior to issue an order which, in effect, was a nullification of the leasing act of 1920. The order was issued, and permits and all applications for permits pending—and there were hundreds of them—were returned to the applicants; denied, of course. Moreover, applications for leases were denied and the position taken which, as stated, locked up the public domain so far as oil development was concerned. Persons who had spent large sums to discover oil, and after preparing preliminary applications for leases were denied any chance whatever to avail themselves of the provisions of the leasing act. If they attempted to go forward with the lands which they had been prospecting or which they desired to lease they were regarded as trespassers.

In my opinion, the action of the executive department was without warrant and in contravention of the provisions of the leasing act. Actions were brought in the courts of the District of Columbia, and, as I recall, two decisions were rendered holding that the order issued by the Secretary of the Interior, pursuant to the direction of the President, was invalid. The Supreme Court of the United States, upon review, reversed this action of the lower court. Of course, I speak with respect of our highest judicial tribunal, but I confess that its action was a shock to me, as it was to many lawyers, and was regarded as a serious restriction upon the legislative branch of the Government.

Congress alone possesses the power to dispose of the public domain and to make all needful regulations in regard to its control. That power was not conferred upon the executive department and, in my opinion, the Supreme Court accelerated the movement which seeks to strengthen executive authority. Bills are pending in the House and Senate, one of which I introduced, to undo what I conceive to be the unauthorized act of the Interior Department in returning applications for permits and in denying applications for leases, and at the same time to make it clear that the leasing act was not intended to confer upon the Secretary of the Interior, or the President, the authority claimed by them. In other words, the bills which have been offered were to make plain—as I think it was plain—that the leasing act was intended to promote oil development upon the public domain instead of prohibiting American citizens from developing the same. I think the action of the Secretary of the Interior, to which the Senator from Texas refers and of which he complains, is just and proper. I can only hope that it is based upon the belief that the former act in locking up the public domain was unwarranted and violative of the rights of American citizens and injurious to the people generally. I therefore commend the Secretary and express my approval of his recent order.

I thank the Senator for his courtesy in yielding to me.

Mr. CONNALLY. I commend the Senator for improving his batting average with the Secretary of the Interior. I think wherever possible it is well to be a little diplomatic toward a Cabinet member.

I respect the views of the Senator from Utah. I am not taking issue with the Senator in the fundamental view he takes that the lands at the proper time and under proper regulations should be open to private exploitation under leasing from the Federal Government. But when the Senator from Utah undertakes to discuss the legal aspect of the situation and challenges the right of the Secretary of the Interior to cut off the exploitation of the oil lands, I have but to quote the Supreme Court of the United States in refutation of his attitude.

One of President Hoover's first official acts was to order public lands closed to oil prospecting. Later the Interior Department rejected about 5,000 applications which were pending at the time. A number of applicants whose claims were rejected banded together and took the question to court. The suit finally reached the Supreme Court of the United States, where the order was sustained. The Supreme Court of the United States has upheld the power of the Secretary of the Interior to withhold the public lands from oil prospecting. If the Secretary of the Interior has that authority, if that authority be in him and he exerted that authority in 1929, why should he not exert it now? Why should he continue now to permit the exploitation of Federal lands for oil at a time when we are absolutely engulfed in a flood of domestic oil?

The States of the Union have undertaken conservation measures. They passed arbitrary pro rata laws by which they say to the citizen, "You shall not produce more than a certain number of barrels of oil per well." The Federal Government, without any wrong to any private citizen, in possession of these great storage reservoirs of oil, ought to follow the same view as the States. The Federal Government ought to say that the States are visiting sacrifices upon their citizens in order to conserve our oil resources, and the Federal Government will not make their task more

onerous by opening up millions upon millions of acres of public lands at a time when the oil industry is absolutely surrounded by wreck and havoc and ruin.

I challenge this policy. I ask the President of the United States to order his Secretary of the Interior to recall this order which in itself recalled and vacated an order made by the President of the United States. Why was it sound in 1929 to deny oil exploration of Federal lands and why is it not sound to-day?

Mr. President, I hold in my hand a telegram which I received this morning from responsible oil producers in my State. The telegram reads:

> Reports last week show 600,000 barrels from large importers, almost double ordinary imports. You will note the four large importers have not yet met the price raise, but are the ones flooding this country with oil.

We have before us then the astounding fact that the oil imports within the last week have been more than double ordinary imports. Yet in the face of that condition, with a flood of domestic oil and with increased oil importations from Central and South America depressing and bearing down the industry, we have the Government of the United States, through the Secretary of the Interior, and behind him the authority of the President of the United States himself, issuing an order to open up the Federal lands to oil exploration and exploitation which will still further depress and injure the oil industry, and at the same time retard and obstruct and hinder the efforts which the States of the Union are making in order to conserve their oil.

In my State the governor, acting under the military power, for many, many months had troops in the oil fields under a declaration of martial law, requiring the citizens to cut down the oil production of wells already drilled, of wells in which the owner has already invested many thousands of dollars, in order that we would not overproduce and in order that we might conserve our oil resources.

But here, with not an individual having expended thousands of dollars to drill the wells, we have the Federal Government in a position where it might conserve the oil for years and years in the natural reservoirs of the earth, stepping in at such a critical time and saying, "We renounce our professions of being favorable to oil conservation; we deny our former attitude; we go back on our former position; and we will flood the country with further millions of barrels of domestic oil at the very time when the oil industry is crying out in desperation for relief."

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Louisiana?

Mr. CONNALLY. I shall yield for a question.

Mr. LONG. I want to try to give an answer of a few words to the question as to why at this particular time the Federal lands have been opened up.

Mr. CONNALLY. If the Senator will indulge me, I should like to conclude my remarks. I shall be through in just a moment.

Mr. LONG. Just a word, if the Senator please?

Mr. CONNALLY. Very well.

Mr. LONG. The Senator will admit at this time that it is a well-recognized fact that the independent oil industry is not prosperous. It can not compete for public lands. The only people who can bid for and compete for these public lands are the Standard Oil Co. and its allies. At this time, in the present distressed condition of affairs, the Secretary of the Interior has offered the public domain for exploitation, because there is nobody on earth who can bid upon it except the Standard Oil Co.

Mr. CONNALLY. Mr. President, with all due respect to the Senator from Louisiana, I make no charge that any undue or improper influence has been brought to bear upon the Secretary of the Interior. I have no proof of it and I deny, so far as I am concerned, making any charge of that kind.

But I do believe that the country and the Congress are entitled to know what are the considerations which now move the Department of the Interior and the administration to reverse the policy which they announced two years ago. Conditions are more critical now than they were then. If it was a sound policy then, it is sound now to conserve the great oil resources of the United States.

Mr. BRATTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. I yield.

Mr. BRATTON. At the time the original order or so-called conservation policy was promulgated, March 12, 1929, we did not have any law under which the development could take place with control or supervisory regulation. Since then we passed the act authorizing the Secretary of the Interior to participate in contracts for unit development which would authorize the development of oil on Government-owned land under the unit system along with the adjacent land privately owned. It seems to me that that of itself injects into the equation an important factor. If the lands can be developed under reasonable regulations along with near-by privately owned lands, it seems the Government should do that instead of standing idly by and permitting other lands to be developed, without Government control, of course, and the Government lose the income, the State lose the income, and everybody concerned losing the income.

Let me remind the Senator in that connection that the State in which the oil is developed enjoys a division of the royalty, getting 37.5 per cent of it, and that of itself is an important factor. Why should the State be denied that income in a public-land oil-producing State like the one which I have the honor to represent here in part, whereas the Senator's State of Texas may go forward and develop under its domestic policy without regulation on the part of the Federal Government and enjoy the full financial fruitage of it?

I can not permit the Senator's statement to go unchallenged. I think those lands should be developed in an orderly fashion. The reclamation fund enjoys 52.5 per cent of the royalty. The Senator's State, along with others, enjoys that fund. More than half the royalty on oil and gas development goes into the reclamation fund. That fund is depleted to-day. It can not meet the demands made upon it. Indeed, the Government has been compelled within the last year to lend money to that fund and to postpone payment of an existing obligation of the Treasury. It seems to me there is every reason why the development should go forward in order and under supervision.

I shall not trespass upon the Senator's time. After he has completed his address to the Senate I shall assume to discuss it.

Mr. CONNALLY. The Senator from New Mexico suggests that because it is permitted, under a law which has been enacted since the issuance of the former order, that the Federal Government may permit exploration and exploitation of oil lands under a unit system, therefore it is sound to go ahead. Let me suggest to the Senator from New Mexico that if the Federal Government handled these oil lands under the unit plan, of course, that would be preferable to the opening of wildcat methods of exploration; but he indicated that he thought it would be possible for the Government to work out some system with private individuals whereby both would operate under a unit system. The Senator is indeed optimistic. We have never been able in our State, and I am sure they have not been able in Oklahoma, to work out any voluntary plan whereby individuals would go into the unit plan to operate their wells. The only way we have been able to accomplish that result has been by law, by the most rigorous and most arbitrary legislative and military edicts.

Mr. BRATTON. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. Yes; I yield.

Mr. BRATTON. I think the Kettelman Hills field in California, one of the largest producing fields, is being oper-

ated under that system. The Secretary of the Interior, on behalf of the Government, is a party to the contract. The Government oil lands there are being developed under the unit system along with adjacent privately owned lands. It has enabled all parties, the Government and private individuals, to convert chaos into orderly production. Without the Government being authorized to participate, and, indeed, without the Government actually participating in that fashion, it would stand to lose tremendously, while private individuals would gain correspondingly.

Mr. CONNALLY. Mr. President, I concede that if these oil lands are to be explored and exploited, it would be preferable that they be so exploited under the unit system; but that does not answer the fundamental objection, that this is no time in which to increase the supply of domestic oil.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I shall yield in just a second. Let me finish the sentence. The Senator from New Mexico [Mr. BRATTON] has raised the question of the States being entitled to a certain percentage of royalty, and he wants to know why other States should be permitted to regulate their lands and why exploitation should not proceed on the public lands because certain States get a portion of the royalty. The reason for that is that all the lands in our State belong to ourselves while the public lands in New Mexico and other States as yet belong to the Federal Government.

Mr. BRATTON. Mr. President, will the Senator from Texas yield to me at that point?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. I have first to yield to the Senator from Montana [Mr. WALSH], who requested me to yield a moment ago.

Mr. WALSH of Montana. I desire to submit some observations on this matter after the Senator from Texas has concluded. I understood him to say that he would be obliged soon to leave the floor?

Mr. CONNALLY. I shall be through in just a short time.

Mr. WALSH of Montana. Very well. Then I will reserve my remarks for the present.

Mr. CONNALLY. I shall be glad to answer any question the Senator from Montana may desire to submit, but since the Senator from Montana is on his feet, let me here observe that the Senator from Montana acquired an international reputation by his exposure before a Senate committee of the frauds and the juggling with which the Federal oil lands and oil leases were exploited under an administration that has now gone into the past.

Mr. WALSH of Montana. But let me remark in that connection that it had no reference whatever to the law under which the general public domain may be exploited for the development of oil and gas.

Mr. CONNALLY. It was under a law of Congress, though that may not be a fair reply to the Senator.

Mr. WALSH of Montana. Let me say that the Senator from Texas occupies a very different viewpoint from that of the Senator from New Mexico [Mr. BRATTON] and myself in dealing with this subject.

Mr. CONNALLY. Yes.

Mr. WALSH of Montana. When this conservation order was promulgated, on the 11th day of March, 1929, all development in my State and in the State of the Senator from New Mexico was shut off, but there were no public lands in the State of the Senator from Texas.

Mr. CONNALLY. That is true.

Mr. WALSH of Montana. And, of course, the order had no reference whatever to his State; development could go on uninterruptedly in the State of the Senator from Texas.

Mr. CONNALLY. That is true.

Mr. WALSH of Montana. But it was shut off in the State of the Senator from New Mexico and in my State. Of course, the developers left our State and went to the State of the Senator from Texas and to other States in which there are no public lands; and in the State of Texas they have proceeded since 1929 to develop the enormous production of oil of which the Senator now complains and urges as a reason why that order should not be vacated.

Now, let me state what the situation was in my State. On the contrary, we had started the development of oil in the State of Montana; we had succeeded so well by 1924 that the Great Northern Railroad conceived the idea of changing all its coal burners into oil burners. It entered into a contract to that end, believing that it could get a sufficient supply of oil from Montana to operate its trains, but the field was not quite so prolific as it was hoped it would be, and the supply, the extension of the development being shut off, was so reduced in a short while that the Great Northern had to import oil from Wyoming and other mid-continent fields in order to supply its trains. That proving unprofitable, it was again then obliged to discard its oil burners and to restore the coal burners.

In addition to that, a considerable number of refineries were erected in the State of Montana looking to the development of oil in that State, and the supply now is not adequate to furnish them with crude oil to carry on their operations.

Moreover, the State of Montana pays a higher price for its gasoline than does any State in the Union, with the exception of the neighboring State of Idaho. We have an abundant supply of crude oil there; we have the refineries to refine it into gasoline for the use of our people, but, instead of that, we are obliged to rely upon the State of Texas for our supply of gasoline.

Now, I wonder if the Senator from Texas does not appreciate that he is talking about this matter from a rather selfish viewpoint?

Mr. CONNALLY. If the Senator from Montana will admit that he is talking from a thoroughly national and unselfish viewpoint, then the Senator from Texas probably will be forced to admit that he is talking from a somewhat selfish motive.

Mr. BRATTON. Mr. President, will the Senator from Texas yield to me?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from New Mexico?

Mr. CONNALLY. I yield.

Mr. BRATTON. The Senator adverted to the fact that his State, which, incidentally, is my native State, owns all its lands and all its minerals, while the Federal Government owns the public domain in the public-land States, the minerals, of course, going with the land in each case. I wonder if the Senator thinks that is altogether fair and in full harmony with the fundamental theory of sovereign States on an equal footing, each one enjoying the same degree of sovereignty with every other one in the Union. I wonder if the Senator, in his sense of fairness, believes that it is altogether equitable for his native State, which he represents so ably here, to own and control and tax and enjoy the revenue from every foot of her land and the minerals therein, and deny that right to the 11 public-land States in which the Government owns in one form or another perhaps half, or more than a half, of the land and the minerals, and to question the propriety of developing these mineral resources and at the same time draw from the reclamation fund, most of the income to that fund being avails from such mineral resources.

It seems to me, Mr. President—and I state it with great affection for my distinguished friend from Texas—that he does assume a selfish attitude. Let Texas develop her lands and her oils and enjoy the revenue from them, but at the same time do not proscribe some other State in the orderly development of her resources.

I call the Senator's attention to the fact that there is an oil field traversing the State line between his State and mine. There is an imaginary line traversing the field. On one side of that imaginary line his State can go forward with her development; the Federal Government has nothing to do with it. On the other side of that imaginary line, the Federal Government intervened and stopped to a large ex-

tent the development of the land in the public domain in my State.

The Senator is basing his argument upon the fact that this is a conservation policy and should be maintained as such. At the time the policy was promulgated on March 12, 1929, only 3 per cent of the oil produced in the United States came from the public domain. Suppose it were stopped entirely, suppose a complete atrophy were effected in the development of oil on the public domain, it would relate to only 3 per cent and would be an infinitesimal part in an effective conservation policy.

Mr. President, upon that theory alone the policy was without substantial foundation and never should have been promulgated. The sooner the Secretary of the Interior releases all restrictions and permits those States to go forward along with other States, the sooner will we return to the general concept of the States being truly on an equal footing.

Mr. CONNALLY. Mr. President, the Senator from New Mexico places me under great obligations by his magnificent compliments and then sweeps them all away by saying that I am speaking from a selfish standpoint, which, of course, implies that the Senator from New Mexico is speaking from an altruistic and patriotic standpoint, which I do not deny.

Mr. President, the Senator from New Mexico refers to the fact that my State has no Federal public lands, and a similar reference was made by the Senator from Montana. Let me say to those Senators that the reason Texas has no Federal lands is because before she became a part of this Union, Texas had achieved her own political independence in the world and was a sovereign republic. We did not enter the Union as a Territory. Texas, by the exertions of her own patriots, had attained her place among the sisterhood of nations. Texas had not been coddled; she had not been supported; she had not been petted by a Federal Government as a territory or outlying possession until finally she became nurtured by governmental Mellon's food to the point where she could become a State in the Union; but Texas achieved her independence from the Republic of Mexico and had received the recognition of this Government and the governments of Europe. She maintained ministers at foreign courts; she maintained her own independence as a republic, and, forsooth, the lands which her heroes had acquired by the expenditure of their blood and by the gallantry of their swords belonged to her. When we came into the Union, Texas retained her public lands; they are ours. We retained them to give them to our citizens as homesteads and not by virtue of some Federal grant from above, because Texas in her own sovereign right owned them, and we shall do with them as we may please.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Montana?

Mr. CONNALLY. I shall yield gladly to the Senator if he will not extend his remarks, because I must conclude. I have a committee meeting to attend, but I shall yield for a question.

Mr. WALSH of Montana. I was about to make an observation, if the Senator will permit me.

Mr. CONNALLY. If the observation is brief, I shall be glad to have it, but, with all due courtesy to the Senator, I am pressed for time.

Mr. WALSH of Montana. We make no objection whatever to the State of Texas doing whatever she pleases with her lands.

Mr. CONNALLY. I am glad to have that admission, although it is a little late coming so long after Texas entered the Union.

Mr. WALSH of Montana. But I was going to say that the remark of the Senator that the Territories were coddled by the National Government——

Mr. CONNALLY. I did not say that directly; I inferred it quite clearly, however.

Mr. WALSH of Montana. Reminded me of the remark of Colonel Barré in the English Parliament. When some one made a speech telling how the colonies were fostered by the care of the mother government, he said, "Fostered by your care; they prosper by your neglect, and you operate them only to oppress them."

Mr. CONNALLY. I thank the Senator for his reference; but let me observe that I have not here stated what my attitude will be when the bill comes before the Senate to hand over the Federal lands to the States. I am not going to cross that river until I get to it; but the States in which the public lands are located are now here asking the Federal Government to turn over to them in fee simple all public lands located within their boundaries. I do not foreclose that question; but that measure has not as yet become a law and until it does become a law, the Federal lands do not belong to New Mexico; they do not belong to Montana; they do not belong to any individual State, but they are the common treasure of all the States and all the people. I deny that under the existing system Montana has any proprietary rights in the public lands in Montana; I deny, with all due respect and kindness to my distinguished friend and colleague from New Mexico, that New Mexico, under the present system, has any vested right either in title or in the income of the public lands located in New Mexico. They belong to the Nation. This policy of conservation was adopted as a national policy.

The Senator from New Mexico says that New Mexico receives a part of the royalties from the oil lands in that State. If it does, it is because it acquired that right by an act of grace, an act of bounty from the Federal Government, not because it had any right or any legal claim.

The Senator from New Mexico and the Senator from Montana referred to my attitude as being cold and selfish. They have referred to the fact that Texas owns no public lands. Let me say that while Texas has within its borders no Federal lands, neither have we any Federal highways in national parks built at the expense of the Federal Government. If we have no Federal lands within the State of Texas, we have no Indian schools erected and constructed at the expense of all of the people of the United States. We have no fine highways, no parks, and no watering places provided at public expense. So I do not believe that that question is pertinent here.

Of course, I am speaking for the people of my State. Let the Senator in this Chamber who is so broad in his outlook, so patriotic in his conception that he has no consideration for the citizenship and the people of his State, rise in his place here now and avow it. Let him avow it now.

Of course, I am speaking for my people; and I expect to continue to speak for my people so long as by their grace and favor I have the privilege of sitting in this Chamber as one of their humble representatives. I shall reserve unto the next world associating with those elevated and sublimated beings who always vote here with their eyes blinded to the interests of their people, but solely with a view to serving the Nation and the world.

Mr. President, I protest against the reversal of the policy of the Federal Government, not with relation to private lands but with relation to the Federal lands. If the States were not making heroic efforts to conserve oil, if the States were wasting oil resources, if they were permitting the oil to run wild in torrents through the creeks and the rivers and were squandering these resources, there would be another question here. But my State resorted to the harsh, to the arbitrary, yea, to the cruel methods of military law in order that we might conserve such resources. The State of Oklahoma, from which comes my distinguished colleague, Mr. THOMAS, invoked the aid of troops. We called the legislature in session. We passed laws; and now, sitting at the side of these oil wells, is a civil officer saying, "You shall produce this much and no more until the demand becomes more nearly commensurate with the supply of oil."

Mr. President, I am speaking about the Federal property. I am speaking about the great resources of oil that we shall need for the Nation itself. We are going to need oil for the Navy. The Senator from Montana [Mr. WALSH] attained a great reputation because he stood on the floor of the Senate and pleaded for saving the oil resources of the Nation

for the Navy. I contend that the place to save this oil under present conditions is in the natural reservoirs of the earth.

I want to repeat, considering with all due respect the protests of the Senator from Montana [Mr. WALSH] and the Senator from New Mexico [Mr. BRATTON] that I adhere to my first position that I want to know, the country is entitled to know, the Congress is entitled to know why it is that the President and the Secretary of the Interior have reversed their policy after two years of operation, and have reversed it at a time when the reasons in its support are stronger than they were when that policy was put into force.

It may be that it is because of the pressure of Senators like the Senator from Montana, the Senator from New Mexico, and the Senator from Utah that this policy has been reversed. If so, of course, it is perfectly proper, perfectly legitimate for these Senators to bring pressure to bear. But, Mr. President, viewing this question in its larger aspects, I submit that, however much the State of Montana and the State of New Mexico and other States may be interested, the national welfare is paramount even to the welfare of these States; and I submit that the other States involved are of as much importance and are entitled to as much consideration as these two States in the West.

Mr. President, I ask consent to have incorporated in the RECORD as a part of my remarks an editorial from the Washington News entitled "Wilbur Wobbles."

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

WILBUR WOBBLES

Two recent events add weight to the growing demand for a consistent Federal policy on conservation and land utilization. One is the Garfield committee attempt to dole out to Western States the last remnant of 180,000,000 acres of the public domain's surface land. The other is Secretary Wilbur's reversal of the Executive order of three years ago withdrawing oil prospectors' permits on this domain.

Wilbur is, we believe, a sincere conservationist. Yet his conservation policies seem hopelessly to lack logic. He supported the Garfield committee's unhappy recommendation in the Evans bill to give vast grazing and watershed lands to States that are in no position to protect them. While this move appears to have been blocked in Congress, no substitute measure is being pushed looking to Federal protection of these lands, now being ruined by overgrazing and erosion.

On March 13, 1929, Wilbur suddenly withdrew from prospecting the oil lands of the public domain. Now he reverses this order. That he hedges the order with a proviso that the oil, if discovered, be developed under the "unit plan" made possible by the Walsh bill of last session does not change the fact that the bars are thrown down at a time when the Nation is being almost drowned in oil.

What has happened in three years to justify Wilbur's reversal of policy? Nothing. Instead there has been the biggest oil development in the past three decades, the east Texas exploitation, and an overproduction of oil so disastrous to local oil men that they are demanding remedies like an oil tariff or embargo. If protection of the Nation's potential oil fields from wildcatting was necessary three years ago, why isn't it more so now?

The country's rapidly dwindling natural resources can not longer be bandied about safely. The forests, coal, oil, minerals, grazing lands, and watersheds that still remain ungrabbed by private exploiters should be conserved and developed with an eye to the public need and future safety.

Mr. LONG. Mr. President, I am not questioning whether it is proper to lease the public domain or not. The fact remains that for several years the Secretary of the Interior and the President of the United States have had every power of law to rescind this order that they have now. I presume that if, as the Senator from Texas suggests, any pressure has been exerted by the Senator from New Mexico or by the Senator from Montana, that pressure has been exerted probably for several years.

The fact remains, however, that the Secretary of the Interior and the President of the United States have seen fit to wait until there was never such a surplus of oil in America as there is now, and, whether properly or improperly, whether the order not to let the public domain be leased should have been issued or whether it should not have been issued, they have seen fit to wait until a time when a fight has been on in the Senate to give the independent oil producers of this country relief. Now the public domain has been offered at a time when no independent operator in America can bid on it. Regardless of how much is leased, I make the statement now, and I will make the statement whenever it is leased, that it has been opened at a time when there is not a single independent operator who can benefit from the opening of this domain. If it was ever going to be opened—and I do not say whether it should or should not have been—certainly a time should not have been picked when it was most disastrous to the independent oil industry, and when they could take no advantage whatever of the Government's generosity.

Mr. BRATTON. Mr. President, I had not intended to discuss this matter to-day; but since the Senator from Texas [Mr. CONNALLY] has raised the question I desire to say, briefly, that I have objected to this policy from the day it was promulgated, almost three years ago.

No one questions the power of the Federal Government to regulate and control the public domain so long as title remains in the Government. The Senator from Texas predicates his argument upon that legal proposition, which no one disputes. But, Mr. President, I sought to direct the attention of the Senator from Texas a few moments ago to the fundamental theory on which our Government is founded—a dual entity; that is to say, a Federal Government on the one hand and sovereign States on the other, each State being on equal footing with every other State in the Union, and exercising an equal degree of sovereignty. Indeed, that is the fundamental basis upon which our system is established. It has been affirmed and reaffirmed by the Supreme Court of the United States in a great many cases.

One of the most recent cases related to the power of the Federal Government to provide that the capital of the State of Oklahoma should remain at the city of Guthrie for a specified time. A provision of that kind was inserted in the enabling act; the State sought to change the location of the capital within the period prescribed. The question was brought to the Supreme Court of the United States; and the court held that although Congress had the power to insert that sort of a provision in the enabling act, the moment the State of Oklahoma was admitted into the Union on an equal footing with the other States the equal-footing doctrine destroyed the force of the provision requiring the capital to remain at Guthrie for 25 years. So the provision was stricken.

Mr. President, the Senator from Texas did not address himself to that phase of the argument. He contented himself by saying that the Federal Government had the power to control and govern these lands. Of course, the Federal Government has the power. It has the legal power. It has the legal authority. No one disputes it. But, Mr. President, is it in harmony with the spirit of the equal-footing doctrine among the several States of the Union to permit his State—of which he is justly proud, and so am I—to exercise full sovereignty over all her lands and all of her minerals, to regard them as domestic property subject to her control, her tax levy, and deny that right to 11 other States in the Union?

In my own State the Federal Government owns, in one form or another, 43 per cent of the lands and the minerals. That includes the public domain of almost 15,000,000 acres. It includes the national forests. It includes Indian reservations. It includes stock driveways, oil-shale reserves, and all other types of public lands. Over that territory, 43 per cent of the entire area of the fourth largest State of the Union, the State exercises no taxing sovereignty. She enjoys little income. The chief income is the 37½ per cent of the royalty from oil.

Mr. President, 52½ per cent of the royalty from oil developed on public domain goes into the reclamation fund. Only a few States produce that money, but other States share in it. Indeed, the State of Texas, so ably represented by the Senator who has just addressed himself to this subject, enjoys a part of the reclamation fund. His State draws upon it from year to year, and no one complains about that. She has her right to draw upon that fund; but, while draw-

ing upon it, let there be no proscription in the development of oil in the public-land States which constitutes the principal source from which the fund is derived.

Since the act of Congress authorizing the Secretary of the Interior——

Mr. WALSH of Montana. Mr. President, before the Senator passes from that feature of the matter he is discussing, I should like to remark that by the legislation to which he has adverted, by which 37½ per cent of the avails of the sales of public lands and other items of revenue derived from public lands goes to the State from which the revenue comes, and 52½ per cent of it goes into the reclamation fund participated in by the public-land States generally with the exception of Texas, Congress evidences the recognition of the United States that the various States have an interest in the public lands within those States different and quite apart from the general interest of the public in those lands. Notwithstanding that the title remains in the Government of the United States, the legislation enacted by Congress recognizes that the States respectively have a high interest in those lands quite different from that enjoyed by the Nation as a whole.

Mr. BRATTON. Mr. President, the views expressed by the Senator from Montana are incontrovertible. When the Government provided in the general leasing act approved February 25, 1920, that 37½ per cent of the income from these royalties should go, not to the States in general, not to the 48 States in the Union on any basis whatever, but to the State in which the oil was developed, it recognized some sort of an interest, whether we call it equitable, moral, or what not. It recognized that the State had some claim upon the fund. It had some interest in the development.

Let us follow the balance of the fund. Fifty-two and a half per cent goes into the reclamation fund, which is used primarily in the development of the Western States. Not only do the oil-bearing public-land States enjoy that but the other States share in its enjoyment. The Government keeps only 10 per cent of the income for administrative expenses.

Before I leave the subject, I repeat that when the Congress inserted that provision in the act, providing that 37½ per cent of the royalty from oil developed in the State of Montana should go to the State of Montana, the same as to Utah, the same as to Wyoming, the same as to New Mexico, and the same as to the other oil-producing public-land States, it indubitably recognized same driving, same commanding, same convincing right or interest in those States in the fund derived from the development of their resources.

Mr. President, although no one disputes the technical legal proposition that the Federal Government can retain title to those lands, and can control them, I say that it does bear perilously near transgressing the equal-footing doctrine among the several States to permit one State to develop all of her resources and develop her resources in the order she may prescribe, and deny that degree of sovereignty to other States. It transgresses perilously near the equal-footing doctrine among the States.

Mr. FESS. Mr. President, will the Senator yield?

Mr. BRATTON. I yield.

Mr. FESS. I ask purely for information, because I have no information upon the subject. Has there ever been any effort toward a policy of turning over the public lands which the Government owns to the States in which those lands lie? Has that ever been seriously discussed?

Mr. BRATTON. Mr. President, that matter has been discussed many times. Bills without number have been introduced to that end. Since I became a Member of this body several bills upon the subject have been pending continuously before the Committee on Public Lands.

The Senator will recall that in August, 1930, the President addressed a letter to a conference of governors of the Western States, held in Salt Lake City, in which he suggested the advisability of ceding to the public-land States what he termed the surface rights to the public domain. I think an analysis of his letter leads to the conclusion that what he had in mind was the turning over of the entire estate except the minerals.

Following that the President appointed a commission, of which Doctor Garfield, of the Senator's State, was chairman, to investigate the whole matter and make a report. That commission finished its task a few months ago and made a report to the President recommending a system under which the public lands would be ceded to the States, with certain exceptions and reservations.

Following that a bill was introduced in each branch of Congress, and hearings have been conducted upon that proposed legislation. Indeed, they are still in progress. Two or three bills are pending now looking to that very end.

Mr. FESS. While I have no information, it would appear to me that that may be the solution of what seems to be somewhat inequitable toward the States.

Mr. BRATTON. Mr. President, I welcome that observation on the part of the Senator from Ohio. Those of us serving on the Committee on Public Lands hope to get legislation to the floor of the Senate soon in an effort to solve the problem, one which has been with us a long while.

I join the Senator in the belief that all of our States should own and enjoy the lands within their respective boundaries. I think that is in harmony with our theory of equal footing. The equal-footing doctrine does not relate to the size, the financial strength, or the population of the States. Be they large or small, sparsely or thickly settled, rich or poor, our theory is that they are on an equal footing so far as the exercise of sovereignty within their own boundaries is concerned.

I think, Mr. President, that to deny that right to the State of Utah, concerning seventy-odd per cent of her land; to deny that right to my State, relating to 43 per cent of her territory; and to the other public-land States in some degree, transgresses the spirit of the equal-footing doctrine among the sovereign States of the Union. I hope very much that during this session of Congress we may pass an act which may solve the problem and give to the public-land States this estate, which, in equity, belongs to them. Of course, it will be an act of grace when the Federal Government makes the cession, but it should be done. I hope it will be done during this session.

Mr. President, as I said a while ago, on March 12, 1929, this so-called conservation policy was promulgated by the Secretary of the Interior. At that time only 3 per cent of the crude oil produced in the United States was produced on public domain. It was not enough to constitute substantial conservation in the oil industry. It would not dent the production of oil as a whole. It was not truly conservation, because it related to only 3 per cent of the industry. But it was enough to hamper, to thwart, to hold back, to hurt a few of the public-land States which were fortunate enough to have oil-producing public domain within their boundaries.

My State was among them. A great many people had gone into the field, had expended money, had invested capital upon the strength of developing the public domain. Of course, when the policy was announced their plants were dislocated, they were disrupted, they were destroyed. Many of them left the field, and, as the Senator from Montana said a while ago, they went from Wyoming, they went from Montana, they went from New Mexico into other States where there was no public domain and they developed oil there. That has brought about the overproduction in the other States, while a few of the Western States have suffered tremendously.

Mr. President, I repeat that the policy was injurious and not justified at its inception, and I commend the Secretary of the Interior for ending it, for permitting these lands to be developed in an orderly fashion.

I hope that before many weeks shall have passed we may bring to the floor of the Senate a bill granting to the public-land States their public lands, with the mineral rights included in the cession, just as the State of Texas owns her lands and her minerals and the State of Tennessee and the

other non-public-land States own their lands. Let the States move along harmoniously, exercising an equal degree of sovereignty and developing their resources in perfect harmony, instead of one State developing hers and undertaking to proscribe another State in the development of hers.

I commend the Secretary of the Interior upon his action in vacating the policy and permitting these lands to be developed under regulations. My regret is that it was not done sooner.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. COSTIGAN], on page 111, line 5, to strike out "$450,000" and to insert in lieu thereof "$475,000," in the item for salaries, Howard University.

Mr. McKELLAR. Mr. President, just one word of explanation before this amendment is voted on.

The Senator from Colorado has offered two amendments, which are now before the Senate. They both apply to the matter found on page 111 of the bill. The one amendment is to strike out "$450,000" and to increase it to $475,000, an increase of $25,000. The second amendment is to strike out "$225,000" and to insert in lieu thereof "$275,000," an increase of $50,000.

Since I have been in the Congress I have at all times been exceedingly favorable, if I may so express it, to the interests of Howard University. I have nothing but the kindest interest in that great institution. I have nothing to say against it at all. But so far as these amendments are concerned, I do not think they are timely, and I think they ought to be voted down for this reason: As the distinguished Senator from Utah showed a while ago in a statement he made, the Congress has been exceedingly generous to this institution, more generous to it than to perhaps any other institution of any kind, college or any other institution, in the entire country. I am not prepared to object to what is sought, but I do say that at a time like this, when we have to cut all other expenses, when our Treasury is $3,000,000,000 in the hole, we should not increase these items when we have been so generous about them.

For instance, as the Senator from Utah said this morning—and I want to call the attention of Senators to it now, to impress it upon them—for the item of salaries in 1928 we appropriated for this institution $150,000, in 1929 we appropriated $160,000, in 1930 we appropriated $225,000, and in 1931 we appropriated $350,000, and in 1932 we appropriated $450,000. The proposal of the committee now is to give them $450,000 again. It does not cut the appropriation down a penny, and it seems to me that ought to be entirely satisfactory to the institution and to the friends of the institution.

I come to the general expenses of 1928, as shown by the Senator from Utah. The appropriation was $68,000; in 1929 the appropriation was $80,000; in 1930 it was $95,000; in 1931 it was $160,000, and in 1932 it was $225,000. The same amount is given them in the pending bill.

This is generosity personified. I have never known of an institution in the entire country that has been treated so generously and with ever-increasing appropriations. Surely at such a time as this the Senate should not increase these amounts, and I hope the two amendments of the Senator from Colorado will be voted down.

Mr. SMOOT. Mr. President, I want to put one other list of figures in the RECORD that I overlooked earlier in the discussion. The totals appropriated for Howard University are as follows: In 1922, $280,000; 1923, $190,000; 1924, $232,500; 1925, $365,000; 1926, $591,000; 1928, $368,000; 1929, $390,000; 1930, $600,000; 1931, $1,449,000; 1932, $1,560,000.

May I say to the Senator from Colorado that I think the Government has taken very good care of the institution?

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. In just a moment. Outside of my own university at home I have taken more interest in Howard University than in any other school in the United States. I have always wanted the president of the university to come to me and ask for just what they needed and just what they wanted. But this year, when we are trying to cut expenditures everywhere and on everything, I think Howard University ought to assist us in doing it. When I see the president of Howard University I am going to tell him so.

I yield now to the Senator from Colorado.

Mr. COSTIGAN. The Senator from Utah has enumerated certain appropriations for Howard University. Will the Senator now advise the Senate how much of a reduction from the Budget is proposed by the Senator from Utah and the Senator from Tennessee?

Mr. SMOOT. A reduction only in those things that do not affect the school this year. I have not any doubt this appropriation will be made next year. I know they will have to have a new heating plant there. I know they will have to have provision for reconstruction. I know that, but we were instructed by this body to take the bill back to the committee and to reduce the amounts involved from one end to the other.

Mr. COSTIGAN. The figures of the Senator from Utah are misleading unless the Senator points out how large a reduction is planned in the case of Howard University and how small in other instances.

Mr. McKELLAR. Mr. President, let me call the attention of the Senator from Colorado to the fact that in the two items which the Senator seeks to amend, the committee did not reduce either one by a single penny. They are left just exactly as they came from the House. The committee has reduced practically every other item in the bill in order to bring about a reduction of expenditures at this time, and we have not reduced the expenditures of Howard University by $1. What the Senator from Colorado seeks to do is to increase the two items of expenditures for the university.

Mr. SMOOT. The Senator from Colorado had a perfect right to ask the question that he did, and I want to answer it frankly. He is entitled to that kind of an answer. All we are asking to do in the case of Howard University is to omit the appropriation of $100,000 for the construction of a general library building, to be immediately available. The Senator, I think, will agree that they could do without that building for another year.

Mr. COSTIGAN. Personally, as suggested yesterday, I am willing to favor the library restriction if the other amendments prevail.

Mr. SMOOT. It is for the Senate to say.

Mr. COSTIGAN. That modification substantially represents the 10 per cent reduction which the Senate directed the committee to make.

Mr. SMOOT. The other item is for the construction of a heat, light, and power plant, $300,000, to be immediately available. If Howard University were suffering from lack of heat, I would not think for a moment of asking that the item go out; but they have the same appliances and the same heat that they have had in the past. Just as soon as the construction of a new library building begins they will have to have a complete new heating plant. The old plant will have to be ripped out entirely. But the committee thought we could postpone the construction of a new heating plant for the time being and yet not interfere with one single, solitary professor or student in the university, and it would help us that much, at least, for one year. But the Senator wants to increase the other items; for instance, the item of salaries, where his amendment proposes an increase of $450,000. Why should they have an increase over last year? Every other department of the Government is taking a decrease. Why should Howard University want an increase?

Mr. COSTIGAN. Does the Senator desire that I answer his questions or does he wish to complete his statement before I reply?

Mr. SMOOT. I am through, and the Senator can answer in any way he desires.

Mr. COSTIGAN. I wish at this time to renew my request of the Senator from Utah for a complete statement

with respect to reductions proposed for Howard University in comparison with the suggested reduction of other appropriations.

Mr. SMOOT. I will frankly say the $400,000 taken off here represents a greater percentage than in any other activity of the Government provided for in the bill now before us. That is absolutely true. But there are no other items in the bill providing for the construction of a building that could be postponed in that way. We have cut everything in the bill that we could to do the least damage. We think this item could be done away with and do less damage than a similar reduction in any other place in the bill.

I hope the Senator from Colorado and all other Senators realize that this is not a strike at Howard University. This is not going to deprive the university of a single, solitary thing with the exception of postponing these two items during the present year. Eventually they are going to have an appropriation for them, and I will say to the Senator from Colorado that not only will they have $300,000 provided for at a future time but they will have every dollar that is necessary for the construction that is called for by his amendment. Not only that but I want the plant to be the very best plant that it can possibly be made, up-to-date and modern. I would handle it just the same as though I owned the institution myself. Not only that but when it comes to equipment of the library building, I want the building constructed and completed; I want not only an appropriation of $100,000 for that purpose but I want a sufficient appropriation to complete the building and equip it fully. But surely the Senator does not believe this is the year to do it?

Mr. COSTIGAN. Mr. President, the Senator is persuasive in his promises, but, of course, promises are often unfulfilled. It is my understanding that the Senator from West Virginia [Mr. HATFIELD] desires to discuss the subject at issue before I conclude my statement.

However, before I yield, this picture ought to be given the Senate. We have had from the Senator from Utah and the Senator from Tennessee emphatic statements respecting appropriations for Howard University. Yet one feature of the case has been steadily omitted from their discussion, namely, that the Senate on March 14 deliberately adopted certain amendments to the Howard University appropriations. One was for $460,000, an increase of $160,000, for a power plant. Another provides an increase of $25,000 for salaries; another an increase of $50,000 for general expenses. The fourth amendment presented by the Senator from West Virginia [Mr. HATFIELD] provided a further appropriation for the library. All these appropriations, supported by the Secretary of the Interior, were in the bill when the Senate requested the committee to return with a 10 per cent cut of the total appropriation. The Senate did not instruct the committee to make a 10 per cent cut of any particular items of the appropriation. It certainly did not authorize the committee to make a 37.2 per cent cut, as reported in this case, and a 4 or 5 per cent cut in regard to other appropriations as the committee decided to do.

Mr. SMOOT. I think the Senator ought to know just what course the committee took. The committee was instructed, as the Senator said, to reduce by 10 per cent the amount carried in the House bill. In every bill we have reported from the committee since that action of the Senate we have eliminated every amendment that was made by the Senate, not only on this bill but on every other appropriation bill. We have not considered a single amendment that was agreed to here upon the floor of the Senate.

Mr. COSTIGAN. Apparently not.

Mr. SMOOT. Not only this bill but all appropriation bills that have been before the committee. That is the attitude the committee took. What could they do otherwise?

Mr. COSTIGAN. It was a subject for possible inquiry by the committee whether it should completely eliminate Senate amendments on which the Senate had affirmatively acted. Therefore, yesterday I endeavored to persuade members of the committee, and they courteously responded, to state on what principle these reductions had been made by the committee. But there has been no exposition, which should satisfy any Member of the Senate, of any definite principle running through the reductions written into the measure now pending before us.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Tennessee?

Mr. COSTIGAN. I yield.

Mr. McKELLAR. I will try to give the Senator again the principle on which the two items were reduced. The committee cut down in every case where we believed there will be no real injury. When it came to Howard University we left the appropriations as they were fixed by the House for general expenses, salaries, and the like. The committee knew that these two items for buildings could be stricken out without any injury to the university and postponed at least a year or until times get better. That was the principle upon which the committee acted, and that is the reason why they acted as they did.

The Senator from Colorado a while ago criticized the Senator from Utah [Mr. SMOOT] for making promises. I want to say to the Senate that to my certain and personal knowledge the Senator from Utah has voted for $6,243,500 to this institution in the last 10 years. He has voted as a consistent friend of the institution. I do not think that it is just to criticize the Senator from Utah when he has been such a consistent and faithful friend to the institution.

Mr. COSTIGAN. With due respect to the talented and eloquent Senator from Tennessee, I repeat that no adequate statement of any principle guiding the committee has been made on this floor. At least no statement has been made which satisfies the Senator who has offered the amendments, which will soon be voted on by the Senate.

In addition I have repeatedly said to the Senate that there is not the slightest personal criticism being voiced of either of the Senators who have zealously served the Senate in the endeavor to reduce appropriations.

Mr. COPELAND. Mr. President, will the Senator from Colorado yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from New York?

Mr. COSTIGAN. I yield with pleasure.

Mr. COPELAND. This bill went back to the committee with instructions to reduce it by 10 per cent. That is correct, is it not?

Mr. SMOOT. The instructions to the committee were that the appropriations carried in the House bill were to be reduced by 10 per cent.

Mr. McKELLAR. They were to be reduced by 10 per cent in the aggregate.

Mr. COPELAND. Very well. The reduction was to be 10 per cent of the amount appropriated in the House bill?

Mr. SMOOT. In the aggregate.

Mr. COPELAND. But, as a matter of fact, the committee reduced the appropriations carried in the bill $5,047,760, which is $503,000 more than the instructions given the committee. The Senator from Tennessee [Mr. McKELLAR] shakes his head. What is wrong about that statement?

Mr. McKELLAR. If the Senator from Colorado will yield to me, I will say that I am depending for my mathematics on the clerk of the Appropriations Committee, Mr. Rea, who is one of the best mathematicians of whom I know, and I think his figures are correct.

Mr. SMOOT. The reductions are about $3,000 more than 10 per cent.

The VICE PRESIDENT. Does the Senator from Colorado yield the floor further?

Mr. COSTIGAN. I do.

Mr. COPELAND. May I ask the Senator from Tennessee if the report which I hold in my hand [exhibiting] is the report of the committee?

Mr. McKELLAR. That is the report of the committee.

Mr. COPELAND. I am not very strong on mathematics.

Mr. McKELLAR. I am sure the Senator is not, or he never would have made the statement which he has made.

Mr. COPELAND. Well, what does the Senator consider to be 10 per cent of $45,000,000?

Mr. BINGHAM. Mr. President, if the Senator from New York would look on page 1 of the report, he would see that the bill as it passed the House carried $50,446,432.33, and the reductions made by the committee amount to $5,047,760, which looks to me to be very nearly 10 per cent.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield further?

Mr. COSTIGAN. Yes.

Mr. McKELLAR. Mr. Rea, the clerk to the committee, cast up these percentages. He is one of the most accomplished mathematicians connected with the Senate, and I have the utmost faith in the correctness of his calculations.

Mr. COPELAND. I yield about $400,000 of what I stated.

Mr. SMOOT. The Senator must yield a little more than that.

Mr. COPELAND. But I will have later, in my own time, something further to say about the bill.

Mr. COSTIGAN. Mr. President, only one other observation will be made by me at this time.

The Senator from Tennessee [Mr. McKELLAR] stated that such reductions as had been reported by the committee would cause no damage to any of the departments of the Government for which appropriations are being voted by the Senate. It was, however, made evident yesterday that the Office of Education would suffer as a result of one reduction affecting it; and, indeed, some indications were given by members of the committee that they intend in the conference committee to cooperate to bring about a better relation between the planned reductions touching the Office of Education. It is now demonstrable that Howard University will definitely suffer under the restrictions imposed by the bill as reported here, and before I conclude—for I simply rose for the purpose of answering some statements made by the Senator from Utah [Mr. SMOOT]—I expect to make a brief final statement concerning the effect of the failure to include three of the appropriations the Senate approved on March 14 for Howard University.

Mr. HATFIELD obtained the floor.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. The Senator from West Virginia [Mr. HATFIELD] is entitled to the floor.

Mr. HATFIELD. I yield to the Senator from Utah.

Mr. SMOOT. I think the Senator from Colorado will accept, will he not, the testimony of Doctor Johnson as fairly representing his wishes in relation to the appropriations for Howard University?

Mr. McKELLAR. Doctor Johnson is president of the institution, is he not?

Mr. SMOOT. He is president of the university.

Mr. McKELLAR. And a very excellent man.

Mr. COSTIGAN. My answer is that I have information from the same source which is later than his testimony, and which I have no doubt the Senator from Utah and the Senator from Tennessee will accept.

Mr. SMOOT. I have not the least doubt that Doctor Johnson would like to obtain all the appropriations which might be made, but I will quote what he said before the committee. I asked what the situation was, and Doctor Johnson said:

> I would say, Mr. Chairman, that I think it would be better to postpone the building than to build one that is not desirable.

And that is what we have done.

Mr. COSTIGAN. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Colorado?

Mr. HATFIELD. I yield.

Mr. COSTIGAN. Does anyone dissent from that generalization, whether he be a friend of Howard University or one who is opposed to the extension of its admirable work?

Mr. SMOOT. We can not make at one time appropriations to build the whole university; the Budget Bureau would not agree to it; nobody would agree to it; and that is the statement of Doctor Johnson himself. He further stated in answer to a question:

> Senator JONES. And one that would really meet the needs of the university?
>
> Speaking of the amount—
>
> Doctor JOHNSON. No; because in putting up a library building, if you do not take into consideration other items and study the growth of the institution over a period of years, you will find in time that what you have done will cost you a great deal of money.

That was the position of the president of the university.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Connecticut?

Mr. HATFIELD. I yield to the Senator from Connecticut.

Mr. BINGHAM. Mr. President, I had intended to offer an amendment to the committee amendment and to oppose the amendment reported by the committee to strike out the appropriation of $300,000 for the construction and completion of the heat, light, and power plant at Howard University, but I have followed the action of the committee in regard to all the various cuts—and some of them have been very drastic cuts, notably that in connection with Boulder Dam—and I have observed that it is the wish of the Senate to continue to carry out the program which the committee was instructed to adopt of a general cut of 10 per cent in the appropriations in the bill. So I realize that it would be entirely a work of supererogation to attempt to change one of these amendments. Therefore the most that I can do is to call attention to the fact that the committee did not cut at all the salary item for Howard University.

Mr. SMOOT. It is the same as the appropriation in existing law.

Mr. BINGHAM. It is exactly the same as it has been in the past. Furthermore, the committee did not cut at all the appropriation for the Freedmen's Hospital, but it used its pruning knife entirely on the items of new construction, and the construction items which are stricken out will not seriously handicap the work of the university or of Freedmen's Hospital.

As I have said, Mr. President, I regret to see these items cut out; it looks as if a very large cut has been made in a relatively small item; but in view of the fact that the committee did not cut any of the expenses for Freedmen's Hospital or for salaries or general expenses of Howard University, amounting to $675,000, I shall not offer any further opposition to the committee's amendment, knowing that if I did so it would be merely a gesture which I knew in advance would not succeed.

Mr. HATFIELD. Mr. President, I shall be very brief. In my judgment, there is no one connected with Howard University and no one who holds a seat in the Senate of the United States who will not concede that the Congress in the past, and even at the present time, has been indeed most considerate of Howard University. The Congress has been encouraged, Mr. President, to adopt such a course because of the appreciation which has been expressed by the student body and those who are connected in an official way with the university.

In my opinion the issue which has been raised by the able Senator from the State of Colorado [Mr. COSTIGAN] has been overlooked altogether. Congress in its past actions, with respect to appropriating money for the erection of new buildings and additions to this institution, has neglected up to the present time providing a central heating unit for Howard University. At the present time the heating of this institution, as I am reliably informed, is dependent upon the boilers of Freedmen's Hospital, which also furnish steam for sterilization of the equipment of the hospital and heat for the hospital.

The purpose of the amendment of the Senator from Colorado is to provide Howard University with a heating unit which will take care of its present needs as well as its growing needs.

I quote from a statement prepared by the authorities of Howard University dealing with the inadequacy of the pres-

ent heating unit which is now used jointly by the hospital and the university.

With three new women's dormitories now in operation the boilers of the present heating plant are now operating in excess of 50 per cent above normal capacity. Being an old and infirm plant, developed piecemeal and stoker fed, it has reached its maximum output capacity. The superintendent of Freedmen's Hospital has already given the university formal notice that the plant may fail to deliver service at any time during the current year.

The university is in the process of erecting two new buildings for which money is already available. Neither the dormitories already in operation nor the two new buildings now under construction have any assurance of heating so that they can be utilized when they shall have been completed.

For that reason, Mr. President, I consider that at least one of the amendments offered by the Senator from Colorado is an emergency amendment, for the only way that the university can hope to take care of its needs in the way of heating the 25 buildings making up the university group is by the adoption of the amendment offered by the Senator from Colorado.

Were it not for the fact that I consider this an emergency amendment, which should have serious consideration in this body, I would not be standing on the floor of the Senate advocating its adoption. I withdrew any opposition to other reductions when I learned of the situation that confronted the Congress. Knowing that we would necessarily be compelled to raise additional taxes to take care of the appropriation bills after they had been cut to the core, I had no hesitancy in stating on the floor of this body yesterday that I would not offer again the amendment which I proposed before the bill was referred back to the committee, but I did say that I felt that the amendment offered by the distinguished Senator from Colorado, which would guarantee to Howard University a heating plant, should have serious consideration by this body. I feel so at the present time.

Mr. President, I believe that as the three boilers used for heating the university buildings are old and almost incapacitated and are now operating 50 per cent beyond normal capacity, so that no one can know at what hour they will pass out of existence, something should be done in the way of assuring Howard University an all-time heating unit which it may control within itself and which will also assure to the hospital an accessory unit which will enable it to be taken care of in case of a breakdown in its present unit.

Mr. COPELAND. Mr. President, this morning the distinguished Senator from Utah [Mr. SMOOT] presented to the Senate certain figures showing permanent improvements at Howard University. I was very glad to have this list, because it demonstrates the long-time and continued interest of the Congress in this great institution.

The Senator said that in 1926 a medical building was built at a cost of $370,000; that in 1928 a dormitory for young women was completed at a total cost of $190,000; in 1929 a chemistry building at a cost of $390,000; in 1931 an educational classroom building at a cost of $460,000; then a girls' dormitory at a cost of $539,000. I think I have those figures correct; have I?

Mr. SMOOT. That is correct.

Mr. COPELAND. Have we spent anything on the library?

Mr. SMOOT. We have made an appropriation toward the construction of the library.

Mr. COPELAND. Toward the construction of the library we have already spent $400,000; and in a deficiency bill we have appropriated for excavations, walks, and so forth, $200,000.

These figures aggregate a property investment of between two and three million dollars added to the material equipment of Howard University during the past few years. After my genial friend, whom I love dearly, has given us these figures, he complains because the appropriation for general expense has increased year to year!

Why should it not increase? Can an institution having an addition to its equipment of buildings worth between two and three million dollars continue to operate for the same amount that it operated the old shacks that were there before these new buildings were constructed?

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I do.

Mr. SMOOT. The Senator is mistaken. The Senator from Utah has not complained about appropriating just exactly what was appropriated last year. The Senate committee and the House gave them just exactly what they had last year for the operation of the institution.

Mr. COPELAND. I apologize to the Senator. I think his complaint is justified. Certainly I did not mean to criticize, as perhaps my language seemed to indicate. I am not criticizing him, because I know he has been a very loyal friend of this institution. But I shall be disposed to criticize the Senate unless it makes a slightly increased appropriation this year for the educational work and the general expense of the institution.

We have the equipment, however; we have these buildings; and, anticipating that the heating plant would be provided for, there was not the request which is necessary, in the absence of the completion of the heating plant, for the additional funds required to enable the university to carry on its arrangement with Freedmen's Hospital or to heat its buildings otherwise.

I have no word to say in criticism of the committee for cutting out the library and the heating plant this year, much as I should like to have this institution have these new buildings. If the time comes when we can spare the money and I am still here, I shall vote for them, as I know my friend from Utah will.

Mr. HATFIELD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from West Virginia?

Mr. COPELAND. I yield.

Mr. HATFIELD. Does not the Senator hold that the heating plant is an absolutely essential part of the institution?

Mr. COPELAND. I do. I think it is very necessary that there should be a new heating plant.

Mr. HATFIELD. Especially is that true when the present plant is used to the extent of 50 per cent beyond its normal capacity.

Mr. COPELAND. Yes; I agree to that, and I wish they could have the new plant; but there are a lot of things that I want that I am not buying this year, and I am in sympathy with these plans for cutting down the expense of the Government. We must do it, no matter if our friends suffer, no matter who may suffer; but I can not consent to add my vote to the reduction of the funds for the educational work and the general upkeep of this institution.

I think the committee should permit these two items for salaries and expenses to go to conference.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Utah?

Mr. COPELAND. I do.

Mr. SMOOT. With every respect in the world for this institution, I want to say that we are giving them the same amount that was given to them last year; and I know that the Senator knows there is no necessity of increasing the expenses or increasing the salaries of the institution.

Another thing, Mr. President: This is about the only place in the bill where we have kept up the appropriation to the amount appropriated last year. The House, however, gave them just what was given them last year for both salaries and general expenses.

I want to say to the Senator that if I knew where we were going to get the money to pay the $2,000,000,000 of governmental deficit—and I do not know yet where we are going to get it—I might change my position and say, "Of all the institutions in the country, perhaps we should give special attention to Howard University, and give them the increase"; but they had an ample number of professors last year. They had ample pay for every one of them. They had am-

ple appropriations for general expenses, and they have no higher general expenses this year than last year; and we have given them exactly the same amount this year that we did last year.

Mr. COPELAND. That is very well; but when the Senator says the university has been favored in a sense by reason of the fact that the two items for salaries and general expenses given by the House have not been cut, I can not agree with him.

Mr. SMOOT. Nearly every other department has been cut, Mr. President, for the very purpose of decreasing the number of employees and the salaries.

Mr. COPELAND. I agree to that; but when I add together $400,000 and $100,000 and $300,000 and $225,000 and $450,000, representing all the items in Howard University——

Mr. SMOOT. No; there is $225,000 for general expenses and there is $450,000 for salaries.

Mr. COPELAND. All right; when I add together $450,000 for salaries, $225,000 for general expenses, $100,000 for the library, and $300,000 for the heating plant, the cut made is how much—75 per cent?

Mr. HATFIELD. Fifty-eight per cent.

Mr. SMOOT. Just about.

Mr. COPELAND. Fifty-eight per cent—an enormous cut. It is not fair.

I beg the Senator to take these two items to conference.

Mr. SMOOT. Mr. President, we can not take them to conference. They would not be in conference if we agreed to them. The House put them in the bill, and if we agree to them they will not be in conference.

Mr. COPELAND. I am not talking about the library and the heating plant.

Mr. SMOOT. What is the Senator talking about?

Mr. COPELAND. I am talking about the amendments that are about to be offered, and one of which has been offered, by the Senator from Colorado [Mr. COSTIGAN]. On the 14th of March we passed through the Senate those two items, $25,000 and $50,000.

Mr. SMOOT. I will say to the Senator that I am perfectly willing to agree to the amendments and take them to conference, but I do not want to deceive anybody. I am going to say in conference that they were agreed to for this reason——

Mr. McKELLAR. O Mr. President, I hope the Senator will not make that agreement. I think we might as well vote on them. Let us see what the Senate decides about the matter.

Mr. SMOOT. I would just as soon do it the way that has been suggested.

Mr. McKELLAR. Oh, no; let us vote on them.

Mr. COPELAND. Mr. President, is not the Senator from Tennessee as generous and as kind and as considerate as the Senator from Utah? He must be, because he is a Democrat.

Mr. McKELLAR. I am afraid not. I have very high respect for the Senator.

Mr. SMOOT. Let us have a vote on this matter.

Mr. COPELAND. Well, I am sorry, Mr. President. In view of the elimination of these items for heating plant and library, certainly the House ought to have an oportunity to say whether it is not willing to give consideration to making these appropriations where the president of the university says they must be made.

This institution is under moral and doubtless legal obligation to 10 or 12 members of the faculty who have been absent and who are now returning. They are men of great technical skill. Two of them happen to be engaged in an activity related to the study and teaching of medicine.

Mr. SMOOT. Mr. President, the Senator from New York has made a splendid fight, and so has the Senator from Colorado [Mr. COSTIGAN]. The only way to settle it is to let us have a vote on the matter and get through with it.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. COSTIGAN. In support of the statement of the Senator from New York that there are obligations resting on the university with respect to salaries, this would appear to be an appropriate time to incorporate in the RECORD a brief statement on that subject.

Howard University is under contract to return to her staff next year 11 teachers and 1 librarian. Three of these members of the staff are on sabbatical leave at one-half pay. They now receive $4,656 out of a total salary of $9,130, which must be paid by the university upon their return.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. SMOOT. In that connection I desire to say that I understand that when those three men return three other professors will get their sabbatical leave of absence.

Mr. COSTIGAN. That is not my understanding.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HATFIELD. My information is that there are 11.

Mr. SMOOT. But three are going to return, as I am informed, this year; and, of course, they will then come into the institution and get full pay. There are a number that will not.

Mr. JOHNSON. Mr. President, it is an utter impossibility to follow what is being said in the confusion here. Some of us are quite interested.

The PRESIDING OFFICER (Mr. BROOKHART in the chair). The Senator from New York has the floor.

Mr. COSTIGAN. Mr. President——

Mr. COPELAND. I yield to the Senator from Colorado.

Mr. COSTIGAN. Further responding to the Senator from Utah, I should say, with authorization, that nine of the members of the staff are on leave without pay from the university, receiving grants from educational foundations, such as the Rosenwald Fund.

In keeping with the program of the university, which obligates the university to receive the members of the faculty back next year, at a minimum cost of $22,800, the total cost of fulfilling these obligations is $32,930. In other words, the suggested appropriation of $25,000 for salaries this coming year is not adequate to meet the obligations of the university to the extent of the difference between $25,000 and $32,930, and great moderation is being exercised with respect to salary appropriations in the amendment which is now before the Senate for consideration and action.

Mr. HATFIELD. Mr. President, I will say to the Senator that Howard University is under contract to pay these teachers.

Mr. COSTIGAN. That is my understanding.

Mr. TRAMMELL. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. TRAMMELL. A contract of the Howard University is not a contract of the Federal Government, is it? That is a private institution.

Mr. COPELAND. Mr. President, I am not very much distressed about it being a private institution when the Congress of the United States within five years has spent between two and three million dollars upon new buildings for its equipment.

Mr. SMOOT. Yes; and in the next five years they will spend just as much money, and I am in favor of it.

Mr. COPELAND. I am glad to hear the Senator say that.

I will ask Senators to bear in mind what the Senator from Colorado has just said. Certain members of the regular staff of this educational institution have been away doing research work, their salaries and expenses being taken care of by certain philanthropic foundations. They are coming back, and they are coming back better equipped and more useful; and are we going to interfere with the maintenance and payment of these salaries?

Mr. SMOOT. We will not have to.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. I have just been given the following United Press report:





WASHINGTON, April 18.—A Federal Budget deficit of $2,017,858,745.29 on April 11 was reported by the Treasury to-day. It was the first time in history that any nation's peace-time deficit has exceeded $2,000,000,000.

And now we are asked to increase the appropriation, the generous appropriation, the munificent appropriation we have been giving this institution.

Mr. COSTIGAN. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. COSTIGAN. In response to the Senator from Tennessee, it should be noted that no request is being made for an increase in the total appropriation to be authorized by the Senate. We are dealing now and here solely with relations between the separate appropriations of the pending bill. What is suggested is that there is a disproportionate cut in the appropriations for Howard University, namely, a 37.2 per cent cut, as against a 4 per cent cut or a 5 per cent cut in other parts of the bill. A proper apportionment of the various appropriations will bring about the desired result without any increase whatever in the aggregate appropriation.

Mr. COPELAND. Mr. President, I fully agree with what the Senator has said. I want to compliment the Senator from Tennessee on his activity in attempting to get appropriations reduced; but, of course, to carry his process to its logical conclusion, we would wipe out government and not make any appropriations.

Mr. LONG. Mr. President, how is the Senator going to stand when the military appropriation bill comes before us, decreasing, because of the great deficit, the appropriations to the schools of the United States maintaining the Reserve Officers' Training Corps units? How is the Senator going to stand then? Is he going to be against any decrease in those appropriations?

Mr. COPELAND. Is the Senator asking for my own individual opinion?

Mr. LONG. Yes; I was just wondering.

Mr. COPELAND. I am going to be against them; yes. Does that answer the Senator?

Mr. LONG. It does.

Mr. COPELAND. Because I believe that the Reserve Officers' Training Corps is a very efficient part of our national defense. I will vote to do away with a lot of military performances and activities, but when it comes to the citizen soldier I will be with the Senator from Louisiana, because I think that is a very important service.

Mr. LONG. We are only asking for what we got last year. If that appropriation is treated as well as the committee is now treating Howard University, we will be satisfied.

Mr. COPELAND. The Senator from Louisiana is a fair man and a just man, and I want him to think for a moment about this thing we have been talking over. I want him to see the point about it.

I know the feeling of the Senator, and the feeling of the Senator from Florida, but this university differs from other activities in that it does receive private funds. If it were not for the private funds it receives, it could not operate. But the Senator knows it is hard to get private funds now. The people who are best able to give, to contribute liberally, and who desire to do so, are unable to do it, and we are going to pass a tax bill pretty soon which will make it mighty difficult for any rich man or any philanthropically inclined person of modest wealth to contribute to these activities. In consequence, as the Senator from Colorado has said, here are these persons coming back from their research work, coming back to an institution without funds to meet the legal obligation resting upon that institution.

I recited to the Senator yesterday in private many reasons why I think it is very important that this institution should thrive. We are certainly not going to let a failure to appropriate the paltry sum of $75,000 destroy its activity and usefulness.

Mr. President, I want to say this in conclusion. The colored people are striving valiantly and well to overcome the economic and social distinctions to which they must submit. I have come in contact with them a great deal in my lifetime. I know how intelligent they are and how eager they are for education. The better educated they are, the more useful they can be to their own race and to the country in general.

There is a great need in America for trained physicians and trained nurses and other trained persons of the colored race. Here is a place, in this Howard University, where these persons of color may come to receive the education necessary to make them useful in carrying on their noble work. It is a pathetic thing that when we take the health map of any city—and, of course, I think about my own city first—when we take the map showing the incidence of disease and the mortality rate, we find that the incidence of disease and the mortality rate are highest in the part of the city, in Harlem, where live the colored persons. The people there need the benefits of this medical education and this nursing education. They need the care which can be given by these trained teachers who carry not only the message of education, but the message of health.

Mr. President, I beg my colleagues not to refuse to grant this trifling sum, a sum necessary in order that the work may be carried on unimpaired, all the time increasing its usefulness to the country.

Mr. FESS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FESS. I have been trying to go along with the committee in these reductions, but this was a reduction which seemed to be inordinate compared with others. I have watched the development of Howard University, just as the Senator from New York has. There has been an ambition to see a great institution of university rank for the colored people in the Capital. As the Senator has suggested, munificent gifts from people who had money, and were inclined in that direction, have made this university possible. It has been growing apace, and has so appealed to the Congress, that ever since I have been in Congress assistance has been granted to the university from the Government, although it is a private institution. I agree with the Senator, and I am not going to shirk because it happens to be a private institution. We would not want it to be a public institution. We want it to be under the management of a corporation.

If the proposal were to add some department which they could get along without, I would say that we should not do it. If the university were only partially equipped; if it wanted a new department, which it has not yet had, I would say that it could wait for that. The growth of a university is never ended, it is never a finished institution. It is impossible for a university to be a finished institution. It is like the Capital of the United States, it will always be growing. But this university ought to have a heating plant, and it ought to have a library. Its forces ought not to be cut. When we come to cutting, I am not going to begin on these people.

Mr. SMOOT. There is no cut proposed.

Mr. FESS. I think it is perfectly legitimate, and it is no inconsistency, to give this additional equipment, which is evidently and obviously needed. While I have announced that I would stand with the committee, and I have gone all along the way with them, except yesterday, on one item, I can not go with them on this item.

Mr. SMOOT. Mr. President, there is no decrease. The appropriation is the same as that for the last year. There is no decrease suggested at this time.

Mr. FESS. Mr. President, by act of the Senate we added what it is proposed to cut out. There is a decrease.

Mr. SMOOT. The Senator means the library building?

Mr. FESS. Yes.

Mr. SMOOT. Of course, that is another thing. I thought that was gone.

Mr. COPELAND. More than that, we added the $75,000 we are discussing. We added that in the Senate. The Senate, after due consideration and by vote, added that.

Mr. FESS. In other words, if it were limited to 10 per cent there would be a very small cut, instead of a 30 per cent cut.

Mr. COPELAND. That is correct.

Mr. SMOOT. That is not a fair comparison. We have here an item calling for $300,000 for the construction of a building. Of course if we take that amount off the percentage is as great. But in the regular appropriation for the school, the general expenses and salaries, we have not cut a penny from last year's amounts.

Mr. COPELAND. Oh, no; but why not add to that the fact brought out time and time again that there is an added obligation upon the university in the way of salaries?

Mr. SMOOT. As I understand it, there are nine of the professors who will be back here, but nine more of them will go away and take their leave of absence. It is a rotary matter so far as the professors are concerned.

Mr. COPELAND. The Senator from Utah and I were both misinformed when we were discussing the sabbatical year. The Senator from Colorado [Mr. COSTIGAN] made it very clear that it was not the absence of those professors on their sabbatical year. It was the absence of those who were being supported through the various foundations. They are back, and they have to be taken care of.

Mr. SMOOT. Does the Senator think the university wants nine more professors than it had last year?

Mr. COPELAND. Yes; if they are under legal obligation to take care of them.

Mr. SMOOT. The institution does not owe them any legal obligation.

Mr. COPELAND. Let me say to the Senator that I hope there will be such an influx of students into the university in this time of unemployment that there will be hundreds of professors and thousands of more students to be taken care of there, and that it could not be done any more cheaply any place else.

Mr. SMOOT. If that condition should occur in Howard University, it will be quite different from any other university in the United States, I will say to the Senator. If they have even as many students this year as they had last year, it will be the only institution of the grade of university where such a condition will obtain.

Mr. COPELAND. We are ranging into the field of theory now and we do not know; but we do know there is a moral and legal obligation on the university to take care of those teachers and we ought to supply the money. However, I am not going to prolong the debate. I think everybody is satisfied.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Colorado [Mr. COSTIGAN].

Mr. COSTIGAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Jones	Robinson, Ind.
Austin	Dale	Kean	Schall
Bailey	Dickinson	Kendrick	Sheppard
Bankhead	Dill	Keyes	Shipstead
Barbour	Fess	King	Shortridge
Bingham	Fletcher	La Follette	Smoot
Black	Frazier	Long	Steiwer
Blaine	George	McGill	Thomas, Idaho
Borah	Glass	McKellar	Thomas, Okla.
Bratton	Glenn	McNary	Townsend
Brookhart	Goldsborough	Metcalf	Trammell
Bulkley	Gore	Morrison	Tydings
Bulow	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Norris	Walcott
Caraway	Hatfield	Nye	Walsh, Mont.
Carey	Hayden	Oddie	Waterman
Connally	Hebert	Patterson	Watson
Coolidge	Howell	Pittman	White
Copeland	Hull	Reed	
Costigan	Johnson	Robinson, Ark.	

Mr. McNARY. The senior Senator from Michigan [Mr. COUZENS] is necessarily absent on business of the Senate.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

Mr. COSTIGAN. Mr. President, the yeas and nays were requested yesterday and are again requested at this time.

The yeas and nays were ordered.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa desire to be recognized in his own right or does he desire to ask the Senator from Colorado to yield to him?

Mr. BROOKHART. I desire to be recognized in my own right.

The VICE PRESIDENT. The Senator from Iowa is recognized.

Mr. BROOKHART. Mr. President, I am very much astounded to hear economy arguments coming from the Democratic side of the Chamber, especially under the leadership of the Senator from Tennessee [Mr. MCKELLAR]. He is continually bringing up the matter of a deficit in the Treasury. I noticed the other day, after a long and loud talk on account of the deficit, that when an appropriation measure came before the Senate providing for $5,000,000 for the relief of the storm-stricken people of Alabama, the Senator from Tennessee was paired in favor of the appropriation. The Senator from Mississippi [Mr. HARRISON] made a long speech for economy and for reduction of expenses, but he was absent when a vote was taken a few minutes later on the $5,000,000 appropriation for the relief of the suffering in Alabama.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. The Senator does not want to do anyone an injustice. I was paired with the Senator from Delaware [Mr. TOWNSEND] on that question and did not vote and did not express an opinion on it. Since the Senator has brought it up, I want to say that the storm extended to my State and I was asked to include my State in the provisions of the measure and declined to do so.

Mr. BROOKHART. That does not change the fact that the Senator from Delaware was against the appropriation and the Senator from Tennessee was paired with him.

Mr. McKELLAR. I was opposed to the appropriation and did not vote. If that does not satisfy the Senator from Iowa, I do not know what can be done. I did not vote for it.

Mr. BROOKHART. The Senator did not vote against it, but being paired with the Senator who was opposed to it, that counted for it.

Mr. McKELLAR. The Senator may have information about the Senator from Delaware, but I will say that I have not. The Senator from Delaware is here and I will ask him to state whether or not he was opposed to the measure. If the Senator from Iowa does not know that the Senator from Delaware was opposed to it, he should not have made that statement.

Mr. BROOKHART. But I know it. I asked him and he told me that he was opposed to it. [Laughter.]

Mr. McKELLAR. He did not tell me.

Mr. BROOKHART. I have here a list of bills which the Senator from Tennessee has introduced during this session of the Senate, some 21 bills providing for appropriations. Here is one for $2,500,000, one for $10,000,000, one for $200,000,000, one for $100,000, others for $20,000, $50,000, $100,000, $125,000, $150,000, $125,000, $100,000, $80,000; and then one for $125,000,000, another for $100,000, another for $10,000, another for $50,000, and then another for $10,000 more, another for $25,000, another $20,000, and $10,000. The Senator from Tennessee is the most prolific Budget balancer I ever heard of.

Mr. McKELLAR. If the Senator had taken the trouble to look at the record he would have seen that in not one of those cases has the Senator from Tennessee asked for an appropriation. There has been no appropriation provided. The Senator from Utah [Mr. SMOOT] is present. Several of those bills were referred to his committee, the Committee on Finance. He has received letters from me asking that no steps be taken regarding them. In ordinary times there is no bill I have introduced that would not be a

proper bill and might well be passed, but at this time when our Treasury is nearly $3,000,000,000 in the hole, when we are bankrupt, I think I have the good sense not to ask for appropriations and I am not asking for them. There is not one of these bills carrying appropriations which should not be passed at the proper time when the Government has the money, but so long as we are substantially a bankrupt Nation, the Senator from Tennessee is not going to ask for local appropriations.

Mr. BROOKHART. Mr. President, it seems to me that, with all that modesty, the Senator from Tennessee would have waited until the proper time to introduce his bills. Why introduce them now? It is a great big bluff when he does not intend to ask that anything be done with them.

Mr. McKELLAR. If the Senator can, with a certain newspaper in town, get any satisfaction from talking about the introduction of those bills, he can go on ad infinitum; it does not make any difference to me.

Mr. BROOKHART. I do not want to go on so long as that. [Laughter.]

Mr. President, the most shortsighted statesmanship presented at this session is in connection with the question of balancing the Budget by taxation. In ordinary times the proper way to balance the Budget, of course, is by taxation, but in war times we do not do it in that way. During the World War we balanced the Budget by the issuance of some twenty-five or thirty billion dollars of bonds. In these times of low prices—I should like to have the attention of the Senator from Tennessee; the Senator from Louisiana is too much in the way over there. [Laughter.]

The VICE PRESIDENT rapped with his gavel.

Mr. McKELLAR. Mr. President, I did not hear the Senator. Did he address a question to me?

Mr. BROOKHART. That is the reason I paused. I wanted the Senator to hear what I was about to say.

Mr. McKELLAR. If the Senator merely wanted me to hear him, it is not a matter of very great materiality; but if he wanted to ask me a question, I will be delighted to answer.

Mr. BROOKHART. I am now talking about balancing the Budget. That is the Senator's favorite topic at this session of Congress.

Mr. McKELLAR. Why, Mr. President——

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. It may be that I have suggested the balancing of the Budget, but I want to say that I am more interested in balancing the Budget by reducing expenditures than I am by placing additional burdens of taxation upon the American people.

If I had my way about it—and, of course, I can not have—I would make the 10 per cent reduction in all appropriations, which would mean a saving of about $250,000,000; I would suspend the operation of the tax refund law under which this Government has been legally robbed during the last 10 years of nearly $4,000,000,000; I would stop that process, and save thereby from $200,000,000 to $225,000,000 more. Then I would undertake to cut down all along the line. I would stop the subsidies that are now being paid to the great shipping corporations of the country; and I would reduce taxes rather than endeavor to find new sources of taxation upon the American people. I am opposed to balancing the Budget by levying additional taxes. I am in favor of balancing the Budget by cutting down the expenditures of the Government—the most extravagant expenditures ever in our history recommended to the Congress of the United States.

Mr. BROOKHART. All right. I am going to do a little figuring with the Senator right now.

Mr. McKELLAR. If the Senator is not a better figurer than he is——

Mr. BROOKHART. Wait a moment; I must have the floor for a little part of the time; I can not yield all the time to the Senator. The Senator's first proposition is that expenditures should be reduced 10 per cent, which, according to him, would affect a saving of $250,000,000. That is right, is it not? His next proposition is to reduce subsidies and expenditures of that kind, involving a saving of $225,000,000.

Mr. McKELLAR. No; the Senator's memory is faulty.

Mr. BROOKHART. Very well, let me get it right, then.

Mr. McKELLAR. Let me tell the Senator that we are paying out in credits upon current taxes refunds all the way——

Mr. BROOKHART. I will come to that later. I only want to take up one thing at a time.

Mr. McKELLAR. The Senator asked me where $200,000,000 would be obtained. I want to tell him. Not from eliminating subsidies, because we do not pay out that much for subsidies——

Mr. BROOKHART. The sum of $225,000,000, then, is covered by refunds of taxes?

Mr. McKELLAR. Oh, no. It not only includes the refunds but it constitutes the refunds. We are paying out in refunds now from $200,000,000 to $225,000,000 a year, and if the present law is permitted to continue on the statute books, we will pay out that much this year. It ought to be saved; we have no business paying out any such sum for tax refunds.

Mr. BROOKHART. I will agree with the Senator on that proposition; I am ready to stop those refunds.

Mr. McKELLAR. I am delighted the Senator agrees with me on something.

Mr. BROOKHART. So we have $250,000,000 in one item and $225,000,000 in another. That makes $475,000,000. What is the Senator's next item?

Mr. McKELLAR. I had hoped the Senator might be able to remember that. We are paying out in subsidies for the transportation of ocean mail, for foreign air mail, for domestic air mail, and to the magazines of the country something over $100,000,000 a year, purely in subsidies, yielding nothing to the American Government which subsidizes these great interests. In these times it ought to be stopped, and I am in favor of stopping it.

Mr. BROOKHART. Very well, we will add that $100,000,000. I think the Senator is about right in the last point he made. I think the newspapers that jump on me all the time, calling me an anarchist, are getting a subsidy of about $100,000,000 out of the Treasury a year, and I am glad to go after them. Adding that $100,000,000 to the previous $475,000,000 makes $575,000,000. That is all the Senator has mentioned up to date. Just a few moments ago he mentioned the fact that there was a deficit of something over $2,000,000,000. How is he going to balance that with a saving of $575,000,000?

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. That will go a very long way toward balancing the Budget. The Secretary of the Treasury has estimated that it will take about $1,100,000,000 to do that.

Mr. BROOKHART. It will only leave about $1,400,000,000——

Mr. McKELLAR. The Senator asked me a question, and he will certainly let me answer it. It has been recommended that appropriations shall be made this year for war purposes amounting to $700,000,000; that is, for the Army and the Navy. Up to the time of the World War our appropriations for the Navy never exceeded $150,000,000 and our appropriations for the Army were about $100,000,000, aggregating $250,000,000. We could well reduce the present appropriations for the Army and Navy this year sufficiently, together with other items, to balance the Budget, and thereby maintain the credit of the United States and have a much better, a much stronger, and a much more vigorous Government than by adopting the other course. I hope the Senator from Iowa will join with me again in saying he will vote for what I have just suggested.

Mr. BROOKHART. I will go the Senator one better on that proposition. That is the one branch of the Government I know sufficiently well to think the proposal ought to be adopted. I would be willing to abolish both the War Department and the Navy Department and substitute a department of national defense for the two of them. I think that would save quite an expenditure. As I recollect, however, the Senator from Tennessee has always voted for the big warship building bills. Is he not in favor of the bill that is now pending proposing to appropriate some $800,000,000 more?

Mr. McKELLAR. The Senator is just as mistaken about that as he was about the other statements he made.

Mr. BROOKHART. The Senator is against that shipbuilding bill, is he?

Mr. McKELLAR. Of course, I am against the shipbuilding bill.

Mr. BROOKHART. Has not the Senator always supported those shipbuilding bills?

Mr. McKELLAR. I have not.

Mr. BROOKHART. My recollection is that he has.

Mr. McKELLAR. Mr. President, to what particular bill does the Senator from Iowa refer?

Mr. BROOKHART. The bill which proposed to appropriate $300,000,000 for cruisers and for other little items such as that.

Mr. McKELLAR. No, Mr. President. The Senator can get my record complete. I can not go back and offhand tell what bills I have voted for and what bills I have not voted for. There is no doubt that in the past I may have voted for some extravagant appropriations for which I ought not to have voted. However, I make mistakes constantly; I admit it; I am frank about it; I am not like the Senator who is always right and can not possibly be mistaken. [Laughter.]

Mr. BROOKHART. I see now why the Senator gets his wires crossed. He can not remember what he did previously. I think he had better get a notebook and keep track of his votes a little better. [Laughter.]

Mr. McKELLAR. The Senator can have his own opinion about that; I do not think it will make much difference to anybody.

Mr. BROOKHART. Mr. President, there is another way to balance the Budget which ought to be adopted at this session. The reason it ought to be adopted is because the prices of cotton and farm products in Tennessee are away down below where they belong, because the prices of farm products in the whole United States are away down, 45 per cent and more, below where they belong; because the prices of all commodities in the United States are away down below where they belong. There is just one way to raise the general level of prices, and that is to balance the Budget by expanding the currency by a Treasury note issue. I am against every one of these excise taxes about to be brought here in the Democratic revenue bill. I will not vote for one of them. I am going to vote against all of them. I will vote——

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROOKHART. I will vote for increased taxes on the big estates and I will vote for taxes on the big incomes, but I am not going to vote for the excise taxes on the people of the country.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. The Senator can not accuse me of voting for excise taxes, because I have not voted for them and I do not know that I will. I think it is very likely that I shall vote against them. However, I want to say to the Senator that the question at issue here is the reduction of the expenditures of the Government. The other day when the question came up the Senator voted against the reduction of those expenditures. Is the Senator still of the same mind?

Mr. BROOKHART. Yes; I am going to vote against all camouflaged pretenses of balancing the Budget by reducing a little Government expenditures.

Mr. McKELLAR. I thought so.

Mr. BROOKHART. The Senator has figured out only a little bit of it himself; what he has suggested does not amount to anything toward balancing the Budget. This is no time to turn people out of employment in the Government service or in any other service. Now is the time to balance the Budget by the method which will raise the prices of commodity products, and that is by a Treasury note issue. If we do that, it will be the safest, soundest way to meet conditions in the present crisis. What is there in that sort of a proceeding that is unsound? The most necessary thing of all is to have a stable price level for commodities. We have not had it, and why? Because the gold standard has appreciated; it has gone up away into the sky, and the price of everything has gone down in proportion, so that men who contracted debts three or four years ago must now get two or three times the amount in commodities with which to pay those debts.

The dollar at this time is an unsound dollar; it is a dishonest dollar; and now is the time to consider the question of balancing the Budget, not by quibbling about and cutting down little appropriations for Howard University or for some other public enterprise that ought to be sustained and carried on, but by looking at this question in a big way and doing something that will help the whole American people.

There is nobody against the plan of issuing Treasury notes but the Wall Street group of gamblers and speculators, who have turned American business into a gamble and reduced its values almost into nothing. Yet the Senator from Tennessee, instead of using his fine fighting ability and his fine qualities of understanding in going after these big things, is trying to bring about a lot of little, carping 10 per cent reductions here and there that will amount to nothing after they have been accomplished. I say to the Senator I am not going to try to fool my people by holding out to them that the Budget can be balanced by any little 10 per cent reductions in Government expenditures. I will go with the Senator on the big items; I will help to reduce the big Army and Navy expenses; I will vote to abolish those two departments, if he will join me, and combine them into one, as efficiency and good management demand that they should be combined; but I refuse to follow after these little petty things which are presented to the Senate in the name of statesmanship.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Tennessee?

Mr. BROOKHART. I yield.

Mr. McKELLAR. The Senator says that this 10 per cent reduction on all appropriation bills is a petty, a little thing. It amounts to not less than $250,000,000; and while that may be petty in the financial life of my distinguished friend from Iowa, it is not ordinarily considered a very petty amount. Two hundred and fifty million dollars even governmentally speaking should hardly be characterized even now as a petty, small, infinitesimal saving.

Mr. BROOKHART. All right. Let me say to the Senator that if that amount were distributed evenly among the people of the country it would be about $2 apiece for his folks in Tennessee, and here he is fighting to get a reduction of $2 apiece for the people of Tennessee when they need a price on their products of many hundred dollars apiece down there; and it is little, trifling, and petty compared to what Tennessee needs in this situation.

Mr. McKELLAR. I wish the Senator would suggest how the people of Tennessee could increase their financial ability and their financial resources, because I want to say to him that under this administration, which the Senator helped bring into power nearly four years ago, they need every help they can get.

Mr. BROOKHART. Whom did the Senator from Tennessee vote for?

Mr. McKELLAR. I voted for the Democratic nominee, Al Smith, and the Senator from Iowa not only voted but worked for the present President of the United States.

Mr. BROOKHART. Did the Senator from Tennessee do any work, or did he just vote and keep still?

Mr. McKELLAR. I do not think I did as much harm as the Senator from Iowa in inflicting us with the present administration.

Mr. BROOKHART. The Senator has asked me a very important question. He wants to know how we can do something for his people in Tennessee.

Mr. LONG. Mr. President, a point of order. I understand that nothing can be said here which reflects upon a Senator; and when the Senator from Tennessee reminds the Senator from Iowa of his past vote, it seems to me that is in the nature of a reflection. [Laughter.]

Mr. BROOKHART. Well, I have stood up under even worse things than that. [Laughter.]

Mr. President, I have pointed out that this little, petty, trifling reduction which the Senator from Tennessee wants to bring about would be only $2 apiece for the folks down there in his State if they got the benefit of it. I want to point out now that they will not get the benefit of it. I have here the amount of income tax paid by the State of Tennessee.

Mr. McKELLAR. While the Senator is hunting for it, I will tell him.

Mr. BROOKHART. No; I hope the Senator will keep still while I am hunting for it.

Mr. McKELLAR. The income tax of Tennessee is quite as large as that of Iowa.

Mr. BROOKHART. The income tax of Tennessee is $13,724,000. The State taxes of Tennessee are many times that amount.

Mr. McKELLAR. Mr. President, will not the Senator read the income tax of the State of Iowa, which he represents in part in this body?

Mr. BROOKHART. Yes; I will read that. Since I remember that, I can go right ahead. I will not have to stop and look it up.

Mr. McKELLAR. All right.

Mr. BROOKHART. It is $10,000,000.

Mr. McKELLAR. So Tennessee does better than Iowa.

Mr. BROOKHART. Yes; it pays $3,000,000 more. While Iowa pays only $10,000,000 of income taxes into the United States Treasury, it pays $185,000,000 of State, county, city, and local taxes. One hundred and eighty-five million dollars is our State bill of taxation, and we pay about $10,000,000 into the Federal Treasury in income and corporation taxes, and then in excises and tariff taxes we pay about $10,000,000 more, making about $20,000,000. That is all we pay into the Federal Treasury, and the amount paid by Tennessee is about $25,000,000, or somewhere along there.

If the income tax were paid on a per capita basis, we would pay $80,000,000 and more. Why do we not pay that, and why does not Tennessee pay it into the Federal Treasury? The reason is because Tennessee and Iowa do not have the incomes. The Wall Street crowd gets our income all the time. It fixes the price of our products for the raw materials of its factories; then it fixes the price it charges us for the products of its factories; and it is the gigantic incomes of the members of that crowd that compel them to pay these excessive amounts into the Treasury of the United States. So for every dollar that goes to a Federal employee Iowa pays only about 25 cents, and 75 cents is paid by the big profiteers of the country who have taken their profits from Iowa and from Tennessee and from these other States; and the proportion in Tennessee is about the same as it is in Iowa.

So, Mr. President, instead of getting $2 apiece benefit down in Tennessee the folks there would actually get about 50 cents apiece if the benefit were spread out to all the constituents of the distinguished Senator from Tennessee, and yet he tells us that that is an important matter, and he is making a great and a wonderful fight here to save 50 cents apiece for his people in Tennessee.

Mr. President, the people down there as a whole do not get that benefit. In my State there are only 27,000 people who pay an income tax, and there are only 2,500 who pay any substantial income tax. I own two farms, and with my $10,000 salary I only had $20.66 left to pay income taxes. I doubt if the Senator from Tennessee had much more left in his. No, Mr. President; this situation has not been sized up in its true light.

Who is it that is putting up all this howl about balancing the Budget by reducing Government expenses? It is the big taxpayers. It is the Wall Street crowd. Out in my State it is the 2,500 taxpayers to whom I referred. Down in the Senator's State there are probably not over about 3,000 taxpayers that he will really benefit by his $250,000,000 reduction.

Let us know who we are working for and who we are working against in this situation. If it were unjust that the New York millionaires and billionaires should pay this tax in the Federal Treasury, I would be against it; but it is not unjust. Those profits are collected in lines of business that reach all over this country. They reach out into every State. They take the earnings of our people everywhere. They pull them together through the stock exchange and through the big banks and through the railroads and through the great, giant manufacturing corporations, almost all of which now are controlled in the financial center of New York. They are taking this money from us under laws passed by the Congress of the United States, and they are taking it by virtue of economic power and combination. They have taken those things from the people of this country. In 1929 they built the most gigantic bubble that the world ever saw, and when that bubble burst it put us down into the deepest depression this country has ever known. Their scheme and their system is the most gigantic failure in all the history of the world. There never was such a calamity as this put upon the people of the world or the people of any other country than the United States.

Why get up here and quibble and fight around about saving 50 cents apiece, or $2 apiece, or maybe two or three hundred dollars apiece for a few thousand of our own State income taxpayers at home when we have something to do to equalize the distribution of wealth in this country?

Mr. President, a representative of the National Industrial Conference Board, one of its economists, said the other day before the Banking and Currency Committee that in 1931 our national income, even in that year of great depression, was $60,000,000,000. Sixty billion dollars means $2,500 for each average family in the whole United States. If that had been distributed to these families in 1931, there would be no unemployment; there would be no depression in this country. Everybody would have had something to buy with then, and our wheels of industry would have been going. But Mr. Ogden Mills says we must give it to the big estates and to the big income-tax earners, and they sit down on it, or they take it abroad, as the Senator from Utah says. They take these giant earnings that they have taken away from our people by economic power and by force of protective laws and they go across the line into foreign countries, and with the money made from our people they build factories and plants to compete with the people in our country, building up, as the Senator from Utah says, an autocracy not only of the United States but of the world.

Here are big, important things to talk about. Here is something worthy of the ability of the Senator from Tennessee; but he is spending his time quibbling over 50 cents apiece for his home people, and then they do not get the 50 cents.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BROOKHART. Yes; I yield.

Mr. McKELLAR. A newspaper man handed me this very short excerpt from a statement that went out from Washington to-day, sent by the United Press:

WASHINGTON, April 13.—A Federal Budget deficit of $2,017,858,745.20 on April 11 was reported by the Treasury to-day. It was the first time in history that any nation's peace-time deficit has exceeded $2,000,000,000.

The question I want to ask the Senator is this: With that kind of a deficit staring us in the face, does it not make any impression on the mind of the Senator from Iowa that this Government is in a serious condition financially?

Mr. BROOKHART. Mr. President, this is the first time in history that such a deficit happened in that way, but it is the second time the Senator from Tennessee has read that statement into the RECORD in this debate.

Mr. McKELLAR. I wish I could read it into the heart and mind of every Senator here, and of every man in the Congress of the United States.

Mr. BROOKHART. I want to give some figures to the Senator and see if they have made any impression on his mind. I will now quote for the second time the fact that the national income of the United States in 1931 was $60,000,000,000. In view of that, need we be afraid of a little $2,000,000,000 deficit? Did that make any impression on the mind of the Senator from Tennessee—that even in the great depression of 1931 we had $60,000,000,000 of national income?

Mr. McKELLAR. Mr. President, if the Senator wants my opinion, in the condition that we find our Treasury in to-day, I do not see how that affects the deficit of the United States Government.

Mr. BROOKHART. If I had the power to balance that $2,000,000,000 deficit, I would do it this afternoon in this way:

I would pay the soldiers their unpaid bonus, which would be just a little more than the Budget deficit, with Treasury notes. I would make them legal tender.

Then I would issue enough more Treasury notes to balance the Budget, and those issues would probably raise the price of Tennessee's farm products to double or maybe two and a half times what they are now; and I think the farmers of Tennessee and the merchants of Tennessee and the business men of Tennessee and everybody else in Tennessee would appreciate a result like that. I know they would appreciate it in my State.

We are safe enough. We issued over $30,000,000,000 of bonds at par to carry on the war, and what was there behind those bonds? Nothing but the taxing power of this great Government; and we did not have a $60,000,000,000 income in those days, either. Since then we have had eighty-five and ninety billions of income in these so-called prosperous years; but we issued $30,000,000,000 of bonds at that time and sustained them. We issued them and sold them at par. What was there behind those bonds? Not anything but the taxing power of the United States Government; and those bonds are a heavier burden than a Treasury note issue, because those bonds carried interest, and that was an extra burden, and those bonds had no legal-tender power as a Treasury note would have.

Therefore, Mr. President, I say that it is easier to sustain a Treasury note issue at par than to sustain a bond issue at par, because the burden is not so great. It is the taxing power of the country which sustains either one. I say that the taxing power of this great Government of ours is big enough so that we could displace every bond and pay every debt we owe with Treasury notes, without depreciation.

Who is it that does not want that done? It is a big coterie of financiers over in New York, and they want to stir up Senators to howl about Government expenses, and to stir up the people about reducing the expenses of the Government, so that a consideration of these great economic questions will be avoided.

They have brought this depression upon us, they have worked it out; they are the profiteers as a result of it, and so far as I am concerned, before I will vote to reduce any Government employees, I will vote to reduce the estates which have been taken not only from Government employees, but from all the rest of the common people of this country.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the junior Senator from Colorado [Mr. COSTIGAN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and the Senator from Arizona [Mr. ASHURST] voted in the affirmative.

Mr. BAILEY. Mr. President, I ask that the amendment be reported.

The VICE PRESIDENT. The clerk will report the amendment, but no further debate will be in order, one Senator having answered to his name.

The LEGISLATIVE CLERK. The Senator from Colorado offers to amend, on page 111, line 5, under the item of salaries, Howard University, by striking out "$450,000" and inserting in lieu thereof "$475,000."

The roll call was resumed.

Mr. CAREY (when his name was called. I have a general pair with the junior Senator from Ohio [Mr. BULKLEY]. Not knowing how he would vote, I withhold my vote.

Mr. HASTINGS (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. HAWES]. Not knowing how he would vote, I withhold my vote.

Mr. JONES (when his name was called). I am paired with the senior Senator from Virginia [Mr. SWANSON], who is necessarily absent. I understand, however, that on this question he would vote as I intend to vote, and therefore I feel at liberty to vote. I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If permitted to vote, I would vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote.

Mr. COPELAND (when Mr. WAGNER'S name was called). My colleague [Mr. WAGNER] is necessarily detained. If he were present and permitted to vote, he would vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is absent from the city. I am unable to secure a transfer, and therefore I withhold my vote. If permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Illinois [Mr. LEWIS];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Oklahoma [Mr. GORE];

The Senator from Illinois [Mr. GLENN] with the Senator from Massachusetts [Mr. WALSH]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from New York [Mr. WAGNER].

Mr. SHEPPARD. I desire to announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from West Virginia [Mr. NEELY], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business.

Mr. FESS. I wish to announce that the Senator from Pennsylvania [Mr. DAVIS] and the Senator from New Hampshire [Mr. MOSES] are necessarily absent from the city.

I also wish to announce that the Senator from Delaware [Mr. TOWNSEND], the Senator from Connecticut [Mr. WALCOTT], the Senator from Illinois [Mr. GLENN], and the Senator from New Hampshire [Mr. KEYES] are detained on official business.

Mr. REED. I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. In his absence I must withhold my vote. If permitted to vote, I should vote "yea."

Mr. METCALF. I have a general pair with the Senator from Maryland [Mr. TYDINGS]. Not knowing how he would vote, I withhold my vote. Were I permitted to vote, I should vote "yea."

Mr. SHEPPARD. The Senator from Maryland [Mr. TYDINGS] is unavoidably detained on important business.

Mr. HARRISON. Has the senior Senator from Michigan [Mr. COUZENS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HARRISON. I am paired with the senior Senator from Michigan, and in his absence I withhold my vote.

The result was announced—yeas 25, nays 34, as follows:

YEAS—25

Ashurst	Cutting	Kean	Patterson
Barbour	Fess	La Follette	Schall
Bingham	Frazier	McGill	Shipstead
Brookhart	Goldsborough	McNary	White
Capper	Hatfield	Norbeck	
Copeland	Howell	Nye	
Costigan	Johnson	Oddie	

NAYS—34

Austin	Caraway	Hayden	Pittman
Bailey	Connally	Hebert	Sheppard
Bankhead	Dale	Hull	Smoot
Black	Dickinson	Jones	Steiwer
Blaine	Dill	Kendrick	Trammell
Borah	Fletcher	King	Vandenberg
Bratton	George	Long	Walsh, Mont.
Bulow	Glass	McKellar	
Byrnes	Hale	Morrison	

NOT VOTING—37

Barkley	Harrison	Reed	Tydings
Broussard	Hastings	Robinson, Ark.	Wagner
Bulkley	Hawes	Robinson, Ind.	Walcott
Carey	Keyes	Shortridge	Walsh, Mass.
Coolidge	Lewis	Smith	Waterman
Couzens	Logan	Stephens	Watson
Davis	Metcalf	Swanson	Wheeler
Glenn	Moses	Thomas, Idaho	
Gore	Neely	Thomas, Okla.	
Harris	Norris	Townsend	

So Mr. COSTIGAN's amendment was rejected.

PRECONVENTION ACTIVITIES—CAMPAIGN EXPENDITURES

Mr. ROBINSON of Indiana. Mr. President, I rose this morning simply to invite the attention of the Senate, and more particularly the attention of the junior Senator from Iowa [Mr. DICKINSON], to serious charges which have been made very recently by prominent Democrats of the Nation against other prominent Democrats of the Nation. The junior Senator from Florida [Mr. TRAMMELL] very generously yielded to me for the purpose of making a brief observation. I was and am grateful to him for that. The distinguished leader on the other side, however, suggested a point of order, and I was prevented from concluding. That makes it necessary that I should recapitulate just a little with reference to what I said this morning earlier in the session.

Mr. President, I mentioned then that the distinguished Governor of Oklahoma, Mr. Murray, had charged openly, according to press reports, that Arthur Mullen, the Democratic national committeeman from Nebraska, had brought $50,000 into the State of Nebraska in the interest of Governor Roosevelt's candidacy. It was an Associated Press dispatch, and the reporting of that organization is usually quite accurate, so I assumed it was true. In any event, the charge was sufficiently grave to justify its being brought to the attention of the Senate and of the country. It seems to make necessary at the earliest possible moment the adoption of the resolution proposed by the junior Senator from Iowa [Mr. DICKINSON], that a committee be organized for the purpose of investigating the campaign charges and campaign expenditures in the campaign just ahead.

But that was not all, Mr. President. When interrupted I was inviting the attention of the Senate generally and the junior Senator from Iowa [Mr. DICKINSON] in particular to most serious charges made in New York in the last few weeks with reference to the misuse of depositors' funds in the County Trust Co. of that city. It was openly charged by the makers of two notes aggregating $70,000 that they gave the notes to the bank with the understanding definitely given them by those in authority that they would never be called upon to meet the notes, to conceal the fact that unlawfully the bank itself was contributing money to the Democratic campaign fund four years ago. The makers of the notes, according to press reports, were Timothy J. Mara and Patrick Kenny. The principal sum of one of the notes was $50,000 and that of the other $20,000.

Now I quote the New York Times, under date of Thursday, March 24, just a few days ago, and read as follows:

> Mara is defending a suit to collect on the $50,000 note, while Kenny is being sued on the $20,000 note. Both have charged in their formal answers to the suit that they were induced to sign the notes to aid a fraudulent scheme to conceal contributions by the trust company itself in violation of the law. Their story was that the late James J. Riordan, president of the bank, asked them to sign the notes, and gave them the understanding that this was merely a gesture and that they never would be called upon to pay.

These are the charges made, not by me, not by anyone connected with the Republican organization or by any Republican, but by two prominent Democrats, and, therefore, I submit the charges are entitled to investigation.

I want to read a paragraph from the New York Herald Tribune of Saturday, March 26, along this same line.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Louisiana?

Mr. ROBINSON of Indiana. I will yield shortly; but I ask the Senator to wait until I complete my statement. This paragraph reads as follows:

> Mr. Mara and others in the Tiger Room group are emphatic in their declaration that Mr. Raskob is tight-fisted. Several of them insist that none of the notes was indorsed by Mr. Raskob at their request, and that some of the signers were unknown to him and that they signed these notes after being told they would never have to meet them, and that the signing of them was "the baloney" and "the bunk."

I understand that these charges are made not only against the chairman of the Democratic National Committee, but they are also made against Mr. Raskob as a director of this financial institution. I am informed also—and I think it is true—that the Democratic candidate for the Presidency in the last election is also a director, at this time at any rate, of this same financial institution.

Other contributors' names are mentioned. I mean to read them into the RECORD, and then I think I have nothing further to say excepting to observe that in times like these charges of this kind should be given the most serious attention, when banks are failing on all sides and when we find it necessary to appropriate $2,000,000,000, or to authorize the spending of $2,000,000,000, through a corporation with $500,000,000 capital, to save banks and trust companies throughout the country. It is a serious charge that should be given the most earnest attention by the Senate if confidence in the banking system of the country is ever to return. I say that it is a serious thing for officers of banks with the sacred trust in their hands of being responsible for the hard-earned moneys of depositors who place them in their keeping—a serious thing for such officers to divert those funds unlawfully and to use them politically in the furtherance of a political campaign; and hypocritically, if the charges be true, to have men sign phoney notes and inform the signers that they never would expect the notes to be paid.

Mr. DILL. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. In just a moment I will yield to everybody. I want to get this into the RECORD at this time. I was interrupted this morning and did not get it there then, and now I propose to have it all in the RECORD.

Mr. President, the list of underwriters of this campaign fund in this most remarkable situation which is, I understand, coming before the courts of New York, if it is not there now, is as follows:

John J. Raskob	$150,000
W. F. Kenny	150,000
Herbert H. Lehman	150,000
John F. Gilchrist	50,000
Timothy J. Mara	50,000
James J. Riordan	50,000
Daniel J. Mooney	10,000
Patrick F. Kenny	25,000
James P. Geagan	10,000
D. A. Harrington	25,000

Howard S. Cullman	$10,000
William H. Todd	50,000
M. J. Meehan	100,000
John J. Curtin	10,000
George B. Van Namee	10,000
Daniel J. Meehan	15,000
J. S. and D. L. Reardon	25,000
Edward F. Barrett	10,000
Parker Corning	50,000
Bernard M. Baruch	50,000
Thomas F. Ryan	50,000
Pierre S. du Pont	25,000
A. Heckscher	2,500

That is the list of underwriters of this fund as given, according to the press, by Mr. Raskob. I note that the Senator from Iowa [Mr. DICKINSON], who introduced the resolution for the investigation of campaign expenditures, is not in his seat at the moment. I shall invite his attention, when I have the opportunity to see him, to these remarks in the RECORD, and shall do all I can as one Member of this body to urge that he press his resolution for adoption, that these remarkable charges may be thoroughly investigated:

First. The charge of Governor Murray, of Oklahoma, to the effect that $50,000 was carried into Nebraska by the Democratic national committeeman, Arthur Mullen, to be used for Governor Roosevelt in his candidacy in the primary was held in that State yesterday.

Second. That these remarkable financial transactions which are alleged to have taken place in Mr. Raskob's bank, he being the chairman of the Democratic National Committee, shall be thoroughly investigated likewise.

If the charges prove to be true and if there be no law to reach such cases as this, then legislation should be enacted to protect the depositors of the country still further, that they may know, when they place their money in the banks and financial institutions of the country, that it will not be frittered away in political campaigns and that dummies will not be set up to give notes that the bank itself and its accredited officers never expect to be paid.

Now, I will answer any question that I can.

Mr. STEIWER. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Oregon?

Mr. ROBINSON of Indiana. I yield.

Mr. STEIWER. In 1928 I had the honor of serving as chairman of the select committee to investigate certain campaign expenditures. I have in my hand now the report made by that committee on February 25, 1929. I find in the summary on page 6 of the report the committee's finding which is to the effect that of the Democratic expenditures made in the presidential campaign of 1928, a total sum of $1,600,000 was borrowed. This sum was borrowed from four banks and one individual. The banks' loans were secured by the indorsements of Messrs. J. J. Raskob, W. F. Kenny, and H. H. Lehman. It is interesting to note that this total of $1,600,000 constituted over 22 per cent of the entire campaign fund used by the great Democratic Party in that campaign.

If the Senator will indulge me just a moment further I should like to read a recommendation unanimously agreed to by the members of that select committee with respect to this point. The recommendation is as follows:

> 4. That adequate legislation be provided to regulate the borrowing of money by political committees so that money raised upon loan should be reported in the same way that money raised by the usual method of contribution is reported. Political committees have long followed the practice of incurring deficits or borrowing money for the purpose of campaign expenses. This practice was followed in one case in the campaign now under examination. The reports filed exhibit the fact that money was obtained on loans but do not show the indorsements upon which the loans were made nor does the law require this information. It would seem, therefore, worth while to amend the law so that the public may have access to such information.

The very interesting information which the Senator from Indiana is presenting to the Senate illustrates in the most forcible way that could be imagined that the recommendation of the committee might well have been followed by the Congress at that time. Campaign funds secured by loan should be on the same basis as ordinary contributions. Otherwise reports made prior to the elections have but little value to the voters. If campaign receipts are to be listed merely as loans without full information concerning the identity of those responsible on the notes, the voter will never know the forces behind the different candidates. The voter ought to have this information.

Mr. ROBINSON of Indiana. I thank the Senator from Oregon for his statement. It is a very interesting contribution to the discussion.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Washington?

Mr. ROBINSON of Indiana. I yield.

Mr. DILL. I wanted to ask the Senator from Indiana if he heard the statement of the Senator from Oklahoma [Mr. THOMAS] at the close of his own remarks this morning?

Mr. ROBINSON of Indiana. What was the statement?

Mr. DILL. The Senator from Oklahoma said that the Governor of Oklahoma, Mr. Murray, had denied that he had ever made a charge that Mr. Mullen had brought $50,000 into the State of Nebraska, and that statement has been published in the newspapers following the statement which the Senator read. I wondered if the Senator heard that statement of the Senator from Oklahoma this morning?

Mr. ROBINSON of Indiana. If that be true, and there is some question about it, then the investigation is all the more necessary in order that we may vindicate both Governor Roosevelt and Governor Murray, of Oklahoma.

Mr. DILL. Did the Senator hear the Senator from Oklahoma make that statement?

Mr. ROBINSON of Indiana. I was not certain that that statement had been made, but I take the Senator's word for it.

Mr. DILL. Well, if the Governor of Oklahoma was misquoted, does the Senator think it would be necessary to investigate the Associated Press about it?

Mr. ROBINSON of Indiana. No. I think it is necessary to find out if $50,000 was sent into Nebraska in the interest of Governor Roosevelt. That was the charge carried by the Associated Press, and it was alleged to have been made by Governor Murray. If Governor Murray has stated within the last day or two that he did not make that charge, then I still think we ought to find out, in the interest of the facts, whether that much money did go into Nebraska in behalf of the campaign of Governor Roosevelt. The Senator does not object to having such an investigation made, I hope?

Mr. DILL. No; but I just wanted to call attention to the ridiculous proposal of conducting an investigation because a newspaper statement was incorrect. The Governor of Oklahoma did not wait until a day or two ago, but he denied the statement the day it was printed. Now the Senator rises here and makes a speech as though there was corruption in Nebraska because of a statement attributed to the Governor of Oklahoma, when the Governor of Oklahoma, as soon as he heard it, denied it.

Mr. ROBINSON of Indiana. I am not making any accusations at all; I am simply reciting to the Senate accusations and grave charges that have been made or allegedly have been made by very prominent and distinguished Democrats against other prominent and distinguished Democrats; that is all. I think those charges should be investigated. That is the point I am making. I go no further than that.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Washington?

Mr. ROBINSON of Indiana. Yes.

Mr. DILL. I just want to say to the Senator that only a few minutes ago, without anticipating this matter would again come up, I was told by the manager of the Roosevelt campaign that the Roosevelt headquarters did not send a single cent into the State of Nebraska, although in the primary Governor Roosevelt secured 100,000 votes.

Mr. ROBINSON of Indiana. Then, Mr. President, it would be well to have the manager give that testimony under

oath. What harm could come from it? It would only go toward the vindication of his principal.

Mr. DILL. Mr. President, will the Senator from Indiana yield further?

The VICE PRESIDENT. Does the Senator from Indiana yield further to the Senator from Washington?

Mr. ROBINSON of Indiana. I yield.

Mr. DILL. Let me suggest to the Senator that a Republican majority is in control of the Senate and is in control of the Committee on Privileges and Elections of the Senate. So if the resolution has not been reported and has not been adopted, he ought not to blame the Democrats for that.

Mr. ROBINSON of Indiana. I am blaming nobody; I am simply bringing the matter to the attention of the Senate generally, and more particularly to the author of the resolution which provides for the investigation. I assume the resolution will be adopted, as we usually adopt similar resolutions, and I can conceive of no considerable objection to the resolution; but I am suggesting that time is of the essence of the situation and that we ought to have action on the resolution immediately, or as early as possible; that is all.

Mr. DILL. I have no objection to that, but I want to call the Senator's attention to another fact. I might say, in passing, that it is very natural for some of us to believe that money goes into Nebraska in view of the amount of money that was spent by the Republican National Committee at the last election in the effort to defeat the sitting Senator from that State; but I will not go into that. The resolution introduced by the Senator from Iowa is in practically the same language as the resolution adopted by the Senate last year, except for the fact that the resolution last year provided that—

> No Senator shall be appointed upon said committee from a State in which a Senator is to be elected in the general election in 1930.

That clause has been left out of the resolution that is now pending before the Senate, and I wondered if the Senator——

Mr. ROBINSON of Indiana. The Senator can make any motion he desires to amend the resolution when it comes before this body, but I am suggesting that action be taken; that is all. I am not so much interested in the details, so long as the committee be given plenty of latitude to investigate wherever an investigation seems to be warranted, and then let everybody accept whatever result may follow.

Mr. DILL. Has the Senator asked the chairman of the committee to report the resolution?

Mr. ROBINSON of Indiana. I may say, Mr. President, in answer to the Senator's question, that I think I asked the chairman of the committee this morning, in the presence of the Senate, to hasten a report or to see what could be done in that direction. I think the implication was there. In any event, I have just now served notice on the Senate that when I have an opportunity to see the author of the proposed resolution I shall again personally urge him to press it for early adoption.

Mr. DILL. I am, indeed, glad to hear that. Let me ask the Senator another question. Is it the Senator's intention to have the pending resolution amended to investigate the campaign of 1928 as well as the campaign of 1932?

Mr. ROBINSON of Indiana. The campaign of 1928, Mr. President, so far as the Republican side of it is concerned, has been thoroughly investigated.

Mr. DILL. That is what I thought.

Mr. ROBINSON of Indiana. And just within the last month or two we have had reports in this body with reference to an investigation going back to 1928. This is only a few days later, and let us now go back to investigate the charges about certain Democratic funds that were used in 1928, which do not seem to have been investigated. I should like to suggest, too, that those notes were signed, according to my information, about April 24, 1929, three years ago, and the trust company has carried those notes all this time, presumably as a part of its resources.

Mr. DILL. I want to ask the Senator does he think the proposed new committee ought to do that, or should the old committee do it?

Mr. ROBINSON of Indiana. Mr. President, my understanding is—I may not be correct in this—that the old committee, so called, has gone out of existence. In any event, a new one is about to come into existence, and there is no objection, so far as I can see, to our having the new committee go into this question. It is not so far back as to be ancient, let me suggest to the Senator, because details connected with the Republican campaign, as I say, have been investigated up until within the last few weeks. Now I think turnabout, perhaps, might be fair play.

Mr. WALSH of Montana. Mr. President——

Mr. ROBINSON of Indiana. If the Senator desires to ask me a question I will yield.

Mr. WALSH of Montana. I have a few observations to make.

Mr. ROBINSON of Indiana. Then I yield the floor.

Mr. WALSH of Montana. Mr. President, I venture to assume, as I think the Senate generally has assumed, that the Senator from Iowa [Mr. DICKINSON] will in his own good time see that a report is made upon his resolution providing for an investigation of campaign expenditures with relation to the election to be held this year and in due course have it brought before the Senate for action. I can not understand the remarks of the Senator from Indiana to-day as signifying anything except a criticism of the Senator from Iowa for laxity in urging the speedy consideration by the committee and by the Senate of his resolution. I scarcely think the Senator from Iowa is open to any just criticism for inexcusable delay in that matter.

The remarks of the Senator, however, may have a further significance. They may be in the nature of a lashing or criticism of the Republican organization in the Senate for not having spurred the committee to report the resolution to the Senate. I beg to assure the Senator from Indiana that, so far as the Democratic side of the Senate is concerned, he need give himself no apprehension. The Democratic side of the Senate has uniformly voted in favor of resolutions for the investigation of campaign expenditures, and I am very sure they will unanimously and promptly approve the resolution submitted by the Senator from Iowa. I trust, with the Senator from Indiana, that a speedy report will be made upon the resolution and that the committee will be promptly appointed.

I have no doubt, when the committee shall be appointed, it will take note of the newspaper charges referred to by the Senator from Indiana, and if it should not do so, the Senator will then have an opportunity, as a matter of course, to call the attention of the committee to these matters.

The Senator refers to some questions which might very appropriately have engaged the attention of the committee to investigate the expenditures made in connection with the campaign of 1928. As we have just been informed, and as most of us recall, the Senator from Oregon [Mr. STEIWER] was the chairman of that committee and, if the investigation, so far as the State of New York is concerned, was not as thorough and complete as it ought to have been, I suppose probably we will have to charge it up against the Steiwer committee.

The Senator remarked that the investigation was quite complete and thorough so far as Republican expenditures were concerned but apparently was not so complete so far as Democratic expenditures were concerned. A majority of that committee was, of course, Republican; the chairman of the committee was Republican, and, whether or not its investigation was thorough and complete, so far as the expenditures made in behalf of the Republican candidates are concerned, I am very sure that the junior Senator from Virginia [Mr. GLASS] would take the position that, so far as his State at least is concerned, the examination was quite superficial, and he would be very much gratified indeed, I am sure, at the appointment of any committee that would be called upon again to overhaul the expenditures made in

the campaign of 1928. However that may be, I apprehend that the Senator from Indiana will have the gratification of seeing the resolution of the Senator from Iowa duly adopted and the committee promptly appointed.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8397) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes.

Mr. COSTIGAN. I have sent to the desk a second amendment to the Howard University items of appropriation and ask that it may be stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In the item of general expenses for Howard University, on page 111, line 11, it is proposed to strike out "$225,000" and insert in lieu thereof "$275,000."

The VICE PRESIDENT. The question is on the amendment submitted by the Senator from Colorado.

Mr. COSTIGAN. On the amendment I ask for the yeas and nays.

Mr. SMOOT. Let us have the yeas and nays.

The yeas and nays were ordered.

The legislative clerk proceeded to call the roll, and Mr. ASHURST voted in the affirmative when his name was called.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. The yeas and nays have been ordered on the amendment, and it is not subject to debate.

Mr. McKELLAR. I merely wish to make an inquiry. May the amendment be stated?

The VICE PRESIDENT. Let the amendment which was reported a few moments ago again be reported.

The amendment was again stated.

The VICE PRESIDENT. The Secretary will continue to call the roll.

The legislative clerk resumed calling the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS] and in his absence withhold my vote. If permitted to vote, I should vote "yea."

Mr. GLENN (when his name was called). I have a general pair for the day with the senior Senator from Massachusetts [Mr. WALSH]. Not knowing how he would vote, I refrain from voting. If at liberty to vote, I should vote "yea."

Mr. JONES (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. THOMAS of Idaho (when his name was called). I have a general pair with the junior Senator from Montana [Mr. WHEELER]. Not knowing how he would vote, I withhold my vote.

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH], who is detained at home because of sickness in his family. I am not able to secure a transfer and therefore withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. HASTINGS. I have a general pair with the senior Senator from Missouri [Mr. HAWES]. Not knowing how he would vote, I withhold my vote.

Mr. COPELAND. My colleague [Mr. WAGNER] is unavoidably detained. If he were present and at liberty to vote, he would vote "yea."

Mr. HATFIELD (after having voted in the affirmative). Has the senior Senator from North Carolina [Mr. MORRISON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. HATFIELD. I have a pair with that Senator and therefore withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Illinois [Mr. LEWIS];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Oklahoma [Mr. GORE];

The Senator from New Hampshire [Mr. KEYES] with the Senator from New York [Mr. WAGNER];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD]; and

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 23, nays 32, as follows:

YEAS—23

Ashurst	Costigan	Howell	Nye
Barbour	Couzens	Johnson	Oddie
Brookhart	Cutting	Kean	Patterson
Bulkley	Fess	La Follette	Schall
Capper	Frazier	McNary	White
Copeland	Goldsborough	Neely	

NAYS—32

Austin	Caraway	Harrison	McKellar
Bailey	Carey	Hayden	Pittman
Bankhead	Connally	Hebert	Reed
Black	Dale	Hull	Sheppard
Blaine	Dickinson	Jones	Smoot
Bratton	Dill	Kendrick	Trammell
Bulow	Fletcher	King	Vandenberg
Byrnes	Hale	Long	Walsh, Mont.

NOT VOTING—41

Barkley	Hastings	Norris	Townsend
Bingham	Hatfield	Robinson, Ark.	Tydings
Borah	Hawes	Robinson, Ind.	Wagner
Broussard	Keyes	Shipstead	Walcott
Coolidge	Lewis	Shortridge	Walsh, Mass.
Davis	Logan	Smith	Waterman
George	McGill	Steiwer	Watson
Glass	Metcalf	Stephens	Wheeler
Glenn	Morrison	Swanson	
Gore	Moses	Thomas, Idaho	
Harris	Norbeck	Thomas, Okla.	

So Mr. COSTIGAN's amendment was rejected.

Mr. COSTIGAN. Mr. President, a third amendment has been sent to the desk. I ask that it be stated, and also call for the yeas and nays upon it.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 111, lines 12 to 14, both inclusive, it is proposed to insert:

For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available.

Mr. LONG. Mr. President, I thought it might be well to make a few observations relative to the remarks made by the Senator from Indiana [Mr. ROBINSON]. It seems that the Senator apparently desires political linen washed a little bit to see whether there might not have been some corruption on the Democratic side of the political campaign of 1928.

Unlike what seems to be implied by the question of the Senator from Washington [Mr. DILL], I am confident that the Senator from Indiana is acting in extremely good faith. He has seen the Republican Party investigated only more or less generally and superficially; and, coming from a State which can scarcely keep a Republican governor out of the penitentiary, it is only natural that the Senator should want to see further investigations made into the Democratic politics of New York.

Mr. ROBINSON of Indiana. Mr. President, I never like even to suggest that a Senator is out of order; but it is out of order, I think, to discuss any of the States in such terms as the Senator does.

The VICE PRESIDENT. The Chair did not hear the remark of the Senator from Louisiana; but the Chair will say to the Senator that it is out of order to reflect upon any State of the Union, and if any such reflection was made it was out of order.

Mr. LONG. Mr. President, I rather meant to compliment——

Mr. HARRISON. Mr. President, does the Chair hold that it is improper for a Senator to refer to the fact that a governor of a State in the past has been sent to the penitentiary, and that officials of a lot of other States have been sent to the penitentiary?

The VICE PRESIDENT. The Chair did not make any such statement.

Mr. HARRISON. I did not understand the Chair, then.

The VICE PRESIDENT. The Chair said that he had not heard the remark of the Senator from Louisiana, but that if he had reflected upon a State he was out of order.

Mr. BINGHAM. Mr. President, I ask that the reporter read exactly what the Senator said.

The VICE PRESIDENT. The reporter will read the remark.

The official reporter (Mr. Budlong) read as follows:

> And, coming from a State which can scarcely keep a Republican governor out of the penitentiary, it is only natural that the Senator should want to see further investigations made into the Democratic politics of New York.

Mr. ROBINSON of Indiana. Mr. President, I shall not object if the Senator gets any particular pleasure from making the statement. The statement has been made here in times past, and I have never made any objection to it. If the Senator desires to repeat it, I have no objection. I withdraw the objection.

Mr. LONG. On the contrary, Mr. President, I was undertaking to compliment the State of Indiana. I have particular pride in that State; and I was undertaking to compliment the processes of the high-minded citizenship of the State of Indiana which practically made it impossible, under the present practices prevailing in Republican politics, for a Republican governor to keep out of the penitentiary even if they wanted to keep him out of the penitentiary.

Furthermore, it is not beyond the bounds of suspicion that if we should raise up all the covers of Democratic politics some irregularity might be found. It might require considerable investigation to find some irregularity in Democratic politics; but I am sure that the distinguished Senator from Indiana, in good faith and with all propriety, intending only the best for the country, is aware of one thing—that no investigation by the United States Senate is needed to disclose the corruption in Republican politics in the campaigns preceding 1928.

In the case of our good friend Mellon, who slept all night with the bonds and then returned them, there does not need to be any investigation, because about the time the committee reached the transaction he sent the committee word about it himself. We do not need to concern ourselves about an investigation of the Fall and Sinclair matter, because the courts of the United States, under Republican prosecution, have had them properly incarcerated. We do not need to interrogate anyone relative to the sending of money into the State of Nebraska by the Republican campaign committee, because we had it from the lips and from the pen of the Republican organization that they actually sent money into the State of Nebraska to defeat the nominee of the Republican Party who sits in this body to-day, and kept that matter secret until it was investigated and brought to the surface.

I want to say, Mr. President and Members of the Senate, that there is no question whatever that the Senator from Indiana is acting in all good faith about this matter, because wherever the Senator has been familiar with the investigation of matters involving expenditures in political campaigns—and he is naturally more or less familiar with the Republican side—he has always seen fruit borne from those investigations. He has seen man after man connected with the official Republican organization incarcerated and sent to the penitentiary; and it is only natural that once in a great while some Democrat somewhere might be heard of who might be guilty of the same felonies of which Republicans have been so often convicted in his State and in the United States. Once in a great while there might be such a case. Lightning will strike ever so often ever so near.

We know one thing further: The great allegation is that there is a deficit in the Democratic Party's campaign fund of 1928. There is usually a deficit in the Democratic campaign fund of every presidential year. The Democratic Party, as a customary matter, has not unlimited resources upon which it can call in a political campaign, as has been the case with the Republican Party. The Democratic campaign has not friends who have received the $200,000,000 in refunds of taxes that the distinguished Senator from Iowa [Mr. BROOKHART] and the Senator from Tennessee [Mr. MCKELLAR] mentioned only a short time ago.

Perhaps the Democratic committee has been in debt in the State of New York. Perhaps it is in debt now; but the matter which the Senator brought up was this:

As I understand, about one month ago a publication stated that a bank had a note that some man had made, and that man said that the chairman of the national Democratic campaign organization had agreed to see himself that that note was paid; and, as I understand the matter—it being a mere question of veracity, I may not exactly state the details correctly—as I understand the matter, the chairman of the Democratic national campaign committee denied the statement that had been made, but stated that he was willing, so that there would be nothing whatever to blemish the escutcheon of the Democratic campaign, to assume the responsibility and to see to the discharge of that note. It would not have been any violation of law if the statement had been accurate; but even if there had been something in some slight way irregular about it I see nothing that particularly justified anything to have been slept on for 30 days and to have suddenly dawned on any Member of the Senate to-day.

The Senator from Indiana refers to banks breaking. We know this, that the Bank of the United States was not the only bank that broke. We know more banks have broken in the last three and a half years in the United States than ever broke in any similar period of three and a half years in our history. We know that there never have been as many people out of work in the United States as there are to-day. We know that there has never been as much poverty in the United States as there is to-day. We know that there has never been such distress in the United States as there is to-day. We know that we have had to see the United States Government socialized for the purpose of protecting the bloated interests who themselves, under the system now prevailing, are unable to keep head above water in the midst of the kind of depression there is now. They have practically pulled the temple down upon themselves.

There were some who came here before I became a Member of the Senate who in a very humble, cooperative, most condescending spirit undertook, as members of the Democratic Party, for the welfare of the country, to push along to whatever port of prosperity and safety and convenience and comfort they could find this old hulk of Republican politics. The great trouble we have to-day in undertaking to carry along this bloated carcass is that there are in the bottom of that boat so many nefarious frauds and so many symbols of corruption that it is with the most intense difficulty, although willing to forgive and willing to forget and willing to cover the sins that are scarlet until they become as white as snow, that we could, with all the cooperation we have extended to the majority of the Senate and to the Republican administration, we have been unable to avoid disaster. It is impossible to keep the light burning in a way that will bring respectability and prosperity back to the country at this belated day under such a handicap, though we have done the best we could.

The VICE PRESIDENT. The Secretary will report the pending amendment.

The LEGISLATIVE CLERK. On page 111 the Senator from Colorado proposes, in line 12, to insert:

> For construction and completion of a heat, light, and power plant at Howard University, $460,000, to be immediately available.

Mr. COSTIGAN. I ask for the yeas and nays.

Mr. SMOOT. Mr. President, I wondered whether that amendment was in proper form. The committee reported the bill striking out the language "For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available." That has not been acted upon. Would it be proper now for the Senator to offer his amendment in lieu of what was stricken out by the committee?

The VICE PRESIDENT. The Senator may move to strike out and insert, but if the amendment exceeded the Budget estimate, a point of order could be made against it.

Mr. SMOOT. I would just as leave have a direct vote upon it.

Mr. CONNALLY. I make the point of order.

Mr. McKELLAR. If it is subject to a point of order, I think the point of order ought to be made.

The VICE PRESIDENT. The Chair has not stated that it is subject to a point of order. The Chair wants to know whether it has been estimated for. If it has been estimated for, it is in order.

Mr. CONNALLY. I make the point of order that it exceeds the authorization.

Mr. SMOOT. Mr. President, I want to say to the Senator that I have looked up the Budget estimate, and I find this item has been estimated for.

The VICE PRESIDENT. It has been estimated for, and therefore is in order. The yeas and nays have been requested upon it.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BINGHAM (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I withold my vote.

Mr. GLENN (when his name was called). Making the same announcement as on the previous vote, I withhold my vote. If permited to vote, I should vote "yea."

Mr. JONES (when his name was called). Making the same announcement as before, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Again announcing my general pair with the junior Senator from Mississippi [Mr. STEPHENS], I withhold my vote. If permitted to vote, I would vote "yea."

Mr. THOMAS of Idaho (when his name was called). Again announcing my pair with the junior Senator from Montana [Mr. WHEELER], I withhold my vote.

Mr. WATSON (when his name was called). Making the same announcement as on the last vote, I withhold my vote.

The roll call was concluded.

Mr. REED. I am told that my general pair, the senior Senator from Arkansas [Mr. ROBINSON], would vote as I intend to vote. Therefore I am at liberty to vote. I vote "nay."

Mr. HATFIELD (after having voted in the affirmative). The senior Senator from North Carolina [Mr. MORRISON] has not voted. I have a general pair with that Senator and therefore I withdraw my vote.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. DAVIS] with the Senator from Kentucky [Mr. LOGAN];

The Senator from Minnesota [Mr. SHIPSTEAD] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Colorado [Mr. WATERMAN] with the Senator from Kentucky [Mr. BARKLEY];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Georgia [Mr. HARRIS];

The Senator from Delaware [Mr. TOWNSEND] with the Senator from Illinois [Mr. LEWIS];

The Senator from Connecticut [Mr. WALCOTT] with the Senator from Oklahoma [Mr. GORE];

The Senator from Delaware [Mr. HASTINGS] with the Senator from Missouri [Mr. HAWES];

The Senator from New Hampshire [Mr. KEYES] with the Senator from New York [Mr. WAGNER];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS]; and

The Senator from New Hampshire [Mr. MOSES] with the Senator from Louisiana [Mr. BROUSSARD].

The result was announced—yeas 18, nays 40, as follows:

YEAS—18

Ashurst	Cutting	Johnson	Oddie
Barbour	Fess	Kean	Patterson
Brookhart	Frazier	La Follette	Schall
Capper	Goldsborough	Neely	
Costigan	Howell	Nye	

NAYS—40

Austin	Carey	Hayden	Norbeck
Bailey	Connally	Hebert	Pittman
Bankhead	Copeland	Hull	Reed
Black	Cousens	Jones	Sheppard
Blaine	Dale	Kendrick	Smoot
Bratton	Dickinson	King	Steiwer
Bulkley	Fletcher	Long	Trammell
Bulow	George	McGill	Vandenberg
Byrnes	Hale	McKellar	Walsh, Mont.
Caraway	Harrison	McNary	White

NOT VOTING—38

Barkley	Harris	Norris	Townsend
Bingham	Hastings	Robinson, Ark.	Tydings
Borah	Hatfield	Robinson, Ind.	Wagner
Broussard	Hawes	Shipstead	Walcott
Coolidge	Keyes	Shortridge	Walsh, Mass.
Davis	Lewis	Smith	Waterman
Dill	Logan	Stephens	Watson
Glass	Metcalf	Swanson	Wheeler
Glenn	Morrison	Thomas, Idaho	
Gore	Moses	Thomas, Okla.	

So Mr. COSTIGAN's amendment was rejected.

The VICE PRESIDENT. The question now is on the committee amendment, on page 111, to strike out lines 12 to 14, in the following words:

For construction and completion of a heat, light, and power plant at Howard University, $300,000, to be immediately available.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will report the next amendment.

The next amendment was, on page 111, after line 14, to strike out:

For the completion of construction and equipment of a general library building, $100,000, to be immediately available.

The amendment was agreed to.

The next amendment was, on page 111, line 18, to reduce the total appropriation for Howard University from $1,075,000 to $675,000.

The amendment was agreed to.

The next amendment was, under the heading "Freedmen's Hospital," on page 112, line 17, after the word "equipment," to strike out the following proviso:

Provided, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled passenger-carrying vehicle (except buses, station wagons, and ambulances) at a cost, delivered and completely equipped for operation, in excess of $750, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle not used exclusively for official purposes, and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment except in cases of officers and employees engaged in field work the character of whose duties makes such transportation necessary and then only when the same is approved by the head of the department. This section shall not apply to any motor vehicle for official use of the Secretary of the Interior.

And in lieu thereof to insert:

Provided, That no part of any money appropriated by this act shall be used for purchasing any motor-propelled, passenger-carrying vehicle (except busses, ambulances, and station wagons) at a cost, completely equipped for operation, in excess of $750, except where, in the judgment of the department, special requirements can not thus be efficiently met, such exceptions, however, to be limited to not to exceed 10 per cent of the total expenditures for such motor vehicles purchased during the fiscal year, including the value of a vehicle exchanged where exchange is involved; nor shall any money appropriated herein be used for maintaining, driving, or operating any Government-owned, motor-propelled, passenger-carrying vehicle not used exclusively for official purposes; and "official purposes" shall not include the transportation of officers and employees between their domiciles and places of employment, except in cases of officers and employees engaged in field work the character of whose duties make such transportation necessary, and then only when the same is approved by the

head of the department. The limitations of this proviso shall not apply to any motor vehicle for official use of the Secretary of the Interior.

The amendment was agreed to.

The next amendment was, on page 114, after line 7, to strike out:

SEC. 3. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act (1) to increase the compensation of any position within the grade to which such position has been allocated under the classification act of 1923, as amended; (2) to increase the compensation of any position in the field service the pay of which is adjustable to correspond so far as may be practicable to the rates established by such act, as amended, for the departmental service in the District of Columbia; (3) to increase the compensation of any position under such act through reallocation; (4) to increase the compensation of any person in any grade under such act through advancement to another position in the same grade or to a position in a higher grade at a rate in excess of the minimum rate of such higher grade unless such minimum rate would require an actual reduction in compensation; or (5) to increase the compensation of any other position of the Federal Government under such department. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes, but shall be impounded and returned to the Treasury, and a report of the amounts so impounded for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

The amendment was agreed to.

The next amendment was, on page 115, after line 9, to strike out:

SEC. 4. No appropriation under the Department of the Interior available during the fiscal years 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply to absolutely essential positions the filling of which may be approved in writing by the President of the United States. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session.

And in lieu thereof to insert:

SEC. 4. No appropriation under the Department of the Interior available during the fiscal year 1932 and/or 1933 shall be used after the date of the approval of this act to pay the compensation of an incumbent appointed to any position under the Federal Government which is vacant on the date of the approval of this act or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (a) to absolutely essential positions the filling of which may be authorized or approved in writing by the President of the United States, either individually or in groups, or (b) to temporary, emergency, seasonal, and cooperative positions. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between the date of the approval of this act and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: *Provided*, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or portion of appropriation when, in his judgment, such action is necessary and in the public interest.

The amendment was agreed to.

The VICE PRESIDENT. Two amendments were passed over. The first one passed over will be reported.

The LEGISLATIVE CLERK. The first amendment passed over was, on page 28, line 3, where the committee proposed to insert a proviso, as follows:

Provided further, That no part of this appropriation shall be available for the extension of canals or ditches in connection with the Michaud division.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will report the next amendment passed over.

The LEGISLATIVE CLERK. On page 70, line 11, the committee proposed to strike out "$1,000,000" and to insert in lieu thereof "$500,000," so as to read:

Owyhee project, Oregon: For continuation of construction, $500,000: *Provided*, That the unexpended balances of the appropriations for continuation of construction for the fiscal years 1929, 1930, 1931, and 1932 are hereby reappropriated for the same purpose for the fiscal year 1933.

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to amendment.

Mr. SMOOT. Mr. President, on page 29, line 7, as I understand it, the committee amendment striking out "$85,000" and inserting in lieu thereof "$80,000" was rejected. I ask for a reconsideration of the vote by which that amendment was rejected.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered. The question now is on the committee amendment, which will be stated.

The LEGISLATIVE CLERK. On page 29, line 7, the committee proposed to strike out "$85,000" and to insert in lieu thereof "$80,000," so as to read:

Continuing Pablo Reservoir enlargement, $80,000.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to offer an amendment, which I send to the clerk's desk.

The VICE PRESIDENT. The amendment will be reported.

The LEGISLATIVE CLERK. The Senator from Arizona proposes, on page 54, after line 14, to insert the following as a new paragraph:

For an additional amount for support of Indians and administration of Indian property, including pay of employees, $135,000, to be immediately available, and to remain available until June 30, 1932: *Provided*, That the limitation of $160,000 for relief, contained in the Interior Department appropriation act for the fiscal year 1932, is hereby increased to $570,000: *Provided further*, That this appropriation shall be available for the employment of Indian labor on any necessary project or activity.

Mr. SMOOT. Mr. President, I received a very pleading letter from the department this morning asking that by all means the Senate allow this amendment to go into the bill, and the reasons are given in the letter. I ask that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, April 13, 1932.

MY DEAR SENATOR SMOOT: We wish to call attention to the amendment offered by Senator HAYDEN on Monday with reference to an appropriation of $135,000 for relief purposes during the present fiscal year. You will recall that this matter was presented to the committee following the submission of a Budget estimate contained in House Document 261, copy of which is inclosed for immediate reference. We are also attaching for general information copy of the justification which we submitted to the Bureau of the Budget in support of this item. A copy has heretofore been furnished to the committee for its information. The item was carried in the bill as originally reported to the Senate, but after recommitment it has been stricken out.

It will be extremely unfortunate if this appropriation is not carried in the Interior bill. Relief needs brought about through drought and grasshoppers in the Northwest, severe blizzards in the Southwest, and adverse conditions generally in other parts of the country have made necessary a tremendous outlay during the last few months for general relief purposes. The first deficiency bill carried $275,000 to partially aid in this work and there has already been obligated about $67,000 of the $135,000 contained in the Budget estimate. Denial of this appropriation will necessitate immediate withdrawal from all relief activities and in addition thereto readjustments in necessary everyday expenditures in order to offset this overdraft. This latter action would result in severely crippling the service, and it is doubtful if the amount of the overdraft would even then be balanced. The necessity for relief at this time is just as great as it was during the winter months, and aid from the Government must be forthcoming until midsummer when the Indians can begin to obtain relief from produce raised in their own gardens. If the Indians can not receive aid from the Federal Government, suffering is inevitable, as there is absolutely no other source of help.

We realize the difficulty confronting you in connection with the Interior Department bill and especially with reference to the 10 per cent reduction under the House allowance. It seems to us, however, that this item is in a different status from some others in view of the fact that it is supported by a supplemental Budget estimate sent to Congress too late to be considered by the House when the Interior bill was before that body. We therefore urge most strongly that the amendment of Senator HAYDEN be agreed to by the Senate.

Sincerely yours,

C. S. RHOADS, *Commissioner.*

Hon. REED SMOOT,
United States Senate.

Mr. HAYDEN. Mr. President, the Senate adopted this amendment when the bill was under consideration before. It is admitted that normally such an amendment would properly be offered to a deficiency bill, but this bill presents the only opportunity for the appropriation of this $135,000, which is needed to feed starving Indians. That is the purpose of the amendment.

Mr. SMOOT. Let us vote on it.

Mr. HAYDEN. The item came to the Senate Committee on Appropriations, after the bill had passed the House, by a special Budget estimate submitted by the President, stating that this sum of money was needed, to be immediately available, to take care of the Indians who are in a starving and destitute condition. On that representation the amendment was agreed to and included in the bill by the Senate Committee on Appropriations, and was adopted by the Senate.

The motion to recommit the bill had the effect of wiping out completely every amendment adopted by the Senate. It is therefore necessary to offer this amendment at this time, to be included in the bill, just as was done before.

Mr. McKELLAR. Mr. President, should not this come on a deficiency bill? This is not the kind of a bill to carry this sort of an item.

Mr. SMOOT. Let us accept it, because if the Indians are to have any relief at all we shall have to afford it in this way.

Mr. HAYDEN. That is the point.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I invite attention to page 27, line 23, the item of $250,000. The Senator from Idaho, I know, is interested in that appropriation. I think it ought to be eliminated.

I have read the House hearings, and it seems to me the appropriation recommended by the Budget and provided in the House bill was for the Michaud project. Having abandoned the project so far as the Senate appropriation bill is concerned, it occurs to me that the $250,000 item ought to be eliminated. The water now available exceeds the consumptive use of the Indians—I say Indians; they are largely white people—and they rent no small part of the available supply to persons who are not on the reservation and to whom the Government owes no obligation and in whose interest no appropriation is made. It seems to me, in view of the fact that there is more water now available for use upon the Michaud project as completed, it would be wholly improper to make a further appropriation.

The VICE PRESIDENT. May the Chair state that the amendment has been agreed to?

Mr. KING. When the amendments were adopted I suggested to my colleague that if any of them were agreed to and I desired to recur to them it might be done, and he agreed.

Mr. THOMAS of Idaho. Mr. President, I may say in connection with the particular item that the committee has already decreased the amount of the appropriation from $332,000 to $250,000. The item in the bill is for the purpose of completing work now incomplete on the present Michaud project. It will eventually provide for the watering of Indian lands, but at this time the immediate necessity for the particular appropriation is to straighten out the channel in order to deliver water on lands now occupied by the Indians. Every year that it is deferred just that much additional damage accrues to the Indians.

It is quite a long story, and I do not think it is necessary to go into it at this time except to say that a few years ago the Bureau of Indian Affairs constructed the Blackfoot Reservoir and arranged to water a number of acres of land. The present channel of the river does not carry sufficient water, and as the acreage increases the use of the water increases. Of course it increases the overflow on the settlers who occupy ranches there. There are a number of claims accumulating against the lands and a number of farms have been destroyed. The Appropriations Committee of the House made a visit to this particular river last summer and made a very careful study of it. A Budget officer was with them, and they recommended an appropriation of $332,000. Since that time, in the wisdom of the committee and in the interest of economy, they have decreased the amount by $85,000, which will delay some of the work and entail a real hardship upon the people under the project. However, I am willing to accept the opinion of the committee, but I believe it would be very disastrous to the development there to eliminate the balance of $250,000.

Mr. KING. Mr. President, may I say to my friend from Idaho [Mr. THOMAS] that I have received communications from members of the irrigation organizations, not Indians but whites, indicating that the appropriation is inadvisable and unnecessary, that there is an excessive quantity of water now available, and that an appropriation now would scarcely be justified. But in view of the position taken by the Senator from Idaho I shall not press the motion to eliminate the item.

Mr. THOMAS of Idaho. I thank the Senator.

The VICE PRESIDENT. If there be no further amendments——

Mr. KING. I have another amendment, which I send to the desk and ask to have reported.

The VICE PRESIDENT. Let the amendment be reported.

The LEGISLATIVE CLERK. The Senator from Utah proposes, on page 64, after line 10, to insert a new paragraph reading as follows:

That not more than $10,000,000 of the appropriations herein made for the Bureau of Indian Affairs shall be available or expended for salaries and for personal service in the Indian Service for the fiscal year ending June 30, 1933.

Mr. SMOOT. Mr. President, really I do not know just what effect that would have. If the Senate feels that it is going to adopt it, I would want the bill to go over until to-morrow in order that I might present some information to the Senate. I am not prepared at this time to tell the Senate just what effect it would have.

Mr. KING. I have no objection to an adjournment until to-morrow although I know that Senators are anxious to finish the bill, because other appropriation bills are ready for consideration and considerable time has been already occupied in the consideration of the pending measure. In my opinion if the Indian Bureau had submitted proper requests for appropriations to the Budget Bureau, this bill would have been disposed of some time ago, but the representatives of the bureau made demands for appropriations that were wholly unwarranted, and demonstrated that its policy of extravagance, inefficiency, and waste was to be continued. The Budget Bureau, in my opinion, failed to make proper investigations of the needs of the Indian Bureau, and recommended appropriations far beyond its legitimate needs. Without desiring to be critical, I express the view that the bill as it came from the House carried at least two and one-half million dollars for the Indian Bureau, beyond all proper and legitimate requirements. The bill, as it was reported from the Senate Committee, failed to make proper reductions. For that reason the bill was recommitted, and notwithstanding the reductions made by the Appropriations Committee after recommittal, we still find in the bill several million dollars more than should be appropriated.

I have heretofore discussed at some length provisions of the bill dealing with the Indian Bureau and have pointed out that it carried at least $2,000,000 for salaries and compensation for personal services of those employed in the Indian Bureau in excess of what should be appropriated.

In my opinion the Indian Bureau is one of the most wasteful and inefficient Federal organizations. One needs only to read the history of the Indians who are wards of the Government to find warrant for the statement just made. With the number of the Indians under the control of the Government greatly reduced from the number over which it had jurisdiction a few years ago, the expenses of the Indian Bureau have been increased from four or five million dollars annually to more than $25,000,000. It was believed

that under Mr. Hoover's administration reforms would be effected in the Indian Bureau; that economic policies would be inaugurated and the condition of the Indians improved. I regret to say there are no gains to be recorded, but from the investigations made by the Frazier committee and information brought to the attention of the Senate, I think it will be conceded that the Indians are in a worse condition now than they were years ago. I appealed to the Appropriations Committee a few days ago to reduce various items of appropriation carried in this bill.

I am glad to say that a number of the recommendations which I made were accepted, but many were not followed. I showed the committee that more than 52 per cent of the total appropriations carried in the bill were to be expended for salaries and compensation of the employees of the bureau; I showed that the bill, ostensibly for the benefit of the Indian wards of the Government who were powerless to control their own affairs because of congressional restrictions, superimposed upon them a vast army of Federal employees who received out of the appropriations more than 52 per cent. I showed that instead of the present administration being economical, and protecting the interests of the Indians, it had been extravagant and had spent millions of tribal funds and gratuities for unnecessary purposes, and for salaries of employees whose services were not required. We had been told that under the new commissioner and new Secretary of the Interior, great reductions were to be made; new policies were to be introduced that would effect economies, and bring about reforms that would advance the material and moral welfare of the Indians.

In my opinion, none of these promises have been fulfilled. Between 1930 and 1931 the salaries of the Indian Bureau employees increased 17.8 per cent. From 1930 to the 1933 demands as shown in the present Budget, they have increased 24.7 per cent. Travel expenses in 1930 increased $273,094, and in 1931 they were increased by $364,844. We do not know what the increases will be for 1932, because deficiency bills have not yet been reported, but undoubtedly they will carry appropriations to meet increased expenses by the bureau.

The 1933 Budget calls for a total of $12,293,474 to meet the salaries and compensation of the employees of the Indian Bureau, though in 1930 the total was but $9,937,506. There ought to have been a decrease in expenditures for salaries, but, as stated, a material increase is provided for.

Senators will recall that there are only 193,000 Indians under the control of the Government. In 1887 there were more than 243,000 Indians under the Government's jurisdiction, and the entire cost to the Government, as I showed to the Senate a few days ago, was but slightly over $5,000,000. In that year the Indians farmed 243,000 acres of land, whereas now, after the Government has expended more than $40,000,000, in part tribal funds taken from the Indians, upon irrigation projects, the Indians are farming but 116 acres.

Mr. President, the number of employees during the past two or three years has increased until now there are more than 8,212 who are paid out of gratuity appropriations and tribal funds. The bill before us calls, as stated, for $12,472,000 for salaries and compensation of bureau employees. In addition several hundred thousand dollars for personal expenses, making, as I have indicated, 52.4 per cent of the entire appropriations carried by the bill.

I discussed somewhat in detail these items several days ago and shall not further advert to them.

If the bill goes over until to-morrow I shall be glad to examine various items therein and demonstrate, as I believe I can, that the motion which I have just submitted should prevail and salaries cut to $10,000,000, and also that other items should be eliminated from the bill. It is needless to say that $10,000,000 is entirely too much to appropriate for bureau salaries. An appropriation of $8,000,000 would be unnecessarily large. It is an unjust charge upon the Indians, and it is unfair to the Government and to the taxpayers of the United States to impose upon them so great an army of employees. It is most unfair to have one Federal employee in the Indian Bureau for every 23 Indians under the control of the Government, and it is manifestly unfair to have one employee in the boarding schools for every eight Indian children therein. The number of employees has been increased more than 1,000 during the past two years, and the salaries, as I have indicated, have been increased by the sum of $2,000,000 or more. I protest against the growth of this bureaucratic organization. I condemn its inefficiency, extravagance, and waste, and express my regret that the Indians have been the victims of exploitation at the hands of the Government and have failed to receive protection at the hands of the agency set up by the Government to guard and protect their rights.

Mr. SMOOT. We would like to finish the bill to-night.

Mr. McNARY. I was about to express the hope that we might dispose of the bill this evening. This is the only amendment left. It is not a difficult problem to dispose of. May we not have a vote on it now? I am sure the Senator from Utah [Mr. SMOOT] is willing to cooperate in the matter and have a vote now.

Mr. McKELLAR. Why not vote now? It will take but a moment. Let us have a vote on the amendment of the junior Senator from Utah [Mr. KING] and determine the matter.

Mr. SMOOT. I am quite sure the amendment would upset a great many of the appropriations. I can not tell just what the effect of it would be. I ask my colleague not to press the amendment and force the bill over until to-morrow. I hope he will let us come to a vote on his amendment.

Mr. KING. Mr. President, I appreciate the fact that it is late; that Senators have been occupied in committees and upon the floor of the Senate since early this morning and that they are anxious for an adjournment. I have heretofore discussed many provisions of the bill, including the amendment which I have just offered, and will not, therefore, prevent a vote upon my amendment or upon the bill this evening. I desire, however, to emphasize what I believe to be an injustice to the Indians involved in the pending measure. I repeat that when the total appropriations for the Indians for the next fiscal year, as carried in the bill, including special and indefinite appropriations for purposes other than per capita payments to Indians, are approximately $24,504,000, it is indefensible to subtract from that amount $12,472,000 for salaries of bureau employees. If the item of personal expenses, estimated at $283,094, is added to this amount, the grand total will be $12,745,094, or, as I have indicated, 52.4 per cent. This appropriation should be reduced $2,000,000 below the amount stated, and even then it would be far beyond all reasonable and just limits. It looks as though the Indians are to be exploited, not protected and prepared for citizenship.

I sincerely hope the Senate will support the amendment which I have offered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was rejected.

Mr. FRAZIER. Mr. President, when the bill was before the Senate the first time I offered an amendment in behalf of the junior Senator from Montana [Mr. WHEELER], who was absent at that time and who is absent again. The amendment provided for an increase of $5,600 in the amount of salaries for the Office of Education, on page 99 of the bill, to reinstate one of the old employees in the high-school department of the Office of Education who has had some special work, whose work is about completed, the understanding being that he was to be reinstated. The amendment was accepted previously. I send to the desk the amendment and ask that it be reported.

The VICE PRESIDENT. Let it be reported.

The LEGISLATIVE CLERK. On page 99, line 21, the Senator from North Dakota proposes to strike out the numerals "$250,000" and insert "$255,600," so as to read:

For the Commissioner of Education and other personal services in the District of Columbia, $255,600.

Mr. SMOOT. Mr. President, I hope the Senate will not agree to the amendment. We have already given the Office

of Education $250,000. I think out of the lump sum appropriation they can take care of this case, if it is a case of real necessity.

The VICE PRESIDENT. The amendment of the Senator from North Dakota is an amendment to the committee amendment. The committee amendment would have to be reconsidered before his amendment could be offered.

Mr. SMOOT. I ask the Senator from North Dakota not to press the amendment.

Mr. FRAZIER. The original amount of $280,000 has been decreased to $250,000 now. The committee has taken out $30,000, and I see no chance for taking care of this man unless that sum is increased by the amount of his salary, $5,600.

Mr. SMOOT. If he is better qualified than are other men for the work, he will not be removed, though some others may be removed. I understand he is a well-qualified man. It is not specifically stated that he shall be removed, but we merely reduce by $30,000 the appropriations for the Office of Education. I ask the Senator not to request the yeas and nays on the amendment.

The VICE PRESIDENT. Does the Senator from North Dakota ask for a reconsideration of the vote by which the committee amendment was adopted?

Mr. FRAZIER. I ask unanimous consent to reconsider the vote.

Mr. McKELLAR. If we can have a vote on it immediately, that will be all right.

The VICE PRESIDENT. Without objection, the vote by which the committee amendment was agreed to will be reconsidered, and the question is on the amendment offered by the Senator from North Dakota to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. Without objection, the committee amendment is agreed to. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

STATE, JUSTICE, COMMERCE, AND LABOR APPROPRIATIONS

Mr. JONES. I move that the Senate proceed to the consideration of House bill 9349, being the bill making appropriations for the Departments of State, Justice, Commerce, and Labor. The motion, if agreed to, will make the bill the unfinished business.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9349) making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1933, and for other purposes, which had been recommitted to the Committee on Appropriations and reported back with amendments.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate a message from the President of the United States, submitting a judicial nomination, which was referred to the Committee on the Judiciary.

(For nomination this day received, see the end of Senate proceedings.)

ENFORCEMENT OF PROHIBITION

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered at Newark, N. J., April 5, 1932, by Bishop James Cannon, jr., on the subject of prohibition enforcement.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PRESENT-DAY WHISKY REBELLION AND HOW TO MEET IT

The eighteenth amendment is the greatest social enactment by the people of any country in any age. It is the expression of the determination of the social conscience of the Nation "to promote the general welfare" by the protection of the social order against the selfish indulgence of the individual. It puts the brand of the criminal upon the manufacture, the sale, the transportation—in short, upon the traffic in intoxicating liquors for beverage purposes. It logically brands as criminal a traffic which produces intoxication in citizens of the country, depriving them of control of their physical, mental, and moral powers, changing normal men and women into reckless, silly fools, or crazy, dangerous brutes, so that, instead of being helpers, they become a distinct menace, and oftentimes a great burden to the social order, of which they are necessarily a part.

PERSISTENTLY REBELLIOUS WETS

The liquor traffic, its supporters and defenders, have always rebelled against the efforts of society to curb or restrain the evils inherent in the distribution and use of intoxicants. From the days of President Washington down to 1920 the traffic was at war with Government officials in their efforts to compel the traffic to obey the law. The present-day whisky rebellion began almost immediately after the ratification of the eighteenth amendment. While dazed and disheartened for a time by the sweeping, unmistakable repudiation by society of the legalized traffic, its friends, supporters, and financial beneficiaries soon reverted to its normal, historic, lawless attitude, and openly declared that the "law can not be enforced." In fact, barely a few months after the law went into effect it was openly attacked on the floor of the Democratic National Convention at San Francisco in 1920 by Tammany under the leadership of Alfred Emanuel Smith and Bourke Cochran. And the wet elements of the country—the would-be restored brewers and distillers, the drinkers, wet politicians, and grafters—have continued to rebel, gradually changing their battle cry from "you can not enforce the law" to "you shall not enforce the law," until certain sections of the country have been thrown into an uproar and turmoil by the clamor of these wet elements for drink, and yet more drink, openly and blatantly rebelling against the efforts of the Government to enforce the law.

STATE RIGHTS CRY WET CAMOUFLAGE

The great aim of this rebellion is to remove the brand of the criminal from the traffic, and to make it legal once more to manufacture and sell intoxicants in some States, so that from such legalized bases the manufacture and distribution can go on without restriction, and that from these legalized bases the dry States could be flooded, as they were before the adoption of the eighteenth amendment. All this clamor about State rights comes from people who ignored or ridiculed the protests of the dry States against the violation of State prohibition laws by liquor dealers in wet States before the adoption of the eighteenth amendment. The traffic and its defenders opposed all efforts to protect the rights of the dry States by State and Federal legislation, until the States were obliged to ratify the eighteenth amendment to protect the rights of the States from the lawlessness of the liquor traffic.

WET NEWSPAPER PROPAGANDA

The outstanding leaders of the present-day whisky rebellion have been, and still are, metropolitan newspapers in cities with population largely foreign-born, or of foreign descent, which have either forgotten or purposely repudiate the principles of fair play in the treatment of prohibition principles and news, and have become blind, abusive partisans of the whisky rebellion against the Constitution of the United States.

Striking illustrations of this partisanship and propaganda are seen in the continued and recent editorial utterances of the most prominent newspapers in the country, such as the New York Times, Herald Tribune, Chicago Tribune, Baltimore Sun, etc. The following quotations emphasize the point:

"Before prohibition, the people—the States and cities—controlled the liquor traffic."

This is a most astounding perversion of well-known facts. The files of these very newspapers for years before 1920 show that one of the strongest and most convincing arguments for prohibition was that it would break the stranglehold which the liquor traffic had upon the officials of county, town, city, State, and Nation—from constables and police to judges and governors—and upon town and city councils, State legislatures, and Congress. The State and National liquor dealers' associations employed attorneys and lobbyists, who bribed, threatened, and intimidated from one end of the country to the other. These very newspapers have testified in news and editorial columns that in cities like New York, from the days of Boss Tweed down to this present hour, Tammany and the liquor traffic have been close allies in lawlessness and filthy lucre. These newspapers well know that the removal of the brand of the criminal from the liquor traffic means the open return of the traffic as a debauching factor in the political life of the country.

For nearly 30 years I personally waged battle after battle with them in town, city, State, and Nation. The traffic had at its command all the forces of the underworld, with every ward heeler and political pimp, who were linked with men higher up in an ascending scale of social, business, and governmental life, until the slimy trail led to the office of the boss or bosses of the city or State. The graft and corruption in connection with prohibition enforcement to-day, concerning which so much clamor is being raised by the opponents of the prohibition law, is small, indeed, compared with the graft and corruption which prevailed nearly everywhere in the old saloon days. Concerning this horrible condition the New York Times made editorial declaration:

"The politicians ought to know the country adopted the prohibitory amendment because among other things there had been a corrupting partnership between the saloon and the political or-





ganizations. It was difficult, if not impossible, to enforce such regulatory laws concerning the liquor traffic as there were because the saloonkeeper had a pull with the politicians and was permitted to disregard the law as a reward for his assistance in elections. The back room of the saloon was political headquarters, and there was a time when the saloon was even the voting place, and the brewers and distillers subsidized political parties as the price to continue winking at irregularity. That the bootleggers are quite without power in some of our lower political circles could not be denied safely, but it is a petty power compared with that which the saloonkeeper of old exercised in practically every State."

This statement of the prevalent, debasing conditions in pre-prohibition days by a newspaper which can not be classed as a friend of prohibition is commended to those opponents of prohibition who are denouncing it because of corruption and graft in connection with the bootlegging traffic.

Again, the statement is oftentimes repeated in varying language by the "wet" press that "Bootlegging is born of prohibition."

This is not simply misleading but is absolutely false. The files of these newspapers will show that bootlegging and graft were rampant in license days, before either local option, State and National prohibition laws were adopted. They presume on the ignorance or forgetfulness of their readers of former conditions. In Chicago, for example, there were about 7,000 licensed bars, and yet about 19,000 payers of Federal tax, showing that there were about 12,000 bootleggers who paid the tax to prevent prosecution by the Federal Government, but having no State license were violators of the State law. And it is of record that the licensed dealers protested openly and demanded protection against the bootlegger. And what was true in Chicago was true elsewhere. Moonshine stills, blind tigers, blind pigs, hog wallows, speakeasies, lawless and disreputable joints were found to a greater or less extent in different parts of the country. These newspapers know that the bootlegger has been and will be found under any form of license or prohibition law as long as men are the victims of appetite for drink and greed of gain. Again, these newspapers flaunt before the country, apparently with joy and not with sorrow, the statement that "Since prohibition, drunkenness has increased among students."

This is a slanderous attack upon the student life of the Nation, which may be based on ignorance; but if so it is criminal ignorance, for the facts are available and have been given publicly, but have been ignored, and the false propaganda still continues. Dr. J. Elmer Morgan, the noted editor of the Journal of the National Education Association, testified at the "beer" hearing before the Senate Committee in February, 1932, that of reports recently received "from over 300 colleges and universities all but 9 report that conditions have grown steadily better."

Doctor Morgan also presented the resolution adopted in 1931 by the National Education Association, with 220,000 members, and also by the department of State, city and country superintendents of schools of the Nation. These most intelligent, well informed, influential groups in our national life "reaffirm their belief in the eighteenth amendment as the most effective means yet devised to control the distribution and use of alcohol."

PROHIBITION GREATEST CHILD-WELFARE MEASURE

Furthermore, Doctor Morgan testified: "As a result of my study of conditions among the children I have come to the conclusion that, excepting only the founding of the Christian Church and the founding of the common school, the eighteenth amendment is the greatest child-welfare measure in all history." And Doctor Morgan stated: "Ninety-eight per cent of the educators are convinced that conditions are much better in the schools." Doctor Morgan's statements were made in the presence of the reporters of all the leading metropolitan dailies. His was by far the most important authoritative testimony given at that "beer" hearing. The wet members of the committee sat dumb and helpless and made no effort to contradict Doctor Morgan. But these reporters and their papers dismissed these convincing statements in a paragraph, and the country at large was not given these sweeping, reliable, authoritative contradictions of the continued press statements that "Prohibition has caused increased drunkenness among students." But these same papers will give big headlines and full report to assertions by one egostistical educator, Dr. Nicholas Murray Butler, who poses as the apostle of infallibility on all subjects which he discusses, and especially on the subject of prohibition, which he hates with a personal, ever-increasing, ever-consuming hatred, and the advocates of which he denounced as fanatics, bigots, hypocrites, and fools.

WAGONLOADS OF BEER

Incidents from the Life of William Randolph Hearst, by John K. Winkler, published in 1928, which have never been contradicted by Hearst, indicate that in 1884, long before prohibition, at Harvard University, where Hearst was a student, intoxicants from beer to strong punch were freely imbibed by the student body, with the result that "riot and discord were rampant. Harvard Square and adjacent streets resounded with the revelry of exhuberant undergraduates"; that "Hearst had piled up profits for the Lampoon (college paper) so fast that the monthly surpluses had to be dissipated in gorgeous beer banquets in Boston's taprooms"; that "when Cleveland was elected President, Will Hearst hired many bands of music, bought wagonloads of beer, and raised such a blazing, ear-splitting, rip-roaring, all-night racket as to scandalize old Cambridge and almost cause his expulsion." And it is further recorded that some months later this originator and present controller of the "yellow" Hearst sheets was requested to withdraw from Harvard University.

The writer regrets to state that he knows from personal experience as a student from 1881 to 1888, both in Virginia and at Princeton, that drinking was common among students at both places, and that he often helped to carry his drunken classmates to their rooms and put them to bed, because they were helplessly, disgustingly drunk, frequently on beer alone. And yet these leading newspapers continue to spread false propaganda that "drunkenness has largely increased among students since prohibition." Again, these newspapers declare, "Only a fool would doubt that our crime wave has resulted from prohibition."

A sufficient, unanswerable reply to this false propaganda is the statement recently made by English judges from the bench concerning wet England's crime wave, quoted in Associated Press dispatches: "Crime in England is greater than at any time during the last 60 years. We must be under no illusion. The statistics are grave. Indictable offenses are increasing in the country at the rate of thousands a year. The main causes are fundamental. They spring from defects of human nature—from greed, lust, vanity, and anger. Modern criminals are more ingenious or more astute than the criminals of a generation ago." England has never had prohibition. Are the English judges "fools" in declaring that England has had such an increase of crime without prohibition and that England's crime wave has resulted from something entirely different from prohibition?

In the New York Times of May 26, 1929, Dr. George W. Kirchwey, who is the president of the American Institute of Criminal Law and Criminology, and who has made searching studies of the subject of crime, declared: "The official record, covering the 18 years, 1910 to 1927, inclusive, shows a marked decline of from 35 to 40 per cent in the general crime rate in the United States."

The New York Times and the other wet papers have not attempted to prove Doctor Kirchwey's statements to be false or inaccurate, and until they do they are flying in the face of facts in their declaration that "only a fool could doubt that our crime wave has resulted from prohibition."

"CONDITIONS ARE MUCH WORSE THAN BEFORE PROHIBITION"

With such sweeping generalities as this, the effort is made by constant iteration by the wet newspapers and wet organizations, including the "wet" women, to minimize, to belittle, and to obscure the great beneficent changes wrought by prohibition. The "wet" women are a typical product of present-day clamor for the limelight. These women are mostly from that section of the social order who drank intoxicants before prohibition and manifested no concern for the ravages of the saloon, who have not kept the law or urged others to keep the law. These women have considered themselves in a class above the men and women of the workaday world, and they include those women who have not inaptly been described as the "scum" at the top of the social order, led by some women of ability, seeking notoriety as leaders of an unusual movement regardless of its damaging effect upon society.

There is to-day a great, ever-increasing army of young men and women voters, who have no personal knowledge of the "good old days," when men "put their feet on the brass rail and blew the foam off the glass." These wet propagandists take advantage of their ignorance and hammer on the lawlessness of the present-day slaves of appetite and covetousness as a sufficient reason to repeal a law enacted for the welfare of the entire social order. It is necessary, therefore, to meet this issue with some indisputable historic facts.

"THE GOOD OLD DAYS"

The question at issue is not whether the prohibition law is universally observed and enforced; it is not whether there is an element of the population which defiantly declares on the floor of the United States Senate that it will have its liquor, Constitution or no Constitution; it is not whether there are some young people and some middle-aged people, and some old people who carry pocket flasks, which in others days were much more numerous but were called "ticklers" or pint bottles; it is not whether certain foolish men and women think it is smart to talk about their bootlegger and insist that they will drink alcohol notwithstanding its evil effect upon them and their friends and families; nor, indeed, it is not whether there are multiplied thousands, or even some millions, of the 120,000,000 of people of the United States who openly declare they will gratify their appetites for intoxicants, regardless of its effect upon the "general welfare." I am not here to declare that the eighteenth amendment and the Volstead Act have been observed or enforced universally.

QUESTION NOT UNIVERSAL OBSERVANCE

No laws of any kind in any country, not even the Ten Commandments which admittedly are approved by the moral sense of the average man, are universally obeyed. Men swear, disobey parents, steal, lie, commit adultery, kill—aye, sometimes they seem to flaunt themselves in the face of God. Certainly no sensible man is so foolish as to expect that the prohibition law will not be violated, just as other laws are violated. But the great question of settlement is whether the results obtained have demonstrated that the present prohibition law is a better method of "promoting the general welfare," than any method which had been tried heretofore for the handling of intoxicating liquors. Are the physical, economic, domestic, and moral conditions better in the United States since the adoption of the prohibition law or are they worse?

It is difficult for our younger generation to visualize, or, indeed, even to credit, the actual conditions which existed in the "good

old days" when men put their feet on the brass rail and blew the foam off the glass—before the passage of the eighteenth amendment. In those days great distilleries and breweries were running openly and legally at full blast, manufacturing hundreds of millions of gallons of intoxicants; saloons running up to the tens of thousands, nearly 200,000 in all, regularly licensed, were found at the country crossroads and on the prominent corners of every village, town, and city, and intoxicants were sold and drunk publicly by men and women in hotels, city and country clubs, and on dining cars, and were served at practically all public dinners and banquets.

To-day some men may get intoxicants with their meals illegally, but open, public, social drinking among the masses of the people is practically at an end, and the cumulative effect of that fact upon community and home life and upon the amount of intoxicants consumed is tremendous.

EVER-PRESENT SALOONS

In the "good old days" saloons were on the most conspicuous, convenient street corners of cities—beautifully furnished, with plate-glass mirrors, with row upon row of colored bottles and cut-glass decanters, with many startling pictures, sometimes with orchestras, song, and dancing, shouting out their invitation to our young life "to eat, drink, and be merry"; and that young life came, and there was an army of thousands, and steadily increasing thousands, who, having eaten, drunk, and been merry, marched down to poverty, misery, vice, and crime, and many, alas, to drunkards' graves; and those same saloons in those "good old days," conveniently located in the pathway of laboring men going from factory to home, called those men in to squander for strong drink the wages so sorely needed to clothe, feed, and shelter families dependent upon those wages alone for not only the comforts but the necessities of life. To-day there are places where by wink or nod, by hook or by crook, men can get intoxicants, and some places, especially in certain cities, where they can still assemble behind closed doors to make a night of it, but the wide-open doorway eagerly alluring every passer-by is no more. The cumulative effect of that fact upon the social, domestic life of the average family and upon the amount of intoxicants consumed is again tremendous.

ALLIES OF SALOONS

In the "good old days" to drink until one was a silly fool, frequently an uproarious, disagreeable, and dangerous fool, to be carried home or put to bed by others was not only no disgrace but was a frequent ending of the evening out. In those "good old days" the saloon was the rendezvous, the harboring place, the recruiting station of vice and crime. Its inseparable allies were the gambling house and the brothel. Its back parlors and its wine rooms were the avenues to debauchery and ruin of multiplied thousands of women and girls. The number of girls ruined by hip-pocket flasks and in speak-easies to-day are few, indeed, compared with the slaughter of the innocents in those days. The greatly to be deplored sexual immorality among the young people of the present day, wherever it is found, is usually traceable to other causes than the use of intoxicants. In the old days the entrance from the saloon to the house of ill fame was easy, and intoxicants always could be found there when the saloon was closed.

PRESENT-DAY SOCIAL CONSCIENCE

In the face of this damning record of the "good old days," the present-day social conscience of our people has demanded the abolition of a traffic which produced such results. This social conscience declared and emphasized the rights and duties of organized society, and brushed aside without hesitation any claim of any individual to perform any action or to enjoy any privilege which action or indulgence is a menace to the physical and moral welfare of the community in which he lives. This social conscience flatly declared that a man's private life, his right to unrestrained personal activity, ceases the moment any act of his life affects the life of other members of the social order of which, whether he likes it or not, he is a part. Robinson Crusoe was free to shoot when and where he pleased while alone on his island, but when Friday came it was his duty to locate Friday before he fired. Men may own high-powered motor cars for pleasure or business, but the killing of 30,000 and maiming of 750,000 people in the United States of America last year, and a similar awful record in other countries, compels stringent restrictive speed laws and sober drivers.

SOCIAL RIGHTS

Men may prefer wooden houses as cheaper or prettier than brick or stone, but the law prohibits such buildings in business districts. Quarantine laws compel men to remain on cholera-infected ships until danger of infection is past, no matter how inconvenient or expensive to the individual such detention may be. A man's income may be no more than he thinks necessary for proper comfort, but organized society—the State—compels him to give up part of that income to pay for roads, police protection, support of paupers, insane, and for education, even though he may have no children. Smoking in powder mills or garages is forbidden, no matter how much desired. When the country is attacked by enemies the Government compels men to leave home and business, and face separation, financial loss, wounds, disease, and death for the defense of the common country.

PRIVATE INDIVIDUALISM VERSUS ORGANIZED SOCIETY

Many other examples could be given of the restriction of the "private life" of the individual. The advocates of individualism, alas, too often of purely selfish individualism, animated by appetite or covetousness, or both, still raise a great outcry against any law to limit or prohibit the use of intoxicating beverages as "a forcible, immoral, and tyrannical invasion of their private life and personal conduct" (Dr. Nicholas Murray Butler). But such protests and reasoning are but an echo of a bygone age. The social conscience of to-day absolutely refuses to recognize anything as "private life and personal conduct" which affects "the general welfare," and order that whether willingly or unwillingly all opportunities for the indulgence of appetitie be prohibited if, in providing such opportunities, it has become evident that the best interests of society inevitably suffer. This prohibitory method may not be approved by the selfish offenders; it may, indeed, excite great resentment and a determination to indulge the clamoring appetite despite any law, however drastic, but organized society or government has swept in its aim beyond the simple question of the control or the reform of the appetite of an individual for his own sake alone (which is truly most desirable) to the broader question of how society can best protect itself from the refusal of such individuals to abstain voluntarily from a selfish indulgence which admittedly involves danger to the entire social life.

The results which have followed the adoption of this policy of protection of the rights of society from the indulgence of selfish individualism are recognized as one looks upon the horrible picture of the past and then looks upon present-day conditions.

PERSONAL TESTIMONY

It may be declared that I am not an impartial witness, but I give my testimony for what it is worth. Since the year 1894 I have been engaged in work which has compelled me to travel the greater part of my time, and I knew every village, town, city, and public highway of Virginia from the mountains to the sea. During the past 10 years I have averaged over 150,000 miles of yearly travel. I am familiar with the cities of the South and Southwest to the Pacific coast. I have often been for a brief stay in Philadelphia, Pittsburgh, Cincinnati, Cleveland, Detroit, Chicago, Columbus, St. Louis, Kansas City, Nashville, Atlanta, Birmingham, Louisville, Dallas, San Antonio, El Paso, Los Angeles. I have averaged at least two visits monthly to New York. I have frequently visited Cuba and Mexico. I have averaged two trips yearly to Europe for the past 14 years. I have been to the countries of the Near East several times. I have visited Egypt, the east and west coasts, central and southern Africa, and the east and west coasts of South America and the Canal Zone.

From the time of my student days in Princeton, 40 years ago, when I frequently spent my week-ends in New York visiting the Bowery and Water Street Missions, I have rarely been in any city overnight that I have not walked in various sections of those cities for two or three hours late at night studying social conditions, and as I rarely wear clerical clothes I have been able to observe and ask questions without attracting attention. I positively assert that the transformation has been little short of amazing. Restaurants and night clubs there may be here and there which violate the prohibition law more or less frequently. But there are no open saloons at every turn belching forth the fumes of strong drink, and noisy, boisterous victims of the same. One can walk night after night all through the roaring forties and fifties around Broadway and see comparatively little indication of intoxication. In my frequent travels on the trains from the East to California and Mexico I have not in 10 years seen more than 10 men clearly under the influence of intoxicants in public conveyances, and few disorderly men on the public streets, and there are no stronger or more competent witnesses to the effect of prohibition than brakemen and conductors on trains.

"WET" EUROPEAN COMPARISONS

Within a stone's throw of our office in Fleet Street, London, almost under the shadow of St. Paul's Cathedral, there are more than 50 public houses which are filled nightly by men and women lined up at the bar taking, as the trade says, "liquid refreshment," frequently with baby carriages just outside the door guarded by small boys and girls waiting to accompany their too often tipsy mothers home. I have seen more drunken men and women on the Strand and Fleet Street and at the midnight closing of the cafés of Geneva in one night than I have seen in the United States in five years. During my last trip to Cuba the car in which I was riding was struck by a car driven by two Cubans drunk on so-called harmless light wine, and we narrowly escaped the entire demolition of our car and the loss of our lives. During my trips to Montreal and Quebec I have seen the same kind of drunkenness from the Government dispensaries, which results from saloons. South Carolina and many towns in Virginia sadly and amply demonstrated that intoxicating liquor would intoxicate even though it were sold in a dispensary presided over by a church trustee or deacon.

Frankly, it does seem impossible to me for any observant, thoughtful, fair-minded man to visit other countries and see the people crowding into saloons, cafes, restaurants, and hotels to drink intoxicating liquors, and then to visit even as wide-open a city as New York and watch the people from the Battery to the Bronx crowding into soft-drink stands, lunch rooms, and res-

taurants, in which nothing intoxicating is sold, and not be compelled to state that prohibition has had a marvelous effect upon the habits of the American people. The countless millions of bottles of milk which go in the lunch baskets of our laboring people in place of beer is a fact which no fair-minded man can ignore in reaching his conclusions.

In a recent article, which the metropolitan dailies have ignored, Miss Evangeline Booth, the commander of the Salvation Army asked, "Shall America go back?" and among other opposing reasons said that in their work before prohibition they had to provide clothing for many little children, but now that was rarely necessary. Also that in the rescue work 50 per cent of the help in the homes was given because of drunkenness, while now there was only 1 per cent for that cause. This is unimpeachable testimony from an organization which is both competent and reliable.

POSITIVE SUBSTANTIAL BENEFITS

Careful investigations by men and women of standing and reputation prove because of prohibition that labor has been enriched, business enlarged, public savings and capital resources vastly increased, social conditions improved, public health benefited, and morality advanced. Home conditions are better as to food and clothing, comforts, and conveniences. There has been a striking increase in personal ownership of homes and in recreation, amusements, and school enrollment and opportunities.

DECEIVING THE "VERY ELECT"

These statements from the metropolitan press and wet organizations and the replies thereto show how biased or ignorant these papers and people are in their discussion of prohibition. But many very intelligent, fair-minded citizens have been led to the conclusion that prohibition is a failure because of these falsehoods quoted above from the wet newspapers, not realizing that these statements are false, wet propaganda made by the enemies of prohibition to deceive, if possible, the "very elect." The facts, when clearly set forth, show the falsity, even the utter absurdity, of such statements.

DIGEST POLL WET, VICIOUS PROPAGANDA

The most vicious, subtle, and misleading wet propaganda is the poll which has been conducted by the Literary Digest. While posing as presenting both sides of controverted questions, the Digest continually shows the cloven hoof in its presentation of matters pertaining to prohibition. In its issue of April 2 it gives more than a column to a presentation of the majority report of the wet Senators METCALF and BULKLEY on the Bingham beer bill, and gives not a line to the able minority report presented by Senator HATFIELD. Indeed, this Literary Digest, which claims to be so fair, is so partisan that it does not even let its readers know that this sweeping, convincing minority report was actually filed at the same time as the majority report.

WASTEBASKET BALLOTS

Concerning this poll, the Hearst sheets, with their usual effrontery, declare "that it correctly represents the opinion of the whole country, no one in his heart doubts." On the contrary, an examination of the figures presented in the Digest prohibition poll shows not only its futility but how absurd are its claims as indicating with any degree of accuracy the sentiment of the country. The Digest claims to have sent out 20,000,000 ballots, from which it reports returns of about 4,000,000. The fact that four-fifths of the ballots were thrown in the wastebaskets is an indication to any fair-minded, thoughtful person of how the poll was regarded by the voting population. There is no check on the distribution of the ballots to indicate that they were sent out fairly or representatively. Out of 20 dry friends of the writer, 2 received ballots, and he himself has never received a ballot during any of the three polls. A letter from a physician in a neighboring State says that he has personally investigated the facts and finds that 98 per cent of the ballots sent to his community were sent to men and 2 per cent to women.

BINDING PENTRAL REFERENDA IMPOSSIBLE

Moreover, it is an unquestioned fact that the dry leadership of the Nation has strongly advised against participation in any form of referendum on the prohibition question unless such referendum is authorized by the law of the State where such referendum is being held, and will have a binding effect. Of course, the Constitution of the United States does not provide for a national referendum on any subject. Such a provision was abhorrent to the framers of the Federal Constitution, which Constitution lodges all voting power in the several States, and which can not be taken from the States except by an amendment to the Constitution, which amendment would revolutionize our entire theory of the relation of the State and National Governments. All referendums on prohibition so far have been conducted under wet auspices, and it is indeed "comic" to note the importance which leading newspapers of the country attempt to give to this advertising scheme of the Literary Digest.

HOUSE RESUBMISSION VOTE

The recent vote in the House of Representatives, if it were taken as an accurate division of the wet and dry forces in the House (as it admittedly was not for probably over 30 dry Congressmen voted "aye" in order to permit free discussion of the proposed resolution), shows the worthlessness of the Literary Digest poll. For example, not a single Congressman from such States as Maine, Mississippi, Georgia, or Utah, and only 1 Congressman out of 10 in Alabama, Iowa, Tennessee, and North Carolina voted even to consider the question of resubmission of the prohibition amendment. And a majority of the Congressmen in 28 of the States voted against resubmission. Yet in every one of these States, according to the Literary Digest poll, excepting Kansas, the sentiment of a majority of the people is in favor of the repeal of the eighteenth amendment. How ridiculous it is for any sensible individual, or newspaper editor, to consider this Literary Digest prohibition poll as having any real value. When did Representatives in Congress become so deaf and dumb as not to know what the people they represent want, and as not to vote accordingly? The Digest poll is nothing but wet propaganda and smart newspaper publicity to boost circulation.

TAMMANY'S SPEAK-EASIES

The Tammany police commissioner, Mulrooney, of New York City, who has taken oath to uphold and enforce the Constitution of the United States, as have all the police officers of that city, recently made a speech at a luncheon, which was reported at length in the New York dailies. He discussed the speak-easies of the city in an impersonal, matter-of-fact way, as though he had no responsibility resting upon him for the shameful conditions, which he described as existing in New York. He declared that the New York police had no authority to close up the speak-easies; that the officers of the Federal Government alone were charged with such duties. After reading this newspaper report, the writer immediately telephoned to Colonel Woodcock, the Commissioner of Prohibition, and inquired as to the correctness of Commissioner Mulrooney's statement. Colonel Woodcock replied that the police of New York City could enter into any speak-easy and without a warrant arrest anyone whom they found violating the prohibition law and bring him before the proper authorities for a hearing and trial. But this Tammany commissioner and thousands of policemen under him violate daily their oath of office to uphold and enforce the Constitution of the United States, the commissioner himself admitting that he and his policemen know that the Constitution is violated, and that they are making no effort whatever to perform their sworn duty.

This open, defiant, lawless rebellion against the Constitution of the United States by the New York City officials is the direct result of the repeal of the Mullen-Gage enforcement law of the State of New York, under the leadership of Gov. Alfred Emanuel Smith, who, while protesting that every police officer of the State was still bound by his oath to uphold and enforce the Constitution, knew that the result would be the practical nullification of the prohibition law, and that it would make the enforcement of the eighteenth amendment so difficult in the cities of New York State that the resulting lawlessness would be used as an argument that Federal prohibition can not be enforced, and that the eighteenth amendment, therefore, is a failure, and should be repealed.

SHALL WET CITIES RULE NATION?

And the result desired by Tammany, under Smith's leadership, has followed. Liquor lawlessness has been rampant in New York City, and the papers of that city have denounced the law as unenforceable, and become the leaders in the wet propaganda of the Nation. Because New York, under Tammany's control, is lawless, it is insisted that the rest of the country must yield to the whisky rebellion in the wet centers and remove the brand of the criminal from the greatest enemy of the individual citizen, the home, and the entire social order.

PROHIBITION AND PARTY CONVENTIONS

At this time when the national party conventions are about to be held, the 33 organizations supporting the eighteenth amendment have organized a board of strategy which is representing these dry organizations and requesting both conventions to adopt law-enforcement planks and to nominate dry candidates. This action is similar to that taken by the dry organizations four years ago. Statements issued by the board of strategy have been criticized and attacked by the wet newspapers.

On April 4 the New York Times editorially declared that the "national prohibition board of strategy emits a solemn warning. It prohibits both parties from declaring for referendum or repeal. It will demand from both national conventions straight support of the eighteenth amendment and candidates to match. This gravity is comic." The Herald Tribune in a recent editorial declared: "Let us have resubmission of the eighteenth amendment to State conventions as prescribed by the Constitution and an end of the dry bullying under which our legislatures cower." And again the Herald Tribune said, "Granted that the party is split on the prohibition issue, a resubmission plank calling for ratification or rejection of repeal by State conventions should satisfy everyone, wet or dry, who believes what the people want should be the law of the land. The dry professionals will fight any such solution, of course."

FAIR PLAY DENIED

These editorials either ignorantly or purposely misrepresent the facts. The dry leaders simply demand fair play and consistent action. These editors should know, if they are competent to fill their positions, that the prohibition question has never in all the years been a subject for either a Democratic or Republican national party platform. Never has there been a "wet" or a "dry" plank

in a national Republican or Democratic Party platform. The great church bodies and prohibition organizations have opposed, and up to this time opposed successfully, every effort to make prohibition a national political party issue in the major political parties. They have insisted that it is a social, moral issue upon which men and women should vote regardless of political party lines. The New York Times correctly says: "The roll call (March 14) showed that both political parties are torn almost in half on this question." In other words, the Times admits that the recent vote in the House was not on party lines, and indeed never has been. The wet newspapers well know that when the fight was on for the submission of the eighteenth amendment the drys never asked for submission of dry planks in major political party platforms. Why now, therefore, should these wet newspapers demand wet planks or resubmission planks in national party platforms? Why should an effort now be made to do that which has never been done before, that is, to adopt a plank on prohibition in the national party platform in order to bind Congressmen and Senators to vote in a certain way, thus making prohibition a partisan political issue?

NO "DRY BULLYING"

There is no "dry bullying" such as the Herald Tribune falsely and maliciously asserts. The dry people of the Nation have as much right to appoint representatives to present their views to legislatures and to Congress and to the President as have the wet people to present theirs, or as the farmers, the American Legion, the American Federation of Labor, or any other group have a right to present their views. The dry leaders, through the board of strategy, simply demand that the coming conventions shall adopt the same declaration in favor of law enforcement as has been adopted in the past, insisting that the question of modification, resubmission, or repeal of the eighteenth amendment be determined in the future as in the past—by the votes of Congressmen and Senators elected by the people and by legislatures or conventions elected by the people.

SHORT-CIRCUITING CONSTITUTION

The attack made by these wet newspapers upon the dry leaders as unwilling to let the people vote on the prohibition question is based on ignorance, hypocrisy, or malice. They should know that the dry leaders have never objected and do not object now to action by the people upon prohibition in the manner prescribed by the Constitution. But they do object to unfair and unusual methods. They are ready to fight the issue out in the proper arena, namely, in the elections of Congressmen, Senators, and members of State legislatures, just as has been done in the past. Why do these wet newspapers now try to "short circuit" the constitutional process. The drys followed the constitutional process in securing the adoption of the eighteenth amendment, and, regardless of their wriggling, squirming, and twisting, the wets will find in the end that they must do likewise.

PROHIBITION PLANKS OPPOSED

In 1920 at San Francisco, in 1924 at New York, and in 1928 at Houston, Tammany led the fight to insert a wet plank in the Democratic national platform, and in 1920 and 1924 Mr. Bryan insisted upon the insertion of a dry plank. As the chairman of the Board of Temperance and Social Service of the Methodist Episcopal Church, South, the writer personally opposed before the committee on resolutions the insertion of either wet or dry planks on the ground that prohibition should not be made a partisan political issue, and no wet or dry plank was adopted at any of those three conventions, but law-enforcement planks were adopted at all of them.

DEMOCRATIC DANGER (?)

There is no question but that the effort will again be made to insert a wet plank in the Democratic platform, and it is greatly to be feared that unless dry members of the convention flatly declare that they demand a law-enforcement plank, that they will not vote for a wet plank, that they will carry the fight on that issue to the convention floor, and that they will not support a candidate running on a wet platform, then there will be a wet plank in the Democratic platform and the candidate named by the wet leadership, running on that wet plank.

Should the wet leadership succeed in writing their wet plank into the Democratic platform, and dictate the nomination of a wet candidate or of a candidate who will run on such wet plank, then the same group which repudiated the wet Tammany-Smith leadership in 1928 will repudiate vigorously and I believe effectively similar leadership in 1932.

REPUBLICAN REPUDIATION (?)

Likewise there is no doubt that certain Republican leaders are working for some kind of platform declaration looking to modification or repeal of prohibition. Following this wet leadership, should the Republican convention repudiate the historic attitude of both parties in the past and, in addition to adopting a law-enforcement plank, should pledge the party to resubmission or repeal of the eighteenth amendment, it can not escape responsibility for making prohibition a partisan political issue. It is admitted on all sides that President Hoover will be the Republican nominee. He can demand that the Republican convention limit itself to a law-enforcement plank. He can prevent the injection of a plank for the resubmission of the eighteenth amendment. The responsibility for whatever action is taken by the convention rests with him.

A DRY CONVENTION (?)

Should both conventions adopt law-enforcement planks as in the past, the prohibition question will be taken out of the campaign, as far as the party platforms are concerned, and will center around the personally expressed views and records of the two candidates. But should both conventions adopt planks advocating resubmission or repeal of the prohibition amendment, and should both the Democratic nominee and Mr. Hoover agree to run on such wet planks, then the dry people of the Nation would be compelled to decide whether they would tamely submit to these wet maneuvers or should they state to party leaders that they refuse to follow them blindly. Then there would arise a situation which would compel those who put their convictions and moral principles above party labels to decide whether they would call a convention in order to discuss the situation fully and to determine what procedure would in their judgment best promote the general moral and social welfare of the Nation and the future of prohibition.

MR. HOOVER RESPONSIBLE

It is only proper to emphasize that in his message to Congress on the report of the Wickersham Commission, President Hoover said, "The commission by a large majority does not favor repeal of the eighteenth amendment to cure the inherent abuses of the liquor traffic. I am in accord with this view." Until Mr. Hoover publicly announces a change in his position as set forth in that message to Congress, the people must believe that he still holds that view. Certainly if Mr. Hoover flatly refuses to run on a resubmission or a repeal plank there will be no such plank in the Republican platform. That matter Mr. Hoover must determine regardless of the clamor of the wet element of the Republican Party to change its historic attitude and to make prohibition to be a national partisan political issue. And failure on his part to disclose and emphasize his position now on this specific question of a resubmission plank will greatly confuse the situation and add to the strife at the convention.

AGGRESSIVE PROGRAM

The present-day whisky rebellion must be met by prompt, positive, aggressive action on the part of the moral forces of the Nation.

First. The unquestioned facts concerning the destructive effects of the use of intoxicants upon the individual and upon society must once again be tremendously emphasized.

Second. The facts must be given to the people concerning the present actual diminution of the production of alcoholic beverages. Colonel Woodcock, Commissioner of Prohibition, has testified that by the most liberal estimate not more than one-third as much intoxicating liquor is manufactured to-day as before the ratification of the eighteenth amendment.

Third. The actual, unquestionable, social, material, and moral benefits which have resulted from prohibition must be presented positively, accurately, and persistently to counteract the false propaganda which the wet newspapers scatter broadcast almost daily throughout the country. The evils of the present must be put side by side with the horrible conditions of the "good old days," as shown in the back files of these very newspapers.

Fourth. Congress must be urged to provide whatever men and money may be necessary to secure the proper enforcement of the prohibition law.

Fifth. There must be proclaimed insistently and courageously the duty of law observance by all citizens, rich and poor, high and low, and the buyer as well as the seller of intoxicating liquor should be punished as equally guilty of rebellion against the Constitution of the United States.

WETS MUST PLAY GAME

Finally, the whole country must be made to understand that if the effort is actually made to resubmit the eighteenth amendment, the fight on that question will be carried into every senatorial and congressional election, just as it was in the years before the submission of the eighteenth amendment by Congress in December, 1917. Furthermore, the wets will be required to follow exactly the same process as was followed by the drys. The proposed amendment must be submitted by the constitutional two-thirds majority of both Houses of Congress and ratified by the legislatures of three-fourths of the States or by conventions authorized by the legislatures. In such a conflict the awful facts concerning the liquor traffic as it existed in the "good old days" before prohibition must once again be brought to the people, and all the moral forces of the country will be compelled to meet their responsibility in this renewal of the struggle with beverage alcohol, the age-long enemy of the human race.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until to-morrow, Thursday, April 14, 1932, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 13 (legislative day of April 11), 1932

UNITED STATES ATTORNEY

C. W. Johnson, jr., of Texas, to be United States attorney, northern district of Texas, to succeed Norman A. Dodge, whose term expired February 20, 1932.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 13, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In the silence of our own consciousness, Almighty God, we have the token that we are the children of a merciful Father. Thou hast taught us many things. Not the knowledge of the outward world, not the knowledge of the framework of the universe, but the unutterable things of the Spirit, which reach forth into the higher life; we therefore praise Thee. Thou who hast been with man from the dawn, come in fuller measure into our lives, leading us on and on until the light of Thy truth glows and flashes on our pathway; speak and make Thy purpose with us sure and clear. We have come through the most awful carnival of blood and tears in the world's history. O God, let that old world die, and let the new world of brotherhood tarry while we are here. On wearied men everywhere may the breath of a new life come and may they snatch redemption out of threatening ruin. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

CARE AND TREATMENT OF LEPROUS PERSONS IN HAWAII

Mr. WILLIAMS of Texas. Mr. Speaker, I ask unanimous consent to have the joint resolution (H. J. Res. 361) taken from the Committee on Interstate and Foreign Commerce and rereferred to the Committee on the Territories. This is at the unanimous request of the Committee on Interstate and Foreign Commerce.

The SPEAKER. What about the Committee on the Territories?

Mr. WILLIAMS of Texas. The Committee on the Territories makes the request.

The SPEAKER. The gentleman from Texas [Mr. WILLIAMS] asks unanimous consent to rerefer the joint resolution (H. J. Res. 361) from the Committee on Interstate and Foreign Commerce to the Committee on the Territories, it being a joint resolution to authorize the Surgeon General of the United States Public Health Service to make a survey as to the existing facilities for the protection of the public health in the care and treatment of leprous persons in the Territory of Hawaii, and for other purposes. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object, what do the members of the committee say in regard to this request?

Mr. WILLIAMS of Texas. This is a joint resolution that was originally referred to this committee, and a subcommittee made a report upon it. It was then referred to the Committee on Interstate and Foreign Commerce, and now the Committee on the Territories requests that it go back to the original committee, which is the Committee on the Territories.

Mr. SNELL. It would seem to me that the joint resolution was properly referred to the Committee on Interstate and Foreign Commerce. Do the gentlemen of the Committee on Interstate and Foreign Commerce agree to this request?

Mr. WILLIAMS of Texas. Yes.

The SPEAKER. The Chair understands that the Committee on Interstate and Foreign Commerce requests that this joint resolution be rereferred to the Committee on the Territories. Is there objection?

There was no objection.

PENSIONS

Mr. GASQUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9575) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I notice the Senate has incorporated a large number of amendments to the bill as it originally passed the House. I notice also that the Senate is rather liberal in granting pensions to soldiers of the Regular Army and to a few widows. I would like to inquire of the chairman of the committee as to the additional expense that the bill imposed on the Treasury of the United States as it passed the House and will impose with the Senate amendments incorporated in the bill?

Mr. GASQUE. I will state for the information of the gentleman from Wisconsin that when the bill passed the House it carried 186 private bills, with an approximate cost of $30,768 per year. Eleven of these items were stricken from the House bill by the Senate, which reduced the cost of the House bill to $28,344. There were added as amendments to the House bill 192 Senate bills, carrying an approximate annual appropriation of $27,432, so that the bill as now before us carries an appropriation of $55,776.

I might add for the gentleman's information that the chairman of the House Committee on Pensions, together with the law examiner and another member of the committee, went over the proposed amendments of the Senate and struck therefrom a large number of bills, 20 or more. The amendments as reported by the Senate, I may say, some within the regular rules and regulations adopted by the House for these bills, and in every case where they did not we reduced the bills.

Mr. STAFFORD. For the information of the House, because I believe it will certainly be information, may I ask what policy the committee follows in pensioning soldiers of the Regular Army? In the Senate amendments there are numerous items providing a pension of $6 a month, $8 a month, $12 a month to soldiers of the Regular Army. What is the policy of the committee as to these pensions—not only as to the rate but also as to whether it is necessary to show dependency?

Mr. GASQUE. These amounts are arrived at in our committee and also in the Senate committee, as I understand it, are in the cases where a mere technicality keeps them from coming within the general law, and we require in every case that they must show dependency. They must almost establish destitution before they are given a pension.

Mr. STAFFORD. Then we may assume that all the various authorizations carried in the House bill, as well as in the Senate bill, are cases where the recipients of the bounty of the Government are dependent?

Mr. GASQUE. Absolutely.

Mr. STAFFORD. One further question, I notice that there is a Senate amendment granting a pension of $50 a month to the widow of a general of the Army who recently died, and an instance of a pension of $75 a month to the widow of another general. What is the reason for the apparent discrimination?

Mr. GASQUE. It is the policy of the House Committee on Pensions and the Senate committee to base these amounts upon the absolute need in the particular cases. In some cases the need is a great deal more than in others; and our policy also is based, to some extent, upon the service and rank of the officer.

Mr. STAFFORD. Will the gentleman yield for a further question? Last week, Friday, we passed through the House a pension bill that carries, if I remember correctly, an additional burden on the Treasury of one hundred and some-odd thousand dollars. Here you propose another omnibus pension bill that will levy an imposition of $55,000. Does the gentleman intend to bring in another omnibus bill at this session?

Mr. GASQUE. We will, in all probability, bring in one more. The bill referred to by the gentleman was reported by the Invalid Pension Committee, which handles only Civil War veterans' cases.

Mr. STAFFORD. And what does the gentleman think that will carry?

Mr. GASQUE. That I can not tell the gentleman.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 7, line 10, strike out "$30" and insert "$20."
Page 10, line 23, after "War" insert "and."
Page 12, line 20, strike out "$50" and insert "$30."
Page 12, strike out lines 21 to 24, inclusive.
Page 16, line 2, strike out "$30" and insert "$20."
Page 16, strike out lines 13 to 16, inclusive.
Page 18, line 17, after "receiving" insert ", from February 17, 1931."
Page 23, strike out lines 16 to 20, inclusive.
Page 23, strike out lines 21 to 25, inclusive.
Page 24, strike out lines 1 to 4, inclusive.
Page 24, strike out lines 5 to 9, inclusive.
Page 24, strike out lines 10 to 13, inclusive.
Page 25, line 10, strike out "$30" and insert "$12."
Page 26, strike out lines 22 to 25, inclusive.
Page 29, strike out lines 1 to 5, inclusive.
Page 29, strike out lines 6 to 8, inclusive.
Page 29, line 17, after "month" insert "in lieu of that she is now receiving."
Page 30, line 22, strike out "$30" and insert "$20."
Page 31, line 9, strike out "$30" and insert "$30."
Page 31, line 13, strike out "$6" and insert "$2."
Page 31, strike out lines 16 to 19, inclusive.
Page 32, after line 15, insert:

"The name of Lillian M. Johnson, mother of Kenneth G. W. Johnson, late of the United States Naval Air Service, and pay her a pension at the rate of $12 per month.

"The name of Nellie B. Leighton, helpless child of James G. Leighton, late of Company D, Fourth Regiment United States Infantry, and pay her a pension at the rate of $30 per month.

"The name of Hannah Collins, dependent mother of Daniel D. Collins, late of Company E, First Regiment Maine Volunteer Infantry, and pay her a pension at the rate of $20 per month.

"The name of Roy M. Osborne, late of Troop G, Fifth Regiment United States Cavalry, and pay him a pension at the rate of $17 per month.

"The name of Adele Y. Taylor, widow of Gen. Harry Taylor, late Chief of Engineers, United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

"The name of Orpha Blanche Thompson, widow of Robert M. Thompson, late of the United States Navy, and pay her a pension at the rate of $12 per month, and $2 per month additional for any minor child under 16 years of age.

"The name of Lewis Plumeley, late of the Twenty-third Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

"The name of James W. Ashby, late of Troop I, Twelfth Regiment United States Cavalry, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

"The name of James Frances Feeley, late of Company M, First Regiment Rhode Island Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Lawrence M. Norton, late of Headquarters Company, First Battalion, Twenty-ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Ronald P. Hartfield, late of the One hundred and sixtieth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Andrew J. Lowe, late of Company F, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Chester Shartzer, late of the Medical Department, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Edward Brennenstuhl, late of Company F, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Eugene T. Wooldridge, late of Company A, Fifty-fourth Regiment United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

"The name of Charles E. Ballard, helpless child of Charles A. Ballard, late of Company M, Second Regiment United States Infantry, and pay him a pension at the rate of $30 per month.

"Willard W. Mims, late of the Ninety-fifth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

"The name of Agnes M. Sexton, widow of Walter Sexton, late of the Twenty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

"The name of Bert Hillis, late of the medical department, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Thomas W. Wright, late of Company D, Fortieth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Charles Dierson, late of Troop K, Eighth Regiment United States Cavalry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of David C. McDonald, late of Company F, Twentieth Regiment United States Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

"The name of Thomas W. Johnston, late of Troop K, Thirteenth Regiment United States Cavalry, and pay him a pension at the rate of $8 per month.

"The name of Florence E. Moseley, widow of Gen. Edward Buckland Moseley, late Assistant Surgeon General, United States Army, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

"The name of William Johnson, late of Company C, First Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of George N. Butler, late of Company I, Fourth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $20 per month.

"The name of Benjamin F. Howett, late of Battery D, Third Regiment United States Artillery, and pay him a pension at the rate of $8 per month.

"The name of John S. Monahan, late of the United States Navy, and pay him a pension at the rate of $10 per month.

"The name of Elizabeth P. Menoher, widow of General Charles T. Menoher, late Chief of Air Service, and pay her a pension at the rate of $50 per month in lieu of that she is now receiving.

"The name of Henry G. Brockus, late of Company A, Ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of John W. Riley, late of Company H, First Regiment Arkansas National Guard Infantry, and pay him a pension at the rate of $10 per month.

"The name of Sarah E. Draper, widow of Amburs E. Draper, late of Capt. Franklin P. Whitemore's Company A, Second Regiment Utah Militia, and pay her a pension at the rate of $12 per month.

"The name of Charles P. Hagely, late of Company F, First Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Mary C. Daly, late contract nurse, Medical Department, United States Army, and pay her a pension at the rate of $20 per month.

"The name of Beatrice E. Duke, helpless child of Frank W. F. Duke, late of Company F, Third Regiment Connecticut Volunteer Infantry, and pay her a pension at the rate of $20 per month.

"The name of Herbert W. Leach, who served on the ill-fated *Jeannette* Arctic expedition, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

"The name of Leo P. Thomas, late of the Quartermaster Corps, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Frank Swarts, late of the United States Navy, and pay him a pension at the rate of $10 per month.

"The name of Charles R. Bailey, late of the United States Navy, and pay him a pension at the rate of $8 per month.

"The name of John E. Hamilton, late of the United States Navy, and pay him a pension at the rate of $8 per month.

"The name of Myrtle J. Buzan, helpless child of George Buzan, late of Company B, Second Regiment Oregon State Militia, and pay her a pension at the rate of $12 per month.

"The name of William H. Owens, late of Company F, Sixth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Spencer Graham, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $10 per month.

"The name of Otis H. Dorsett, late of Company A, Signal Corps, Kansas National Guard, and pay him a pension at the rate of $12 per month.

"The name of Charles Lee, late of United States Military Detachment of Cavalry, and pay him a pension at the rate of $12 per month.

"The name of Mary E. Pratt, widow of Frank E. Pratt, late of Troop A, Fifth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

"The name of Frank R. Spradling, late of the United States Marine Corps, and pay him a pension at the rate of $10 per month in lieu of that he is now receiving.

"The name of Cale Stinnett, late of Troop F, Tenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

"The name of William J. Smith, late of Company B, Second Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Roy Wilcox, late of Company H, Second Regiment West Virginia National Guard Infantry, and pay him a pension at the rate of $10 per month.

"The name of Allie Selick, widow of August A. Selick, late of the United States Navy, and pay her a pension at the rate of $12 per month.

"The name of Joseph J. McNeal, late of Company M, Second Regiment West Virginia National Guard Infantry, and pay him a pension at the rate of $8 per month.

"The name of Margaret Kingery, dependent mother of Cager Kingery, late of the Twenty-third Company, United States Coast

Artillery Corps, and pay her a pension at the rate of $12 per month.

"The name of Mathias Kennedy, late of Company K, Tenth Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of Archie Flynn, late of Battery B, United States Field Artillery, and pay him a pension at the rate of $10 per month.

"The name of Frank Deloe, late of Troop C, —— Regiment United States Cavalry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of George W. Chris, late of the Medical Department, United States Army, and pay him a pension at the rate of $10 per month.

"The name of George G. Gribben, late recruit, unassigned, United States Cavalry, and pay him a pension at the rate of $12 per month.

"The name of William H. Rader, late of the military organization, Yakima, Wash., Indian campaign, 1878, and pay him a pension at the rate of $6 per month.

"The name of Lee A. Smith, late of Troop F, Fifteenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

"The name of Lillie Randall, widow of Charles H. Randall, late of Company K, Second Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

"The name of Bessie G. Radliff, widow of Frank T. Radliff, late of Company C, First Regiment New York National Guard Field Artillery, and pay her a pension at the rate of $12 per month.

"The name of Carl M. Toepper, late of Company E, Third Regiment United States Engineers, and pay him a pension at the rate of $10 per month.

"The name of Joseph F. Sourek, late of the Quartermaster Corps, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Vinson Sam Filipo, late of Company I, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Anna McNamara, widow of Joseph McNamara, late of the United States Navy, and pay her a pension at the rate of $12 per month.

"The name of Carl H. DeMunbrun, late of Company B, Second Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Helma Alfred, widow of Henry W. Alfred, late of Company D, Eleventh Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

"The name of Daniel Doran, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of William H. Idle, late of Company G, Ninth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Anna White, widow of Calvin R. White, late guide under Major Collins, Boise Nez Perce Indian expedition, and pay her a pension at the rate of $12 per month.

"The name of Charles N. Cannon, late of Company E, Third Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of Thomas E. Morrison, late of the One hundred and sixth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of John R. Sparks, late of the One hundred and eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Frank House, late of the One hundred and twenty-seventh Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Allen Nantz, late of Company H, First Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Herman Martin, late of the Fifteenth Recruit Company and Nineteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of Edwin L. Smith, late of the Cavalry detachment, United States Military Academy, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

"The name of Connell Perkins, late of the Nineteenth United States Airship Company, and pay him a pension at the rate of $10 per month.

"The name of Joseph G. Scheler, late of the One hundred and eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

"The name of Sue Bradley, widow of Arthur Bradley, late of Company H, Thirty-second Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

"The name of John P. Jensen, late of Captain J. D. Pearce's detachment of Cavalry, Second and Third Iron Mountain District, and pay him a pension at the rate of $20 per month.

"The name of Daniel S. J. Leif, late of Company K, Seventeenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Leonard C. Huntington, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of Elizabeth R. Barnes, widow of Alpheus A. Barnes, late of Troop E, Eighth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

"The name of Virgil Simpson, late of Company L, Eighteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Mary T. Lunsford, widow of John W. Lunsford, late of General Service, United States Army, and pay her a pension at the rate of $12 per month.

"The name of Beatrice Sedgwick, widow of Weller G. Sedgwick, late of the Sixty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

"The name of Jim Bailey, helpless child of Alonzo A. Bailey, late of Battery A, Regiment Wyoming Volunteer Light Artillery, and pay him a pension at the rate of $20 per month.

"The name of Boyd E. Scott, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of George P. Silvey, late of Company K, Second Regiment North Carolina Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Emory M. Farrer, late of Company C, Ninth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Edward W. Jones, late of Pendleton (Oreg.) Volunteer Militia, and pay him a pension at the rate of $12 per month.

"The name of Herbert Hale, late of Company P, Thirty-eighth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Philip T. West, late of Company E, Sixteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

"The name of Howard J. Sheehan, late of Headquarters Company, Third Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Amos O. Cox, late of Company E, Nineteenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Daniel R. McKay, late of Troop K, Eighth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

"The name of Ove Hansom Gram, late of Troop M, Third Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

"The name of Rosa Helms, dependent mother of Leonard G. Helms, late unassigned recruit, Fourteenth Regiment United States Infantry, and pay her a pension at the rate of $20 per month.

"The name of Ethel V. Walker, widow of Henry L. Walker, late of Company M, Eighth Regiment California Volunteer Infantry, and pay her a pension at the rate of $12 per month.

"The name of George Thornes, late of the United States Navy, and pay him a pension at the rate of $6 per month.

"The name of Cohen R. Thomason, late of Troop F, Second Regiment United States Cavalry, and pay him a pension at the rate of $8 per month.

"The name of John O. Pelto, late of Company H, Twenty-seventh Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Arthur Hunt, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $8 per month.

"The name of Harold G. Bates, late of Balloon Company No. 1, as of Detachment United States Quartermaster Corps, and pay him a pension at the rate of $10 per month.

"The name of Emma H. Hughes, widow of Edward H. Hughes, late of Troop K, Fifth Regiment United States Cavalry, and pay her a pension at the rate of $12 per month.

"The name of Mark Baldwin, late of Company A, First Provisional Battalion United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Roy E. Donnelly, late of Company K, Fifth Regiment Nebraska Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Ann E. Thomas, widow of Richard W. Thomas, late of Captain Flandran's company, Minnesota State Militia Frontier Guards, and pay her a pension at the rate of $20 per month.

"The name of James E. Rush, late of Company K, Thirteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Richard Payne, late assigned to the Thirty-fourth Ordnance Company, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Anthony Penson, late of Company H, Twenty-fifth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Henry A. Pennington, late of Company B, Thirty-sixth Regiment United States Volunteer Infantry, and pay him a pension at the rate of $12 per month.

"The name of Charles F. Williams, late of Troop D, Fifth Regiment United States Cavalry, and pay him a pension at the rate of $12 per month.

"The name of John A. Davis, late of the One hundred and forty-eighth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $12 per month.

"The name of Lora A. Lemons, widow of Henry M. Lemons, late of Company F, Sixth Regiment United States Infantry, and pay her a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

"The name of Michael Kanyuch, late of the United States Marine Corps, and pay him a pension at the rate of $12 per month.

"The name of William A. Luttrell, late of the Seventy-fourth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Nathan Ain, late of Troop C, First Machine Gun Squadron, United States Army, and pay him a pension at the rate of $12 per month in lieu of that he is now receiving.

"The name of Stephen Sowinski, late of Battery D, Second Regiment United States Field Artillery, and pay him a pension at the rate of $12 per month.

"The name of Charles Parker, late of Battery A, Sixty-first Regiment United States Artillery; Battalion of Searchlight Battery, First AA Battalion, and pay him a pension at the rate of $8 per month.

"The name of Dawson W. Fawbush, late of Company M, Sixth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of Daniel L. Myers, late of Battery M, Fourth Regiment United States Artillery, and pay him a pension at the rate of $12 per month.

"The name of Maud Melville, widow of Ora E. Melville, late of Troop H, Second Regiment United States Cavalry, and pay her a pension at the rate of $12 per month and $2 per month additional for each minor child under 16 years of age.

"The name of William H. Revelle, late of the United States Navy, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

"The name of Charles E. Gulledge, late of Company B, Twenty-ninth Regiment United States Engineers, and pay him a pension at the rate of $12 per month.

"The name of James H. Allred, late of Captain Winn's company, Utah Militia Cavalry, and pay him a pension at the rate of $12 per month.

"The name of Hosea F. Dearth, late of Troop A, Fourteenth Regiment United States Cavalry, and pay him a pension at the rate of $10 per month.

"The name of Alice May Marshall, minor child of Robert A. Marshall, late of Company E, First Regiment New Hampshire Volunteer Infantry, and pay her a pension at the rate of $12 per month and $2 per month additional for the minor child under 16 years of age.

"The name of Eliza J. Logan, dependent mother of Lewis W. Brown, late of Company D, First Regiment District of Columbia Volunteer Infantry, and pay her a pension at the rate of $20 per month.

"The name of Edward L. Hayes, late of Company I, First Regiment Maine Volunteer Infantry, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

"The name of Isabel Galanes Calvert de Bohun, widow of John Calvert de Bohun, late of Troop F, First Regiment United States Volunteer Cavalry, and pay her a pension at the rate of $12 per month.

"The name of Robert Muir, late of the Ordnance Department, United States Army, and pay him a pension at the rate of $8 per month.

"The name of Martin Erikson, late of the Twenty-eighth Battery, United States Field Artillery, and pay him a pension at the rate of $12 per month.

"The name of Mack G. Ragsdale, late of the Fourth Construction Company, United States Army, and pay him a pension at the rate of $8 per month.

"The name of Frank L. Wilkinson, late of the United States Navy, and pay him a pension at the rate of $10 per month.

"The name of Herbert L. Sanders, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of Arthur W. Mace, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of Morris Glickstone, late of Company B, Eighteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

"The name of Nancy C. Williams, widow of Walter Williams, late of the Sixty-fifth Company, United States Coast Artillery Corps, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

"The name of Charles O. Puckett, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of Mary Alice Maum, helpless child of James W. Maum, late of Company E, — Battalion, Mississippi Volunteer Infantry, and pay her a pension at the rate of $20 per month.

"The name of Edward A. McGuire, late of the United States Navy, and pay him a pension at the rate of $17 per month.

"The name of Charles E. Conner, late of Company L, Nineteenth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of John T. Wilson, late of the United States Navy, and pay him a pension at the rate of $17 per month.

"The name of Samuel Herkowitz, late of Company E, Eighth Regiment United States Infantry, and pay him a pension at the rate of $8 per month.

"The name of John E. Cutlip, late of the One hundred and fourteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Robert Blake, late of Company G, Twenty-fifth Regiment United States Infantry, and pay him a pension at the rate of $15 per month in lieu of that he is now receiving.

"The name of John H. Jackson, late of Company B, Second Regiment West Virginia Volunteer Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of Harry Oaks, late of Company L, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

"The name of David Fatty, late of Company I, Twelfth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Edith Ross, widow of Charles A. Ross, late of the United States Army, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving.

"The name of Reuben Samson, late of Company K, Fourth Regiment United States Infantry, and pay him a pension at the rate of $90 per month in lieu of that he is now receiving.

"The name of Thomas Miller, alias James W. Huston, late of the United States Navy, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of Charlie A. Stacks, late of the United States Navy, and pay him a pension at the rate of $12 per month.

"The name of John H. Crawley, late of Company L, Ninth Regiment United States Infantry, and pay him a pension at the rate of $6 per month.

"The name of Howard E. Tolson, late of Company B, Seventeenth Regiment United States Infantry, and pay him a pension at the rate of $17 per month.

"The name of Joe W. George, late of the One hundred and thirty-fifth Observation Squadron, Air Service, United States Army, and pay him a pension at the rate of $12 per month.

"The name of Janet Powell Staud, widow of Benjamin P. Staud, late of the United States Navy, and pay her a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

"The name of guardian of minor children of Joseph A. Ryan, late of the Eighteenth Company, Second United States Coast Artillery Corps, and pay them a pension at the rate of $12 per month, and $2 per month additional for each minor child under 16 years of age.

"The name of Joseph B. King, late of the Ninety-fifth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Albert R. Meeker, late of the Fifty-fourth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $8 per month.

"The name of Cad W. Savage, late of the United States Navy, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving.

"The name of James B. Stanfield, late of Company C, First Regiment, Third Brigade, Pendleton Volunteers of Oregon, and pay him a pension at the rate of $20 per month.

"The name of Arminta Sullivan, widow of Andrew J. Sullivan, late of Captain J. L. Sperry's company, Umatilla Guards, Oregon Militia, and pay her a pension at the rate of $20 per month.

"The name of Blaine E. Davis, late of Company B, Twenty-seventh Regiment United States Infantry, and pay him a pension at the rate of $24 per month in lieu of that he is now receiving.

"The name of Josephine Johnson, widow of Frederick H. Johnson, late of Company B, Twentieth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

"The name of Alice Neelley, widow of Jesse D. Neelley, late of Company I, First Regiment Tennessee Volunteer Infantry, and pay her a pension at the rate of $12 per month.

"The name of Lee Street, late of Battery C, Fifteenth Regiment United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month in lieu of that he is now receiving.

The name of William J. Chepan, late of Company I, Twenty-third Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Emma Jarvis McLean, widow of Admiral Walter McLean, late of the United States Navy, and pay her a pension at the rate of $75 per month in lieu of that she is now receiving.

"The name of William L. Seaman, late of Company M, Fourteenth Regiment United States Infantry, and pay him a pension at the rate of $10 per month.

"The name of Peter Beades, late of Company A, Fourth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Paul A. Randall, late of Company G, Tenth Regiment United States Infantry, and pay him a pension at the rate of $20 per month.

"The name of David Franklin, late of Battery A, Fifth Regiment United States Artillery, and pay him a pension at the rate of $8 per month.

"The name of John Winn, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $6 per month.

"The name of Daniel J. McGrath, late of the United States Navy, and pay him a pension at the rate of $10 per month.

"The name of Ardella Melco, widow of John Melco, alias Mealco, late of Battery B, Third Regiment United States Artillery, and pay her a pension at the rate of $12 per month.

"The name of Wilbur J. Patterson, late of the Twelfth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $10 per month.

"The name of Matilda Jane Hart, widow of Edmond A. Hart, late of Capt. A. C. Smith's company, Oregon Militia, and pay her a pension at the rate of $12 per month.

"The name of Alonzo Borden, late of the Sixteenth Company, United States Coast Artillery Corps, and pay him a pension at the rate of $8 per month.

"The name of Llewellyn J. S. Judice, late of Battery —, Second Regiment United States Field Artillery, and pay him a pension at the rate of $12 per month.

"The name of Richard H. Wraase, late of the Eleventh Signal Company, Signal Corps, United States Army, and pay him a pension at the rate of $8 per month.

"The name of Frank E. Reasoner, late of the United States Navy, and pay him a pension at the rate of $10 per month.

"The name of Frederick E. Ruffner, late of the Hospital Corps, United States Army, and pay him a pension at the rate of $10 per month.

"The name of Lightning, widow of Dog Shield, late of Company I, Sixteenth Regiment United States Infantry, and pay her a pension at the rate of $12 per month.

"The name of Charlie Kills-in-Sight, late of Company I, Sixteenth Regiment United States Infantry, and pay him a pension at the rate of $12 per month.

"The name of Jennie Claymore, widow of Antonie Claymore, late Indian scout, United States Army, and pay her a pension at the rate of $12 per month.

"The name of Hugh M. Jones, late of Company I, Twenty-first Regiment United States Infantry, and pay him a pension at the rate of $17 per month in lieu of that he is now receiving.

"The name of John E. Fitzgerald, late of the One hundred and forty-seventh Company, United States Coast Artillery Corps, and pay him a pension at the rate of $20 per month in lieu of that he is now receiving."

The Senate amendments were agreed to.

REFERENCE OF BILLS

Mr. VINSON of Georgia. Mr. Speaker, I contemplate introducing three bills that the Naval Affairs Committee and the Expenditure Committee and the Economy Committee have jurisdiction of. I propose, Mr. Speaker, to introduce a bill to confer on the President of the United States the right, upon recommendation of the Secretary of the Navy, to close up certain shore activities. Of course, the Naval Affairs Committee has jurisdiction. The parliamentary inquiry I wish to present is, Will the Speaker refer this bill to the Economy Committee, and also the two other bills to abolish the Assistant Secretary of the Navy for Aeronautics——

The SPEAKER. The rule requires that all bills should be referred to standing committees. The Economy Committee expires at the close of this session. The Chair thinks the better policy would be to refer them to the standing committees.

Mr. VINSON of Georgia. The bills relate entirely to naval affairs.

The SPEAKER. The gentleman can make that argument to the parliamentarian or the Speaker privately. It is not good practice to determine those questions before the bills are introduced. The Chair has no knowledge as to what the bills contain.

LAC DU FLAMBEAU INDIAN RESERVATION IN WISCONSIN

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

The Clerk proceeded with the call of committees, and when the Committee on Indian Affairs was reached—

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 8637) to authorize the sale on competitive bids of unallotted lands on the Lac du Flambeau Indian Reservation in Wisconsin not needed for allotment, tribal, or administrative purposes.

The SPEAKER. This bill is on the Union Calendar, and the House will resolve itself into Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That authority is hereby granted the Secretary of the Interior, in his discretion, with the consent of the Indians and under such terms and regulations as he may deem proper, to sell on competitive bids any of the unallotted lands on the Lac du Flambeau Indian Reservation in Wisconsin not needed for allotment or for tribal or administrative purposes, title to be transferred to the purchaser by deed or by patent in fee.

The Clerk proceeded to read the committee amendment.

Mr. STAFFORD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. When a bill is first read, is it only the bill as originally introduced to be read, or is the first reading also to carry the reading of the amendments of the committee?

The CHAIRMAN. The bill is read as first introduced.

Mr. HOWARD. Mr. Chairman, this bill is approved by the department, and was introduced at the departmental request. It is a bill to authorize the Secretary of the Interior to sell the unallotted lands of these Indians on this reservation, which are not used, never have been used, and probably never will be used, and to bring a credit to the Indians that they might not otherwise get.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. STAFFORD. I understand from the report of the committee as embodied in the bill that it does not follow the recommendation of the department giving them blanket authority to sell under competitive bids all of the unallotted bills in the Lac du Flambeau Indian Reservation, but limits it only to one certain lot.

Mr. HOWARD. I yield to the gentleman from Wisconsin [Mr. PEAVEY] to explain that.

Mr. STAFFORD. I am in hearty sympathy with the amendment. I believe it should be restricted in these times to the sale of this one lot where, as the report shows, some adjoining property owner, thinking he had title, erected some improvements upon the land and now wishes to get title to the land which rests in the Indians.

Mr. PEAVEY. Mr. Chairman, the purpose of the bill is to make possible and give the Secretary of the Interior the authority to effect the sale by public auction of a tract of 21 acres where the owner had previously developed it and erected buildings under an erroneous survey made by the surveyor of the Indians. That is the principal purpose of the legislation. As to the reason why the report does not appear to bear out the bill, the department when asked for a report asked for authority to sell any unallotted lands not needful for tribal purposes on the reservation and then by verbal appearance in the committee changed their position when they learned of my position as a Representative from that district in opposition to such general authorization.

Mr. STAFFORD. The gentleman agrees with me that as far as inland lake frontage in northern Wisconsin is concerned, by reason of the present depression there is not much demand for it at the present time. Until recently there was a very good demand at fair prices for inland lake frontage, but by reason of the depression there is not much demand for it now.

Mr. PEAVEY. That is my position also.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That authority is hereby granted the Secretary of the Interior, in his discretion, with the consent of the Indians and under such terms and regulations as he may deem proper, to sell on competitive bids any of the unallotted lands on the Lac du Flambeau Indian Reservation in Wisconsin not needed for allotment or for tribal or administrative purposes, title to be transferred to the purchaser by deed or by patent in fee.

With the following committee amendment:

Page 1, line 6, after the word "bids," strike out the rest of line 6 and all of line 7 and line 8 and lines 1 and 2, on page 2, and insert in lieu thereof the following: "That portion of the unallotted lands in the Lac du Flambeau Indian Reservation in Wisconsin comprising lot 5, section 7, township 40, range 5 east, containing 21 acres, more or less, title to be transferred to the purchaser by deed or by patent in fee."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR, having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8637 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRANSFER OF INDIAN SCHOOL SITE AT ZEBA, MICH.

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 208) to authorize transfer of the abandoned Indian-school site and building at Zeba, Mich., to the L'Anse Band of Lake Superior Indians.

The SPEAKER pro tempore. The gentleman from Nebraska calls up the bill H. R. 208. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Tennessee [Mr. COOPER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this is a little bill recommended by the department. It provides that three-quarters of an acre of land owned by certain Indians and purchased by their own money, and afterwards conveyed to the United States in order that the Government might erect thereon a school building for the Indians, be transferred back to the Indians. The building has been abandoned as an Indian school and the children now go to a public school. The value of the building and the land amounts to only about $300. The Indians desire the use of the land and building for their own purposes. The bill is favorably recommended by the Interior Department and also by the Indian Committee.

The CHAIRMAN. There being no further debate, the Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted etc., That the Secretary of the Interior be, and he is hereby, authorized to convey by deed, without cost, to the L'Anse Band of Lake Superior Indians for community meetings and other like purposes, the abandoned Indian-school site and improvements thereon located at Zeba, Mich., embracing approximately three-fourths of an acre of land within the east half of southeast quarter of southwest quarter of northwest quarter of section 19, township 51 north, range 32 west, Michigan meridian: *Provided*, That said conveyance shall be made to three members of the band duly elected by said Indians as trustees for the band and their successors in office.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with a favorable recommendation.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having resumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 208 and had directed him to report the same back with the recommendation that the bill do pass.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

RECONVEYANCE OF CERTAIN LANDS FOR BENEFIT OF ACOMA PUEBLO INDIANS

Mr. CARTWRIGHT. Mr. Speaker, by direction of the Committee on Indian Affairs I call up the bill (H. R. 10419) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N. Mex.

The SPEAKER pro tempore. The gentleman from Oklahoma calls up the bill H. R. 10419. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and the gentleman from Tennessee [Mr. COOPER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10419, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. CARTWRIGHT. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Chairman, this bill is to sanction the exchange of privately owned lands within this addition to the reservation in order to assemble the Indian lands as well as the white man's land into areas by themselves. It is a change that will benefit the Indians and is recommended by the Secretary of the Interior. I do not think there will be any opposition to it.

The CHAIRMAN. If there is no further debate, the Clerk will read.

The Clerk read the bill for amendment, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized in his discretion, under rules and regulations to be prescribed by him, to accept relinquishments and reconveyances to the United States of privately owned and State school lands within the townships added to the Acoma Pueblo by the act of May 23, 1928 (45 Stat. 717), and also within section 23, township 10 north, range 9 west, New Mexico principal meridian.

SEC. 2. Upon conveyance to the United States of a good and sufficient title to any such privately owned or State school land, the owners thereof, or their assigns, are hereby authorized, under regulations of the Secretary of the Interior, to make lieu selections from the unappropriated, unreserved nonmineral public lands of the United States within Valencia County, N. Mex., approximately equal in value to the lands thus conveyed, and where lands so surrendered contain springs or living waters, selection of other lands in exchange thereof may be of like character or quality, such values to be determined by the Secretary of the Interior, and said Secretary is hereby authorized to issue patents for the lieu lands so selected. In all selections of lieu lands under the provisions hereof, notice to any interested party shall be by publication. All privately owned and State school lands within the area referred to in section 1 of this act, the title to which is hereafter reconveyed to the United States under the provisions hereof, are hereby declared to be so acquired for the benefit of the Indians of the Acoma Pueblo.

Mr. GOSS. Mr. Chairman, I move to strike out the last word for the purpose of inquiring of the chairman of the committee if any timber land is involved in this transfer?

Mr. CARTWRIGHT. Mr. Chairman, I yield to the gentleman from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. The situation is that there are some white settlers within the Indian reservation on privately owned lands. The purpose of this bill is to exchange the land owned by the whites, so that the Indians will have everything within the reservation; and in lieu of their lands in the reservation the whites will get lands outside of the reservation.

Mr. GOSS. Is there any timber on any of this land?

Mr. CHAVEZ. On any of it?

Mr. GOSS. My point is that sometimes we have these exchanges by stumpage in one instance and by real value

in the other instance. It makes a great deal of difference when we are trading lands that have stumpage and timber rights on it.

Mr. CHAVEZ. You will notice a provision in the bill that the exchange shall be of like value.

Mr. GOSS. That is my understanding, but that is not my point. My question is whether there is any timber involved.

Mr. CHAVEZ. There may be in some instances.

Mr. GOSS. Therefore the question of value hinges on the stumpage rights on these lands. It is similar to other bills. If there is no large amount, of course, I will not press my point.

Mr. CHAVEZ. It is not a large amount; and the advantage of the bill to the Indian will be that he will get all the land within the particular district, or area, and the whites will get land outside of that particular area.

Mr. GOSS. But in connection with any trades of timber lands I want to point out that very often those lands have various values in connection with the stumpage rights, and if there is any swapping in that regard the Indians might get the worst of it.

Mr. CHAVEZ. I do not believe the Secretary of the Interior will let the Indian get the worst of it.

Mr. GOSS. Then the white man may be the victim.

Mr. CHAVEZ. This tries to take care of both Indians and whites equitably.

Mr. STAFFORD. Will the gentleman yield?

Mr. CHAVEZ. Yes.

Mr. STAFFORD. The gentleman from Connecticut will notice that this bill carries the customary protective clause that the lands exchanged must be approximately equal in value to those conveyed.

Mr. CHAVEZ. That is right.

Mr. GOSS. The lands themselves; but I am talking about the stumpage rights. I will say to my friend from Wisconsin that there is a difference in the value of the land with and without those rights. I notice the bill exempts minerals.

Mr. STAFFORD. Yes.

Mr. GOSS. But it does not say anything about timber.

Mr. STAFFORD. If this is timberland there will be an appraisal made by the Secretary of the Interior as to the fair value of the land that is to be exchanged. It may be stumpage land, as the gentleman says; it will have a certain value. The person who is exchanging the land may take other land without any timber at all. It carries this protective clause that the land must be appraised and the exchange based upon the approximate value of the land.

Mr. CHAVEZ. That provision was inserted in order to take care of the very question the gentleman raises.

Mr. GOSS. I wish the chairman would give the House a little more information when these bills are presented in respect to this question of stumpage. Many such bills are passed, and stumpage value is a serious question.

Mr. McCLINTIC of Oklahoma. Will the gentleman tell us about how many acres are involved?

Mr. GOSS. Fourteen thousand acres.

Mr. CHAVEZ. Fourteen thousand acres; but maybe some of the land is worth 14 cents an acre and maybe some of the land is worth $10 an acre.

Mr. GOSS. What is the average value per acre?

Mr. CHAVEZ. I could not tell you.

Mr. GOSS. I wish the gentleman could give the House information about the timber rights in respect to these various lands. That is an important question.

Mr. CHAVEZ. It appears to me the Indians are protected in such a way that they will not lose valuable timber rights. There is no possibility of the Indian losing any right whatsoever, because the appraisements will have to be made and the Indian will be amply protected.

Mr. GOSS. I am calling the gentleman's attention to the fact that all of these bills have that possibility, and I wish that in these reports we could have some information as to whether or not there is timber on these various lands in reference to these western transfers.

Mr. CHAVEZ. I can say this from my own information: That the particular section referred to here is used for grazing purposes. If there are some whites on this land, naturally it can not be as advantageous to the Indian as if the Indian had all of the area.

Mr. GOSS. I have no objection to it except from the standpoint that there might be a lot of timber on these 14,000 acres.

[Here the gavel fell.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment. I wish to direct the attention of the gentleman having the bill in charge or the gentleman from New Mexico to the last two sentences of section 2. The language contained in those two sentences is something novel in this character of legislation. The first sentence to which I wish to direct attention reads:

> In all selections of lieu lands under the provisions hereof, notice to any interested party shall be by publication.

Is it intended under this bill to allow the Government to make exchanges of lands without the consent of the owners?

Mr. CHAVEZ. That is what the bill provides, but the intention was to give the owner direct notice. However, as this is sparsely settled country, there are times when you would have to give notice by publication, and that would be the only way you could give notice.

Mr. STAFFORD. Do I understand it is intended to compel private owners of land within this reserve to abandon their homes and take lieu lands outside?

Mr. CHAVEZ. No; not compel an owner to do it. That is why it is provided that notice shall be given, and then negotiations will take place with the Secretary of the Interior.

Mr. STAFFORD. In all other bills of this character it is left optional with the private owner to exchange or not, but the wording here would lead me to believe that you are making it compulsory for a private owner to give up his private holdings.

Mr. CHAVEZ. That is not the intention at all.

Mr. STAFFORD. Then I direct attention to the last sentence, and I would like to know what is intended to be carried into effect by that language:

> All privately owned and State school lands within the area referred to in section 1 of this act the title to which is hereafter reconveyed to the United States under the provisions hereof are hereby declared to be so acquired for the benefit of the Indians of the Acoma Pueblo.

Mr. CHAVEZ. That is right.

Mr. STAFFORD. What is purposed by that language?

Mr. CHAVEZ. The purpose is this: Instead of going to the Government itself, it goes to the Government for the benefit of the Acoma Pueblo.

Mr. STAFFORD. Even as to school lands?

Mr. CHAVEZ. Even as to school lands; but the State will get the school lands elsewhere.

Mr. STAFFORD. That is what I wished to make certain, that the State is not deprived of its preemptory rights as to school-section lands.

Mr. CHAVEZ. No. The State will get lands of equal value elsewhere.

The pro forma amendment was withdrawn.

Mr. CARTWRIGHT. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10419) to permit relinquishments and reconveyances of privately owned and State school lands for the benefit of the Indians of the Acoma Pueblo, N. Mex., and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

APPROPRIATIONS TO PAY IN PART THE LIABILITY OF THE UNITED STATES TO INDIAN PUEBLOS

Mr. CARTWRIGHT. Mr. Speaker, by direction of the Committee on Indian Affairs I call up the bill (H. R. 9071) to authorize appropriations to pay in part the liability of the United States to the Indian pueblos herein named, under the terms of the act of June 7, 1924, and the liability of the United States to non-Indian claimants on Indian pueblo grants whose claims, extinguished under the act of June 7, 1924, have been found by the Pueblo Lands Board to have been claims in good faith; to authorize the expenditure by the Secretary of the Interior of the sums herein authorized and of sums heretofore appropriated, in conformity with the act of June 7, 1924, for the purchase of needed lands and water rights and the creation of other permanent economic improvements as contemplated by said act; to provide for the protection of the watershed within the Carson National Forest for the Pueblo de Taos Indians of New Mexico and others interested, and to authorize the Secretary of Agriculture to contract relating thereto and to amend the act approved June 7, 1924, in certain respects.

The SPEAKER pro tempore. The gentleman from Oklahoma calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

Mr. STAFFORD. Mr. Speaker, I wish to lodge a point of order against this bill. Before I lodge the point of order I wish to submit a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STAFFORD. When a bill which is called up by a committee on Calendar Wednesday is subject to the point of order that the report does not comply with the so-called Ramseyer rule, at what time should a Member propose the point of order? Does a Member lose his rights if the House resolves itself into the Committee of the Whole House on the state of the Union without having lodged his point of order?

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair is of the opinion that the point of order should be raised when the bill is called up in the House.

Mr. STAFFORD. Mr. Speaker, under the reservation of a point of order, I did wish to make some inquiries about this bill before I lodged the point of order; but I am compelled to make the point of order against this bill, under the ruling of the Chair, that the report does not comply with the Ramseyer rule.

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. STAFFORD] makes the point of order that the report accompanying the bill H. R. 9071 does not comply with the so-called Ramseyer rule. Does the gentleman from Oklahoma [Mr. CARTWRIGHT] desire to be heard?

Mr. CARTWRIGHT. Mr. Speaker, I shall yield to the gentleman from Alabama [Mr. BANKHEAD], who is familiar with the rules.

The SPEAKER pro tempore. May the Chair inquire of the gentleman from Wisconsin where in the bill it changes an act which should be set forth in the report?

Mr. STAFFORD. I direct the attention of the Chair to the third paragraph of page 5 of the report, as follows:

> The bill amends section 16 of the act approved June 7, 1924, by removing certain restrictions in the sale of lands adjudged to belong to the pueblos. As thus amended the Secretary of the Interior is authorized to make sales, with the consent of the governing authorities of the pueblos, such sale to be to the highest bidder for cash.

There is a distinct affirmation in the report that the bill does seek to amend the act of 1924, and yet there is nothing in the report to show the act in so far as it is proposed to be amended.

Mr. BANKHEAD. Mr. Speaker, I have not had an opportunity to examine the bill. The gentleman from Wisconsin, of course, has given it careful consideration. The question as to whether the point of order is good lodges upon the question of whether or not the pending piece of legislation does amend in substance existing law. Has the gentleman from Wisconsin pointed out to the Chair wherein the rule has been transgressed?

Mr. STAFFORD. I have called the attention of the Chair to the third paragraph of page 5 of the report, which directly affirms the fact that the bill amends section 16 of the act approved June 7, 1924.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair is ready to rule.

The gentleman from Wisconsin makes a point of order that the report accompanying the bill (H. R. 9071) does not comply with the so-called Ramseyer rule, and points out that, on page 9 of the bill, section 16 of the act of June 7, 1924, is amended, and that this amendment is referred to on page 5 of the report and that nowhere in the report is the so-called Ramseyer rule complied with by setting forth the changes made in the act.

The point of order is sustained, and the bill is automatically recommitted to the Committee on Indian Affairs.

ADJUSTMENT OF REIMBURSABLE DEBTS OF INDIANS AND TRIBES OF INDIANS

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 10884) to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10884, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield to the gentleman from Montana [Mr. LEAVITT] to present the merits of the bill.

Mr. LEAVITT. Mr. Chairman, I desire to make a very brief statement in regard to this bill.

This is a bill which authorizes the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians. The purpose is to give broad authority to the Secretary to deal with a situation which exists greatly to the detriment of many Indian tribes.

One of these old debts was brought into existence as long ago as 1872. I have in mind one that I will call to your attention. It is known as the Grant-Dent Canal on the Colorado River Indian Reservation project of Arizona. This was constructed in 1867 and 1872. There was nothing at the time said about its being reimbursable on the part of the Indians. It was constructed for the benefit of these Indians, and in 1914 Congress enacted a law that made all of these old debts reimbursable, and that automatically brought this old debt into the reimbursable class; that this was never a successful project and was never of any benefit to the Indians. The project was not completed, but still the cost of it stands against this tribe of Indians as a debt in the amount of $119,000. There is no authority anywhere to adjust the debt or to charge it off, or do anything about it except to let it run.

Then there is the Modoc Point irrigation project on the Klamath Reservation in Oregon. This work began on March 3, 1911, and was not made reimbursable when the first appropriations by Congress were made. But under the act of 1914 this was made reimbursable after the debt had been created. It is a project which also proved a failure and of no benefit to the Indians, and it is not now of any use to them. There ought to be some way to adjust this debt.

I could go through a number of other instances. Here is the Tongue River irrigation project, the Fort Peck project, and here is the case of a tribal herd on the Blackfeet Reservation where expenditures were made from 1918 to 1921. The herd ceased to exist and passed out of existence, but still these old debts stand. I will give another outstanding

illustration of the injustice of these old debts. It has to do with a herd that was purchased for the Northern Cheyennes and charged against some of them individually. It was taken over and handled by the Government and the herd was largely lost, but there is no way whatever to adjust the matter.

On that same Tongue River Reservation they constructed in 1907 an irrigation project which has never been completed. They built wooden flumes across the stream and the first flood waters washed them out. No other flumes have been constructed and no water delivered on the land of the Indians, and still there is outstanding against them the sum of $162,000 charged against the Indians. The Secretary of the Interior has no authority to make an adjustment. I have called attention to these outstanding instances, but there are many others less important existing in various places. It is not the purpose of this bill to remit all charges against the Indians, but to give the Secretary the broad power to make adjustments.

Mr. SNELL. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. SNELL. I understand that you do not intend to remit anything practically that is collectible at the present time.

Mr. LEAVITT. Nothing that ought to be collected.

Mr. SNELL. But those that are practically noncollectible.

Mr. LEAVITT. That is true, in this way—the gentleman from Wisconsin shakes his head: The Government of the United States is the guardian over all the Indian tribes. The Indians are the wards of the Government. If the Government desires to do so, it can take this out of the funds of the Indians, whether it is fair or not.

Mr. STAFFORD. These charges have been running for 40 or 50 years, and if they have not collected them at this date, probably they are not collectible.

Mr. LEAVITT. They are collectible only in the way I have explained.

Mr. STAFFORD. Is there any instance where the department has attempted under the act of 1914 to have the Government reimbursed from the Indian funds?

Mr. LEAVITT. Yes; in the last few years they have eased up, but up to the last few years bits have been taken as the money came into the tribal funds. It has in the past been taken out of moneys coming to the Indians. The disadvantage to the Indians lies in this further fact. I take the Tongue River Reservation again as an illustration. Allotments of land have just been completed, and it is necessary to furnish money ultimately in a revolving fund to get the Indians started in farming. But as it is, it is hard to get them started, because they have no credit, and this discourages them from going ahead.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. STAFFORD. The report shows that the committee on its own initiation—and I am not criticizing the committee for that action—reported the bill without submitting it to the department. The gentleman has cited a few cases where he thinks the act of 1914 would be operative and might do the Indians injustice. Has the gentleman the act of 1914 before him so that he can acquaint the committee with what the power of the department is in making these claims reimbursable out of the Indian funds?

Mr. LEAVITT. I do not have the act before me, but I can say that in substance it does not leave any discretion on the part of the department. It makes these debts standing against the Indian tribes reimbursable.

Mr. STAFFORD. It seems to be a very vapid report as far as information is concerned. There is no report from the department.

Mr. SNELL. I understand the Secretary of the Interior approves it.

Mr. STAFFORD. From the reading of the report I understood that the committee on its own initiative, without reference to the department, reported the bill.

Mr. LEAVITT. This bill came up before the committee in the presence of the Assistant Commissioner of Indian Affairs and was thoroughly discussed with him before the committee made the report. I also have a letter from the Secretary of the Interior.

Mr. STAFFORD. Does the gentleman know the citation of the act of 1914?

Mr. LEAVITT. I can not give it to the gentleman, because, unfortunately, I did not set it down. Let me read the following letter from the Secretary of the Interior:

THE SECRETARY OF THE INTERIOR,
Washington, April 9, 1932.

Hon. SCOTT LEAVITT,
House of Representatives.

MY DEAR MR. LEAVITT: Mr. Scattergood has conveyed to me your request that I comment upon H. R. 10884, introduced by you to authorize the Secretary of the Interior to adjust reimbursable debts of Indians and tribes of Indians.

While I would oppose any measure which contemplated the remission of all such debts and charges, I believe that there are some which should be adjusted and that each case should be considered upon its own merits. It is my understanding that this is what is contemplated under your bill.

Heretofore the Congress has always reserved to itself the sole authority to adjust debts and charges of this nature, and I have been reluctant to initiate the suggestion that the Congress divest itself of this authority and confer it upon me. However, if the Congress should see fit to do so by accepting the principle established in your bill, I am willing to accept the responsibility which would thus be placed upon me. I believe that the adjustment of these debts and charges will be of great benefit to the Indians.

I am sending a copy of this letter to the chairman of the Committee on Indian Affairs.

Sincerely yours,

RAY LYMAN WILBUR.

Mr. STAFFORD. He does not refer to the act of 1914.

Mr. LEAVITT. No.

Mr. STAFFORD. Has not the gentleman anywhere in the files a reference to that act, so that we can see what authority was imposed under that act?

Mr. LEAVITT. I can not give the page in the statute, because I did not set it down.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. LEAVITT. Yes.

Mr. GOSS. Why could not private bills be introduced the same as other bills in other instances and go to the Committee on Claims and be reported out on the Private Calendar without putting them into a so-called omnibus bill?

Mr. LEAVITT. Any such bill would have to go to the Committee on Indian Affairs, because it has to do with Indian matters.

Mr. GOSS. I know the gentleman from New York [Mr. SNELL] and a lot of the rest of us have a lot of claims that have to go to the Committee on Claims. We can not get an omnibus bill through. Is there any good reason why the Indians should have an omnibus bill rather than individual bills?

Mr. LEAVITT. A very good reason indeed. The reason is that the Indians are the wards of the Government, and that these debts were created through the action of the Government itself. There is no place anywhere to adjust them. We should need no further proof of the fact that these individual bills will take altogether too much time than to repeat the fact that many of these claims have been in existence for many years.

Mr. GOSS. How much is involved?

Mr. LEAVITT. It is impossible for me to say exactly. Under the purposes of this bill they could discharge from against the Indians a matter perhaps of several million dollars.

Mr. SNELL. But most of it is absolutely uncollectible anyway.

Mr. GOSS. But the gentleman could have private bills here instead of this omnibus bill.

Mr. LEAVITT. As a matter of practical procedure we could not do it. I have been working on this proposition for three or four years. I introduced a similar bill which came before the House, and the suggestion was made then that individual bills be presented. The effort to do that has shown it is not feasible, it would take another long period of years.

Mr. SNELL. I was rather opposed to this until I got the letter from the Secretary of the Interior, and it seems to me that is quite fair and he could fairly protect the rights of the Government in this matter.

Mr. HASTINGS. I was about to say the same thing. It does give the Secretary of the Interior the right to make these adjustments.

Mr. LEAVITT. Yes.

Mr. SNELL. This amendment makes him report them to Congress.

Mr. LEAVITT. Yes.

Mr. STAFFORD. Can the gentleman give any information as to the total amount reported in these charges?

Mr. LEAVITT. There are charges against these Indians that run up into millions of dollars. No one can say in advance of an investigation in each individual case how much of them under the purposes of this bill may be charged off. It might amount to two or three million dollars or more.

Mr. GOSS. It might amount to more.

Mr. LEAVITT. It is nothing that the Government is losing, because they are unjust debts and are not being collected.

Mr. STAFFORD. I am frank to say that the difficulty I have is that we have not the fundamental act before us which this law seeks to amend. We are legislating in the dark.

Mr. LEAVITT. It is not seeking to amend any law.

Mr. STAFFORD. The act of 1914 is referred to, and the gentleman can not give the citation.

Mr. LEAVITT. This is not an amendment to that or any other law.

Mr. STAFFORD. I can not locate it in the index.

Mr. LEAVITT. Is it known as the Snyder Act?

Mr. GOSS. Is not the real purpose to put an omnibus bill through so that there will not be objections made to the private bills?

Mr. LEAVITT. No; it is to give the Secretary of the Interior, who is charged by Congress with handling all Indian affairs, authority to do what the gentleman would do or what I would do if we had some one owing us who is not able to pay. Particularly if he were our ward, it would be our duty to deal with him justly.

Mr. GOSS. I might say to the gentleman from New York that I myself would like to get a similar bill through on some of our own constituents on an omnibus basis.

The CHAIRMAN. If there is no further debate, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to adjust reimbursable charges of the Government of the United States existing as debts against Indians and the tribal funds of any tribe of Indians in such a way as shall to him seem equitable and just in consideration of all the circumstances under which such charges were made.

With the following committee amendment:

Line 8, after the word "made," insert "*Provided*, That a report shall be made to Congress annually on the first Monday in December showing adjustments so made during the preceding fiscal year."

Mr. STAFFORD. Mr. Chairman, I ask for recognition on the committee amendment to make a direct inquiry of the gentleman who is sponsor of this bill as to what the committee contemplates will be the method of proceeding on the part of the Secretary in adjusting these reimbursable debts?

Mr. LEAVITT. They have already, as a result of a bill I previously introduced to this same effect, been making these studies in the field. On some of these old irrigation projects they have had engineers making a study and going into the question of the circumstances under which the debts were created, whether the construction has been beneficial or not. They are making an actual study and accumulating the data upon which they can make the adjustment. In the original bill I introduced two or three years ago there was also this amendment that has been put in the present bill, requiring an annual report to Congress.

Mr. STAFFORD. I understand that. My question is, Will this result in any charge on the Treasury?

Mr. LEAVITT. No.

Mr. STAFFORD. What it may do is, perhaps, relieve the Indian funds of some questionable charges?

Mr. LEAVITT. That is right.

Mr. STAFFORD. Therefore there can not, in any conception of the bill, be involved a charge on the Treasury other than that some charges may be lifted from Indian funds that would otherwise be deducted from them.

Mr. SNELL. I am very much interested in that question, too. I think it is very important.

Mr. LEAVITT. It is exactly the same situation as we recognize in the income tax law where exemptions are allowed for bad debts. We have the same situation here on the part of our wards. We have some bad debts that can not be collected or should not be collected. It will enable us to wipe them off the books.

Mr. STAFFORD. Should not be. There may be circumstances where the Indian tribes have funds whereby the debts could be reimbursed to the Government, but where the equities involved are such that it would not be proper to deduct them from Indian funds.

Mr. LEAVITT. Yes; that is the situation.

Mr. STAFFORD. And the effect of this will be to wipe off that debt as a bookkeeping account?

Mr. LEAVITT. That is right.

Mr. STAFFORD. And relieve the Indian tribes of all further payment?

Mr. SNELL. There is an obligation on the part of the Government, anyway, in regard to that.

Mr. STAFFORD. Only to the extent that the Indian funds may be relieved of improper charges on some questionable, old, hoary, if not slimy, debts.

Mr. SNELL. I understand that.

Mr. LEAVITT. This has nothing to do with a case where loans have been made from tribal funds to individual Indians. This does not allow the charging off an account like that. This bill has to do only with the debts charged against the Indians by the Federal Government.

The CHAIRMAN. The question is on the committee amendment.

The amendment was agreed to.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10884 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HOWARD, a motion to reconsider the vote by which the bill was passed was laid on the table.

DEFERMENT OF COLLECTION OF CONSTRUCTION COSTS AGAINST INDIAN LANDS WITHIN IRRIGATION PROJECTS

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 8898) authorizing the deferring of collection of construction costs against Indian lands within irrigation projects, and for other purposes.

The SPEAKER pro tempore. The gentleman from Nebraska calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

Mr. GOSS. Mr. Speaker, I make the point of order that the report accompanying this bill does not comply with the Ramseyer rule.

The SPEAKER pro tempore. The gentleman from Connecticut makes the point of order that the report accompanying the bill H. R. 8898 does not comply with the Ramseyer rule. Will the gentleman point out in what respect it does not comply?

Mr. GOSS. It does not have the new law bracketed.

The SPEAKER pro tempore (Mr. O'CONNOR). The Chair is ready to rule. The bill H. R. 8898 does not amend any law.

Mr. GOSS. But it provides for the deferment of payments on irrigation projects.

The SPEAKER pro tempore. Under the Ramseyer rule a bill must specifically amend existing law. This bill (H. R. 8898) does not purport to amend any law, and the point of order is overruled. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8898, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this bill is presented by my colleague [Mr. LEAVITT], who knows more about it in a minute than I would know in a week. I will ask the gentleman from Montana to explain the bill.

Mr. LEAVITT. Mr. Chairman, the purpose of this bill is to authorize the deferring of the collection of costs on irrigation projects constructed on Indian reservations as long as those lands remain in the ownership of the Indians, and to call for the payment of the construction costs on the part of white owners who may at some time in the future obtain ownership. The purpose of the bill can be stated very briefly. The bill that was just passed, of course, gives authority to the Secretary to readjust some of these old reimbursible debts; but there will still, after that adjustment has been made, be considerable areas in Indian irrigation projects against which charges will continue to exist The result of that is, as has been found by experience, that the accumulation of those charges year after year, as is necessary under present law, makes it impossible for those Indians to secure the beneficial use of their lands. In the case of the death of the Indians it often makes it impossible to dispose of the lands that are then owned by the heirs, because, as the law now stands, it is necessary to clear up all of the outstanding obligations against the lands before water could be put on them. That reduces the value of the lands so that the Indians do not receive for their lands the amounts they should.

There is a question now before the courts as to whether the Government has any right or ever had any right to impose these charges on lands that had been allotted to Indians, with a statement that they would be delivered to the Indians at the end of the period of restriction without any cloud whatever on the title. Even with that statement existing in connection with such Indian land the Government has piled up these charges.

All this bill does is to defer the collection of these charges against the lands as long as the Indians own them, for the purpose of encouraging the Indians to use them and to use the water that can be put on them, so as to get the beneficial use of the lands, as was intended by Congress. Experience has shown that exactly the opposite has resulted from the piling up of charges against these lands year after year.

Mr. GOSS. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. GOSS. There is something like $15,000,000 or $20,000,000 involved in this, is there not?

Mr. LEAVITT. Yes.

Mr. GOSS. If this bill is enacted into law, how long would these charges be deferred?

Mr. LEAVITT. It might defer them for many years.

Mr. GOSS. It might defer them forever?

Mr. LEAVITT. In some cases, yes; but that takes us back to what I said a little while ago with reference to the matter of these charges, that some of them were imposed on these Indians without any idea of their being reimbursable, and then later on Congress made them reimbursable I have talked with Indians on many reservations who tell me that they would not have favored at all the building of these old irrigation projects if they had any idea that they would have to pay back these charges.

Mr. GOSS. That is just the point. They come here and ask for these projects, knowing they must be paid for. Some one stands here and puts the bill through, and then they want to have these charges deferred forever, which will result in another $20,000,000 the Government will pay in the way of irrigation costs.

Mr. LEAVITT. Of course, Congress will have to deal with that situation in connection with new projects. That is a different condition to meet, if the Indians make the request.

Mr. GOSS. I notice on page 3 of the report that "the first suggested amendment in Director Roop's letter is to have the legislation apply only to lands not leased to whites." Why was that amendment not put in?

Mr. LEAVITT. We did not follow the Director of the Budget. It is questionable if he was in his proper place in suggesting legislation. His position has to do with whether the matter comes within the financial program of the President.

Mr. GOSS. Yes; but whoever suggested the amendment, can not the gentleman explain why it was left out?

Mr. LEAVITT. It is very fully explained from the practical standpoint of administration of Indian lands. Long experience in Indian administration has shown that there should be no attempt to collect as long as the lands remain in Indian ownership. The Indian gets the benefit of land which is leased, of course. It puts the white man who leases the land, perhaps, at somewhat of an advantage in comparison with other white owners in the immediate locality, but our effort is to legislate in behalf of the Indian and not hog down his lands with accumulated charges and thereby destroy their value.

Mr. GOSS. Would not the gentleman be willing to put in an amendment deferring these charges to a definite time? The bill, as it is written, states, "That the collection of all construction costs against any Indian lands within any Government irrigation project is hereby deferred." This might be forever.

Mr. LEAVITT. Yes; it might.

Mr. GOSS. When the Indians or their representatives come here and ask for legislation in connection with building these projects and then turn around and say, "We did not know we had to pay that money back," it looks to me as though we should either collect it or repeal the act. Why not be honest and repeal the debts that are owed by these Indian irrigation districts?

Mr. LEAVITT. Because I do not think that is the proper thing to do in all cases. Where the land is in beneficial use, it is entirely proper that the Government should be reimbursed; but on irrigation projects on Indian reservations, as on every other Government reservation, there are areas that can not be properly irrigated because of topography or character of soil or because the Government did not complete the work. The charges should not remain in such cases, but on land that is irrigated and irrigated beneficially, a reasonable part of the construction charges should be allowed to stand. The projects were constructed for the benefit of the Indians, to begin with, but it has been shown that it is not to their benefit to have these charges continue to accumulate against them. It is better to have the charges deferred as long as the Indians own the lands, as a matter of encouraging the Indians to use them.

Mr. GOSS. As a matter of fact, how much money has ever been paid back on these projects?

Mr. LEAVITT. Not a great deal by the Indians.

Mr. GOSS. How much interest has been paid back?

Mr. LEAVITT. Of course, there is no interest charged the Indians.

Mr. GOSS. In other words, we have allowed $20,000,000 for these irrigation projects, we have charged no interest, and we are now asked to defer payment forever, so far as I can see.

Mr. LEAVITT. Of course, it may look that way to the gentleman.

Mr. GOSS. I would not have any objection to it if the gentleman would put in an amendment providing for two years and then bring it up again, but to defer a $20,000,000 payment when the Indians contracted a just debt and knew they had to pay it back is simply handing them out another $20,000,000.

Mr. LEAVITT. No; it is not handing out $20,000,000. It is just doing what we find it necessary to do in justice to the Indians in the administration of their affairs. Consider that this has been done for their benefit, and not to completely ruin them so far as the possibility of their advancement is concerned.

Mr. GOSS. Would not the gentleman be willing to accept an amendment after the word "deferred" to a definite time?

Mr. LEAVITT. No; I would not.

Mr. GOSS. Can the gentleman explain to the House why not?

Mr. LEAVITT. Because I think it would defeat the purpose of the bill, as a practical proposition.

Mr. GOSS. In other words, the gentleman is asking the House to simply forget the $20,000,000 that the Indians owe the Government on these irrigation projects, is not that true?

Mr. LEAVITT. No; not to forget it, but not to collect it as long as the Indians own the land.

Mr. HASTINGS. If the gentleman will permit, may I say that the title in the Indian tribes, or in the individual Indian, would come at different times. For instance, the title may be complete by the restrictions being removed from one Indian next year and there may be another Indian tribe that has its restrictions removed five years from now, or in the case of other members of the tribe, it may be 10 years, so that of the approximately 200 Indian Tribes in the United States, there are various dates when the title would become unrestricted in the Indians.

Mr. GOSS. That has nothing to do with this question. We are inquiring about deferring the payment of a just debt owed the Government.

Mr. HASTINGS. It does have to do with the putting in of a definite date.

Mr. GOSS. I am suggesting that we just defer the debt that these Indians owe to a certain time.

Mr. HASTINGS. And I was giving that as a reason why you could not put a definite date in this bill.

Mr. LEAVITT. If the gentleman will permit, there is a date in the bill.

Mr. GOSS. What is the date?

Mr. LEAVITT. As long as it is in Indian ownership. The collections start as soon as it passes from Indian ownership.

Mr. GOSS. That may be what Director Roop was getting at when he suggested an amendment to have the legislation apply only to lands not leased to whites. That would carry out the purpose and why does not the gentleman provide for that amendment?

Mr. LEAVITT. Just as soon as you begin to charge construction costs on an Indian or on a group of Indians, who have inherited, perhaps, from some other Indians, it reduces the value of the land to them in the amount of rental they can get and makes it practically worthless to them.

Mr. GOSS. If we pass this bill, we are simply deferring some $20,000,000 debt indefinitely on irrigation projects which are justly due to the United States Government. In these times of economy I do not think we should defer the debts indefinitely. I think we ought to put a definite limit if we are to defer them at all.

Mr. LEAVITT. The Indian wards are not the proper people to take out the economy on just now.

Mr. STAFFORD. Mr. Chairman, I ask for recognition.

The CHAIRMAN. Is any member of the Committee on Indian Affairs opposed to the bill?

Mr. HOWARD. Not that I know of; it was a unanimous report.

The CHAIRMAN. The Chair will recognize the gentleman from Wisconsin for one hour.

Mr. STAFFORD. Mr. Chairman, the question involved here is whether we should abandon the policy that we have followed so far as lands on the public domain are concerned, or should waive it so far as the Indian lands are concerned.

As stated by the gentleman from Connecticut [Mr. Goss], it does involve the question of deference of $20,000,000 debts. It is worth while to pause a moment and consider this bill because we are adopting a broad policy.

When the policy of irrigating Indian lands was adopted, as shown by the report, it was intended that the Indians should pay 5 per cent of the construction charges each year. After a few years that policy was ameliorated and halved, so that they were only required to pay 2½ per cent each year, and the construction charges would be paid in a period of 40 years.

I am rather surprised at the attitude of the gentleman from Montana, in which he seeks to take the position that we really imposed on the Indians' irrigation construction; that it was an outrage on the Indians to construct irrigation projects with the intention at some time they should pay for the benefits that accrued from the money the United States invested on these projects.

Mr. LEAVITT. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. LEAVITT. I do not think the gentleman exactly understood me.

Mr. STAFFORD. I am frank to say I did have difficulty in understanding the gentleman's position.

Mr. LEAVITT. I said, in the case of a number of projects they were constructed by the Federal Government without being made reimbursable at the time they were constructed, but later, by the act of 1914.

Mr. STAFFORD. Is the gentleman sure it was 1914 and not 1924?

Mr. LEAVITT. I think it was 1914.

Mr. HASTINGS. It was in 1924.

Mr. STAFFORD. I was quite sure it was in 1924, because in 1914 I was here, and there was no such act as the Snyder Act at that time.

Mr. LEAVITT. After those projects had been in existence for a long time it was considered by many Indians as being unfair to them. They felt that the charges having been placed against their lands, thereby reducing the value of the lands, when they had been promised under the various allotment acts that the land would be given them free of encumbrance.

Mr. STAFFORD. But this bill goes farther. First, in reply to the first explanation of the gentleman of his position, that they were not to pay for the construction charges.

Mr. LEAVITT. Not all of them.

Mr. STAFFORD. Some of them—this irrigation work was for the benefit of the Indian lands, and why should not they, if they were benefited, be obliged to reimburse the Government?

Next, by this policy you are again wet-nursing the Indians to a greater extent by making them dependent upon the charity of the Government. It is rather a novel position for the gentlemen from the irrigation districts to take—to come here now and say that it was an outrage upon the part of the Government to go ahead with this large expenditure of these moneys, some $20,000,000, all told, that resulted, primarily for the benefit of the Indians. Does the gentleman contend that this expenditure on these irrigation projects, some 200 or more, was without any value to the Indians?

Mr. LEAVITT. No.



Mr. STAFFORD. That it was an outrage committed upon them?

Mr. LEAVITT. I do not make that statement at all. While we are talking about the $20,000,000, we must remember that a great deal of land that is irrigated with this $20,000,000 is now in white ownership, and will not come under the provisions of this bill. This has to do only with lands that still belong to the Indians.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SNELL. As I understand it, when the title is transferred to the whites, they are not exempt any longer.

Mr. LEAVITT. No.

Mr. STAFFORD. Oh, they are exempt so far as the Indian lands on irrigation projects are concerned, by lease to white persons. Am I correct in that position?

Mr. SNELL. I am rather of the opinion that the gentleman ought to adopt that amendment.

Mr. LEAVITT. If that amendment were offered, it would have to be considered upon its merits. I do not like to say in advance that I will accept it, because in the judgment of those handling Indian affairs it would not be beneficial to the Indians.

Mr. SNELL. After these lands are transferred, you are willing to have the people pay the charges?

Mr. LEAVITT. Yes.

Mr. SNELL. If they are rented to white people now it seems to me the only equitable and just thing to do is that the white people shall pay these charges.

Mr. STAFFORD. Not the white people; the Indian.

Mr. SNELL. Well, whoever gets the benefit.

Mr. LEAVITT. It comes out of the Indian, and that is the reason I do not favor it.

Mr. STAFFORD. The lessee is receiving the benefit from the munificence of the Government. No interest is charged to the lessee. The lessee pays for what the value of that right is, with the use of United States funds, and he pays the rental to the Indians, and yet the gentleman from Montana is not willing to have the Indians reimburse the Government, when the Indians receive a decided advantage through the use of public funds.

Mr. SNELL. In that respect I think the gentleman from Montana is wrong. I want to be fair with the gentleman, and fair with the Indians.

Mr. LEAVITT. I may be wrong, but I am standing with the judgment of the Indian Office that is handling these matters. They say that such an arrangement would not be beneficial to the Indians, because those construction costs would necessarily be paid out of the rental and reduce the rental to that extent.

Mr. SNELL. But we are not concerned particularly with what is beneficial to the interest of the Indians but with what is just and fair between the Government and the Indians.

Mr. LEAVITT. My suggestion is that when that point is reached in the bill, the amendment be offered, and if the House adopts it, I can not help it.

Mr. STAFFORD. Will the gentleman give us some information as to what percentage of irrigated Indian lands is under lease?

Mr. LEAVITT. I do not think it is a large percentage; I do not think it will be over 10 per cent; that is, speaking now of reservations with which I am acquainted. It will be something more than that, I think, on the Fort Peck Reservation at this time.

Mr. STAFFORD. The gentleman can see the equity of the position that if the Indian derives benefit by reason of United States funds in improving certain of their lands and making them profitable for cultivation under irrigation projects, as we are not charging any interest whatsoever on this $20,000,000, that they should at least pay the construction charges.

Mr. SNELL. When they are leasing them to somebody else.

Mr. LEAVITT. If the gentleman offers that amendment, I shall not feel badly about it if it be adopted, although my judgment is like that of the Indian Office, that in many cases it would destroy the value of those lands to the Indians.

Mr. STAFFORD. Will the gentleman explain how it can destroy the value of those leased lands to the Indians?

Mr. LEAVITT. In the fact that if the person who is leasing the land must pay the construction costs for that year he will have to pay the Indian that much less, and in many cases it would practically wipe out the rental.

Mr. STAFFORD. It will not act as a deterrent to the lessee leasing the land on the same terms.

Mr. LEAVITT. No; he could lease it on the same terms as he can now; but, of course, the man who leases it if he has to pay the construction costs would have to pay the Indian less for it. The Indian in the long run would have to pay.

Mr. SNELL. We should not give to the Indian something that does not belong to him.

Mr. STAFFORD. The gentleman sees no difficulty of administration in this case?

Mr. LEAVITT. No; there would not be any difficulty of administration.

Mr. GOSS. In connection with the inquiry of the gentleman from New York may I say that I expect to offer an amendment that after a period of two years from the passage of this act this bill shall again come to the Congress for consideration. I do not think we should defer this thing indefinitely with no further reference to Congress, and that is what would happen.

Mr. LEAVITT. We are not deferring it indefinitely, but only as long as the land belongs to the Indians. As soon as it passes out of their hands the then holders begin to pay. As soon as the Indians lease the land to white people it begins to pay construction cost.

Mr. GOSS. Will the gentleman accept an amendment which just says "people" and that does not specify "leased to whites"?

Mr. SNELL. Not leased to whites but leased to Indians?

Mr. GOSS. To whites.

Mr. LEAVITT. I think it should say "to whites."

Mr. GOSS. Let me call attention to the statement of the Director of the Budget at the bottom of page 3 of the report.

Mr. STAFFORD. Why discriminate as to races?

Mr. LEAVITT. If it does not specify whites, the situation might arise where some member of the same family might want to cultivate the land of another member who could not handle it, and that could not be done without payment of construction costs if the provision is made to apply to all people.

Mr. STAFFORD. May I inquire of the gentleman from Connecticut what his proposed amendment is?

Mr. GOSS. My proposed amendment is that on page 1, line 10, after the word "years," insert "this act shall apply only to lands not leased to whites."

Mr. SNELL. As a matter of fact, probably the whites are the only ones who will pay any rental, anyway.

Mr. GOSS. Probably; and that is the language the director suggested in the report, as will be seen at the bottom of page 3.

Mr. LEAVITT. I can not conscientiously accept that.

Mr. STAFFORD. I am in the attitude of either acquiescing in the amendment or opposing the bill.

Mr. SNELL. I think there must be an amendment, anyway.

Mr. STAFFORD. It is up to the gentleman from Montana as to whether or not I take the position of acquiescing in the amendment or being antagonistic to the bill.

Mr. LaGUARDIA. I do not think it makes much difference, anyhow.

Mr. STAFFORD. I am glad to see I am in a different category from the gentleman from New York.

Mr. LaGUARDIA. Thank God for that.

Mr. STAFFORD. I am a little bit older than the young Napoleon.

Mr. LEAVITT. My suggestion is that the amendment be offered and that the House vote on it. I can not say in advance that I accept it, because I do not think it should be adopted.

Mr. STAFFORD. It is fairly certain there will be such an amendment. Therefore I yield back the balance of my time.

The CHAIRMAN. The question is on the committee amendment.

The amendment was agreed to.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 8898 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HOWARD, a motion to reconsider the vote by which the bill was passed was laid on the table.

CLAIMS OF EASTERN EMMIGRANT AND WESTERN CHEROKEE INDIANS

Mr. HOWARD. Mr. Speaker, I call up the bill H. R. 9441, to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern or Emmigrant and the Western or Old Settler Cherokee Indians against the United States, and for other purposes.

The SPEAKER pro tempore. The gentleman from Nebraska calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Chair calls the attention of the chairman of the committee to the fact that there is a similar Senate bill.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2405, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Mr. Speaker, I object for the time being.

The SPEAKER pro tempore. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9441, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HASTINGS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, I have explained this bill briefly some two or three times on former occasions, and it is not my purpose now to take up any considerable time in a further explanation of it.

The Cherokee Indians, when they occupied lands east of the Mississippi—in Tennessee, Georgia, North Carolina, and other States around Chattanooga—made agreements or treaties with the Government of the United States. Those who made treaties prior to 1835 moved west of the Mississippi, and they were known as Old Settler or Western Cherokees, and they constituted approximately one-fourth of the tribe. Subsequently, in 1835, other treaties were made with the remainder of the tribe and thereafter, in 1838 or 1839, the remainder of the tribe, constituting about three-fourths of it, moved west. In 1924 legislation was enacted which allowed the Cherokee Tribe or Nation of Indians to bring suits against the Government for all claims they had against the Government. These suits have been instituted and they are on file. They are pending in the Court of Claims. The time for the institution of the suits expired on June 30, 1930, under amendatory legislation.

The attorneys who are in those cases have some doubt as to whether these bands, namely, the Old Settler Cherokees, which were about one-fourth of the tribe and who removed west under early treaties, and the Eastern Cherokees, who moved under a later treaty, can have their claims adjudicated. Some lawyers think they can and some think there is doubt about it. We do not want to take two bites at the cherry. This bill will make sure that these two bands may have their day in court. It is the purpose of this bill, if passed, to make sure that these two bands may intervene in these lawsuits and adjudicate any claim which they think they have against the Government.

Mr. STAFFORD. Will the gentleman yield?

Mr. HASTINGS. I will be glad to yield.

Mr. STAFFORD. After reading the letter of the Commissioner of Indian Affairs I came to the conclusion that he thought these Indians, if they did have any rights, would have the privilege of intervening under existing law.

Mr. HASTINGS. Good lawyers think the same thing, but some of the lawyers who are trying these lawsuits think differently. They think there is some doubt about it. To be frank with the gentleman, I do not know. This is to remove that doubt. We do not want to go along and have these cases set down for trial and then the court sustain a demurrer as to their right to intervene and have their claims not adjudicated. That is all there is to this bill. I am frank with the gentleman from Wisconsin in saying that I have some doubt myself and the lawyers in the pending cases entertain doubt. Some think they can intervene and some think they can not, but this bill will remove all doubt. That is all there is to this bill.

Mr. STAFFORD. Will the gentleman yield further?

Mr. HASTINGS. I will be glad to yield.

Mr. STAFFORD. Is there any opposition on the part of the members of the Cherokee Nation to the granting of this privilege to the tribes referred to in this bill?

Mr. HASTINGS. None whatever.

Mr. STAFFORD. The Eastern Band and the Western Band?

Mr. HASTINGS. None whatever. The gentleman will notice that the bill is amended on page 2, line 23, and that amendment was made at my suggestion. It cuts the time from two years to one year. I do not want these suits held up, and I think one year is sufficient time, so at my suggestion the shorter time was placed in the bill.

Mr. STAFFORD. Will the gentleman inform me how extensive these two respective tribes are—the Eastern or Emmigrant Cherokees and the Western or Old Settler Cherokees?

Mr. HASTINGS. If the gentleman will permit, the two put together constitute the tribe. I tried to explain that about one-fourth went out prior to the treaty of 1835, under the earlier treaties, and they are known as the Old Settler or Western Cherokees, because they went west. Subsequent to the treaty of 1835 and under the terms of the treaty of 1835 the remainder went west, or about three-fourths. They are known as the Eastern or Emmigrant Cherokees, because they lived east of the Mississippi. They went West under the treaty of 1835, and when they got West there was a reunion of the two divisions, those that went earlier and those that went later. They constitute the Cherokee Tribe. But it is feared that under the original jurisdictional act those who made up the two divisions or bands of the tribe may not have the right to have their claims adjudicated along with the whole nation.

Mr. STAFFORD. But these two distinct tribes do not include the straggling part of the Cherokee Nation that is located in North Carolina.

Mr. HASTINGS. Oh, no.

Mr. STAFFORD. They are not recognized as a part of the Cherokee Nation?

Mr. HASTINGS. Oh, no. That was decided by the Supreme Court years ago.

The Clerk read as follows:

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits or intervening petition shall be filed, subject to amendment, however, as herein provided in the Court of Claims within two years from the date of approval of this act, and such suit or suits shall make the said Eastern or Emmigrant and/or Western or Old Settler Cherokees party or parties, plaintiff, and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the said Indians approved in accordance with existing laws and said contract shall be executed in their behalf by a committee or committees selected by said Indians or provided by existing law. Official letters, papers, documents and records, maps, or certified copies thereof may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the preparation and prosecution of any suit or suits instituted under this act.

With the following committee amendment:

Page 2, line 23, strike out "two years" and insert "one year."

Mr. HASTINGS. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute for the committee amendment offered by Mr. HASTINGS: Page 2, line 23, strike out "one year" and insert in lieu thereof "six months."

Mr. STAFFORD. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. STAFFORD. I assume, by reason of being a member of the Cherokee Nation, the gentleman is fully conversant with the present status of this lawsuit and thinks six months is adequate time?

Mr. HASTINGS. I do; and I do not want to delay any pending lawsuits. I wanted to compel these parties to go in without delaying any pending lawsuits, and I think six months is long enough time.

Mr. STAFFORD. The gentleman is quite convinced it will not be an unduly short time so as to prevent them from intervening?

Mr. HASTINGS. I am willing to accept the responsibility for making the change.

The substitute amendment was agreed to.

The committee amendment, as amended by the substitute, was agreed to.

The Clerk read as follows:

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of recovery or recoveries, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits to be paid to the attorney or attorneys employed as herein provided by the said Indians, and the same shall be included in the decree, and shall be paid out of any sum or sums adjudged to be due said Indians, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum, and be disposed of as provided by existing law.

With the following committee amendment:

Page 4, line 14, strike out the word "law" and the quotation marks and insert the word "law" without the quotation marks.

The amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. BANKHEAD] having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill H. R. 9441, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to substitute an identical Senate bill, S. 2405, for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That all claims against the United States of the Eastern or Emigrant Cherokees, and the Western Cherokee or Old Settler Indians, so called, who are duly enrolled members of the Cherokee Tribe of Indians in Oklahoma, as classes, respectively, may be submitted to the Court of Claims, and jurisdiction is hereby conferred upon the Court of Claims, notwithstanding the lapse of time or statutes of limitation, to hear, examine, adjudicate, and render judgment in any and all legal and equitable claims arising or growing out of any treaty or agreement between the United States and the Cherokee Indians, or arising or growing out of any act of Congress in relation to Indian affairs, which the said Eastern or Emigrant and Western or Old Settler Cherokees may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States are paid in full: *Provided*, That said Eastern or Emigrant and Western or Old Settler Cherokee Indians may act together or as two bodies hereunder as they may be advised: *Provided further*, That the said Eastern or Emigrant and Western or Old Settler Cherokees may intervene in any suit or suits now pending in the Court of Claims under authority of the act of Congress approved March 19, 1924 (43 Stat. L. 27, 28), in which the Cherokee Nation is party plaintiff and the United States party defendant.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits or intervening petition shall be filed, subject to amendment, however, as herein provided in the Court of Claims within two years from the date of approval of this act, and such suit or suits shall make the Eastern or Emigrant and/or Western or Old Settler Cherokees party or parties plaintiff and the United States party defendant. The petition or petitions shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract or contracts with the said Indians approved in accordance with existing laws, and said contract or contracts shall be executed in their behalf by a committee or committees selected by said Indians or provided by existing law. Official letters, papers, documents, and records, maps, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the preparation and prosecution of any suit or suits instituted under this act.

SEC. 3. In said suit or suits the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against the said Indians or any of them, but any payment or payments which have been made by the United States upon any such claim or claims shall not operate as an estoppel but may be placed as an offset in such suit or suits, and the United States shall be allowed to plead and shall be given credit for all sums, including gratuities, paid to or expended for any of said classes of Indians: *Provided, however*, That in any claim sued on by said Cherokees for any part of an interest-bearing fund upon which account any payment or payments shall have been made, such payment or payments shall first be applied to reduction or payment of interest earned to the date of such respective payments, and the balance, if any, shall then be applied to reduce the interest-bearing principal, and not otherwise.

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of recovery or recoveries, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits, to be paid to the attorney or attorneys employed as herein provided by the said Indians, and the same shall be included in the decree and shall be paid out of any sum or sums adjudged to be due said Indians, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum, and be disposed of as provided by existing law.

Mr. HASTINGS. Mr. Speaker, I offer an amendment, in line 23 of page 2, striking out "two years" and inserting in lieu thereof "six months," so as to conform with the amendment of the House bill.

The Clerk read as follows:

Amendment offered by Mr. HASTINGS: In line 23, page 2, of the Senate bill, strike out "two years" and insert in lieu thereof "six months."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill was laid on the table.

DEPOSITS OF CHOCTAW AND CHICKASAW INDIANS, OKLAHOMA

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 9496) to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Tribes of Oklahoma and for an extension of time within which purchasers of such deposits may complete payment.

Mr. HASTINGS. Mr. Speaker, with the permission of the chairman of the committee, I invite attention to the fact that there is an identical Senate bill, S. 3655, on the calendar, and I ask unanimous consent to substitute the Senate bill.

The SPEAKER pro tempore (Mr. BANKHEAD). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER pro tempore. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, on behalf of the committee the gentleman from Oklahoma, Mr. CARTWRIGHT, will present the argument in favor of the bill.

Mr. CARTWRIGHT. Mr. Chairman, I do not think there is much argument to be presented, because the Indians are in favor of it, the Bureau of Indian Affairs is in favor of it, the coal operators are in favor of it, and everybody that knows anything about it agrees to it.

Mr. STAFFORD. Will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. STAFFORD. I have no objection to the bill, but I think there should be some explanation as to the leasing provision.

Mr. HASTINGS. With the consent of my colleague and the gentleman from Wisconsin, permit me to say that there are approximately 300,000 acres of land belonging to the Choctaws and Chickasaws—their own tribal lands underlaid with coal deposits.

An agreement was made with the two tribes in 1897 looking to the making of their tribal rolls and the allotting of their lands. That was many years ago, and in the meantime the rolls have been completed and the lands allotted. The surface of these lands has been allotted and disposed of, reserving the coal and asphalt deposits.

Coal leases were made and the tribes have received royalties from them. The leases expired at different times, but all of them expire in September, 1932.

This legislation is legislation prepared by all concerned. The governor of the Chickasaw Tribe, the principal chief of the Choctaws, the mining trustee, their attorneys, the coal lessees, and representatives of the Interior Department got together and agreed on the terms of this bill.

The bill authorizes additional leases to be made covering these lands and certain concessions to be made about deferred payments. These are details that those who are most familiar with them have worked out.

Mr. GOSS. Will the gentleman yield?

Mr. HASTINGS. I yield.

Mr. GOSS. In this bill have any changes been made in the royalties?

Mr. HASTINGS. The gentleman from Oklahoma, my colleague [Mr. CARTWRIGHT], is more familiar, but my recollection is that it is 8 cents a ton under the old law.

Mr. CARTWRIGHT. There are no changes made in this bill.

Mr. GOSS. Does the State of Oklahoma collect any royalty on this coal as does the State of Pennsylvania?

Mr. HASTINGS. The State of Oklahoma gets nothing.

Mr. STAFFORD. There was argued in the last month in the Supreme Court the question whether the State of Oklahoma had the right to tax Indian lands which had been leased to some private individuals.

Mr. HASTINGS. The coal deposits belong to the two tribes and are nontaxable.

Mr. STAFFORD. As to lands having that status there is no question.

Mr. PEAVEY. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. PEAVEY. I just want to make this statement for the information of the gentleman from Connecticut [Mr. GOSS] and my colleague from Wisconsin [Mr. STAFFORD]. As chairman of the subcommittee that heard this bill, the information presented to the subcommittee by all parties concerned was that this did not change any law or create anything new. It simply gives authority for the Secretary to re-lease under existing conditions.

Mr. STAFFORD. As I read the bill there was no change in existing law other than that in this lease where the lessee is in default in payment of his rent there is a provision made whereby the Secretary of the Interior is authorized to permit him to renew the lease by paying 10 per cent of the amount owing and the balance of 90 per cent in five equal annual installments.

Mr. HASTINGS. I think that is provided in the bill.

Mr. STAFFORD. Yes.

Mr. PEAVEY. That is new and one other exception to that is for new leases to be made.

Mr. GOSS. I call attention to section 5, page 10. I notice that there is a sum equal to not less than 15 cents per ton run—run of mine, I suppose that means—for coal mined, and somewhere else it is 8 cents, and then somewhere else it provides in the bill not less than 10 cents per ton on crude. What is meant by that?

Mr. HASTINGS. That is, where a man purchases it, it is 15 cents, and the other royalty is where it is leased.

Mr. GOSS. The gentleman means that where you purchase it you pay a royalty of 15 cents per ton, run-of-mine?

Mr. CARTWRIGHT. Yes.

Mr. GOSS. The bill provides that the purchaser of a tract on which coal or asphalt is mined shall pay each month a sum equal to not less than 15 cents per ton, run-of-mine. How do you figure that out? He is to pay on the basis of 15 cents per ton of the total tonnage in the year each month, or just the coal mined in each month?

Mr. HASTINGS. In the first place, where you pay 8 cents per ton, that is where you lease it; and here is where you purchase it. You pay more, because you are reducing the value of the mine itself, and that is the amount that is agreed upon as fair and equitable.

Mr. GOSS. But it says that they shall pay each month to the Superintendent for the Five Civilized Tribes, or such other agent as may be designated by the Secretary of the Interior, a sum equal to not less than 15 cents per ton, mine-run.

Mr. HASTINGS. That is what is agreed upon in this bill.

Mr. GOSS. Does that mean just the tonnage for each month at 15 cents a ton?

Mr. HASTINGS. That is applied on the purchase.

Mr. GOSS. Each month?

Mr. HASTINGS. Yes.

Mr. GOSS. Not the year's total tonnage, but it means the month's total tonnage?

Mr. HASTINGS. Yes.

Mr. GOSS. And when it says 10 cents per ton on crude what does it mean?

Mr. HASTINGS. That refers to asphalt in the next line.

Mr. GOSS. Let us have it clear.

Mr. HASTINGS. That would be my construction—not less than 10 cents per ton on crude and 60 cents per ton on refined asphalt. That means 10 cents per ton on crude asphalt.

Mr. CARTWRIGHT. There is very little asphalt there.

Mr. GOSS. In the revenue bill which we recently passed there is a tariff on coal, and also a tariff on oil.

Mr. CARTWRIGHT. That is an excise tax on imported oil and coal. It does not affect this in the least.

Mr. GOSS. Very well.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and empowered, under rules and regulations to be prescribed by him, and upon such terms and conditions as he may deem proper, not inconsistent with this act, to lease to citizens of the United States or any association of such persons, or to any corporation organized under the laws of the United States or of any State or Territory thereof, any developed tract of the unsold coal and asphalt deposits of the Choctaw and Chickasaw Nations, in Oklahoma, such leases to be entered into on behalf of said nations by the Choctaw and Chickasaw mining trustee or such other officer as the Secretary of the Interior may designate, and said lessees, subject to the approval of the Secretary of the Interior, said leases and the mining operations thereon to be under the supervision and control of said mining trustee: *Provided*, That the rate of royalty for coal mined shall not be less than 8 cents per ton at the mine, payable monthly, and that the leases shall require the mining of a minimum of 15,000 tons of coal per annum from each tract leased, or the payment of royalty thereon at the said rate the same as if the coal had been mined: *Provided further*, That $500 of the annual minimum tonnage royalty shall be paid annually in advance, beginning with the date of approval of the lease by the Secretary of the Interior, that the royalty paid on the minimum tonnage for any year shall not be applied on the minimum royalty due for any prior or subsequent year, and all moneys received as royalties or otherwise for leases made under the provisions of this act shall be deposited in the Treasury of the United States to the credit of the Choctaw and Chickasaw Indian Nations; that no lease shall be made to extend for a period of more than 15 years from and after September 25, 1932; that the Secretary of the Interior, in his discretion, may add to any developed lease, upon application of the lessee, not more than 640 acres of the segregated unleased coal deposits, where it is shown that such additions are necessary for the successful operation of such lease; that the tracts to be added must be contiguous to the leased deposits of the lessee, such additional acreage to be subject to the rules and regulations prescribed by the Secretary of the Interior under this act; that the lease on the added area shall expire at the same time as the lease of which it becomes a part; and the rate of royalty on coal mined on the added area shall be the same as that fixed by this act.

SEC. 2. That the prior lessee of any developed lease, who has paid all moneys due on coal mined thereon, or any person or corporation which by judicial sale or otherwise has succeeded or may succeed to any right of a former lessee in any developed lease, shall be given the preference right to a new lease on such developed premises, if in the opinion of the Secretary of the Interior the granting of such right will fully protect the interest of the Indians. The said parties shall be allowed 30 days after notice from the Superintendent of the Five Civilized Tribes or other official designated by the Secretary of the Interior within which to apply for new leases.

SEC. 3. That the Choctaw and Chickasaw mining trustee, or such officer as the Secretary of the Interior shall designate, is hereby authorized to examine the books and accounts of lessees, who shall submit, upon oath, statements and reports, in such form and on such blanks as the Secretary of the Interior may require. Lessees shall report each month under oath to the Superintendent for the Five Civilized Tribes or to any other officer designated by the Secretary of the Interior, the quantity of coal mined on each lease during the previous month, and shall pay the royalty due thereon, as required by the rules and regulations prescribed under this act. The failure of any lessee to make such report and pay such royalty within 60 days after such report and royalty become due shall subject the lease to cancellation, whereupon all advance and minimum royalties to the credit of such lease shall be forfeited and become the property of the nations, and any lessee making a false report, statement, or representation shall be subject to punishment as for perjury: *Provided*, That no lessee shall assign or sublease his estate, term, or interest in any lease without the written approval of the Secretary of the Interior, and a violation of this provision shall subject the lease so assigned or subleased to cancellation by the Secretary of the Interior, whereupon all advance and minimum royalties to the credit of the lease shall be forfeited and become the property of said nation.

SEC. 4. That within 30 days from the approval of this act any person owing a balance on any tract of the tribal coal and asphalt deposits, purchased under the act of February 8, 1918 (40 Stat. L. 433), as amended by subsequent acts, may make application to the Secretary of the Interior for an extension of time within which to pay his balance, which application must be accompanied by 10 per cent of such balance, including principal and interest. Upon approval of such application by the Secretary of the Interior such purchaser may be allowed five years from May 25, 1932, to pay the remaining 90 per cent of the amount due by him, said balance to be paid annually in five equal installments, the first installment to be due and payable one year from May 25, 1932, and subsequent installments to be due and payable on or before May 25 of each year thereafter, all deferred payments to bear interest at 6 per cent per annum: *Provided*, That upon failure of a purchaser to pay any installment for a period of 60 days from the due date, the Secretary of the Interior shall cancel the sale, whereupon all payments theretofore made thereon shall be forfeited to the Choctaw and Chickasaw Nations: *Provided further*, That a purchaser may pay the entire balance due on any purchase at the time of payment of any installment, and thereupon be entitled to a patent as authorized by the statutes providing for the sale of said mineral deposits.

SEC. 5. That the purchaser of any tract on which coal or asphalt is mined shall pay each month to the Superintendent for the Five Civilized Tribes, or such other officer as may be designated by the Secretary of the Interior, a sum equal to not less than 15 cents per ton mine run for coal mined, and not less than 10 cents per ton on crude, and 60 cents per ton on refined asphalt mined, such payments to be applied on request of the purchaser on any installment of the purchase price when due.

SEC. 6. The Choctaw and Chickasaw mining trustee, or any other official designated by the Secretary of the Interior, shall have the right to examine all records of operations of any purchaser on a purchased tract; and all payments on monthly output shall be under oath to the Superintendent of the Five Civilized Tribes, the same as payments made by lessees of unsold tracts.

SEC. 7. That the Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations not inconsistent with this act as may be deemed necessary and proper for the protection of the interests of said nations and for the purpose of carrying the provisions of this act into full force and effect: *Provided*, That upon the expiration of any developed lease, if the lessee thereof shall not apply for its renewal, or if the sale of any coal or asphalt tract upon which operations have begun shall be forfeited and canceled, the Secretary of the Interior is hereby authorized to take possession of said expired lease or canceled tract and dispose of the same under the provisions of this act, or take whatever steps may be necessary to preserve and protect such property: *Provided further*, That nothing in this act shall be construed or held to affect in any way the right to dispose of the coal and asphalt deposits of the Choctaw and Chickasaw Nations by sale as now authorized by law.

Mr. GOSS. Mr. Chairman, I notice that $120,000 is still due these Indians. You are proposing another deferment for another five years in which the coal operators may pay those tribes?

Mr. CARTWRIGHT. Yes.

Mr. GOSS. Are we pretty sure of collecting that money for them?

Mr. HASTINGS. That is the only way that we can collect it. This is for the purpose of protecting the Indian.

Mr. GOSS. Does the gentleman not think that in that additional time these men might go broke and not be able to meet the obligation?

Mr. HASTINGS. We would like to collect it now, and they have been trying to collect it for a number of years; but if you clamp down on them to collect it, you force them into bankruptcy.

All those who are best informed about it think this is the best and easiest, as well as the fairest, way to handle the matter.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 3655, had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. HOWARD, a motion to reconsider the vote by which the bill was passed was laid on the table.

PROPOSED PAY-CUT PLANS

Mr. McDUFFIE. Mr. Speaker, many inquiries have been made by Members of the House as to the two suggested pay-

cut plans. I ask unanimous consent to print these plans in the RECORD so that Members may see them to-morrow.

The President's plan is not worked out in detail. The committee's plan has been worked out. The President is to submit, through Colonel Roop, the Director of the Budget, a more accurate detail of what his plans are.

Mr. SNELL. The matter you have now does show an outline of the President's plan?

Mr. McDUFFIE. It shows an outline of the President's plan.

The SPEAKER. Is there objection?

There was no objection.

The matter referred to follows:

MEMORANDUM

With regard to the alternative proposals for Federal-employee savings, upon which agreement was not reached last Saturday, it is now proposed to simplify the suggestions offered by the administration group so as to provide for the coming fiscal year—

1. The introduction of the principle of the 5-day week, or its equivalent, throughout the Government service.

2. The elimination of all annual leave with pay.

3. The elimination of allowances to rural mail carriers for vehicle maintenance (in lieu of No. 1, above, for these employees).

For per diem employees the principle of the 5-day week can generally be applied directly by eliminating work on Saturday morning and reducing pay proportionately (that is, one-eleventh). This amounts, in effect, to 26 days' furlough without pay in a year.

For annual employees a very close equivalent to this can be reached by providing a furlough without pay for one calendar month. As this furlough could not always be made a continuous absence for a full month, provision should be made to split it into smaller units when desirable, in which case the month would be considered as equivalent to 24 working days (Saturday being counted a half day).

The application of either one or the other of these two methods to be mandatory for every officer or employee of the Government except rural mail carriers and the enlisted forces of the military services. Provision should be made, however, for the President to exempt from these provisions special cases where he finds that a suitable substitute can not be provided and the public interest forbids the absence of the regular employees.

It is estimated that the saving by these simplified proposals (after allowing for the hire of substitutes where necessary) would be about the same as was estimated under the three proposals for which these are now substituted—about $95,000,000.

These simplified proposals have the further merit of maintaining the present scale of salaries, establishing the principle of the 5-day week, and of treating everybody on practically the same basis. In effect, each man would receive pay at the present rate for each day he works for the Government, but would be called upon to take his leave at his own expense. This plan will furnish some additional employment for substitutes in certain cases and will go a long way toward eliminating the otherwise necessary discharge of many employees.

Further consideration is also being given to the propriety of including a provision which would prevent the reduction of employees receiving $2,500 per year or less below the prevailing income for comparable occupations outside the Government service, and which would likewise provide that in case the furlough plan herein discussed does not effect a reduction to such comparable income, then a further adjustment by extension of furlough would be authorized. This is a matter which the President desires to discuss with the committee.

TITLE II

SEC. 201. As used in this title, the term "compensation" means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, employment, or enlistment; and includes the retired pay of commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

SEC. 202. (a) During the fiscal year beginning July 1, 1932, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of $1,000 or less shall be exempt from reduction; and compensation at an annual rate in excess of $1,000 shall be reduced by 11 per cent of the amount thereof in excess of $1,000.

(b) For the purposes of determining the percentage of reduction under this section applicable to any office, position, employment, or enlistment, the compensation for which is calculated on a piecework, hourly, or per diem basis, the annual rate of compensation shall be held to be the total amount which would be paid for the regular working hours and on the basis of 307 working days, or the number of working days on the basis of which such compensation is calculated, whichever is the greater.

SEC. 203. Sections 201 and 202 of this act shall not apply to—

(a) Any office, position, employment, or enlistment the compensation for which is expressly fixed by international agreement, or

(b) Compensation paid under the terms of any contract in effect on the date of enactment of this act if such compensation may not lawfully be reduced; but in the case of the renewal of any such contract the amount of compensation to be paid thereunder shall be reduced by not less than the percentage applicable under section 202; or

(c) Any office the compensation of which may not, under the Constitution, be diminished, in the case of any incumbent, during the term for which he was elected or during his continuance in office, unless the application of such sections to such office will not result in a diminution of compensation prohibited by the Constitution; or

(d) Any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing local rate for similar work; but the wage board or other body charged with the duty of making such adjustment shall immediately take such action as may be necessary to effect such adjustment.

SEC. 204. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States shall take such action as may be necessary to apply the provisions contained in this title to offices, positions, and employments under such corporation and to officers and employees thereof.

SEC. 205. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any other purposes but shall be impounded and returned to the Treasury.

SEC. 206. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

SEC. 207. If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remainder of the title, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 208. If at any time prior to June 30, 1933, the President finds that for a period of 60 days the average wholesale commodity price level is within 10 points as high as the average wholesale commodity price level of the year 1926, indicated by the figure 100 in the revised index of the Bureau of Labor statistics of the Department of Labor, he shall issue a proclamation to that effect, and upon the issuance of such proclamation the provisions of this title shall cease to be in effect.

SEC. 209. The Treasurer of the United States is authorized and directed to accept and cover into the Treasury as a part of its miscellaneous receipts, any and all moneys remitted by those constitutional officers to whom this title does not apply.

SEC. 210. This title may be cited as the "emergency compensation reduction act of 1932."

STOCK TRESPASSING ON INDIAN LANDS

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 8918) to authorize the collection of penalties and fees for stock trespassing on Indian lands.

The SPEAKER. The gentleman from Nebraska calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8918, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Chairman, I yield to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman, the purpose of this bill is to put teeth into the law that now exists for the protection of the Indians against trespassing stock. At the present time there is a law against stock trespassing on Indian lands and Indian reservations, but it provides no way, except through the Federal courts, for the collection of penalty.

The entire purpose of this bill is to authorize and create a method of collection.

Mr. STAFFORD. Will the gentleman yield?

Mr. LEAVITT. I yield.

Mr. STAFFORD. Has the gentleman any estimate as to the total amount that is owing by reason of the trespassing on the Indian lands of poachers with their cattle and stock?

Mr. LEAVITT. I can not give you that, because it does not exist as charges on a record. The stock is taken up; but as a matter of practical procedure, there is nothing to be

done after they are taken up except to go into courts, and that is not generally done.

It is known that a very large amount of money is lost to the Indians because of these trespasses and that it is necessary to provide some way for making actual collection.

Mr. STAFFORD. I suppose if there could be an estimate made it would run maybe into the millions of dollars.

Mr. LEAVITT. It would run into many thousands of dollars.

Mr. STAFFORD. And that represents an amount that is really owing to the Indians but which is uncollectible because no machinery has been provided for its collection.

Mr. LEAVITT. I think that is conservatively true; yes, over a long period of years.

Mr. STAFFORD. Will the gentleman yield further?

Mr. LEAVITT. I yield.

Mr. STAFFORD. Is there any plan in the offing whereby the Government is to secure similar rights, collection of rental privileges, for cattle grazing on the public domain?

Mr. LEAVITT. There are bills before the Committee on Public Lands, one introduced by the gentleman from Utah [Mr. COLTON], and a general bill for the disposal of the public lands introduced by Mr. EVANS of Montana. I have a bill that has to do with the creation of community grazing areas in Montana to carry out a plan that has already been very satisfactorily and successfully applied to one area, but there is not pending before the House at this time any such bills. Those bills are before the committees.

Mr. STAFFORD. I wish the gentleman would give us some general idea as to the amount of money that will be derived to the Indians if this bill is enacted into law.

Mr. LEAVITT. I do not think there is any way to do that except to make a guess.

Mr. STAFFORD. I might as well under general debate direct an inquiry or two, if the gentleman is in a permissive mood. I will inquire whether as to the provision of section 2, which refers to stock not claimed by the owner, after proper advertising, shall be sold and the net proceeds thereof, after payment of all expenses, shall be deposited; does not the gentleman think there should be provided some limit of time in which stock not claimed by the owner should be disposed of?

Mr. LEAVITT. What suggestion does the gentleman have as to a time? Of course, they are not, as a matter of fact, held very long, because if stock is held too long it will, as we say in the stock country, eat its head off.

Mr. STAFFORD. That is the very purpose of my suggestion.

I think there ought to be some early action taken by the department and not have it left to the discretion of some subordinate officer in the field to hold this stock for a long time. I am not sufficiently acquainted with the conditions to suggest a proper time, but we might say, for instance, "not more than 60 days after seizure stock not claimed by the owner shall be liable," and so forth.

Mr. LEAVITT. I would not resist an amendment of that kind if the gentleman wishes to offer it. I think that the Indian Bureau officials could be depended upon, however, to handle it without that. If the gentleman desires to submit the amendment, I see no harm in it and possible good may come from it.

Mr. STAFFORD. It would compel the department officials to take some definite action within a certain time, so it will be properly enforced.

Mr. LEAVITT. The gentleman from Utah [Mr. LOOFBOUROW] makes a suggestion to me which I think is pertinent, that the fixing of a time might be reasonable in one section of the country and unreasonable in another. Stock may have drifted in from a considerable distance in a sparsely settled section. It might be very difficult to locate the owners, and so on. It is not the desire of the Indian officials to work any unnecessary hardship on anyone and they ought, in my judgment, to have considerable leeway.

Mr. STAFFORD. Perhaps there should not be any limitation, but it occurred to me that for the protection of the service and also for the protection of the owner there might be need for a maximum limit of time. I can see the potency of the suggestion made by the gentleman from Utah. I direct the gentleman's attention to this other inquiry, as to the time within which proof of ownership should be submitted in case the stock has been sold. I thought six months was too short a time. I refer to the last proviso in section 2:

Provided, That any funds received from the sale of unclaimed stock in excess of the penalty prescribed shall be held in such manner that any person submitting proof of ownership of any such stock within a period of six months from the date of sale may receive such excess funds derived from the sale of his stock.

Why should we deprive the owner, within such a short time, of the remainder which is properly owned by him? If he should make a claim within a year, why should not the funds be reimbursable, upon a showing that he is the owner?

Mr. LEAVITT. Of course, six months was set, as I understand it, in accordance with the method of handling stock in the western country where these Indian reservations exist. The spring round-up and the fall round-up would enable an owner within a period of six months to be advised that stock was missing and, in addition to that, there has been an advertisement that would run for a period of 30 days.

Mr. STAFFORD. But the stock has been sold, the expenses of the sale have been deducted, and the balance belongs to the owner if he can prove it. If, perchance, he does not get notice until after six months, why should he be debarred from proving his ownership?

Mr. LEAVITT. It is a matter of efficiency in handling the funds.

Mr. STAFFORD. Does not the gentleman agree that six months is rather too limited a time in which an owner may prove his ownership?

Mr. LEAVITT. Personally, I would have no objection to an extension of that time. I thing there is a great deal to the gentleman's argument that there should be more time.

Mr. STAFFORD. There might be exceptional instances where an owner might not become acquainted with the fact that his stock had been sold, yet under this law he would not be entitled to the remainder of the fund, after the expenses had been deducted, unless he presented his claim within six months.

Mr. LEAVITT. Does the gentleman think nine months would be better?

Mr. STAFFORD. I think it should be a period of one year.

Mr. LEAVITT. I will accept that amendment.

Mr. STAFFORD. I think that would protect the owner when he does come to find out his stock has been sold, of which he has had no notice except presumptive notice in some newspaper, which might not come to his attention.

Mr. LEAVITT. I think the gentleman's statement is reasonable, and I will accept such an amendment.

The Clerk read the bill for amendment, as follows:

Be it enacted, etc., That any person owning or having in his charge or possession any horses, mules, cattle, goats, sheep, or swine, or any such animals, and who permits such stock to range and feed on any restricted individual Indian lands or Indian tribal lands without the consent of the superintendent or other officer in charge thereof or otherwise trespass thereon shall be liable to a penalty of $1 for each such animal, together with an amount equal to the annual grazing fee therefor in lieu of damages, and the cost of rounding up and caring for the animal and collecting the amount due.

SEC. 2. The superintendent in charge of any Indian or Indian tribe is authorized to seize and hold all stock found on lands under his jurisdiction in violation of the above provision pending payment of the penalty herein authorized. Stock not claimed by the owner, after proper advertising, shall be disposed of and the funds derived therefrom handled and disposed of under such regulations as the Secretary of the Interior may prescribe: *Provided*, That any funds received from the sale of unclaimed stock in excess of the penalty prescribed shall be held in such manner that any person submitting proof of ownership of any such stock within a period of six months from the date of sale may receive such excess funds derived from the sale of his stock.

SEC. 3. Section 179, title 25, United States Code, 1926, is hereby repealed.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That any person owning or having in his charge or possession any horses, mules, burros, cattle, goats, sheep, or swine, or any such animals, and who permits such stock to range and feed on any restricted

individual Indian lands or Indian tribal lands without the consent of the superintendent or other officer in charge thereof or otherwise trespass thereon shall be liable to a penalty of $1 for each such animal, together with the reasonable value of the forage consumed by such stock during the period of trespass and the cost of rounding up and caring for said stock and of collecting the amount due under authority of this act.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. As I understand the parliamentary status, this committee amendment, as a substitute, is being offered as one amendment and offered in toto?

The CHAIRMAN. The gentleman is correct.

The Clerk read as follows:

SEC. 2. The superintendent in charge of any Indian or Indian tribe is authorized to seize and hold all trespassing stock found on lands under his jurisdiction pending payment of the penalty, damages, and costs herein authorized. Stock not claimed by the owner, after proper advertising, shall be sold and the net proceeds thereof after payment of all necessary expenses shall be deposited in the Treasury of the United States to the credit of Indian tribes as provided in the act of May 17, 1926 (44 Stat. 560; U. S. C., Supp. I, title 25, par. 155a), or paid to Indian allottees as appropriate: *Provided*, That any funds received from the sale of unclaimed stock in excess of the penalty, damages, and cost prescribed shall be held in such manner that any person submitting proof of ownership of any such stock within a period of six months from the date of sale may receive such excess funds derived from the sale of his stock.

SEC. 3. The officer in charge of any Indian reservation may be authorized by the Secretary of the Interior to gather and dispose of all unbranded horses, mules, burros, cattle, sheep, goats, swine, or any such animals over 1 year of age found running at large on tribal or allotted Indian lands under his jurisdiction; and if the animals are sold the net proceeds of such sales shall be disposed of as provided in section 2 hereof. The Secretary of the Interior may also authorize said officer to impound and advertise for sale all branded or claimed horses, mules, burros, cattle, sheep, goats, swine, or any such animals belonging to individual Indians who through indifference or inability to care for same permit said stock to run at large on tribal or allotted lands without care or attention; and the net proceeds of such sales shall be given to the individual Indians owning said stock as directed by the Secretary of the Interior.

SEC. 4. Section 179, title 25, United States Code, 1926, is hereby repealed.

Mr. STAFFORD. Mr. Chairman, I offer an amendment to the committee amendment. On page 3, line 19, strike out the clause "six months" and insert "one year."

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD to the committee amendment: On page 3, in line 19, strike out the words "six months" and insert in lieu thereof the words "one year."

The amendment to the committee amendment was agreed to.

Mr. LEAVITT. Mr. Chairman, on page 2, line 20, the word "and" should be "any." I ask unanimous consent that that correction may be made.

The CHAIRMAN. The gentleman from Montana asks unanimous consent to make the correction indicated. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8918) to authorize the collection of penalties and fees for stock trespassing on Indian lands, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended.

JURISDICTIONAL BILL FOR OLD SETTLER AND EASTERN CHEROKEES

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill H. R. 9441, for which Senate bill 2405 was substituted, by inserting some resolutions showing authority of certain Indian committees to represent them.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, in connection with the resolutions and other data which I ask to be inserted in the RECORD in connection with H. R. 9441 and an identical Senate bill, No. 2405, which was substituted for the House bill, I am inserting a letter signed by S. W. Peak, R. C. Studie, James Foster, and C. F. Buzzard, addressed to the House Subcommittee on Indian Affairs, dated February 25, 1932, explaining the purposes of the bill H. R. 9441.

I am appending also copy of the minutes of the proceedings of the meeting of the Eastern or Emigrant and the Western Cherokee Indians in Oklahoma held on March 20, 1931, at Hickory Grove, in Adair County, Okla., to which meeting a report was made upon the return of the delegation from Washington in the interest of this bill:

WASHINGTON, D. C., *February 25, 1932.*

Hon. HERBERT HASKEL PEAVEY, *Chairman,*
Hon. FREDERICK C. LOOFBOUROW,
Hon. FRED C. GILCHRIST,
Subcommittee of the Committee on Indian Affairs of the House of Representatives.

Subject: H. R. 9441, Seventy-second Congress, first session.

GENTLEMEN: The undersigned Cherokee delegation beg leave to submit the following short memorandum in support of the proposed bill under consideration.

The object of the bill is to give the Cherokee Indians by blood described as the Eastern or Emigrant Cherokees and the Western Cherokees, or Old Settler Indians, the right to sue in the Court of Claims on causes of action against the United States concerning which the Cherokee Tribe or Nation as a whole may not bring suit and have adjudicated all of the questions involved, for the reason that the claims of these two classes of Cherokee Indians are not claims of the whole tribe or nation.

The Cherokee Nation, as a political entity, embraced in its membership these Cherokees by blood, but it also included several thousands of persons as citizens of the Cherokee Nation who were not Cherokees, and who, under treaties between the United States and the Cherokees made prior to the time such nonblood members were incorporated into the nation and became citizens thereof, will not be entitled to share in the proceeds of certain funds which will be the subject matter of our suits, and if judgment is secured therefor. One or more of the suits we may bring will be based upon or grow out of the treaties of 1828, 1833, and 1846, in which the Eastern Cherokees, so called, and the Cherokee Nation or Tribe as a whole will have no interest, but only the Western Cherokees will be interested. So also one or more of our suits will be based upon the treaties of 1835 and 1846, being claims of the Eastern Cherokees, and in these the Western Cherokees and the nation as a whole would have no interest. We also would expect to sue on certain claims in which the Cherokee Nation as such (a political entity) had no interest at any time, and these suits would be brought by the two classes of Cherokees by blood named in the bill jointly.

We know the Secretary says we may intervene in certain suits now pending in the Court of Claims, etc. While this is true, we are advised that it is far from certain that the rights and interests of these Cherokees by blood can be fully and adequately protected by such procedure. By the enactment of this proposed bill the Cherokee Indians will be given a day in court to secure a final settlement, by judicial arbitrament, of all possible claims which they will ever have against the Government.

From 1819 until 1846 there were two Cherokee Nations or Tribes, the Eastern Cherokees (east of the Mississippi River) and the Western Cherokees (west of the Mississippi), each recognized by

the Government independently of the other, treaties having been entered into with each tribe separately by the United States; which explains the existence of independent claims of the Eastern and Western Cherokees, respectively.

Very respectfully submitted.

S. W. PEAK.
R. C. STUDIE.
JAMES FASTER.
C. F. BUZZARD.

MINUTES OF THE PROCEEDINGS OF A MEETING OF THE EASTERN EMIGRANT AND THE WESTERN CHEROKEE INDIANS IN OKLAHOMA, HELD ON THE 20TH DAY OF MARCH, 1931, AT HICKORY GROVE, IN ADAIR COUNTY, STATE OF OKLAHOMA

The meeting was called to order at 10 o'clock a. m. Prayer was offered by Rev. Jackson Standingdeer, of Barber, Okla. By unanimous action of the meeting, Rev. Jackson Standingdeer was made permanent chairman; White Runabout, secretary.

The roll of council members was called, and the following councilmen answered present, viz:

Adair County: R. C. Studie, Joe Blackbird, Nannie Walkingstick, Zeak Spaniard, Blue Runabout, Charley Turtle.

Cherokee County: Jackson Standingdeer, Rider Ratler, John Campbell.

Delaware County: Susie Mouse, Enoch Wilson, Ross Codeleda, Joe Snell.

Mayes County: Rev. Jesse Grass, Coo-wee-scoo-wee Constitution, Paul Glass, John Ross, Jim Redbird.

Wagoner County: Richard Henson, Stute Sequoyah, Tiger Tadpole, John Hickory, Josiah Panther.

Sequoyah County: William Peak, Jackson Downing, Joe Young, Joe Morris.

The roll of the executive committee was called, and the following members answered present, viz:

Charley Scott, Marble City, Okla., chairman; J. B. Sixkiller, Barber, Okla., member; James Thornton, Addielee, Okla., member; Jackson Standing Deer, Barber, Okla., member; Richard Henson, Mazie, Okla., member; Joe Morris, Vian, Okla., member; Sam McLemore, Bunch, Okla., member.

The names of the national officers were called, and the following answered present, viz:

James Foster, Vian, Okla, national chairman; C. F. Buzzard, Jay, Okla., first vice chairman; Eli Tehee, Colcord, Okla., second vice chairman; S. W. Peak, Maysville, Ark., national secretary; Mrs. Polly Thornton, Addielee, Okla., national treasurer.

The delegation, consisting of James Foster, national chairman; S. W. Peak, national secretary; and R. C. Studie, recently returned from Washington where they appeared before the authorities of the United States Government, and especially before the committees (Indian) of Congress on behalf of the Eastern Emigrant and Western Cherokees, made its report, accompanied by the following as exhibits:

1. Senate bill 5979, Seventy-first Congress, first session. "To confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern Emigrant and Western Cherokee Indians of Oklahoma and North Carolina."

This bill was introduced by Senator Pine February 2, 1931, read twice, and referred to the Committee on Indian Affairs. Reported without amendment by Mr. Pine February 12, 1931—Calendar No. 1642 (S. Rept. 1638). Passed the Senate without amendment February 17, 1931. Referred to the House Committee on Indians Affairs February 19, 1931. Reported with amendments February 25, 1931 (H. Rept. No. 2884). Amended and passed House, as amended, in committee March 4, 1931.

2. Senate Report No. 1638, Seventy-first Congress, first session, on S. 5979.

3. House Report No. 2884, Seventy-first Congress, first session, on S. 5979.

The delegation stated that solely because of the press of other business the bill (amended) as it passed the House did not receive final consideration in the Senate and, therefore, did not become a law.

The delegation recommended that the council proceed at once to establish a committee, to consist of five Eastern Emigrant and Western Cherokees, with power and authority, so far as same may be conferred by this council, to do all things whatsoever requisite, lawful, and proper to secure the final judicial determination of all claims of the Cherokee Indians by blood (Eastern Emigrant and Western Cherokees) against the United States, arising under or growing out of treaties, laws, or other acts of any of the authorities of said United States, including the power and authority to employ an attorney, or attorneys, to appear for and represent the said Cherokees before any governmental authority, including the courts.

The recommendation was discussed and, upon motion made and unanimously agreed to, was agreed to.

The council then proceeded to select the committee of five Cherokees. The following-named Cherokees were duly elected, respectively, by majority vote of the council and, upon motion made and carried, their election was made unanimous, namely:

James Foster, Vian, Sequoyah County, Okla.; S. W. Peak, Jay, Delaware County, Okla.; J. B. Sixkiller, Stilwell, Adair County, Okla.; R. C. Studie, Stilwell, Adair County, Okla.; C. F. Buzzard, Salina, Mayes County, Okla.

On motion made and carried by unanimous vote it was agreed that the fees of attorneys employed shall be 10 per cent on recovery.

It was unanimously agreed on motion made and carried that the committee of five now elected shall be called Eastern Emigrant and Western Cherokee Committee.

It was further moved and carried unanimously that said committee ascertain as fully as may be whether any further specific authority will be necessary or advisable from the eastern emigrant and western Cherokees to make certain the full accomplishment of the purposes of its establishment, and to report any recommendations deemed wise in that regard to this council.

After discussion of numerous matters of interest to the Cherokee people, but not connected directly with the efforts of the eastern emigrant and western Cherokees to secure the final and complete settlement of claims against the United States, on motion made and carried the council adjourned, subject to call.

Minutes read and interpreted from the English into the Cherokee language and approved.

JAMES FOSTER, *Chairman.*
S. W. PEAK, *Secretary.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted—

To Mr. WEEKS, for two days, on account of important business.

To Mr. MONTAGUE, for three days on account of sickness.

To Mr. JENKINS (at the request of Mr. CABLE), for several days on account of important business.

CLAIMS OF CERTAIN BANDS OR TRIBES OF INDIANS RESIDING IN THE STATE OF OREGON

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 8902) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon.

The SPEAKER pro tempore. The gentleman from Nebraska calls up a bill which the Clerk will report.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Speaker, in view of the fact that the Senate has passed a companion bill, satisfactory to the gentleman from Oregon [Mr. HAWLEY], the author of this bill, I ask unanimous consent that Senate bill 824 be considered in lieu of the House bill.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent that Senate Bill 824 be considered in lieu of the House bill. Is there objection?

Mr. STAFFORD. Mr. Speaker, may that request be deferred until later. For the time being I object.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8902) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOWARD. Mr. Chairman, this bill was introduced by our colleague the gentleman from Oregon [Mr. HAWLEY], and on behalf of the committee I will ask the gentleman from Oregon [Mr. HAWLEY] to explain the provisions of the bill.

Mr. HAWLEY. Mr. Chairman, the purpose of this bill is to settle with certain Indian tribes west of the Cascade Mountains in Oregon. Provisional treaties were made with them and duly signed by all the Indian tribes. The treaties were not ratified by the Senate.

The Government in these treaties promised to build mills, to provide schools, to open farms, to erect buildings, and do many other things if the Indians would remove from their place of abode to certain other places where the Government desired them to go. These Indian tribes were always friendly to the white people, and by reason of the friendly treatment they had received from the whites they accepted the state-

ments of the Indian agents who made the treaties that the Government would carry out its provisions.

They were, to some extent, agricultural Indians. They were raising certain crops in addition to the food they obtained from fishing and hunting.

They removed without question. The white settlers came in and occupied the lands and still occupy them, and they are some of the best lands in the western part of the State. They have waited all these years for the Government to carry out its treaty, patiently, believing that the time would come when the Government would do so.

This bill provides that the Court of Claims may hear their claim, and upon the facts found decide what shall be done, if anything. If any moneys are found due the Indians, they are to be placed in the Treasury, and under appropriations made by the Congress contribute to the education, maintenance, and civilization of the Indians, including the building of homes and the buying of lands on which the Indians may live.

Mr. STAFFORD. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. STAFFORD. The report shows that the Government and the tribes did enter into certain treaties that were ratified.

Mr. HAWLEY. Yes.

Mr. STAFFORD. Dating as far back as 1853—and that the Government has carried out the provisions of those treaties?

Mr. HAWLEY. Certain treaties; yes.

Mr. STAFFORD. When did the thought first emanate in the minds of the Indians or some person for the Indians that they had rights that had not been respected by the National Government?

Mr. HAWLEY. As far back as the date of the treaties, 1855, they have always insisted that the Government owed them this money and they expected the Government at some time to effect an equitable adjustment of their claim.

Mr. STAFFORD. I would like to have some information as to the reason the Commissioner of Indian Affairs recommends adversely to the submission of these claims to the Court of Claims.

Mr. HAWLEY. He does not recommend adversely to the bill. I think the language is that for lack of information they are not able to make favorable recommendation.

Mr. STAFFORD. No; the language specifically is—

> We are therefore unable to recommend that H. R. 8902 be enacted.

Mr. HAWLEY. That is what I say, for lack of information they state that. When they reported to the Senate they used this language:

> The claims of many of the bands of Indians mentioned in the bill have never been definitely formulated and we are therefore unable to recommend that H. R. 8902 be enacted.

On account of lack of information they are not able to make an affirmative recommendation. This bill provides that a regularly constituted court shall hear the information that the Indians are able to furnish and upon the information decide according to the facts.

Mr. STAFFORD. The gentleman recognizes the difficulty that confronts the Government in such cases where the Indian tribe bases its claim upon a condition that dates back three-quarters of a century or more.

Mr. HAWLEY. The burden will be on the Indians to prove that they have a good claim.

Mr. STAFFORD. Have not the Indians taken certain steps during all these years that have estopped them from making any such claim under the original unratified treaty?

Mr. HAWLEY. I think not. I know of no such circumstance.

Mr. STAFFORD. There have been treaties ratified between the Government and these tribes and the Government has fulfilled its part of the treaties.

Mr. HAWLEY. The gentleman will recognize that the territory in Oregon, west of the Cascades, is about 350 miles north and south and 100 miles east and west, and there was a separate Indian tribe, or band, on all the principal streams and their principal tributaries. Some of the Indian tribes made their treaties, had them ratified, and they are to-day out of the picture. This bill takes care of those who have not had that good fortune.

Mr. STAFFORD. These Indians are still in tribal relationships?

Mr. HAWLEY. They have maintained their tribal relationships; yes.

Mr. STAFFORD. And how many Indians are in the tribe?

Mr. HAWLEY. From the last figures I had there are about 3,000 involved here.

Mr. STAFFORD. If the gentleman will permit, I do not wish him to consider it impertinent, but many of these cases that they unearth are old, ancient, hoary claims, and they are revived largely at the instance of some claim attorney who makes a good living out of trying to develop some unfounded claim against the Government which, because of loss of records, can not be disputed and which probably the Court of Claims will allow because the claim is based on oral testimony.

Mr. HAWLEY. There may be such instances as the gentleman cites, but I happen to know that this particular matter arose among the Indians themselves. I have lived in Oregon for a long while.

Mr. STAFFORD. How far back did this arise, to the gentleman's own knowledge?

Mr. HAWLEY. Ever since I have been in the House; and I know that former Members from the State had this matter up.

Mr. STAFFORD. The gentleman thinks, by reason of his personal acquaintance with the situation, that there is some merit to the proposition contained in this bill?

Mr. HAWLEY. I think there is no doubt about it. My parents settled in Oregon in 1847 and 1848. I know the old settlers in that part of the country where the land is located, and they all have spoken favorably about the Indian claims. They said, "The Government took the Indians away and we have the land." The Government sold a great deal of the land under the old law.

Mr. STAFFORD. I did not have time to examine the treaty of 1853, or the treaties referred to in the report, to determine whether they cover the same subject matter or not. I was inclined to the opinion, because I read the statement of the commissioner, that they might have invited the very policy that attempts to be adjudicated by the Court of Claims.

Mr. HAWLEY. From my own personal knowledge of these people, I believe that those who originated the claims are Indians. They have maintained their tribal relations. When I was in town on the coast a tribe came there and presented their claims. The chief of the tribe acted for the tribe. They have preserved their tribal relations and are rather proud of it.

Mr. STAFFORD. Mr. Chairman, I will not pursue further inquiry, in view of the information the gentleman from Oregon has furnished.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims, arising under or growing out of any treaty, agreement, act of Congress, Executive order, or otherwise, which certain Indian tribes or bands, or portions thereof, and their descendants may have against the United States, namely, the Indians described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981); it being the intention of

this act to include all the Indian tribes or bands residing in the State of Oregon west of the Cascade Range at the dates of the said treaties, respectively, and their descendants, who in 1855 or later, were removed by the military authorities of the United States to the Coast Range, Siletz, and the Grande Ronde Reservation, in the said State, except the Coos Bay, Lower Umpqua, and Siuslaw Tribes.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon any such claim shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead and shall receive credit for all sums, including gratuities of properly chargeable, paid to or expended for the benefit of any of said nations, tribes, or bands of Indians. The claim or claims of each nation, tribe, or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and the laws, treaties, agreements, Executive orders, or wrongful actions of the Government under and upon which recovery is sought, and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. A copy of the petition in such suit shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice designated by him, shall appear and defend the interests of the United States: *Provided*, That any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 10 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be proper.

SEC. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, based upon actual services rendered, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, to be paid to the attorney or attorneys employed by said nations, tribes, or bands of Indians; and if not otherwise paid, the same shall be included in the decree and shall be paid out of any sum or sums found to be due said Indians.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 per cent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes.

With the following committee amendment:

Strike out all of section 1 and insert in lieu thereof the following:

"That jurisdiction is hereby conferred on the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims arising under or growing out of any treaty, agreement, act of Congress, Executive order, or otherwise, with certain Indian tribes or bands, or portions thereof, and their descendants may have against the United States, namely, the Indians described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981); together with those described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8–15), except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands residing in the State of Oregon west of the Cascade Range at the dates of the said treaties, respectively, and their descendants, some of whom in 1855 or later were removed by the military authorities of the United States to the Siletz Coast Range and the Grande Ronde Reservation, in the said States, except the three tribes last named."

The committee amendment was agreed to.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House as amended, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. O'CONNOR having taken the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8902) conferring jurisdiction on the Court of Claims to hear and determine claims of certain bands of Indians residing in the State of Oregon and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the bill S. 826 be substituted for the bill under consideration.

The SPEAKER pro tempore. The gentleman from Nebraska asks unanimous consent to substitute Senate 826 for the House bill. Is there objection?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims, with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims arising under or growing out of any treaty, agreement, act of Congress, Executive order, or otherwise, which certain Indian tribes or bands, or portions thereof, and their descendants, may have against the United States, namely, the Indians described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981); together with those described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8 to 15), except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands residing in the State of Oregon west of the Cascade Range at the dates of the said treaties, respectively, and their descendants, some of whom, in 1855 or later, were removed by the military authorities of the United States to the Siletz Coast Range and the Grande Ronde Reservation, in the said States, except the three tribes last named.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon any such claim shall not operate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead and shall receive credit for all sums, including gratuities if properly chargeable, paid to or expended for the benefit of any of said nations, tribes, or bands of Indians. The claim or claims of each nation, tribe, or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and the laws, treaties, agreements, Executive orders, or wrongful actions of the Government under and upon which recovery is sought, and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. A copy of the petition in such suit shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice designated by him, shall appear and defend the interests of the United States: *Provided*, That any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 10 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be proper.

SEC. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, based upon actual services rendered, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, to be paid to the attorney or attorneys employed by said nations,

tribes, or bands of Indians; and if not otherwise paid, the same shall be included in the decree and shall be paid out of any sum or sums found to be due said Indians.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 per cent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The similar House bill was laid on the table.

A motion to reconsider the vote by which the bill was passed was laid on the table.

WICHITA BAND OF INDIANS, OKLAHOMA

Mr. HOWARD. Mr. Speaker, I call up the bill (S. 1719) amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924.

Mr. STAFFORD. Mr. Speaker, I reserve the point of order on this bill, at least temporarily. Would it be agreeable to place some limit upon the total amount that might be claimed for attorneys' fees?

Mr. HOWARD. The rule of our committee has been to make a limitation of 10 per cent.

Mr. STAFFORD. As I read the report, a good many million dollars are involved. Would the gentleman have any objection to raising the present limit of $25,000 to not exceeding $100,000?

Mr. HOWARD. In my capacity as chairman of the committee, I am not prepared to say.

Mr. STAFFORD. I shall not interpose the point of order that this does not comply with the Ramseyer rule, Mr. Speaker, but will permit the matter to go ahead.

The SPEAKER pro tempore. The gentleman from Nebraska calls up the bill S. 1719. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union to consider the bill, and the gentleman from Tennessee [Mr. COOPER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1719, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this is a jurisdictional bill, introduced, it is said, to make the law conform to the principles and policies of Congress and the department in similar cases by removing the limitation on the contingent fee to be paid to attorneys and substituting therefor jurisdiction in the Court of Claims to fix a reasonable fee after services shall have been rendered. The bill has been amended to meet the approval of the Secretary of the Interior, who recommends its passage.

Mr. STAFFORD. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. Is any member of the Committee on Indian Affairs opposed to the bill?

Mr. HOWARD. Not that I know of.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one hour.

Mr. STAFFORD. Mr. Chairman, merely to call attention of the committee to the fact that here we have an amendment to the original authorization permitting these bands of Indians to present their claims to the Court of Claims under the law that was passed nearly 10 years ago, and under which nothing has been done as yet except to file a petition, under the excuse that the $25,000 attorney fee as provided in the original act is not sufficient to enable them to pay for the necessary expenses of employing counsel. As I said a moment ago, when we had under consideration the bill conferring jurisdiction upon the Court of Claims to adjudicate the claim of the tribes in Oregon based on an unratified treaty of 1853, it is my impression that many of these bills are for the aggrandizement of attorneys more than for the benefit of the tribes of Indians. Of course, bands of Indians will be willing to submit to the importunities of claim agents who wish to revive old claims against the Government and take their chance, but I respectfully contend that $25,000 was quite a pretty good provisional fee for these attorneys, unless, of course, they may happen to have their domicile in the oil regions of Oklahoma, where perhaps the $25,000 fee is regarded as a measly one, but out my way in the practice of law $25,000 is regarded as quite a large fee.

I assume that the gentleman from Nebraska has no personal acquaintance with attorneys who think that $25,000 is too insignificant a sum to prompt them to start a lawsuit in the Court of Claims?

Mr. HOWARD. They are not on my list. [Laughter.]

Mr. STAFFORD. They are too big, I suppose; too aggrandized.

Mr. HOWARD. The gentleman's assumption is correct.

Mr. STAFFORD. No one would ever think of imputing to the distinguished gentleman from Nebraska that he is even on speaking acquaintance with attorneys who would regard a $25,000 fee as worthy of rejection.

Mr. HOWARD. The gentleman from Nebraska ceased the practice of law 30 years ago and has not accepted a fee since; but if he should accept one now, with his larger experience, he probably would want it to be somewhat in excess of that.

Mr. STAFFORD. I am glad that the gentleman, after his experience in the House, has profited by his experience; and while I think he is worthy of such a fee, I hope he will not be placed in the position where he will have to accept it, but will continue in the House as long as he wishes.

Mr. HOWARD. I will give the gentleman every assurance that I shall make no such request.

Mr. STAFFORD. The report shows that there may be $10,000,000 involved. Ten per cent would be a fee of $1,000,000. I rather consider that these attorneys could well have started the case on the $25,000 fee that the bill provides and made a better showing after all these years.

Mr. HASTINGS. Will the gentleman from Wisconsin yield?

Mr. STAFFORD. Surely.

Mr. HASTINGS. I have not made any personal or detailed examination of this bill, but I am familiar with a good many suits that are brought for Indians in the Court of Claims. I am not referring to this particular case, but let me say to you that some of the suits which the Cherokee Tribe have had have involved years of detailed investigation of old records running back for a hundred years; they may have involved a large expenditure of money; they may have employed a large number of clerks; and frequently one of these cases involves the expenditure of a great deal of money in preparation.

I do not know whether the amount that the gentleman from Wisconsin indicates is adequate or not—I am not sufficiently familiar with the details—but I do know that, as a general rule, the safest thing to do is to limit the fee to 10 per cent; limit it to a contract approved by the Secretary of the Interior; and then limit it to the approval of the court that tries the case.

It seems to me those three limitations provide a sufficient safeguard; and I hesitate to blindly put a limit in any one of these bills when it may result in no suit being instituted.

Mr. STAFFORD. The suit has been instituted. The petition was filed on October 21, 1925, nearly seven years ago, and the suit is in that same situation now.

Mr. HASTINGS. And I expect that the gentleman will find that the reason is that probably the fee is entirely inadequate.

Mr. STAFFORD. I think that attorneys of good standing could be found who would make a better showing and try to get results for their clients instead of letting the case lie dormant for seven years. Since the petition was prepared and filed they have done nothing, so far as the report shows.

Mr. HASTINGS. I have not looked up the record, but I will venture the opinion that the gentleman from Wisconsin—or somebody like-minded—when the bill providing for inadequate fees was under consideration years ago, forced an amendment in regard to the fees and compelled the Member in charge of the bill to accept the amendment to the bill.

Mr. STAFFORD. There is nothing like that in the record to bear out the unwarranted assumption on the part of the gentleman from Oklahoma. I decline to yield further for that kind of a contribution.

Mr. HASTINGS. Then I will get a little time in my own right.

Mr. STAFFORD. I was going to ask the gentleman, as in private colloquy with him, what his reaction was to my suggestion. I do not know that I am going to press it, but I do say that these attorneys should have made a better showing after all these years than just merely to have filed the petition and allow the matter to lie dormant.

Mr. HASTINGS. I trust the gentleman does not feel that way, because I was going to pay him a compliment that would smooth away his ruffled feelings. I do not say that it was the gentleman from Wisconsin, but some Member of the House a number of years ago forced similar limitations upon attorneys' fees.

I ask the gentleman from Wisconsin if the gentleman does not think that those three safeguards are sufficient, namely, a limitation to not more than 10 per cent. That is, in case of a contingent fee. Do you think that in Wisconsin, Oklahoma, Oregon, Maine, New York, or any other State in this Union, attorneys will pay their own expenses, hunt up testimony, pay court costs, and other expenses on a contingent fee of less than 10 per cent?

Mr. STAFFORD. There are attorneys in Wisconsin who would take a good case on a much less contingent fee.

Mr. HASTINGS. Does the gentleman think they would when they take all these expenses into consideration?

Mr. STAFFORD. They would certainly take it on the prospect of getting a $25,000 fee and do a great deal more than merely file a petition for the relief of these Indians. The attorneys in this case have spent eight years doing nothing. They have no ground whatsoever for their claims.

I yield back the balance of my time.

The CHAIRMAN. If there is no further debate, the Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924 (43 Stat. 366), be, and the same hereby is, amended to read as follows:

"SEC. 3. That upon the final determination such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, together with all necessary and proper expenses incurred in the preparation and prosecution of said suit or suits, to be paid to the attorneys employed by said Wichita and affiliated bands of Indians, and the same shall be included in the decree and paid out of any sum or sums found to be due said Indians: *Provided*, That the balance of such judgment shall be placed in the United States Treasury to the credit of the Indians entitled thereto, where it shall draw interest at the rate of 4 per cent per annum, and shall be thereafter subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, and no part of said judgment shall be paid out in per capita payments to said Indians unless authorized by Congress."

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having assumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 1719) amending the act of Congress entitled "An act authorizing the Wichita and affiliated bands of Indians in Oklahoma to submit claims to the Court of Claims," approved June 4, 1924, and had directed him to report the same back to the House with the recommendation that the bill do pass.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

RECONSTRUCTION AND IMPROVEMENT OF A ROAD ON THE SHOSHONE INDIAN RESERVATION, WYO.

Mr. HOWARD. Mr. Speaker, I call up the bill (S. 3569) to amend the act of May 27, 1930, authorizing an appropriation for the reconstruction and improvement of a road on the Shoshone Indian Reservation, Wyo.

The SPEAKER pro tempore. The gentleman from Nebraska calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3569, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this bill has passed the Senate, and it passed our House Committee on Indian Affairs, after having been favorably reported by the department. We are specifically informed that it is not in conflict with the President's financial program. I am not thoroughly posted with reference to this legislation, and I would prefer that my colleague from Montana [Mr. LEAVITT], if he so desires, make a presentation of this bill.

Mr. LEAVITT. Mr. Chairman, the gentleman from Wyoming [Mr. CARTER] is directly interested in this bill, and I would be very glad to yield to him.

Mr. COLLINS. Mr. Chairman, I wish to ask a question about this bill. It is a bill making an appropriation of $150,000 and has been reported by the Indian Affairs Committee. It seems that all the gentleman should wish is an authorization to appropriate.

Mr. CARTER of Wyoming. We are willing to strike out that portion of this bill and offer an amendment that would take care of the gentleman's suggestion.

Mr. COLLINS. And make it merely an authorization.

Mr. CARTER of Wyoming. To say nothing about the $150,000 at all.

Mr. COLLINS. It would still be an appropriation.

Mr. CARTER of Wyoming. We are not going to mention the $150,000. If the money is not available now, we do not get the $150,000.

Mr. COLLINS. It is nevertheless an appropriation, whether you mention it or not.

Mr. CARTER of Wyoming. We want to amend the bill and not mention anything about an appropriation at all.

Mr. COLLINS. That does not mean anything. I think we ought to proceed in an orderly way. There is no way that the Budget or the President would know the amount of appropriations if all committees make appropriations. This is a direct appropriation. I do not think this House is will-

ing to begin the practice of having all committees make appropriations.

Mr. CARTER of Wyoming. I might say to the gentleman that I think he is misinformed about this matter. This money was appropriated last year. Since this bill was in the Senate the department has contracted for the building of this road.

Mr. COLLINS. I am not misinformed, because the bill says:

That the unexpended balance of the appropriation of $150,000 contained in the first deficiency act, fiscal year 1931, for one-half of the cost for reconstruction and improvement of the road running from Milford across the Wind River or Shoshone Indian Reservation, through Fort Washakie to the diversion dam in Wyoming is hereby continued available until June 30, 1933.

That is a direct appropriation made by this committee; and as long as the rules of the House are as they are, this committee can not make appropriations.

Mr. CARTER of Wyoming. I would like to state to the gentleman from Mississippi that we want to offer an amendment to the original bill.

Mr. COLLINS. But the amendment you are proposing to offer is to strike out the $150,000.

Mr. CARTER of Wyoming. That is the appropriation.

Mr. COLLINS. That would make the language read:

That the unexpended balance of the appropriation contained in the first deficiency act—

Be reappropriated or continued available, which is the same as if you left the language in the bill as it is now.

Mr. CARTER of Wyoming. No. We are proposing to strike that out. We are not asking for an appropriation at all or to have the money reappropriated.

Mr. COLLINS. What is the gentleman's amendment?

Mr. CARTER of Wyoming. The amendment is this:

SEC. 2. In connection with the construction of such road, payment may be made for rights of way across Indian lands and also of the total irrigation construction costs and accrued operation and maintenance charges on affected lands.

I might say that the money that was appropriated last year has already been contracted for.

Mr. COLLINS. What is the first paragraph of the amended bill? Read it.

Mr. CARTER of Wyoming. I want to strike out all after the enacting clause and insert section 2, which I have read, and also section 3, which reads as follows:

SEC. 3. Any funds provided by the State of Wyoming shall not be subject to the requirement in section 1 hereof for the employment of Indian labor.

I might explain that the last session of Congress appropriated an amount not to exceed $150,000, which was to be used to pay not more than one-half of the cost of the construction of a road across this Indian reservation. This road is approximately 30 miles long. Every foot of it is on an Indian reservation. Before this $150,000 became available, the State of Wyoming had to agree to contribute at least an equal amount and forever maintain the road. Then citizens felt that the State of Wyoming was paying too much and they brought a lawsuit. That is why the money was not used last year. Since this bill passed the Senate, the department has entered into a contract, and all we ask is that part of the money that has already been appropriated may be used for the purchase of rights of way over Indian land and that the money which the State of Wyoming contributes shall not be required to be used for the hiring of Indian labor. We have no objection to the Government hiring Indian labor but the State of Wyoming does not want to be bound to hire Indian labor. We are not asking for a cent of appropriation at all.

Mr. HALL of Mississippi. If the gentleman will permit, the gentleman from Mississippi has interpreted this bill erroneously. This is not an appropriation bill. An appropriation has heretofore been made.

Mr. CARTER of Wyoming. And contracted for.

Mr. HALL of Mississippi. It is true this extends the operation of the project.

Mr. COLLINS. I am not mistaken about anything I have said. I have read the provisions of the bill to the House, and it reappropriates $150,000, and that is making an appropriation.

Mr. CARTER of Wyoming. May I ask the gentleman if there is anything in the amendment which I shall offer appropriating any money?

Mr. COLLINS. In the third paragraph you state that any funds provided by the State of Wyoming shall not be subject to the requirements of section 1 hereof with respect to the employment of Indian labor, and you have no section 1 in the bill.

Mr. CARTER of Wyoming. The amendment I shall offer is—

Be it enacted, etc., That the act entitled "An act authorizing reconstruction and improvement of a public road in Wind River Indian Reservation, Wyo.," approved May 27, 1930 (46 Stat. 430), is hereby amended by adding the following sections:

This is the act of last year and we are adding sections 2 and 3 to that act. We are not appropriating a cent of money.

Mr. LEAVITT. Will the gentleman from Mississippi yield to me?

Mr. COLLINS. I yield.

Mr. LEAVITT. The gentleman will recall that when this bill was up on the Consent Calendar the gentleman raised this question of the jurisdiction of the committee. At the gentleman's suggestion I brought the matter up before the committee at a subsequent meeting. The bill was proposed to be amended to meet the objections made by the gentleman from Mississippi, so that it would not be an appropriating bill but would merely add these two sections to carry out what, as I understand, the gentleman from Wyoming is most interested in.

Mr. COLLINS. When does this appropriation of $150,000 lapse?

Mr. LEAVITT. With this fiscal year.

Mr. COLLINS. At the end of this fiscal year?

Mr. CARTER of Wyoming. At the end of the fiscal year; yes.

Mr. COLLINS. If the amendment the gentleman is proposing is enacted into law, when will the appropriation lapse?

Mr. CARTER of Wyoming. At the same time. It does not change that at all.

Mr. COLLINS. It will lapse on July 1 next.

Mr. CARTER of Wyoming. On July 1 next, because there is no appropriation in the bill.

Mr. LEAVITT. It does not change that feature at all.

Mr. COLLINS. And under the amendment the appropriation would still lapse July 1.

Mr. CARTER of Wyoming. Absolutely.

Mr. LEAVITT. The appropriating part is not changed at all.

Mr. CARTER of Wyoming. The only thing the bill does is to allow them to pay so much for rights of way over Indian lands.

The Clerk read the bill for amendment, as follows:

Be it enacted, etc., That the unexpended balance of the appropriation of $150,000 contained in the first deficiency act, fiscal year 1931, for one-half of the cost for reconstruction and improvement of the road running from Milford across the Wind River or Shoshone Indian Reservation, through Fort Washakie to the diversion dam in Wyoming, is hereby continued available until June 30, 1933: *Provided*, That not to exceed $5,000 of the said appropriation is hereby made available for payment for rights of way across Indian lands and payment of the total irrigation construction costs and accrued operation and maintenance charges on affected lands: *Provided further*, That the provision in the act of May 27, 1930 (46 Stat. 430), requiring employment of Indian labor except for engineering and supervision shall not apply to the funds provided by the State of Wyoming.

Mr. CARTER of Wyoming. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CARTER of Wyoming: Strike out all after the enacting clause and insert:

"That the act entitled 'An act authorizing reconstruction and improvement of a public road in Wind River Indian Reservation, Wyo.,' approved May 27, 1930 (46 Stat., 430), is hereby amended by adding the following sections:

"SEC. 2. In connection with the construction of such road, payment may be made for rights of way across Indian lands and also of the total irrigation construction costs and accrued operation and maintenance charges on affected lands.

"SEC. 3. Any funds provided by the State of Wyoming shall not be subject to the requirement in section 1 hereof for the employment of Indian labor."

The amendment was agreed to.

Mr. CARTWRIGHT. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore, Mr. BANKHEAD, having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 3569, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DISPOSITION OF FEES COLLECTED IN THE SALE OR LEASE OF INDIAN LANDS

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 10086) to amend the act of February 14, 1920, authorizing and directing the collection of fees for work done for the benefit of Indians.

The SPEAKER pro tempore (Mr. BANKHEAD). This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this bill has been favorably recommended by the department, by the commissioner, and approved by the Secretary. It provides that whereas in February, 1920, Congress enacted a law requiring the repayment of expenses incurred by the United States in connection with the selling and leasing of Indian lands—when the expenses are paid from public funds, the intent of the act is accomplished by covering the fees into "miscellaneous receipts." But when expenses are paid from Indian tribal funds, the deposit of the fees to the credit of miscellaneous receipts appears to be wrong and not the purpose of the act. However, they must be deposited under the language of the existing law.

This bill will make the collection of fees optional in the discretion of the Secretary of the Interior and require fees collected hereafter paid from tribal funds to be credited to such tribal funds.

The bill also would permit the collection of fees to reimburse the United States for expenditures from annual appropriations for expense of the Geological Survey in connection with administration of laws relating to mining on Indian lands as contemplated by the act of May 10, 1926.

A bill similar in purpose to this one was passed by the House of Representatives in April of 1930 but was not acted upon by the Senate. If any gentleman desires any further explanation, I will ask that it be made by the gentleman from Utah, our colleague, Mr. LOOFBOURROW.

The CHAIRMAN. If there is no further debate, the Clerk will read the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the item contained in the act approved February 14, 1920 (41 Stat. L. 415; U. S. C., title 25, sec. 413), authorizing and directing the collection of fees to cover the cost of certain specified work performed for the benefit of Indians, be, and the same is hereby, amended so as to read as follows:

"That the Secretary of the Interior is hereby authorized, in his discretion, and under such rules and regulations as he may prescribe, to collect reasonable fees to cover the cost of any and all work performed for Indian tribes or for individual Indians, to be paid by vendees, lessees, or assignees, or deducted from the proceeds of sales, leases, or other sources of revenue: *Provided*, That the amounts so collected shall be covered into the Treasury as miscellaneous receipts, except when the expenses of the work are paid from Indian tribal funds, in which event they shall be credited to such funds."

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having resumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10086 and had directed him to report the same back with the recommendation that it do pass.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

AMENDING ACT EMPLOYING FARMERS IN INDIAN SERVICE

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 10161) amending the act of May 25, 1918, with reference to employing farmers in the Indian Service, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Chairman, this bill seeks to correct something which the department regards as very bad practice. It seeks to do away with the old form of having to certify to the department everyone who applies for a farming position as one who is qualified and must furnish a certificate from the dean or the president of a State college in the State where these services are to be rendered, and compelling the applicant to follow the rules of the Civil Service Commission for farm agents. The applicant must have five years of practical farm experience in western United States and a year's experience in teaching farming or two years' experience as a local club leader in boys' and girls' club work. The committee believes the old form of application to be obsolete and recommends the enactment of the bill, as also does the Commissioner of Indian Affairs and the Secretary of the Interior.

The CHAIRMAN. There being no further general debate, the Clerk will read the bill for amendment:

The Clerk read the bill, as follows:

Be it enacted, etc., That the provisions in the act of May 25, 1918 (40 Stat. L. 565), which requires "that hereafter no money shall be expended for the employment of any farmer or expert farmer at a salary of or in excess of $50 per month, unless he shall first have procured and filed with the Commissioner of Indian Affairs a certificate of competency showing that he is a farmer of actual experience and qualified to instruct others in the art of practical agriculture, such certificate to be certified and issued to him by the president or dean of the State agricultural college of the State in which his services are to be rendered, or by the president or dean of the State agricultural college of an adjoining State," be, and the same is hereby, repealed.

Mr. HOWARD. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. BANKHEAD having resumed the chair as Speaker pro tempore, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10161 and had directed him to report the same back with the recommendation that it do pass.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 209. An act granting an increase of pension to Mary Willoughby Osterhaus; to the Committee on Pensions.

S. 215. An act authorizing adjustment of the claim of Schutte & Koerting Co.; to the Committee on Claims.

S. 220. An act authorizing adjustment of the claim of the Van Camp Sea Food Co. (Inc.); to the Committee on Claims.

S. 222. An act authorizing adjustment of the claim of B. F. Hart; to the Committee on Claims.

S. 439. An act for the relief of A. C. Messler Co.; to the Committee on War Claims.

S. 824. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands, nations, or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

S. 848. An act for the relief of Albert A. Marquardt; to the Committee on Military Affairs.

S. 902. An act for the relief of Willie B. Cleverly; to the Committee on Claims.

S. 941. An act relating to the review of cases tried in the district courts of the United States without a jury; to the Committee on the Judiciary.

S. 1009. An act for the relief of George Edwin Godwin; to the Committee on Naval Affairs.

S. 1044. An act authorizing the issuance to Cassie E. Howard of a patent for certain lands; to the Committee on the Public Lands.

S. 1153. An act to provide for the incorporation of credit unions within the District of Columbia; to the Committee on the District of Columbia.

S. 1421. An act for the relief of Little Rock College, Little Rock, Ark.; to the Committee on Claims.

S. 1624. An act providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928; to the Committee on the Public Lands.

S. 1752. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State; to the Committee on Military Affairs.

S. 1858. An act for the relief of Harriette Olsen; to the Committee on Claims.

S. 2060. An act for the relief of Otto Schluter; to the Committee on Naval Affairs.

S. 2246. An act for the relief of Lawrence Dowling; to the Committee on Military Affairs.

S. 2259. An act for the relief of Mathie Belsvig; to the Committee on the Public Lands.

S. 2395. An act authorizing the conveyance of certain land to school district No. 15, Lincoln County, Mont.; to the Committee on the Public Lands.

S. 2671. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; to the Committee on Indian Affairs.

S. 2983. An act for the relief of homesteaders on the Diminished Colville Indian Reservation, Wash.; to the Committee on the Public Lands.

S. 2986. An act to amend the act of March 13, 1924 (43 Stat. L. 21), so as to permit the Flathead, Kootenai, and Upper Pend d'Oreille Tribes or Nations of Indians to file suit thereunder; to the Committee on Indian Affairs.

S. 3014. An act to provide for the commemoration of the landing of Ponce de Leon in the State of Florida; to the Committee on Military Affairs.

S. 3344. An act for the relief of Maggie Kirkland; to the Committee on Claims.

S. 3440. An act for the relief of Nick Wagner; to the Committee on Claims.

S. 3504. An act for the relief of Lyman L. Miller; to the Committee on Claims.

S. 3592. An act confirming the claim of Francis R. Sanchez, and for other purposes; to the Committee on the Public Lands.

S. 3765. An act to authorize the Secretary of War to lend War Department equipment for use at the Fourteenth National Convention of the American Legion, at Portland, Oreg., during the month of September, 1932; to the Committee on Military Affairs.

S. 3784. An act to add certain lands to the Idaho National Forest, Idaho; to the Committee on the Public Lands.

S. 3886. An act to authorize the purchase of tobacco from funds heretofore or hereafter appropriated for the Veterans' Administration; to the Committee on World War Veterans' Legislation.

S. 4008. An act to amend article 5 of the act of Congress approved June 7, 1897, relating to the approval of regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States; to the Committee on Merchant Marine, Radio, and Fisheries.

S. 4166. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes; to the Committee on Claims.

S. 4195. An act to authorize the city of Fernandina, Fla., under certain conditions, to dispose of a portion of the Amelia Island Lighthouse Reservation; to the Committee on Interstate and Foreign Commerce.

S. 4252. An act to authorize telephone service in Government-controlled buildings on Public Health Service stations; to the Committee on Interstate and Foreign Commerce.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 132. An act to authorize the Secretary of War to erect one marker for the graves of 15 Confederate soldiers killed in action and buried in the La Fayette Cemetery at La Fayette, Ga., in lieu of separate markers as now authorized by law;

H. R. 493. An act to amend the act of March 2, 1897, authorizing the construction and maintenance of a bridge across the St. Lawrence River;

H. R. 2285. An act for the relief of Dock Leach;

H. R. 3559. An act for the relief of Elizabeth Moncravie;

H. R. 4390. An act for the relief of Melissa Isabel Fairchild:





H. R. 4514. An act extending the limits of time within which Parramore Post, No. 57, American Legion, may construct its memorial building, and correcting street location;

H. R. 8379. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.;

H. R. 8394. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near St. Charles, Mo.;

H. R. 8396. An act to extend the times for commencing and completing the construction of a bridge across the Rock River at or near Prophetstown, Ill.;

H. R. 8506. An act to extend the times for commencing and completing the construction of a bridge across the Mahoning River at New Castle, Lawrence County, Pa.;

H. R. 8696. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.;

H. R. 9264. An act to extend the times for commencing and completing the construction of a free highway bridge across the St. Francis River at or near Madison, Ark., on State Highway No. 70;

H. R. 9266. An act to extend the times for commencing and completing the construction of a bridge across the St. Francis River at or near Lake City, Ark.;

H. R. 9451. An act to provide a preliminary examination of the Flint River, Ala. and Tenn., with a view to the control of its floods;

H. R. 9452. An act to provide a preliminary examination of Flint Creek and its branches in Morgan County, Ala., with a view to the control of its floods;

H. R. 10365. An act granting the consent of Congress to the counties of Fayette and Washington, Pa., either jointly or severally, to construct, maintain, and operate a toll bridge across the Monongahela River at or near Fayette City, Pa.;

H. R. 10775. An act to extend the times for commencing and completing the construction of a bridge across the Hudson River at or near Catskill, Greene County, N. Y.; and

H. R. 9453. An act to provide a preliminary examination of Cataco Creek and its branches in Morgan County, Ala., with a view to the control of its floods.

FIVE CIVILIZED TRIBES IN OKLAHOMA

Mr. HOWARD. Mr. Speaker, I call up the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma.

The SPEAKER pro tempore. The gentleman from Nebraska calls up the bill H. R. 8750. This bill is on the Union Calendar. The House will automatically resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, and the gentleman from Tennessee [Mr. COOPER] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8750, with Mr. COOPER of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

Mr. McKEOWN. Mr. Chairman, I reserve the right to object. I am opposed to this bill and I would like to know if the gentleman will yield me some time?

Mr. CARTWRIGHT. Mr. Chairman, as a member of the committee, I am opposed to the bill. I am going to demand time, and I shall give the gentleman what time he needs.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska to dispense with the first reading of the bill?

There was no objection.

Mr. HOWARD. Mr. Chairman, I think that I shall be performing the best service to my committee if I ask some member of my committee who understands this legislation to take charge of the time rather than myself. A member of my committee is opposed to the legislation. Mr. Chairman, I yield one hour of the time I am entitled to to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, this is a very important bill to Oklahoma. It is important to the Indians of my State, and I invite your attention for the next few minutes. When the lands were allotted to members of the five tribes in Oklahoma there were about 101,798 allottees. There were five tribes. Under subsequent legislation restrictions have been removed by law, death, and the Secretary of the Interior on a great many of these Indians, but some 10,000 or 12,000 of the original allottees are now living and under Government restrictions; in other words, under the supervision of the Secretary of the Interior. You ask me what the bill does. If the Members of Congress understood the bill there would not be a vote against it. Oil has been struck underneath some of the lands allotted to the members of these tribes. Some of these full-blood allottees, without business experience, now have to their credit $100,000, $200,000, and, it is estimated, up to $1,000,000. Suppose one of these Indian allottees died after April 26, 1931. Then this money must be turned over to these heirs without supervision. Do you want to do that? Is there a man on the floor of the House who would want to do that?

Mr. STAFFORD. As I understand the gentleman, it will be turned over to these heirs without regard to their qualifications?

Mr. HASTINGS. Exactly. Many of them are non-English speaking. They are without business experience. That is what this bill seeks to correct, and that is what it does.

What does section 1 do? I ask you to remember the background I have outlined to you. The first part of section 1 permits the Secretary of the Interior to continue supervision over these funds and securities that come to restricted Indians, whether he is enrolled or unenrolled or is of half or more Indian blood. It continues the same supervision that the Secretary of the Interior has always had; no more and no less.

Is there one Member of this House who is willing to turn over $100,000, $200,000, or $500,000 to these Indians, these non-English-speaking Indians, without any supervision at all? I do not believe so. That is what the first part of section 1 provides. Money and other securities must be turned over to these restricted Indians without supervision if this bill is not enacted. This provision for a continued supervision of the Secretary of the Interior over that class of Indians provides the same supervision as the Secretary has had heretofore.

There is a proviso in section 1 to the effect that where there is both restricted and tax-exempt land which comes to a restricted Indian, either by inheritance or purchase, that the tax-exemption feature and the restrictive feature continue with the land during the restrictive period. There is a proviso that the land shall not exceed 160 acres, but that is in the act of May 10, 1928.

Another proviso in section 1 is that the tax-exempt feature shall not extend to oil, gas, or other mineral rights because that also is a provision of the act of May 10, 1928. It is made applicable to all alike.

What does section 2 do? Since the act of May 27, 1908, we have had what are known as probate attorneys. Forty thousand dollars is carried in the appropriation bill for the purpose of employing probate attorneys to look after the affairs of the restricted Indians, and particularly to look after the approval of conveyances of their interests in inherited lands. Section 2 gives these probate attorneys the right to go into court. As a matter of fact, they must have notice. They go into court as a matter of right; and it requires the court to approve the conveyance in open court. It also provides the right of appeal to the district court where it is thought that the Indian has been overreached.

What is wrong about it? The provision in the Interior Department appropriation bill for probate attorneys was reduced to $35,000. Why provide for them if they can not go into court as a matter of right and if they are not entitled to notice?

Mr. TILSON. Will the gentleman yield for a question?

Mr. HASTINGS. Certainly.

Mr. TILSON. How does it happen that all these funds and other property are not restricted now if the Indians themselves are restricted?

Mr. HASTINGS. Let me explain to the gentleman from Connecticut. It is familiar to the people who live in Oklahoma.

Mr. TILSON. It is somewhat different for those of us who live far away from the gentleman's State.

Mr. HASTINGS. These lands were originally allotted under agreements made in about 1897. Under amended legislation the restrictive period was extended. In 1906 it was again extended. In 1928 Congress extended it to 1956.

The Department of the Interior and the Bureau of Indian Affairs are most anxious about this legislation. They are afraid that the present law will not extend to or protect the unenrolled Indians. It reaches, if the gentleman from Connecticut please, those restricted unenrolled Indians, allottees who may have been born since the rolls were closed. In the meantime there have grown up the children of these full-blood restricted Indians. They are born out of the tribe; they are not on the rolls, but many are full bloods notwithstanding, and they have just the same slight business experience as those who are on the rolls.

The Creek and the Seminole Tribes speak the same language; they intermarry. Some of these heirs are enrolled as Creeks, and they are only enrolled as half bloods when they are, in fact, full bloods. Sometimes they are enrolled as Seminoles, and there again they are only enrolled as half bloods. Some of these Indians are inexperienced. In the Creek Nation and in the Seminole country they have rich oil pools; they do not have much oil among the Cherokees; they do not have much oil land in the Choctaw and Chickasaw Tribes, but these two tribes, the Creeks and the Seminoles, they have large pools and rich estates; and it has been reported to me that some of these estates run as high as a million dollars.

I ask this House if it is willing to have that amount of money turned over, without any supervision, to these inexperienced heirs? I do not believe the House is, and that is the purpose of this legislation.

Mr. TILSON. If it were done, they would probably not have it very long.

Mr. HASTINGS. Some of them would not have it 48 hours.

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. STAFFORD. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. STAFFORD. I direct the gentleman's attention to the proviso at the end of the bill, which has been stricken out by the committee amendment. It seemed to me that was rather protective of the interests of the Indians.

Mr. HASTINGS. I can explain that to the gentleman I think. Some of these lands are of very, very little value. A lot of them are over in the hill country. They were allotted in fractional parts, sometimes 10 acres here and yonder, or 40 acres. That land is not of much value now because it has been stripped of its timber. All of its merchantable timber has been cut off.

Near one of those small tracts of land a man may own some property, and he could utilize 10, 20, or 30 acres for pasture, and would buy it, but if he has to wait and go to some court in order to have the heirs determined, an administrator appointed, and employ an attorney, it would cost him, maybe, far in excess of what the small tract of land is worth. So we think it is safe to eliminate that and let the heirship be determined in connection with the proof of the sale of the land.

I am thoroughly familiar with it, and I say to you I think that it is absolutely safe. If you put this proviso in the bill I think it would result in your being unable to dispose of a great many small tracts of land of little value over in the hill country.

Mr. STAFFORD. Do the heirs of restricted Indians have any right to dispose of the lands of their intestates?

Mr. HASTINGS. Oh, yes. They can go before the county court. If this second section is enacted, before a conveyance can be approved, notice will be given to the probate attorney for the area in which the Indian lives. It must be approved in open court. The probate attorney represents the Indian as a matter of right, and then there is the right of appeal to the district court.

Mr. STAFFORD. I gained the impression that the gentleman wished to protect the heirs of restricted Indians and not permit them to deed their property.

Mr. HASTINGS. This protects him. This proviso would mean a double determination of heirship.

Mr. STAFFORD. I understand the department recommended this provision in order to safeguard the interests of the Indian heirs.

Mr. HASTINGS. I think I am as familiar with that proviso as one can be, and the committee before whom we appeared and explained it understood it and eliminated it, thinking it was not necessary for the proper protection of these heirs.

Mr. PEAVEY. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. PEAVEY. I will say for the information of the gentleman from Wisconsin that I was the chairman of the subcommittee which considered this bill. The last proviso met with the approval of all of the subcommittee, I think, but we did not include it in the bill because of the determined opposition in the House and outside. We felt it was not a particularly important piece of legislation whereas the rest of the bill we thought was vitally important.

Mr. STAFFORD. It was my impression it was in harmony with the general purposes of the other provisions of the bill.

Mr. PEAVEY. We thought so too; but, as I say, it was bitterly opposed, and in order to secure the enactment of the other important parts of the bill, we eliminated it.

Mr. STAFFORD. Will the gentleman tell the committee who opposed it?

Mr. HASTINGS. You may say that I am one who opposed that proviso. I know the local situation if anybody does, and I say to you now that if that proviso were carried in the bill it would defeat its purpose.

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. TILSON. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. TILSON. I would like to call the attention of the gentleman from Oklahoma to the last paragraph of the letter of the Secretary of the Interior, in which he states:

> The last provision of section 2 of the inclosed draft, which is the only matter included that was not contained in S. 6169 as passed by the House during the last session of Congress, we deemed a wise one and worthy of enactment. Experience has shown that hasty sales are frequently consummated by Indian heirs of varying degrees of competency immediately following the death of an ancestor, and serious questions are later raised as to the interests of heirs, titles are attacked, and much costly litigation ensues.

It would seem that the Secretary of the Interior, whose interest in these Indians is certainly genuine, is rather opposed to the elimination of this proviso.

Mr. HASTINGS. If the gentleman will allow me to explain, this bill passed the House the night before adjournment last year and this proviso was not in the bill. When

the proviso was placed in the bill I took it up with the Bureau of Indian Affairs and explained to them the details of the provision and showed them that it was detrimental to the Indians to leave it in the bill. I can show to anybody who is familiar with the facts that there is no sale for these cheap lands throughout my State and that the procedure will cost two or three times as much as the land itself is worth.

Mr. STAFFORD. But is it limited to cheap lands? Does it not include oil lands and other valuable lands as well as the cheap lands? Does not the gentleman refute his own argument by seeking to strike this out of the bill?

Mr. HASTINGS. No; I do not refute my own argument, because you have the same determination of the facts.

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I yield the gentleman one more minute.

Mr. HASTINGS. Let me say to the gentlemen who do not understand this provision that it is the same court that approves these conveyances that would determine the heirships. Why go to a court at large expense for the purpose of determining heirship and then later go before the same court for approval of conveyances? I believe I have explained this satisfactorily to the Bureau of Indian Affairs. Of course, the Secretary of the Interior is not familiar with it. I believe it is agreeable that this amendment be made and that the provision be stricken from the bill. If not, I know it will defeat the legislation.

Mr. TILSON. What is the difference in principle?

[Here the gavel fell.]

Mr. LEAVITT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HASTINGS. You gentlemen do not understand that members of the tribe may have allotted land in four or five or six different counties and much of it is fractional allotments, cheap land.

It includes land that is very valuable, but you must not be confused when I tell you that the same court that approves these conveyances, with the probate attorneys appearing before them to protect the interests of the Indians, with the right of appeal, is exactly the same court that would determine the heirship. Why have it determined a second time when the land is of little value or even where it is, perhaps, more valuable, but especially in those cases where there are thousands of small tracts of little or no value and where it would cost more to determine the heirs under such a procedure than the land would be worth.

Mr. TILSON. I have followed the gentleman with great confidence in the first part of this bill where it provides safeguards against these restricted Indians losing their property, but after having dealt with the question of funds and other securities, we come to land and find a different attitude. What is the difference in principle between an Indian alienating his land and alienating other property? It seems to me the same principle should prevail.

Mr. HASTINGS. This applies to heirs, and now the heirs can go before the county court and petition the county court, and the county court approves the conveyance of the land. Section 2 gives additional protection in allowing the probate attorney to go in court after notice, as a matter of right, and protect them. That is exactly what it does.

[Here the gavel fell.]

Mr. CARTWRIGHT. Mr. Chairman, I rise in opposition to the bill. I hesitate to take issue with my honorable and distinguished colleague. I recognize his ability and his knowledge of Indian affairs, but Mr. HASTINGS represents the bureau side of this question and I represent the people's side or the taxpayer's side as well as the Indian's side, and I hope this bill will not pass.

As one of the conditions for statehood we agreed to a 21-year period of restrictions and tax exemptions. That time was to close in 1931, but in 1928 Congress forced upon these Indians and upon the State of Oklahoma another 25-year period of restrictions on all those enrolled of half blood and over.

The bureau, not being satisfied with this, last year conceived the idea of finding some things that were not restricted and so they had a bill introduced to further restrict the inheritance of the heirs, be they unenrolled or enrolled Indians.

The bill was killed in the Senate. So again they come along this year with practically the same bill. The bureau is very anxious and insistent upon this bill, which is retroactive to 1931. I question the idea of making it retroactive.

These Indians have been promised freedom, and ever since 1906 they have tried by every honorable means to be relieved of bureaucratic rule. I claim the Indians are tired of this bureaucratic government, and in this case their money is used to keep up salaried offices in the bureau itself, and, naturally, the bureau would be strongly in favor of the bill.

Another thing, the Indians argue that they have been victims of an attitude on the part of the bureau that dulls the initiative of these people in any attempt to solve their own problems of life. I deny that these Indians are an ignorant class of people.

I hope the bill will not pass, because it violates all agreements between the Indians and the United States Government providing that their affairs be wound up. This bill does everything else but wind up the affairs.

Mr. GLOVER. Will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. GLOVER. How long have these funds been held away from the rightful owners?

Mr. CARTWRIGHT. I do not know.

Mr. GLOVER. More than 25 years?

Mr. CARTWRIGHT. Yes; some of them.

Mr. GLOVER. If they have not been able to take and handle the funds in all that time, when will they be able?

Mr. CARTWRIGHT. Most of them are educated, and where the full bloods are not educated they have educated children.

Mr. PEAVEY. Will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. PEAVEY. The gentleman does not mean to leave the House under the impression that these Seminoles and Creek Indians are not incompetent or inexperienced?

Mr. CARTWRIGHT. I will admit that some of them are. I am pleading for the Choctaw and Chickasaw Tribes in my district, and they do not want more restrictions. I would not have anything to say if the Choctaws and Chickasaws were out of this; then it would be up to the other tribes and their representatives.

Mr. Chairman, I now yield to the gentleman from Oklahoma [Mr. MCKEOWN].

Mr. MCKEOWN. Mr. Chairman, this situation arises from these facts: There were restrictions on the allotment of Indians in the Five Tribes, and as you know, the Five Civilized Tribes are the ones that had their own government and their own officers, and are highly intelligent—able to conduct their own affairs, and were in a better condition 25 years ago than they are to-day.

There is not a man who went to Oklahoma 25 years ago and will look at the situation to-day who will not say that they were in a better condition, enjoying more property, and were in a better condition all around then than they are to-day.

The Indians have been slow to grasp the change in civilization, and have not been able to keep up with modern civilization and its ways.

Let us see what took place. We had restrictions on the land 21 years, nontaxable, inalienable. When those restrictions run out the Government properly came forward, and this Congress properly in 1928 extended the restrictions on these full-blood Indians who were not able to go along as fast as they should to keep up with the civilization, and so Congress extended the restrictions.

Now, these large estates are located in my district, practically every one of them, in the Creek and Seminole Tribes. Now, what I am opposing in this bill is holding restrictions on all the Indians. I am offering an amendment which will permit the department to hold the money, not only of restricted Indians but hold the money of Indians, no matter what his blood is, until he can go into a district court and show that he is a competent Indian to handle this money, and the judge can turn the money over and fix a trust for him.

I propose that in the first amendment. Restrictions on the money in the hands of the department were not extended. Certain Indians have brought suit against the department in Washington to recover this money that they say is owing to those who are not restricted. I have found from 30 years' experience with the Indians that the quantum of blood does not always regulate the intelligence or the competency of an Indian. There are some full-blood Indians in Oklahoma who are as competent as any man in this House, and there are other Indians with quarter blood that are not competent because of their habits of intoxication and extravagance. They are not competent to handle a large amount of money. If you pass this bill as it is now reported by the committee, you will turn loose the money of these Indians who are not restricted. You will turn this money loose, because you only restrict the half and more than half-blood Indians. Some of those are competent, and many are not. If you pass the amendment that I propose, then you will give the department the right to hold the moneys now in its hands and all securities of all Indians will have to be in this department until the Indian can go into the district court of the county where he has resided for the last two years and satisfy the judge that he is competent. I put that clause in about two years because otherwise a grafter might take the Indian out of his county and hunt up a judge in some other county. These judges who are in these Indian counties are friendly to the Indians. They know their nature and they know who are competent and who are not competent.

Mr. GOSS. Why does not the gentleman read for our benefit the amendment that he intends to offer?

Mr. McKEOWN. I shall do that. This is a substitute for section 1 of the bill, and my amendment goes in right after the enacting clause:

That all funds and other securities now held by the Secretary of the Interior belonging to members of the Five Civilized Tribes of Indians shall remain subject to the jurisdiction of said Secretary—

I am putting them all in, the funds of the restricted Indians and the funds of the nonrestricted Indians, which the department says it has no jurisdiction over, but which is there, and I claim that Congress has the right to say it can stay there until other methods shall take their place:

shall remain subject to the jurisdiction of said Secretary: *Provided*, That any trustee of any trust estate created by will—

That is to say, under the law as it is now, any restricted Indian may make a will with the approval of the United States commissioner or of the county judge. That will is valid when the man dies, and that property goes as declared in the will, provided he shall not disinherit his spouse. Further, I provide—

that the trustee of any trust estate created by will and nonrestricted members of the Five Civilized Tribes may apply to any district judge in whose jurisdiction said applicant has resided for two years last past for an order of delivery of his funds or securities, or any trustee for such applicant, upon such terms as the judge shall deem for the best interest of the applicant, or he may deny the application.

Mr. STAFFORD. Do I understand the gentleman to say that a restricted Indian may create a trust?

Mr. McKEOWN. By will.

Mr. STAFFORD. By will, and that upon his death that restricted Indian's trust estate may be distributed as he determines by will, subject to the approval of the United States district judge?

Mr. McKEOWN. Subject to the approval of the United States commissioner.

Mr. STAFFORD. That policy would permit the funds of restricted Indians to be disposed of subject to the visa of the commissioner.

Mr. McKEOWN. That is the law as it is now.

Mr. STAFFORD. That is violative of the principle enunciated by the gentleman from Oklahoma [Mr. HASTINGS].

Mr. McKEOWN. That is the law now. The Indian can make a will provided it is approved by the United States commissioner or county judge. Then my bill goes on just as it is printed here, after these words, and says:

And provided further, That all funds and securities which may hereafter come under the supervision of the Secretary of the Interior belonging to members of the Five Civilized Tribes of one-half or more Indian blood, enrolled—

And so forth. It is the same bill all the way through except another amendment, which reads as follows:

Provided further, That any such funds and securities held by the Secretary of the Interior for the individual Indian shall be liable for the payment of any final valid judgment in tort against any such individual Indian.

Mr. STAFFORD. That is in the body of the bill, giving every protection to the person who has some claim against this unfortunate restricted Indian or his heirs.

Here is a restricted Indian with $500,000 in the Treasury of the United States; they have got his money. He is entitled to vote in Oklahoma; he is entitled to hold office in Oklahoma. Does the gentleman say that that man has a right, because his money is restricted, to get drunk and get in a high-powered automobile and run over me or some other citizen of Oklahoma, and that the injured person can not recover judgment in the courts of Oklahoma against the funds of that Indian? Should not the Indian's money be subject to that judgment?

I know the weakness of the Indian for red liquor.

Mr. McKEOWN. I do, too.

Mr. STAFFORD. The gentleman by his very question confesses to the unenforceability of the prohibition laws in Oklahoma. [Laughter.]

Mr. McKEOWN. I know it; I admit that.

Mr. STAFFORD. The gentleman knows of the Indian who is unfortunate enough not to have been trained to manage his own affairs.

Mr. McKEOWN. Yes.

Mr. STAFFORD. We should throw the protecting arm of the Government over his funds and not throw them open to the mercenary reaches of the white man.

Mr. McKEOWN. That is true; and I agree with the gentleman; but what I say is that no man, I do not care who he is, who has money, conducts himself in a careless and reckless manner and commits a tort, should be permitted to escape liability. I have always been opposed to letting such a man be exempt by the operation of the bankruptcy laws.

Mr. STAFFORD. We can make provision to take care of that situation, but, on the contrary, these Indians must be protected from the mercenary grasping of the white man. We have had evidence in Oklahoma and elsewhere of how the whites have preyed upon the unfortunate Indians.

Mr. McKEOWN. Yes; and I will say to the gentleman that my State has been just as clean, so far as handling Indian matters is concerned, as any of the other Western States.

I am willing to accept the gentleman's amendment if he wants to offer it as an amendment to mine.

You are extending the restriction for 25 years; you are extending a restriction on these Indians who are not restricted. I say that some of them should be restricted because most of them are full bloods. Some of them are half bloods. Their lands should be permitted to descend to them.

I have taken an advanced stand on Indian matters, more advanced even than the stand taken by the committee at any time. I said at the outset that in this country 40 acres of land should have been set aside for each individual

Indian, and it should have stayed in his family as long as there was a member of the family living, so they could always have a home. I say that this policy should have been adopted by all the Western States.

It is not my purpose to do any injustice to the Indian, but it is my purpose to do justice not only to the Indian but to all the people of the State. No one should be permitted to rob or take anything from any Indian.

Under this amendment there is held in the Secretary's hand the money of every Indian, whether he is restricted or not, until he can get an order from the court.

Mr. STAFFORD. Has the gentleman's proposal ever been submitted to the department for consideration?

Mr. McKEOWN. It was submitted to the committee at the hearings, and I thought it was going to be reported out with the bill, and I was surprised that it was not reported.

Mr. PEAVEY. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. PEAVEY. The gentleman will concede that the first practical effect of his amendment, if adopted, would be to transfer these funds that are now kept in trust in the Department of the Interior to Oklahoma, and place them under the jurisdiction of the courts of Oklahoma?

Mr. McKEOWN. Only in the case of the unrestricted Indian. If this committee measure goes through their money will be freed anyhow, and I am seeking to give them a further protection; that is all.

Mr. PEAVEY. The purpose of the gentleman's amendment is to create a trust fund of these funds by transferring them to Oklahoma; is that not true?

Mr. McKEOWN. The purpose is to transfer them there so that the judge may pass on the competency of the particular Indian. If he thinks he is not competent the judge denies his application and the money stays in the department. No lawyer can go out and bring a suit about the matter.

Mr. PEAVEY. Will the gentleman yield for one further question right on that point?

Mr. McKEOWN. Yes.

Mr. PEAVEY. The gentleman is aware, because he has appeared before our subcommittee, that we are now considering Senate bill 1839, which is known as the Indian trust bill, dealing directly with this subject.

Mr. McKEOWN. Yes; I know that.

Mr. PEAVEY. Does not the gentleman feel that that is a better manner of handling the subject than having it handled here as an amendment on a bill reimposing restrictions?

Mr. McKEOWN. That will be the bill that will take care of the restricted funds that you are taking care of here in the other part of your bill. If the department wants to let that go into a trust fund that will do it.

What I say to you is that in 1928 we removed the string from their lands and these funds. In my judgment, we left them unrestricted in the department; and unless you pass my amendment they will be able to get their money; but they should be required to go before a judge in Oklahoma and show their competency. The judge may or may not grant them the right, but without my amendment you will find their property soon taken away from them.

Mr. GOSS. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. GOSS. If this bill is passed, it will help protect the Indians who have these large estates from exploitation by lawyers or other people who might be unscrupulous.

Mr. McKEOWN. That is true.

Mr. GOSS. Without this bill it would be possible for anyone to exploit these Indians who have these large fortunes. Is not that true?

Mr. McKEOWN. That is true. But I want to call attention to this fact: You can take the record and you will find that department has not been free from criticism, and this is true under both political parties. I know one estate where the department in one year gave boys $55,000 in order to keep them in a good humor with the department in a lawsuit over their mother's estate—$55,000. Does not the gentleman think the Indian should now be given a chance to handle his money and do some business himself? My idea of the whole thing is this: You should give some substantial business man an opportunity to be appointed as curator or advisor for the Indians, and he must countersign any check. The Indians should be put into some kind of business. What takes place under the present system? The Government allows an Indian $250 a month or it allows him $500 a month or it allows him as much as $1,500 a month. What takes place? He lies around town and drives his car. He gets his check on the 1st of the month. The bootlegger sometimes gets there before the check does or right after. He is not put at any work.

I know Seminole Indians, fine young men, who are engaged in farming, but under the present system their energy and ambition are being eaten up because of this dole system. You talk about a dole. That is just what this is. He gets his $250 a month or he gets $500, and he just goes along, whereas if he had some trustee appointed for him he could be put into some good business. The judge could say, "Here is Mr. Martin; he is a good man; he can advise this boy; I will turn over his money in trust," and the money would then go for the benefit of that Indian. The trustee could get him a little ranch, get him a little home, and put him at work and keep him at that work. He could countersign his checks. He would be given the chance to use his money and he would be given the chance to have some business experience.

Mr. GOSS. When the gentleman admits this would safeguard the Indians, I should think he would be willing to support the bill.

Mr. McKEOWN. I am going to support the bill if this amendment is put in it, so that it gives a man the right to go down there and protect these other Indians; otherwise I can not do it. I am frank to say I am willing to support it if this amendment is adopted.

Mr. HASTINGS. Will my colleague yield to me?

Mr. McKEOWN. Yes.

Mr. HASTINGS. As I understand it, my colleague agrees with me that it is unsafe to turn over these large sums of money—$50,000, $100,000, $500,000, and $1,000,000—to these inexperienced full-blood Indians.

Mr. McKEOWN. Not only to full-blood Indians, but to any other Indians.

Mr. HASTINGS. The gentleman agrees with me that it is unsafe to turn it over to these Indians. I did not call them ignorant Indians but I referred to them as inexperienced Indians, from a business standpoint. Does not my colleague agree with me that it is unsafe to turn over these large sums of money to these inexperienced Indians?

Mr. McKEOWN. I do, and that is what I say my amendment proposes to do.

Mr. TILSON. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. TILSON. What are poor unfortunate Members of Congress who do not happen to live in Oklahoma to conclude in regard to this bill when we have the gentleman from Oklahoma [Mr. HASTINGS] telling us that the restrictions in the bill, which the Secretary of the Interior also approves, are all good and should be enacted into law, except one in regard to the land; then we have the other gentleman from Oklahoma [Mr. CARTWRIGHT] telling us that all of these restrictions ought to be done away with so as to allow the restricted Indians to spend their money at will; and then another gentleman from Oklahoma, who now has the floor, comes before us and says that he approves of all the restrictions and more being enforced not only in regard to full bloods or more than half bloods but upon all the other Indians, except such as the courts may exempt from these restrictions? In such a dilemma, who are we to follow?

Mr. McKEOWN. My amendment provides that a nonrestricted Indian may go to the court, but not any of the restricted Indians.

Mr. TILSON. But otherwise the gentleman would have their funds held in the Department of the Interior?

Mr. McKEOWN. Yes; because they are just as incompetent to handle their funds as the other class, where they are incompetent.

Mr. HASTINGS. Will my colleague yield further?

Mr. McKEOWN. Yes.

Mr. HASTINGS. My colleague in his conversations with me and in his explanation to the committee will not define a nonrestricted Indian, and that is the difficulty. I am unwilling to leave that to the court. I think we should use language here that is understandable, and the trouble with my colleague's language is that when he uses the expression "nonrestricted" I do not know what he means by it.

Mr. McKEOWN. I may say that "nonrestricted" has a definite meaning.

Mr. HASTINGS. Why does not the gentleman define it in the bill?

Mr. McKEOWN. Well, what does the gentleman say it is?

Mr. HASTINGS. That is what I am asking my colleague. I say I do not know what he means when he used the word "nonrestricted."

Mr. McKEOWN. I certainly know that a nonrestricted Indian is one that has no restriction under the law. That term is well understood by layman and lawyer.

Mr. HASTINGS. I very much fear that if that amendment were adopted and the term "nonrestricted" used, they will carry it to the courts and the courts may hold that all unenrolled Indians are nonrestricted.

Mr. McKEOWN. I can not imagine the courts doing that.

Mr. HASTINGS. That is exactly what I am afraid of about the amendment. Why not define "nonrestricted" as used in the amendment?

Mr. STAFFORD. Does not the gentleman think it would require the aid of a Philadelphia lawyer to interpret that?

Mr. McKEOWN. No; I do not think so.

Mr. MILLARD. Does not the gentleman think that the gentlemen from Oklahoma ought to go into a huddle and then bring this bill back?

Mr. McKEOWN. No; we just can not agree. We have tried it and we simply can not agree.

Mr. CARTWRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman, as stated by my colleague, it is always unpleasant to have to be put in a position different from that taken by our distinguished colleague the gentleman from Oklahoma [Mr. HASTINGS], who, in my judgment, is the best authority on Indian questions in the United States. [Applause.] There are some of the rest of us, however, that know something about Indian affairs, and I am glad to say that I was reared among the Chickasaw Tribe of Indians, and in my judgment—here is another disagreement between my distinguished colleague and myself—the Chickasaws and Choctaws are the superior tribes.

In those days the Indians had their own courts. They had their own legislatures composed of two houses. They had their own governor or chief. They had their own Indian policemen and they themselves enforced the law; a full-blood Indian never did any harm to any man unless he was compelled to do so as a matter of self-defense. You can not have on a jury a better juror than a full-blood Indian if you want the law enforced.

I want to give you one little example. Having had the honor of being on the bench a while, at one time I was hearing a murder case and the clerk drew a full-blood Choctaw Indian as a juror. The prosecuting attorney, knowing the Indian characteristics, did not ask him many questions, because he wanted to keep him on the jury. He was a smart Indian who had never been around the courtroom much and, of course, that was a pretty good sign that he was a good citizen. The attorney for the defendant asked him if he had heard this charge discussed and he said, "Well, I have heard them talk about it a little," and then he asked him, "Have you formed or expressed any opinion as to the guilt or innocence of the defendant?" and the Indian said, "Yes; I think he is guilty." He said to me afterwards, "If he was not guilty, what did they have him up there trying him for?" I told him he was about right in his assumption, but under the law he had to hear the evidence before passing upon his guilt or innocence.

That is the kind of Indians down there that I have known, and as my colleague from Oklahoma [Mr. CARTWRIGHT] has said, I do not believe the Indians down there, as a whole, want this bill.

You gentlemen have been talking about one provision of the bill, which is the first part of it, that seeks to conserve the Indians' money. We are all for that provision.

I have been in a position to protect the Indians and I have never failed to protect them. When their land was allotted in severalty under the laws and treaties of the United States each Indian in the Choctaw and Chickasaw Nations received an allotment of 320 acres of average land, some of them more and some of them less, according to the grade of the land. This land was made nontaxable for a period of 21 years from the date of patent, and only last year or the year before did they commence paying taxes on that land.

Under the original treaties and under the act of 1908, if an Indian was under half blood he could sell his land. If he were half blood, he could sell the surplus, as we call it. If he were a three-quarter or more, he could not sell any of it unless the Department of the Interior removed the restrictions.

Some of the greatest members of our tribe, even after statehood, were restricted Indians. They were among the best-educated men in this country. Some men who have served with distinction in the Congress of the United States from Oklahoma were themselves restricted. What they call an incompetent Indian in law is a restricted Indian, not a man that is incompetent as a matter of fact.

There is a lot of difference in incompetence in law and incompetence in fact. Now, the restrictions go off 21 years after the patent was granted; then Congress enacted another law, approved May 10, 1928, which provided that all Indians of half blood and more would have their land inalienable and nontaxable, to the extent of 160 acres if they had that much left, for another period of 25 years, or until April 26, 1956. This bill goes further than that.

Mr. Chairman, these citizens are my friends and I am theirs.

There are not many full-blood Indians in my part of the country—some members of the Shawnee Tribe, which are not affected by this bill, and some full-blood Choctaws and Chickasaws. They have all the privileges under our laws that any other citizen has. They go to our schools if they want to; they can hold office and vote. Under the present law if an Indian dies his land at once is put on the tax roll, and it can be sold by him as other citizens can sell their land.

If this bill goes into effect, whenever an Indian dies his inherited land is nontaxable again, and it can not be sold before April 26, 1956, unless the Secretary recommends it.

The Indians and our other citizens are sick and tired of this bureaucratic, long-range government, and not only the Indians but the people living side by side with these Indians are all beginning to feel now that land that has been nontaxable for 21 years—and this bill makes it nontaxable for 24 years more—should be put on the tax roll.

I do not believe the bill is fair. If you believe that this bill will conserve the rights of the Indians you are badly mistaken. Therefore I am going to offer an amendment to

strike the nontaxable provision on inherited land from the bill.

You talk about poor, ignorant full bloods. Some of the best-educated and some of the best citizens we have are full bloods, and this bill does not apply only to full bloods but it applies to half bloods as well.

Now, Mr. Chairman, this committee will probably pass the bill, but I am against it and have given some of the reasons why I am against it. Not only the Indians but the white people are against it, and have been fighting this long-range government from Washington for a long time.

When I was a boy no individual Indian owned the land until it was allotted. It was all tribal property. They had no taxes to pay, they did not have any mortgages. There were no laws governing notes and mortgages, and they did not owe anybody anything. Their property was mostly in cattle and horses that ran on the range, and no land was fenced except on the rivers where they raised corn. They put their cattle and horses on the range, and in the spring time they rounded them up and branded them, and that is the way they kept track of their property.

Not many are here now who are familiar with the conditions among the Indians in those days; but anyone who did have the good fortune to live among them at that time, who compared the condition of the Indian then with the condition now, must admit that it is indeed a pitiful comparison. I feel with my colleagues that this bill should be defeated.

Mr. LEAVITT. Mr. Chairman, I yield two minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman, the governor of the Chickasaw Nation and the principal chief of the Choctaw Nation are for this bill. The attorneys representing the Creeks and the Seminoles are for the bill. The Bureau of Indian Affairs is for the bill. My friend McKEOWN goes farther than I do. He agrees that it is unsafe to turn over these large sums of money to these inexperienced full-blood Indians.

Mr. CARTWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS. Yes; and the gentleman [Mr. CARTWRIGHT] himself admitted as much before the committee in answer to my question.

Mr. CARTWRIGHT. The gentleman said that the chief of the Choctaws and the tribal attorneys of the Choctaws are for this?

Mr. HASTINGS. Yes.

Mr. CARTWRIGHT. They told me that they were not concerned about it at all, and they were in my office the other day, and have now gone home.

Mr. HASTINGS. They are for this bill, and every one of the tribal representatives is for this bill. The Bureau of Indian Affairs is for the bill, and the gentleman knows that he said before the Indian Affairs Committee in answer to the question that I put to him that it was unsafe to turn this money over to these inexperienced full-blood Indians.

Mr. STAFFORD. Then who is against the bill?

Mr. HASTINGS. I do not want to enter into any controversy, but I know as much as I know anything, and the gentleman knows and everyone else knows who knows the situation, that with these large estates of these inexperienced Indians it is unsafe to turn over $100,000 or $200,000 to them or to their heirs.

Mr. CARTWRIGHT. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, I do not intend to get into any colloquy between my colleagues from Oklahoma, but I take issue with the gentleman from Wisconsin. The suggestion was made earlier in the debate by him that would lead one to believe that tremendous scandals have emanated from Oklahoma, which is really the best State in the Nation with reference to Indian affairs, and that those terrible scandals related solely to the management and handling by white people of Indian estates. He would have you believe that Utopia is the Department of Indian Affairs. The case that attracted nation-wide interest was one handled entirely by the department, the Jackson Barnett case, and in that case the Department of the Interior permitted $1,000,000 to be taken away from that estate alone, and the Department of Justice had to sue to get the money back. So that the Department of the Interior and the bureaucracy that has grown up about it is not Utopia for the Indians by any manner of means. As the gentleman from Oklahoma [Mr. SWANK] said, the people down there, the white folks, are tired of the department, as tired as they can be, and I think a great many of the Indians are. Without engaging in any colloquy between my colleagues, I am going to vote for the McKeown amendment. It may not be a perfect one, but I think it ought to be incorporated in the bill.

Mr. CARTWRIGHT. Mr. Chairman, before the reading of this bill, I wish to say that our entire delegation, with the exception of our good friend Mr. HASTINGS, is opposed to the bill. Now, Mr. Chairman, we have freed the Philippines, and these Indians are just as capable as the Filipinos. I think we ought to free the Indians.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read, as follows:

Be it enacted, etc., That all funds and other securities now held by or which may hereafter come under the supervision of the Secretary of the Interior, belonging to members of the Five Civilized Tribes of Indians of one-half or more Indian blood, enrolled or unenrolled, are hereby declared to be restricted and shall remain subject to the jurisdiction of said Secretary until April 26, 1956, subject to expenditure in the meantime for the use and benefit of the individual Indians to whom such funds and securities belong, under such rules and regulations as said Secretary may prescribe: *Provided*, That where the entire interest in any tract of restricted and tax-exempt land belonging to members of the Five Civilized Tribes is acquired by inheritance, devise, gift, or purchase, with restricted funds, by or for restricted Indians, such lands shall remain restricted and tax exempt during the life of and as long as held by such restricted Indians, but not longer than April 26, 1956, unless the restrictions are removed in the meantime in the manner provided by law: *Provided further*, That such restricted and tax-exempt land held by anyone, acquired as herein provided, shall not exceed 160 acres: *And provided further*, That all minerals, including oil and gas, produced from said land so acquired shall be subject to all State and Federal taxes as provided in section 3 of the act approved May 10, 1928 (45 Stat. L. 495).

Mr. McKEOWN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Strike out the section and insert in lieu thereof the following:

"*Be it enacted, etc.*, That all funds and other securities now held by the Secretary of the Interior belonging to members of the Five Civilized Tribes of Indians shall remain subject to the jurisdiction of said Secretary: *Provided*, That any trustee of any trust estate created by will and nonrestricted member of the Five Civilized Tribes may apply to any district judge, in whose jurisdiction said applicant has resided for two years last past, for an order of delivery of his funds or securities, and the judge may order the same delivered to the applicant or any trustee for such applicant upon such terms as the judge shall deem for the best interest of the applicant, or may deny the application: *And provided further*, That all funds and other securities which may hereafter come under the supervision of the Secretary of the Interior belonging to members of the Five Civilized Tribes of Indians of one-half or more Indian blood, enrolled or unenrolled, are hereby declared to be restricted and shall remain subject to the jurisdiction of said Secretary until April 26, 1956, subject to expenditure in the meantime for the use and benefits of the individual Indians to whom such funds and securities belong, under such rules and regulations as said Secretary may prescribe: *Provided*, That any such funds and securities held by the Secretary of the Interior for the individual Indians shall be liable for the payment of any final valid judgment in tort against any such individual Indian: *Provided further*, That where the entire interest in any tract of restricted and tax-exempt land belonging to members of the Five Civilized Tribes is acquired by inheritance, devise, gift, or purchase with restricted funds, by or for restricted Indians, such lands shall remain restricted and tax exempt during the life of and as long as held by such restricted Indians, but not longer than April 26, 1956, unless the restrictions are removed in the meantime in the

manner provided by law: *Provided further*, That such restricted and tax-exempt land held by anyone, acquired as herein provided, shall not exceed 160 acres: *And provided further*, That all minerals, including oil and gas, produced from said land so acquired shall be subject to all State and Federal taxes, as provided in section 3 of the act approved May 10, 1928 (45 Stat. L. 495)."

Mr. HASTINGS. Mr. Chairman, I rise in opposition to the amendment.

Section 1 of the committee bill retains this supervision under the Secretary of the Interior. Congress appropriates about $200,000 for the office of the Superintendent for the Five Civilized Tribes in Oklahoma. That office has field clerks; it has attorneys. We appropriate about $40,000 for probate attorneys. They are subordinate officials under the Secretary of the Interior. The Secretary of the Interior, therefore, has all of these assistants who secure information upon which the Secretary may act.

Throughout all the years these Indians have been retained under the supervision of the Secretary of the Interior. The proposed amendment would change that method.

I have critically examined the amendment and am unable to analyze it. It refers to nonrestricted Indians; and I, as one who thinks he knows something about the Indians in Oklahoma, say to you that I can not define what a nonrestricted Indian is as used in the amendment. Of course, a restricted Indian is regarded usually as of half blood or more. But suppose you should have a full-blood unenrolled Indian born since the rolls were closed, is he unrestricted or not?

This amendment enters the realm of doubt and would throw the matter open to the courts. If we adopt this amendment, we are just legislating for lawsuits; we are not making the law clear and certain. The Members of this House ought to have enough intelligence to use language about which there is no doubt; and we ought not to use language that would subject the people in Oklahoma to lawsuits.

This amendment would change the method of supervision that has been in force for years. Section 1 of the committee bill retains the same kind of supervision we have always had under the Secretary of the Interior acting through his subordinate officers. The amendment of my colleague would change that. It changes the phraseology of the committee bill and uses language that I myself am not able to analyze and tell exactly what it means.

Mr. FOSS. Was this amendment drawn by a lawyer?

Mr. HASTINGS. I suppose it was drawn by the gentleman from Oklahoma [Mr. McKEOWN].

Let me say that the language in the bill is satisfactory to the Bureau of Indian Affairs and its attorneys; it is satisfactory to the subcommittee; it is satisfactory to the full committee; it is satisfactory to the representative of the Indians. Let us retain the language as reported in the committee bill and not accept the substitute.

Mr. McKEOWN. How is he any worse off than he was before? If the department does not know what a nonrestricted Indian is, how will this Indian ever get his money out of the department? He never will. All of these agents live over in my colleague's district, but they are working on estates in my district.

Mr. SWANK. Will the gentleman yield?

Mr. HASTINGS. Yes.

Mr. SWANK. If the department does not know whether an Indian is restricted or not, how does the Indian know?

Mr. McKEOWN. That is what I say. Everybody knows what an unrestricted Indian is. If such a doubt arises, of course, the money will stay here in the department.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. McKEOWN].

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 20, noes 23.

Mr. McKEOWN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. SWANK. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SWANK: Page 2, line 2, after the word "prescribed," strike out the words "provided that" and down to and including the words "provided further" in line 11.

Mr. SWANK. Mr. Chairman, this amendment strikes out of the bill that part of it that makes land acquired by inheritance nontaxable until April 26, 1956.

Mr. HASTINGS. Mr. Chairman, I rise in opposition to the amendment.

Under the proviso, if the land is already tax exempt and restricted, and if it is acquired by a restricted Indian, it continues tax exempt and restricted, otherwise not.

It does not increase a single acre of tax-exempt or restricted land in Oklahoma. I am opposed to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. SWANK].

The amendment was rejected.

The Clerk read as follows:

SEC. 2. That it shall be the duty of the attorneys provided for under the act of May 27, 1908 (35 Stat. L. 312), to appear and represent any restricted member of the Five Civilized Tribes before the county courts of any county in the State of Oklahoma, or before any appellate court thereof, in any matter in which said restricted Indians may have an interest, and no conveyance of any interest in land of any full-blood Indian heir shall be valid unless approved in open court after notice in accordance with the rules of procedure in probate matters adopted by the Supreme Court of Oklahoma, and said attorneys shall have the right to appeal from the decision of any county court approving the sale of any interest in land, to the district court of the district to which the county is a part: *Provided*, That hereafter no deed of any full-blood Indian heir or devisee of any deceased Indian of the Five Civilized Tribes shall be approved by any local court prior to a determination of the heirs of such decedent by a court of competent jurisdiction.

With the following committee amendment:

On page 3, line 6, after the word "part," strike out the colon and the remainder of the paragraph.

The committee amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. COOPER of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. McKEOWN) there were—ayes 27, noes 6.

Mr. McKEOWN. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Thursday, April 14, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, April 14, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Continue hearings on bills for cash payment of adjusted-compensation certificates.

IMMIGRATION AND NATURALIZATION

(10 a. m.)

To repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purpose of service and protection on American vessels (H. R. 6710).

MERCHANT MARINE, RADIO, AND FISHERIES

(10 a. m.)

To continue general inquiry into American merchant marine, United States Shipping Board, and Merchant Fleet Corporation affairs.

MILITARY AFFAIRS

(10 a. m.)

House Caucus Room

To continue hearings, to repeal certain and to amend other provisions of the law granting retirement privileges to officers in the Army and Navy, etc. (H. J. Res. 355.)

FLOOD CONTROL

(10.30 a. m.)

Flood-control projects in Florida and California.

COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

Continue silver investigation.

BANKING AND CURRENCY

(10.30 a. m.)

Stabilization bill.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CHAVEZ: Committee on the Public Lands. H. R. 10981. A bill to amend the act approved February 7, 1927, entitled "An act to promote the mining of potash on the public domain"; without amendment (Rept. No. 1048). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on the Public Lands. S. 2428. An act to provide for the confirmation of a selection of certain lands by the State of Arizona for the benefit of the University of Arizona; without amendment (Rept. No. 1049). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOMINICK: Committee on the Judiciary. H. R. 9306. A bill to amend section 99 of the Judicial Code (U. S. C., title 28, sec. 180), as amended; with amendment (Rept. No. 1052). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOMINICK: Committee on the Judiciary. H. R. 4709. A bill providing for the establishment of a term of the District Court of the United States for the Southern District of Florida at Orlando, Fla.; without amendment (Rept. No. 1053). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MARTIN of Oregon: Committee on War Claims. H. R. 5150. A bill for the relief of Annie M. Eopolucci; without amendment (Rept. No. 1050). Referred to the Committee of the Whole House.

Mr. DOMINICK: Committee on the Judiciary. H. R. 6435. A bill authorizing the relief of the McNeill-Allman Construction Co. (Inc.), of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co. (Inc.), and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims; without amendment (Rept. No. 1051). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. MARTIN of Oregon: Committee on War Claims. H. R. 3347. A bill for the relief of Edward Dietrich, a veteran of the World War (Rept. No. 1054). Laid on the table.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. REED of New York (by request): A bill (H. R. 11331) to ratify certain leases with the Seneca Nation of Indians; to the Committee on Indian Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 11332) to abolish the office of Assistant Secretary of the Navy for Aeronautics; to the Committee on Naval Affairs.

Also, a bill (H. R. 11333) to authorize the President to dispense with unnecessary naval shore establishments; to the Committee on Naval Affairs.

Also, a bill (H. R. 11334) to abolish the office of the Assistant Secretary of War for Aeronautics; to the Committee on Military Affairs.

By Mr. SIROVICH: A bill (H. R. 11335) for the safety of lives and the preservation of property at sea; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. BROWNING: A bill (H. R. 11336) providing for an additional justice of the Court of Appeals of the District of Columbia; to the Committee on the Judiciary.

By Mr. LANHAM: A bill (H. R. 11337) authorizing the Secretary of the Treasury to exchange the Federal building site in Dover, N. J., for another site; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 11338) to ratify certain leases with the Seneca Nation of Indians; to the Committee on Indian Affairs.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 11339) authorizing an appropriation to enable the Secretary of Agriculture to establish and maintain an experimental station at the abandoned Red Moon Indian School, in western Oklahoma; to the Committee on Agriculture.

By Mr. STRONG of Kansas: A bill (H. R. 11340) to require national banking associations to furnish bonds to protect depositors against loss of deposits; to the Committee on Banking and Currency.

By Mr. MEAD: Resolution (H. Res. 194) to safeguard rights of air mail pilots to collective representation; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 11341) for the relief of Arthur Francis Cooney; to the Committee on Military Affairs.

By Mr. CARLEY: A bill (H. R. 11342) for the relief of Joseph Gabriel; to the Committee on Military Affairs.

By Mr. COOKE: A bill (H. R. 11343) granting a pension to William Riege; to the Committee on Pensions.

Also, a bill (H. R. 11344) for the relief of William Herod; to the Committee on Claims.

By Mr. DOUTRICH: A bill (H. R. 11345) granting an increase of pension to Sophia Martin; to the Committee on Invalid Pensions.

By Mr. GARRETT: A bill (H. R. 11346) for the relief of Hugh R. Arnold; to the Committee on Military Affairs.

By Mr. GILLEN: A bill (H. R. 11347) granting a pension to William J. Lenges; to the Committee on Pensions.

By Mr. HOLLISTER: A bill (H. R. 11348) granting an increase of pension to Lulu H. Powers; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 11349) granting an increase of pension to Mary E. Reeder; to the Committee on Invalid Pensions.

By Mr. LAMNECK: A bill (H. R. 11350) granting an increase of pension to L. Belle Bailey; to the Committee on Invalid Pensions.

By Mr. McLEOD: A bill (H. R. 11351) for the relief of William H. Shelby; to the Committee on Military Affairs.

By Mr. MURPHY: A bill (H. R. 11352) granting an increase of pension to Sarah B. Bair; to the Committee on Invalid Pensions.

By Mr. PARKER of Georgia: a bill (H. R. 11353) granting a pension to Gordon Morgan; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 11354) granting a pension to Edward Morgan; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 11355) for the relief of Charles LeRoy Pendley, jr.; to the Committee on Naval Affairs.

By Mr. STRONG of Kansas: A bill (H. R. 11356) for the relief of the National Surety Fire Insurance Co.; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 11357) for the relief of Randall Corning Clapp; to the Committee on Naval Affairs.

Also, a bill (H. R. 11358) for the relief of Florence Winifred Shay; to the Committee on Claims.

By Mr. WILSON: A bill (H. R. 11359) granting a pension to Everett Hilliad Harvey; to the Committee on Pensions.

By Mr. WYANT: A bill (H. R. 11360) granting an increase of pension to Christiana Chorpenning; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5925. By Mr. BOHN: Petition of Railroad Employees National Pension Association, Chapter No. 230, Gladstone, Mich., supporting House bill 9891; to the Committee on Interstate and Foreign Commerce.

5926. By Mr. BLOOM: Petition of members of the American Legion and the Veterans of Foreign Wars, urging the passage of legislation providing for the immediate cash payment at full face value of the adjusted-compensation (bonus) certificates created by the World War adjusted compensation act of 1924, with a refund of all interest charges on loans pending against these certificates; to the Committee on Ways and Means.

5927. Also, petition of the officers and members of Branch 36 of the National Association of Letter Carriers, New York Letter Carriers' Association, protesting against the passage of Senate bill 3878 and House bill 9644, or any other measure which proposes to include special-delivery messengers employed in the United States Postal Service in the classified civil service of the United States; to the Committee on the Post Office and Post Roads.

5928. By Mr. BOYLAN: Resolution adopted at a regular meeting of the New York State League of Savings and Loan Associations, Albany, N. Y., approving Senate bill 2959 and House bill 7620, to create Federal home loan banks, etc.; to the Committee on Banking and Currency.

5929. By Mr. CULKIN: Resolution of Lebanon Home Bureau, Lebanon, N. Y., opposing the resubmission of the eighteenth amendment to the various States, and urging adequate appropriations for law enforcement and education; to the Committee on the Judiciary.

5930. Also, resolution of Lebanon Sunday school, Lebanon, Madison County, N. Y., opposing the resubmission of the eighteenth amendment to the various States, and urging adequate appropriations for law enforcement and education; to the Committee on the Judiciary.

5931. Also, resolution of Phil-Doers Class, of Lebanon, N. Y., comprising 30 people, opposing the resubmission of the eighteenth amendment to the various States, and urging adequate appropriations for law enforcement and education; to the Committee on the Judiciary.

5932. Also, petition of Neil A. Dolan and sundry other ex-service men and citizens of the town of High Market, Lewis County, N. Y., urging legislation providing for the immediate payment of the balance of adjusted-service certificates; to the Committee on Ways and Means.

5933. By Mr. DICKINSON: Petition of 41 citizens of Missouri, protesting against compulsory Sunday observance laws; to the Committee on the District of Columbia.

5934. By Mr. EVANS of Montana: Petition of T. W. Heyer and other residents of Missoula, Mont., favoring the immediate cash payment of adjusted compensation; to the Committee on Ways and Means.

5935. By Mr. GARBER: Petition of American Legion posts of the eighth congressional district of Oklahoma, urging passage of bill providing for full payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5936. Also, petition of citizens of the eighth congressional district of Oklahoma, urging passage of bill providing for full payment of adjusted-compensation certificates; to the Committee on Ways and Means.

5937. By Mr. GILLEN: Petition of Mrs. R. E. Hawley and others, relating to control of reindeer herds in Alaska; to the Committee on Agriculture.

5938. By Mr. GRIFFIN: Petition of sundry citizens of New York City, urging the passage of House bill 8230, naval construction bill, and House bill 8678, to amend the naval reserve act of 1925; to the Committee on Naval Affairs.

5939. By Mr. HADLEY: Petition of a number of residents of Bellingham, Wash., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

5940. By Mr. HANCOCK of New York: Petition of Group No. 876 of the Polish National Alliance of the United States, favoring the enactment of House Joint Resolution 144, directing the President to proclaim October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

5941. By Mr. HARLAN: Petition of Daniel H. Kreitzer, 815 Frederick Avenue, Dayton, Ohio, and 37 other citizens, protesting against the cent-a-shell tax on shotgun shells as proposed in House bill 10604; to the Committee on Ways and Means.

5942. By Mr. JOHNSON of Texas: Petition of H. T. Schovajsa, commander Earl Graham Post, American Legion, Bryan, Tex., advising that their post had unanimously adopted a resolution indorsing the widows and orphans bill and the cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

5943. Also, telegram from Carl B. Heather, Ben Easterling, Gilbert H. Wear, John D. Spencer, Jesse G. Dyer, Ira Caldwell, and John Sloan, World War veterans of Rice, Tex., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

5944. Also, resolution of Allen-Hoffman Post, American Legion, Bremond, Tex., unanimously favoring payment of adjusted-service certificates; to the Committee on Ways and Means.

5945. Also, telegram of entire post membership of American Legion Post, Hearne, Tex., favoring immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

5946. Also, petition of F. B. Jennings, of Kerens, Tex., opposing payment of the adjusted-service certificates; to the Committee on Ways and Means.

5947. Also, petition of Harry T. Gorman, Fairfield, Tex., favoring immediate payment of adjusted-service certificates; to the Committee on Ways and Means.

5948. By Mr. KELLER: Petition of the citizens of Cobden, Union County, Ill., favoring the immediate payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

5949. Also, petition of the Kiwanis Club of Cairo, Ill., asking that a Government hospital be located at Cairo, Ill.; to the Committee on World War Veterans' Legislation.

5950. Also, petition of the Rotary Club of Cairo, Ill., asking that a Government hospital be located at Cairo; to the Committee on World War Veterans' Legislation.

5951. Also, petition of Local No. 217, Barbers' Union, Carbondale, Ill., opposing reduction in salaries of any kind; to the Committee on Ways and Means.

5952. Also, petition of the citizens of Greensboro, N. C., urging the passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5953. Also, petition of the members of Williamson Post, No. 147, American Legion, Marion, Ill., urging the passage of Senate bill 2793; to the Committee on Interstate and Foreign Commerce.

5954. By Mr. LAMNECK: Petition of S. J. Berridge, of Columbus, Ohio, petitioning Congress to enact such legislation as is necessary at this time to curb the activities of the organizations commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

5955. Also, petition of M. H. Gertner, Max Cohen, T. P. Durkin, Leon E. Cohen, and other citizens of the city of Columbus, Ohio, petitioning Congress to enact such legislation as is necessary at this time to curb the activities of the organizations commonly known as the chain-store system; to the Committee on Interstate and Foreign Commerce.

5956. By Mr. LANKFORD of Georgia: Petition of veterans and citizens of Brooks County, Ga., favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5957. By Mr. McMILLAN: Petition of veterans and citizens of Ruffin, S. C., favoring the immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

5958. By Mr. MANLOVE: Petition signed by B. L. Lewis, Fred Carmody, E. M. Fleischaker, Mrs. Roy Wood, Nettie Martin, E. McEldowney, C. R. Turnidge, Mrs. M. J. Davenport, William Fleischaker, and 33 others, protesting against House bill 8092, or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

5959. By Mr. MILLARD: Petition of citizens of Westchester County, opposing Philippine independence; to the Committee on the Territories.

5960. By Mr. MURPHY: Petition of Robert W. Kirkland, Bergholz, Ohio, and 25 other business men of that village, asking for the passage of the Davis-Kelly bill in the interest of the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5961. Also, petition of Robert W. Kirkland, of Amsterdam, Ohio, and 350 miners of Amsterdam, Bergholz, and Wolf Run, Ohio, asking for the passage of the Davis-Kelly bill in the interest of the bituminous-coal industry, especially as it affects the miners and their dependents; to the Committee on Interstate and Foreign Commerce.

5962. Also, petition of M. W. Hickson, of Amsterdam, Ohio, and 53 other business men of that village, asking for the passage of the Davis-Kelly bill in the interest of the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5963. By Mr. NIEDRINGHAUS: Petition of 30 voters and residents of St. Louis, Mo., asking that the tax on security transfers be removed, that no further soldiers' bonus be paid at this time, and that positive steps be made to reduce the high cost of government; to the Committee on Ways and Means.

5964. By Mr. NOLAN: Telegram from ex-service men and citizens of the city of Minneapolis, asking for payment of the adjusted-service certificates at this time; to the Committee on Ways and Means.

5965. By Mr. PARKER of Georgia: Petition of S. V. Eady and 11 other citizens of Savannah, Ga., urging the passage of the railroad pension bill, H. R. 9891, and voicing opposition to House bill 10023 and Senate bill 3892; to the Committee on Interstate and Foreign Commerce.

5966. By Mr. PARKS: Petition of citizens, urging defeat of the King bill; to the Committee on Military Affairs.

5967. By Mr. ROBINSON: Petition signed by K. R. Stevenson, of Bristow, Iowa, and 34 other citizens of Bristow, Iowa, opposing the proposed tax on shells; to the Committee on Ways and Means.

5968. Also, petition signed by William L. Henz and 40 other railway employees of Webster City and Fort Dodge, Iowa, urging the passage of House bill 9891; to the Committee on Interstate and Foreign Commerce.

5969. By Mr. RUDD: Petition of Women's International League, favoring the elimination of summer military camps and school drilling; to the Committee on Appropriations.

5970. Also, petition of T. F. Fogarty, 135 East Forty-second Street, New York City, opposing any additional tax on domestic gasoline and lubricating oils; to the Committee on Ways and Means.

5971. Also, petition of Scott Pump Co., Rochester, N. Y., favoring five workdays of 7 hours a day and making Saturday a national holiday; to the Committee on Labor.

5972. By Mr. SELVIG: Petition of Legion Post, No. 157, East Grand Forks, Minn., favoring enactment of railroad employees pension bill, H. R. 9891; to the Committee on Interstate and Foreign Commerce.

5973. Also, petition of O. E. Sovde, of Holt, Minn., an ex-service man, favoring payment of bonus in cash; to the Committee on Ways and Means.

5974. Also, petition of Ralph Gjovik, of Strathcona, Minn., urging enactment of Goldsborough bill, H. R. 10517, and the Frazier bill, S. 1197; to the Committee on Agriculture.

5975. By Mr. SHOTT: Resolution adopted by the Raleigh Mining Institute, of Raleigh County, W. Va., signed by J. P. White, president, and J. C. White, secretary, requesting Members of Congress to prevent the passage of the Davis-Kelly coal control bill, since this legislation, if enacted, would devastate the mining industry in the bituminous fields; to the Committee on Interstate and Foreign Commerce.

5976. Also, resolution of the Kiwanis Club of Williamson, W. Va., requesting Members of Congress to prevent passage of the legislation known as the Davis-Kelly coal bill, which is designed to control the bituminous-coal industry; to the Committee on Interstate and Foreign Commerce.

5977. Also, petition signed by the employees of the Monitor Coal & Coke Co. of Wilkinson, Logan County, W. Va., opposing the passage of the Davis-Kelly coal control bill, believing that it would be of almost irreparable harm to the coal industry in the bituminous fields; to the Committee on Interstate and Foreign Commerce.

5978. Also, petition of Huntington Central Labor Union of Huntington, W. Va., favoring the enactment of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5979. Also, petition of the Smokeless Coal Operators' Association of West Virginia, opposing passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5980. Also, resolution of the Brotherhood of Locomotive Engineers, Division No. 190, Huntington, W. Va., opposing as detrimental to employees of coal-carrying railroads the passage of the Davis-Kelly bill, which is designed to control the bituminous coal industry; to the Committee on Interstate and Foreign Commerce.

5981. Also, resolution adopted by the Beckley Chamber of Commerce, opposing the passage of the Davis-Kelly coal control bill; to the Committee on Interstate and Foreign Commerce.

5982. By Mr. SINCLAIR: Petition of Carl J. Hanchett and 85 others, of Ryder, favoring the payment of the soldiers' bonus, and petition of George C. Lofgren and 52 additional members of William Perry Makee Post, No. 75, American

Legion, Crosby, all of the State of North Dakota, requesting the immediate cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

5983. By Mr. SMITH of West Virginia: Resolution of the Kiwanis Club of Bluefield, W. Va., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5984. Also, resolution of the Smokeless Coal Operators' Association of West Virginia, protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5985. Also, petition of employees of the Monitor and Yuma Coal Cos., of Wilkinson, W. Va., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5986. Also, resolution of the Raleigh Mining Institute, of Raleigh, W. Va., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5987. Also, memorial of the R. M. Lambie Coal Mining Institute, of Mullens, W. Va., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5988. By Mr. TURPIN: Petition of citizens of Plymouth, Pa., favoring the cash payment of the soldiers' bonus bill; to the Committee on Ways and Means.

5989. Also, petition of members of Women's Auxiliary Chapter, No. 9, Disabled American Veterans of the World War, of Wilkes-Barre, Pa., favoring the passage of House bill 1 and certain other legislation for veterans and their widows and dependents; to the Committee on Ways and Means.

5990. Also, petition of Hazleton Post, No. 76, American Legion, Hazleton, Pa., favoring immediate cash payment of the soldiers' bonus; to the Committee on Ways and Means.